

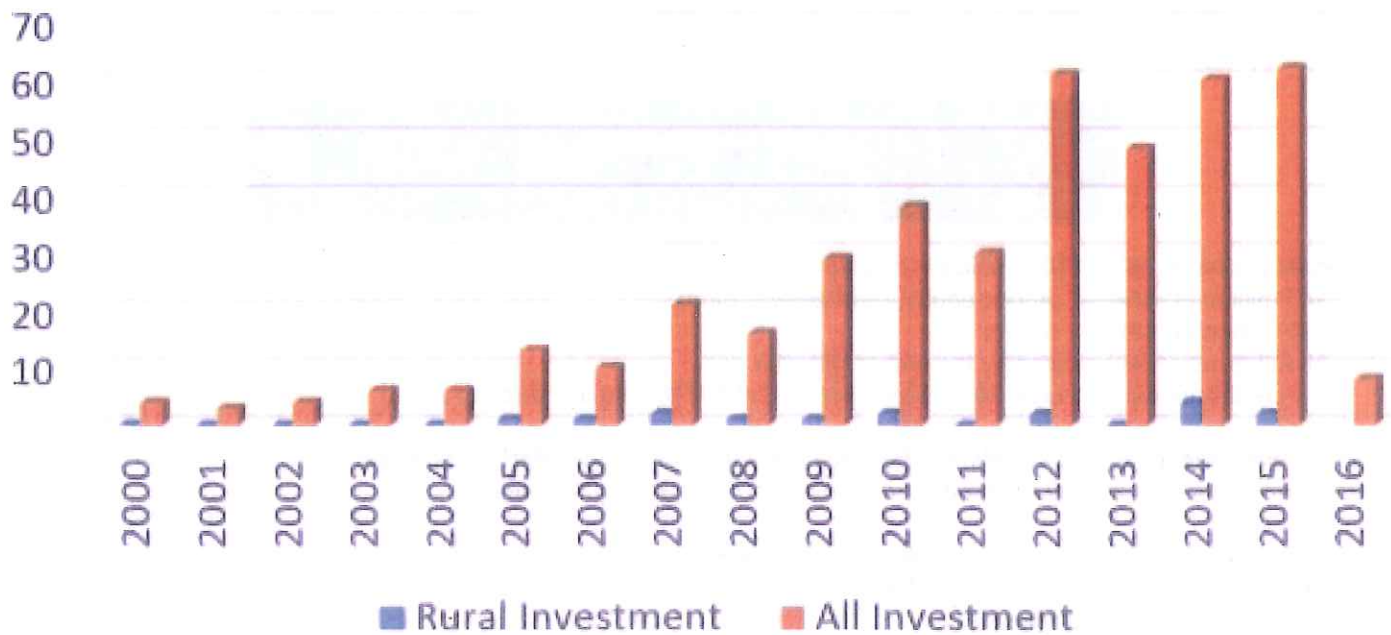


# KENTUCKY RURAL JOBS ACT

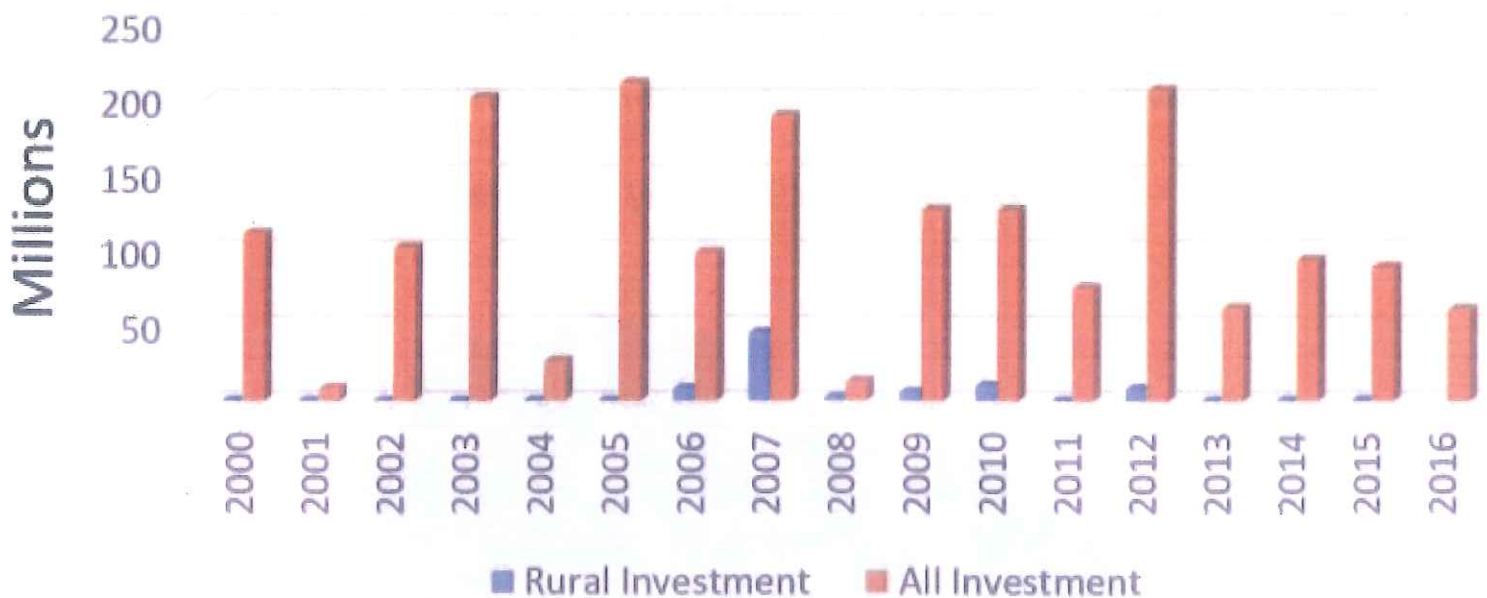
## INVESTING IN RURAL KENTUCKY

VOTE YES FOR HB6 AND BRING GOOD JOBS TO RURAL KENTUCKY

### All Private Equity/Venture Capital Investments in Kentucky (# of Deals)<sup>1</sup>



### All Private Equity/Venture Capital Investments in Kentucky (Capital Invested Sum)<sup>1</sup>





## EZ Pack adding 100 new jobs

### Three 50-year employees honored

Thursday, September 6, 2018 at 10:22 am (Updated: September 6, 10:24 am)

Lee Kendall,  
News Writer  
[lkendall@cynthianademocrat.com](mailto:lkendall@cynthianademocrat.com)



Lee Kendall

Frank Busicchia made a special presentation to three long-time employees at the business' current location on Ladish Road. Kay Graves, Larry Snapp and Billy Fooks each have 50 years or more of service at the current location.

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E-Z Pack Refuse Hauling Solutions & Continental Mixers hosted a celebration on Thursday, Aug. 30, to commemorate four years of growth and to announce another 100 jobs that will be created at its Cynthiana operation.

The Cynthiana site just completed a \$500,000 upgrade to its parking lot and office areas.

"We are now the second largest employer in the county and have doubled our revenue in the four years we have been in business in Cynthiana," said company President Frank Busicchia, whose current workforce will soon grow from the existing 250 employees to 350.

Bussichia gave the credit for the company's growth to the current workforce.

"It is a tribute to the employees we have that we have been able to grow and prosper," he said.

"We have a very talented and professional group that works here. For the first year or so that we were in business here, we didn't know if we were going to be able to make it, but our employees made it work."

Bussichia singled out three employees who have each been at the current location for over 50 years.

"Kay Graves, Larry Snapp and Billy Fooks started working here when Ladish was in existence and have continued to work here, for the last four years for EZ Pack," he said. "You just don't see that kind of dedication every day."

Bussichia surprised the three by announcing that a four-day, three-night vacation, anywhere in the United States, would be provided for each of them, for their years of service.

Also on hand were several local and state dignitaries, along with a member of the US House of Representatives.

State Representative Mark Hart, Cynthiana Mayor James Smith and County Judge-Executive Alex Barnett gave brief comments lauding the growth and importance of EZ Pack to the community.

U.S. Representative Andy Barr and Kentucky's Secretary of the Cabinet for Economic Development, Terry Gill, also spoke.

# E-Z Pack plans expansion in Cynthiana

Refuse truck and mixer body manufacturer will invest \$6.85 million, create 100 jobs

🕒 April 26, 2018 👁 320 Views

FRANKFORT, Ky. (April 26, 2018) – E-Z Pack Refuse Hauling Solutions LLC, a manufacturer of commercial truck bodies, will invest more than \$6.85 million and create 100 jobs with an expansion at its Harrison County facility, Gov. Matt Bevin announced today.



“Kentucky is the perfect place for companies to grow their business, and E-Z Pack is the latest example highlighting that potential,” Gov. Bevin said. “It is great news that the company is expanding its presence in the marketplace, and we are here to offer any assistance we can to ensure this job growth continues well into the future. Congratulations to the people of Cynthiana and surrounding communities, and thank you to E-Z Pack for its continued commitment to our state.”

E-Z Pack’s parent company, Commercial Specialty Truck Holdings LLC (CSTH), is negotiating to purchase the 350,000-s.f. facility where it has operated the past dozen years, as the company currently leases the property. E-Z Pack, with its sister company One Source Parts, is launching a new product line and will manufacture and sell front-discharge drums and service parts for the ready mix industry, which will contribute to the creation of 100 salaried and hourly jobs. Company leaders expect work on the project to start in mid-2018 and finish by the end of 2020.

“Work with the Kentucky Cabinet for Economic Development and the Governor’s office has been a very rewarding experience,” said Frank Busicchia, president of CSTH. “We are proud to add additional manufacturing jobs in the state of Kentucky and appreciate the support as we continue to grow the business.”



E-Z Pack, purchased by CSTH in 2014, has been located in Cynthiana since 2006, where it currently employs 240 people. E-Z Pack manufactures refuse bodies and sells to a wide array of customers, including dealers, municipalities and private haulers.

E-Z Pack shares its Cynthiana facility with sister company Continental Mixers, which CSTH also purchased in 2014 and announced Continental's relocation from Texas in summer 2015. The company holds a large presence in the rear-discharge mixer market, supplying ready mix bodies to customers. It aims to attain the same level of success with its front-discharge units.

Sen. Stephen West, of Paris, said the news illustrated the areas importance in driving the state's economy.

"This announcement is great news for Cynthiana and Harrison County," Sen. West said. "Our region continues to show its development as a leader in Kentucky economic growth and workforce development. I congratulate E-Z Pack on its continued growth in our community."

Rep. Mark Hart, of Falmouth, expressed gratitude for the company's commitment to the community.

"Cynthiana is a great town with great people," Rep. Hart said. "I'm so grateful that E-Z Pack has decided to invest more into the community and will continue to provide jobs for Harrison, Pendleton and Scott counties."

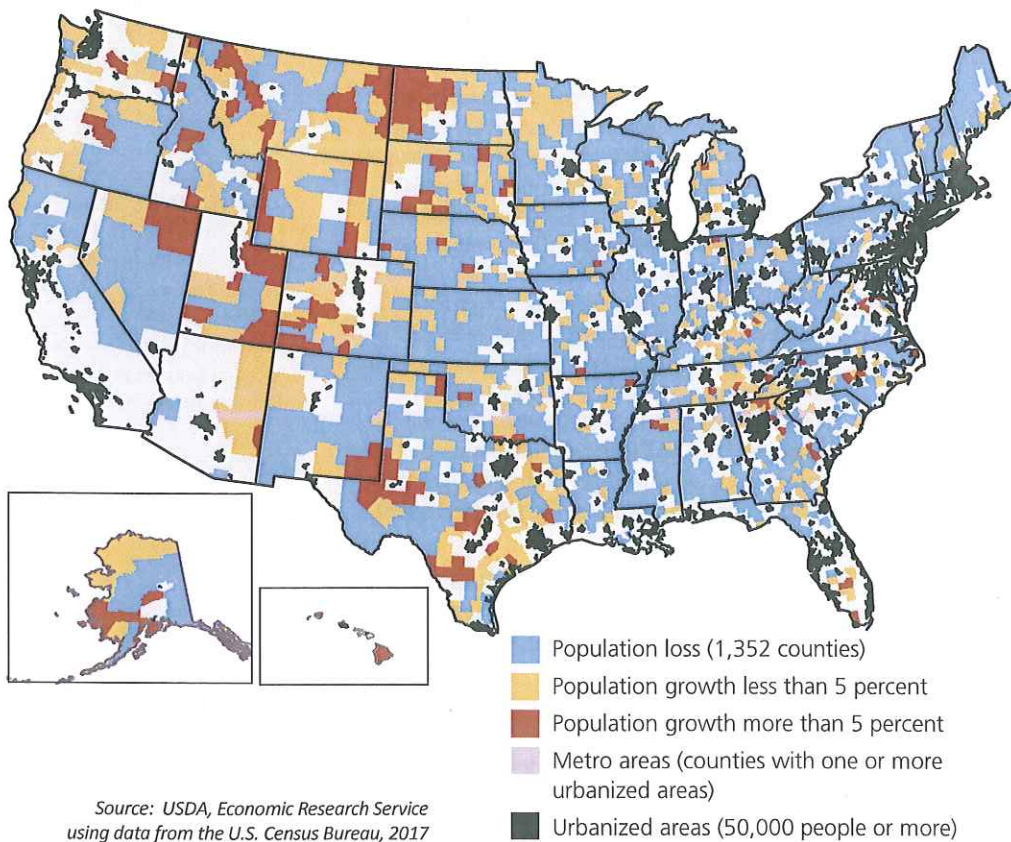
To encourage the investment and job growth in the community, the Kentucky Economic Development Finance Authority (KEDFA) in April preliminarily approved the company for tax incentives up to \$2.4 million through the Kentucky Business Investment program. The performance-based incentive allows a company to keep a portion of its investment over the agreement term through corporate income tax credits and wage assessments by meeting job and investment targets.

In addition, E-Z Pack can receive resources from the Kentucky Skills Network. Through the Kentucky Skills Network, companies can receive no-cost recruitment and job placement services, reduced-cost customized training and job training incentives. In fiscal 2017, the Kentucky Skills Network provided training for more than 120,000 Kentuckians and 5,700 companies from a variety of industry sectors.

For more information on E-Z Pack, visit [www.EZPackTrucks.com](http://www.EZPackTrucks.com).

A detailed community profile for Harrison County can be viewed [here](#).

## Rural Population Loss is Now Widespread in the Eastern United States



Source: USDA, Economic Research Service using data from the U.S. Census Bureau, 2017

### Did You Know?

- While employment rates in urban areas grew at almost 2 percent per year since the Great Recession, in rural areas that rate was less than 1 percent.
- Between 2010 and 2016, close to 200,000 people left rural counties nationwide, while counties abutting metro areas saw a population increase in 2017.
- Infrastructure neglect—such as investments in broadband, roads and schools—is more acute in rural areas than urban or suburban areas.

## Jump-Starting Rural Economies

BY DOUG FARQUHAR

Although much of America is thriving economically, rural areas have not recovered from the Great Recession, and policymakers are concerned. Home to 46 million Americans and covering 72 percent of the land, rural America's economy faces a competitive disadvantage compared to urban areas. Economic progress is hindered by, among other factors, a declining and aging population, lack of access to capital and stagnate infrastructure development.

Between 2010 and 2016, the U.S. Census Bureau recorded a population loss in rural areas due to out-migration, fewer births and an aging population. This is the bureau's first-ever recorded decrease in population.

Much of this population decrease is reflected in lack of economic opportunities. Rural employment has not returned to its prerecession levels, and job growth is weaker than in urban counties. Between 2007 and 2015, rural areas lost 400,000 jobs, whereas urban areas saw a net gain of 3.6

### Additional Resources

- [Rural Jobs Coalition](#)
- [USDA Economic Research Service](#)



million jobs. Agricultural areas in the Great Plains, Midwest and South have been losing employment and people for some time. Adding to this are recent losses in rural manufacturing jobs in the Midwest and on the East Coast. Even rural recreation-based economies have struggled, with less growth seen since 2010 than in previous decades. A December *Wall Street Journal* article called rural America the worse off “in terms of poverty, college attainment, teenage births, divorce, death rates from heart disease and cancer, reliance on federal disability insurance and male labor force participation” when compared to urban or suburban areas.

Traditional capital resources are suffering. Small loans (under \$1 million), usually provided by smaller banks which have traditionally funded rural businesses, have fallen from 40 percent of all loans in 2004 to less than 20 percent of bank loan portfolios in 2016. These banks are making fewer small loans, precisely the type of investment on which rural businesses rely.

Nontraditional private investors other than banks (private equity, venture capital, etc.) are all but absent when it comes to rural areas. Since 2000, only 1 percent of these types of investments have been made in rural communities, even though 15 percent of the U.S. population lives in rural locations.

## State Action

While very few states require private investors to invest in rural areas—2.6 percent of the 1,827 state economic incentive programs require rural investment—some states are taking steps to encourage it.

**Invest CT**—the Second Insurance Reinvestment Fund Tax Credit—was passed by the Connecticut legislature in 2010. This program ties job-creation requirements to incentives for capital investments. Invest CT proved that private-sector investors could be asked to meet job-creation metrics through their investments, subsequently improving the return on investment for the state. In its 2017 annual report, the Connecticut Department of Economic and Community Development (DECD) found that Invest CT returned \$5.11 of new state revenue for every \$1 of state tax credits issued between 2010 and 2016. The report stated that “the new credit program requires closer monitoring and penalties for not achieving a positive return to the state, and the program has generated strong results in terms of jobs and state net revenue created.” On average, 4,133 new jobs have been created annually between 2011 to 2016.

Several states have looked into rural jobs acts, which provide tax credits to those who invest in designated rural counties. State tax credits are awarded to companies that agree to invest in or

loan money to funds set up by investment firms or other brokers. The funds then invest the money in rural businesses.

The Georgia legislature enacted the **Agribusiness and Rural Jobs Act** in 2017. This law provides a mechanism for small businesses that have at least 10 percent of their portfolio in agribusiness in rural parts of the state (communities with 50,000 or less) to access capital. Ohio amended its appropriations bill in 2017 to authorize a nonrefundable tax credit for insurance companies that invest in rural business growth funds certified to provide capital to rural and agricultural businesses.

Pennsylvania's Department of Revenue created a rural jobs and investment tax credit “designed to stimulate growth and job creation by providing access to capital for rural businesses from businesses supporting the state's rural growth funds.”

In Utah, where only 1.1 percent of private equity investment goes to businesses in rural areas, the governor set a goal of bringing 25,000 new jobs to rural areas in the next four years. The Legislature responded by adopting a joint resolution to encourage business expansion and development in rural areas and enacting the “**Rural Jobs Act**” (SB 267) in 2017. This act provides a nonrefundable tax credit for investments in eligible small businesses primarily located in rural counties. This new program will offer up to \$24.4 million in credits if investors raise \$42 million for rural businesses. This Utah effort is similar to state “new markets” programs, in which states generally provide tax credits worth less than the total raised by funds.

Similar bills have been introduced in 2018 in Alabama, Kentucky, Massachusetts and Washington.

## Federal Action

The Federal Department of the Treasury initiated the **Federal New Markets Tax Credit** (NMTC) program, encouraging private funds to be raised and invested in qualifying underserved communities. The program mandates 20 percent of investments be in nonmetro areas, which has led to over \$10 billion being invested in rural America since 2003. Some states have since adopted their own version of this program.

The **Opportunity Zones Act**, included in the 2017 U.S. tax reform bill, offers up to 100 percent forgiveness of the capital gains tax for investors willing to invest in distressed census tracts for a stated duration, including underserved rural communities. States select the census tracts in their state that qualify for these potential investments.

## Investing in Rural Areas

States that offer tax credits as incentives for investing in rural areas generally require:

- Fund managers to submit comprehensive annual reports outlining the benefits of their investments in rural areas.
- Investors to count full-time equivalent (FTE) jobs that were created to accurately determine the program's impact each year.
- A penalty of up to 100 percent of the state-authorized tax credits to be repaid by the investor if the predetermined number of jobs are not created.
- A roughly 1-to-1 ratio of private matching capital, which means that half of the capital raised does not receive any type of tax credit or incentive.

## NCSL Contact

Doug Farquhar  
303-856-1397



## Revitalizing Rural Kentucky

In rural Bluegrass country, one company is working to stimulate the local economy, one job – or 100 – at a time.

Just a few years ago, Commercial Specialty Truck Holdings (CSTH) – formed with the consolidation of two truck manufacturers, E-Z Pack and Continental Mixers – faced limited options in securing the working capital it needed to expand production and improve operations. Without capital, the company was facing the loss of many good jobs in Cynthiana, KY. Today, the company employs 250 people and recently announced an expansion at the E-Z Pack plant, creating as many as 100 more jobs.

What's its secret? CSTH CEO Frank Busicchia says not only was it finding the right capital investment at the right time, it's the employees who have made the difference.

We recently visited E-Z Pack to get to know the people behind the work. Here are some of their stories:

### ***Boosting Local Families and Communities: Meet Jennifer S.***

A first-time grandmother, Jennifer S. had been working nights as a quality auditor at a nearby manufacturing plant when she heard about an opening at E-Z Pack. She'd been helping her daughter out with the baby and the overnight schedule was exhausting. The job at E-Z Pack was a day job, with regular hours, good benefits and competitive pay.

Having grown up on a farm, Jennifer's no stranger to hard work and figuring things out. Ask her for an auto mechanic recommendation, and she'll help you change your oil, or replace your brakes. While coming to E-Z Pack meant learning a new product and a new way of doing things, the best way to learn, she says, is to jump in.

She's done just that. Jennifer went from a starting wage of \$14 to \$19 an hour in less than a year, and – just two months into the job – was promoted to Quality Team Lead.

### ***Building a Skilled Workforce: Sadie K.***

Sadie always knew she wanted to be a welder. Not only did they make good money, it was something different to do – as a woman – and it appealed to her artistic side. She learned to weld in high school at the Campbell County Area Technical Center, working most nights and weekends at a local restaurant. After graduation, she moved to Harrison County and got her foot in the door at E-Z Pack, with her first “real” job.

The work was much different than what she'd learned to do in school, welding pieces of metal no longer than a pencil. And though she earned her welding certification in vocational school, on-the-job training was necessary for the specialized work.

Sadie's supervisor and co-workers stepped up to the task – helping her remember to weld “hot” and other key operational processes and procedures. Three months into the job, Sadie's training is complete. Making \$16 an hour, she's more than doubled her restaurant wages. She's a skilled member of the team and the pride that she takes in her work is not only evident, but well-deserved.



### ***Pushing for Diversity and Inclusion: Ahmad***

A welder for 17 years in Syria, Ahmad moved to Kentucky to live with his immediate family. Despite extensive welding experience, the only work he could find was in lawn care. He searched job boards daily for a better opportunity that would fully utilize his skills. He found one at E-Z Pack.

In a low volume, high complexity manufacturing facility like E-Z Pack, where everything is custom-made, finding and retaining skilled workers can be hard. In rural Kentucky, finding diverse candidates can be even more challenging. E-Z Pack employees worked from the beginning to help Ahmad feel part of the team – from working with his translator throughout the hiring process and beyond, to utilizing Google translate services for day-to-day communications on the plant floor.

Both Ahmad and his immediate supervisor are confident in his work and – like Sadie – he is a trusted and respected member of the team. Ahmad is doubly happy to have found a welding position that offers a good working wage and benefits, which were not available in Syria.

### ***Demand/Supply Inequality***

In an area with 4% unemployment, E-Z Pack is much like many other small rural businesses when it comes to finding skilled workers: demand is high but supply is limited. That's one of the reasons it goes to great lengths to find, train and keep skilled workers like Sadie, Jennifer and Ahmad.

As it helps build a stronger workforce through training and development, E-Z Pack is also working to strengthen the local economy and make a true impact on the people who go to work there every day.

A \$10,000 a year difference in wages – like Jennifer's wage progression -- means a lot: it can help lift workers up and create a better environment for local communities and families to grow and prosper.

Good pay and benefits like health insurance and retirement savings options mean more families can work towards independence. And providing good quality jobs can keep people in the small towns and farming communities they call home.

## Boosting Local Families and Communities

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### About E-Z Pack and parent company Commercial Specialty Truck Holdings

Commercial Specialty Truck Holdings (CSTH) was formed in 2014 with the acquisition of E-Z Pack and Continental Mixers, a leading manufacturer of concrete mixer bodies. CSTH faced limited options to secure flexible working capital to expand production, improve operations, and save a substantial number of jobs in rural Cynthiana, KY.

Following investments in connection with state and federal economic development programs, such as the New Markets Tax Credit program and others, CSTH has now grown to 250 employees, with plans to expand its E-Z Pack facility and add another 100 jobs.



## Building a Skilled Workforce in Rural Kentucky

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