



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Jeff Noel
Secretary

January 23, 2023

Holly M. Johnson, Secretary
Finance and Administration Cabinet
200 Mero Street, 5th Floor
Frankfort, KY 40601

RE: Economic Development Fund Grant - \$7,000,000 to City of Hopkinsville on behalf of the Christian County Fiscal Court

Dear Secretary Johnson:

House Bill 1 of the 2022 Regular Session of the General Assembly appropriated to the Cabinet for Economic Development General Fund moneys for funding mega-development projects of at least \$10,000,000. The City of Hopkinsville, in partnership with Christian County Fiscal Court, is considering funding infrastructure improvements necessary for the location of Ascend Elements, Inc.'s EV recycling project into Commerce Park II. Infrastructure improvements required for the project total approximately \$11,000,000 and include grading of the site and construction of an industrial access road. The funds from this project are critical to provide access for this economic development project as well as to provide more competitive sites and to improve economic growth.

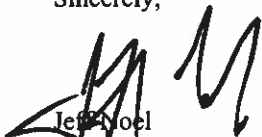
In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$7,000,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Hopkinsville, on behalf of Christian County Fiscal Court, to assist with the industrial access road portion of the infrastructure improvements.

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, 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 which entity will in turn 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,

AGREED TO AND APPROVED BY:


Jeff Noel
Secretary

DocuSigned by:

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Secretary, Finance and Administration Cabinet 1/23/2023
Date

cc: Kristina Slattery
Katie Smith



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

Date: January 26, 2023
Grantee: City of Hopkinsville
Beneficiary: Christian County Fiscal Court
City: Hopkinsville **County:** Christian
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: The Christian County Fiscal Court in partnership with the City of Hopkinsville is considering funding infrastructure improvements necessary for the location of Ascend Elements, Inc.'s EV recycling project into Commerce Park II. Infrastructure improvements required for the project include grading of the site and construction of an industrial access road. The funds from this project are critical to provide access for this economic development project as well as to provide more competitive sites and to improve economic growth.

Anticipated Project Investment - Owned

Grading Infrastructure Costs

Road Infrastructure Costs

Other Infrastructure Costs

TOTAL

Total Investment
\$4,000,000
\$7,000,000
\$0
\$11,000,000

Anticipated Project Funding

City of Hopkinsville

Ascend Elements

Economic Development Fund Grant (State) - HB 1

TOTAL

Amount	% of Total
\$1,000,000	9.1%
\$3,000,000	27.3%
\$7,000,000	63.6%
\$11,000,000	100.0%

CED funds will be used to cover the construction costs required for the road project.

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:

\$7,000,000

House Bill 1 of the 2022 Regular Session of the General Assembly authorized a total of \$100,000,000 to support approved mega-development projects. Mega economic development projects are ones that are already of interest to a company seeking to locate or expand in Kentucky and that have infrastructure costs exceeding \$10,000,000 at the potential location. This project will be funded from this source of funds through the EDF program.

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

Jeff Noel
Secretary

January 17, 2023

Holly M. Johnson, Secretary
Finance and Administration Cabinet
200 Mero Street, 5th Floor
Frankfort, KY 40601

RE: Economic Development Fund Grant - \$2,400,000 to Simpson County Fiscal Court on behalf of the Franklin Simpson County Industrial Authority

Dear Secretary Johnson:

KRS 45.247 previously permitted the use of the Kentucky Transportation Cabinet's Highway Construction Contingency Account (the "Construction Contingency Account") to fund highway construction projects for the promotion of economic or industrial development. During the 2022 Regular Session, the General Assembly modified the authority of the Secretary of the Kentucky Transportation Cabinet to utilize the Construction Contingency Account in accordance with KRS 45.247 and removed the Secretary's authority to utilize the funds for highway construction projects for the promotion of economic or industrial development.

Because industrial access road funds are important to the success of economic development projects, the Secretaries of the Cabinet for Economic Development and the Transportation Cabinet are utilizing the Economic Development Fund program to recommend funding and support for such industrial access road projects. In accordance with KRS 154.12-100, this letter shall serve as notice of our joint recommendation for the use of \$2,400,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the Simpson County Fiscal Court on behalf of Franklin Simpson County Industrial Authority.

The Simpson County Fiscal Court, in partnership with Franklin Simpson County Industrial Authority, is seeking to construct an industrial access road as well as improvements in the Stone-Givens Industrial Park. The project will assist Simpson County to attract economic development projects to the park. Furthermore, funds for this project are critical to provide access to more competitive sites and to improve economic growth. Additionally, an economic development project has been identified to locate in the industrial park and will not be able to proceed without the access road.

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, funds from other sources, etc. and a progress report will be required to be submitted with each request.

TEAM
KENTUCKY

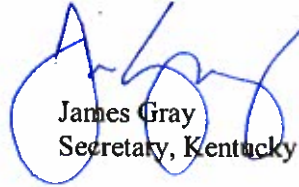
Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity which entity will in turn provide said funds to the project applicant.

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

Sincerely,



Jeff Noel
Secretary, Cabinet for Economic Development



James Gray
Secretary, Kentucky Transportation Cabinet

cc: Kristina Slattery
Katie Smith

AGREED TO AND APPROVED BY:

DocuSigned by:

Holly M. Johnson

1/20/2023

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Secretary, Finance and Administration Cabinet

Date

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

Date: December 8, 2022
Grantee: Simpson County Fiscal Court
Beneficiary: Franklin Simpson County Industrial Authority
City: Franklin **County:** Simpson
Bus. Dev. Contact: A. Chilton **OFS Staff:** M. Elder

Project Description: The Simpson County Fiscal Court in partnership with the Franklin Simpson County Industrial Authority is considering the construction of an industrial access road and improvements in the Stone-Givens industrial park. The project will assist Simpson County in attraction of economic development projects to the park. The funds from this project are critical to provide access to more competitive sites and to improve economic growth. Additionally, an economic development project has been identified to locate in the industrial park and will not be able to proceed without the access road.

Anticipated Project Investment - Owned

	Total Investment
Land	\$0
Building/Improvements	\$2,700,000
Equipment	\$0
Other Start-up Costs	\$0
TOTAL	\$2,700,000

Anticipated Project Funding

	Amount	% of Total
Department of Highways Grant	\$300,000	12.5%
Economic Development Fund Grant (State)	\$2,400,000	88.9%
TOTAL	\$2,700,000	100.0%

CED funds will be used to cover the construction costs required for the road project.

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:

\$2,400,000

Please note KRS 45.247 previously permitted the Kentucky Transportation Cabinet's Highway Construction Contingency Account to be used to cover industrial access. CED and KYTC agreed funds used from this account must be tied to an economic development project that will create net new jobs and new investment in the Commonwealth. During the 2022 Regular Session of the General Assembly, KRS 45.247 was modified and removed the permission to utilize the account for industrial access roads. Thus, the EDF program is now being requested to fund industrial access road projects.

Recommendation:

Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter jointly from the Secretary of the Cabinet for Economic Development (CED) and the Secretary of the Kentucky Transportation Cabinet. 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.