



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

April 14, 2022

Holly M. Johnson, Secretary
Finance and Administration Cabinet
200 Mero Street, 5th Floor
Frankfort, KY 40622

RE: Economic Development Fund Grant - \$212,500 to Rowan County Fiscal Court on behalf of the MMRC Regional Industrial Development Authority, Inc.

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$212,500 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Rowan County Fiscal Court on behalf of MMRC Regional Industrial Development Authority, Inc.

The Rowan County Fiscal Court in partnership with MMRC Regional Industrial Development Authority, Inc. is seeking the construction of a 150,000 square foot pad ready site on 22.4 acres located on Lot 10 of the MMRC Park. This project is a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,


Larry Hayes
Interim Secretary

AGREED TO AND APPROVED BY:

DocuSigned by:

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Secretary, Finance and Administration Cabinet Date 4/20/2022

cc: Jeff Taylor
Kristina Slattery
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT**

Date: April 28, 2022
Grantee: Rowan County Fiscal Court
Beneficiary: MMRC Regional Industrial Development Authority, Inc.
City: Morehead **County:** Rowan
Activity: Manufacturing
Bus. Dev. Contact: F. Shrout **OFS Staff:** D. Phillips

Project Description: The MMRC Regional Industrial Development Authority, Inc. (MMRC) owns and operates the MMRC Regional Industrial Park consisting of 500 acres of property within Menefee, Morgan and Rowan Counties. The project will include a pad ready site measuring at 150,000 sf on 22.4 acres located on Lot 10 of the MMRC Park.

This is a Product Development Initiative project recommended for approval under the EDF program. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

	Total Investment
Land	\$0
Building/Improvements	\$425,000
Equipment	\$0
Other Start-up Costs	\$0
TOTAL	\$425,000

Anticipated Project Funding

	Amount	% of Total
Economic Development Fund Grant (State)	\$212,500	50.0%
Bank Loan		0.0%
Local Grant		0.0%
Other - MMRC Equity	\$212,500	50.0%
Other		0.0%
TOTAL	\$425,000	100.0%

Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$212,500

Recommendation:

Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.



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Larry Hayes
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April 14, 2022

Holly M. Johnson, Secretary
Finance and Administration Cabinet
200 Mero Street, 5th Floor
Frankfort, KY 40622

RE: Economic Development Fund Grant - \$300,000 to Mason County Fiscal Court on behalf of the Maysville-Mason County Industrial Development Authority, Inc.

Dear Secretary Johnson:

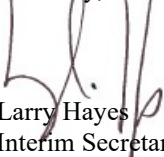
In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$300,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Mason County Fiscal Court on behalf of **Maysville-Mason County Industrial Development Authority, Inc.**

The Mason County Fiscal Court in partnership with Maysville-Mason County Industrial Development Authority, Inc. is considering building upgrades and renovations at 1151 Morton Lane in Maysville, Kentucky. Maysville-Mason County Industrial Development Authority, Inc. has committed general funds to match the EDF grant. This project is a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

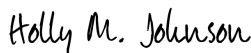
I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,


Larry Hayes
Interim Secretary

AGREED TO AND APPROVED BY:

DocuSigned by:


Holly M. Johnson

4/20/2022

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Secretary, Finance and Administration Cabinet

Date

cc: Jeff Taylor
Kristina Slattery
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT**

Date: April 28, 2022
Grantee: Mason County Fiscal Court
Beneficiary: Maysville-Mason County Industrial Development Authority, Inc.
City: Maysville **County:** Mason
Activity: Manufacturing
Bus. Dev. Contact: A. Luttner **OFS Staff:** M. Elder

Project Description:

The Mason County Fiscal Court in Partnership with the Maysville-Mason County Industrial Development Authority, Inc.(MMCIDA) is considering building upgrades and renovations at 1151 Morton Lane in Maysville, Kentucky. MMCIDA has committed funds to match the Economic Development Fund.

This is a Product Development Initiative project recommended for approval under the EDF program. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Total Investment
\$0
\$600,000
\$0
\$0
\$600,000

Anticipated Project Funding

Economic Development Fund Grant (State)
Other
TOTAL

Amount	% of Total
\$300,000	50.0%
\$300,000	50.0%
\$600,000	100.0%

Other Terms:

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$300,000

Recommendation:

Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

January 14, 2022

Holly M. Johnson, Secretary
Finance and Administration Cabinet
Room 383, Capitol Annex
Frankfort, KY 40601

RE: Economic Development Fund Grant - \$150,000 to the City of Williamsburg on behalf of Firestone Industrial Products Company, LLC

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$150,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Williamsburg on behalf of Firestone Industrial Products Company, LLC.

Firestone Industrial Products Company, LLC and its affiliates are manufacturers of air spring and related products for commercial trucks and trailers, cars, sport utility vehicles, light trucks, mini vans, motor homes, buses, agricultural equipment, rail and industrial applications. The company is considering expanding in the automotive vehicle market to help meet customer demand.

In consideration of this EDF grant, Firestone Industrial Products Company, LLC will be required to make investment and create new, full-time jobs for employees subject to Kentucky individual income taxes (excluding contract or temporary employees) paying the following wages in Williamsburg in accordance with the following schedule:

Compliance Date	Full-time Jobs Required	Job Type	Average Wage Required	Average Wage Type
December 31, 2025	250	Create	\$29.00	Total Hourly Compensation (includes benefits)
December 31, 2026	250	Create	\$29.00	Total Hourly Compensation (includes benefits)
December 31, 2027	250	Create	\$29.00	Total Hourly Compensation (includes benefits)
December 31, 2028	250	Create	\$29.00	Total Hourly Compensation (includes benefits)

* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

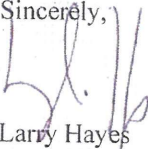
Secretary Holly M. Johnson
January 14, 2022
Page Two

Under the terms of the EDF grant agreement, disbursement of grant funds will occur after the annual compliance reporting has occurred. The amount of the disbursements will be based on the performance requirements achieved. If Firestone Industrial Products Company, LLC fails to create or maintain the job target as of each compliance date, then the amount of the grant payable after each compliance measurement date will be reduced by the sum of \$150 for each new, full-time job not created or maintained by the company at each of the five annual measurement dates. Furthermore, if Firestone Industrial Products Company, LLC fails to pay these new jobs the average hourly wage of \$29.00, including benefits, the amount of the grant payable after each compliance measurement date will be reduced by a pro rata portion of the EDF grant based on a formula to be outlined in the EDF grant agreement.

Any funds repaid to the City of Williamsburg by Firestone Industrial Products Company, LLC must be used for economic development purposes as approved by the Cabinet for Economic Development. In no event will the repayment of EDF grant proceeds exceed the EDF grant amount of \$150,000.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,


Larry Hayes
Interim Secretary

AGREED TO AND APPROVED BY:


Secretary, Finance and Administration Cabinet Date _____

cc: Jeff Taylor
 Kristina Slattery
 Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT**

Date: April 28, 2022
Grantee: City of Williamsburg
Beneficiary: Firestone Industrial Products Company, LLC
Approved Affiliate(s): Nesco Service Company
City: Williamsburg **County:** Whitley
Activity: Manufacturing
Bus. Dev. Contact: A. Franklin **OFS Staff:** M. Elder

Project Description: Firestone Industrial Products Company, LLC (FSIP) specializes in air spring manufacturing and technology. FSIP manufactures air spring and related products for commercial trucks and trailers, cars, sport utility vehicles, light trucks, mini vans, motor homes, buses, agricultural equipment, rail and industrial applications. The company is considering expanding in the automotive vehicle market to help meet customer demand.

Anticipated Project Investment - Owned

	Total Investment
Land	\$10,000
Building/Improvements	\$14,000,000
Equipment	\$36,879,000
Other Start-up Costs	\$0
TOTAL	\$50,889,000

Anticipated Project Funding

	Amount	% of Total
Economic Development Fund Grant (State)	\$150,000	0.3%
Company Equity	\$50,739,000	99.7%
TOTAL	\$50,889,000	100.0%

Job and Wage Requirement Table

Compliance Date	Full-time Jobs Required	Job Type	Average Wage Required	Average Wage Type
12/31/2025	250	Create	\$29.00	Total Hourly Compensation (includes benefits)
12/31/2026	250	Create	\$29.00	Total Hourly Compensation (includes benefits)
12/31/2027	250	Create	\$29.00	Total Hourly Compensation (includes benefits)
12/31/2028	250	Create	\$29.00	Total Hourly Compensation (includes benefits)

* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

Collateral Required: Not applicable - Grant is performance-based and disbursement will not occur until after annual compliance is confirmed.

Job Penalty Provision: \$150 per job not created or maintained

Wage Penalty Provision: pro rata portion of EDF grant based on a formula outlined in the EDF grant agreement

Disbursement: Disbursement of grant funds may occur after each annual compliance period when requirements have been reviewed by the Cabinet. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

12/31/2025	\$37,500
12/31/2026	\$37,500
12/31/2027	\$37,500
12/31/2028	\$37,500

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT: **\$150,000**

Ownership (20% or more):

Publicly Traded

Active State Participation at the Project Site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
May 27, 2021	KBI	Approve-Prelim	\$6,500,000
May 27, 2021	KEIA	Approve- Final	\$350,000

Unemployment Rate:

County: 4.1%

Kentucky: 4.0%

Recommendation:

Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.

Only investment costs incurred by the approved company will be considered eligible for reimbursement. The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate recognized above.