



INTERIM JOINT COMMITTEE FOR
**ECONOMIC DEVELOPMENT
AND WORKFORCE DEVELOPMENT**

THINKKENTUCKY

Cabinet for Economic Development

CED CO-LEADERS



Terry Gill
SECRETARY

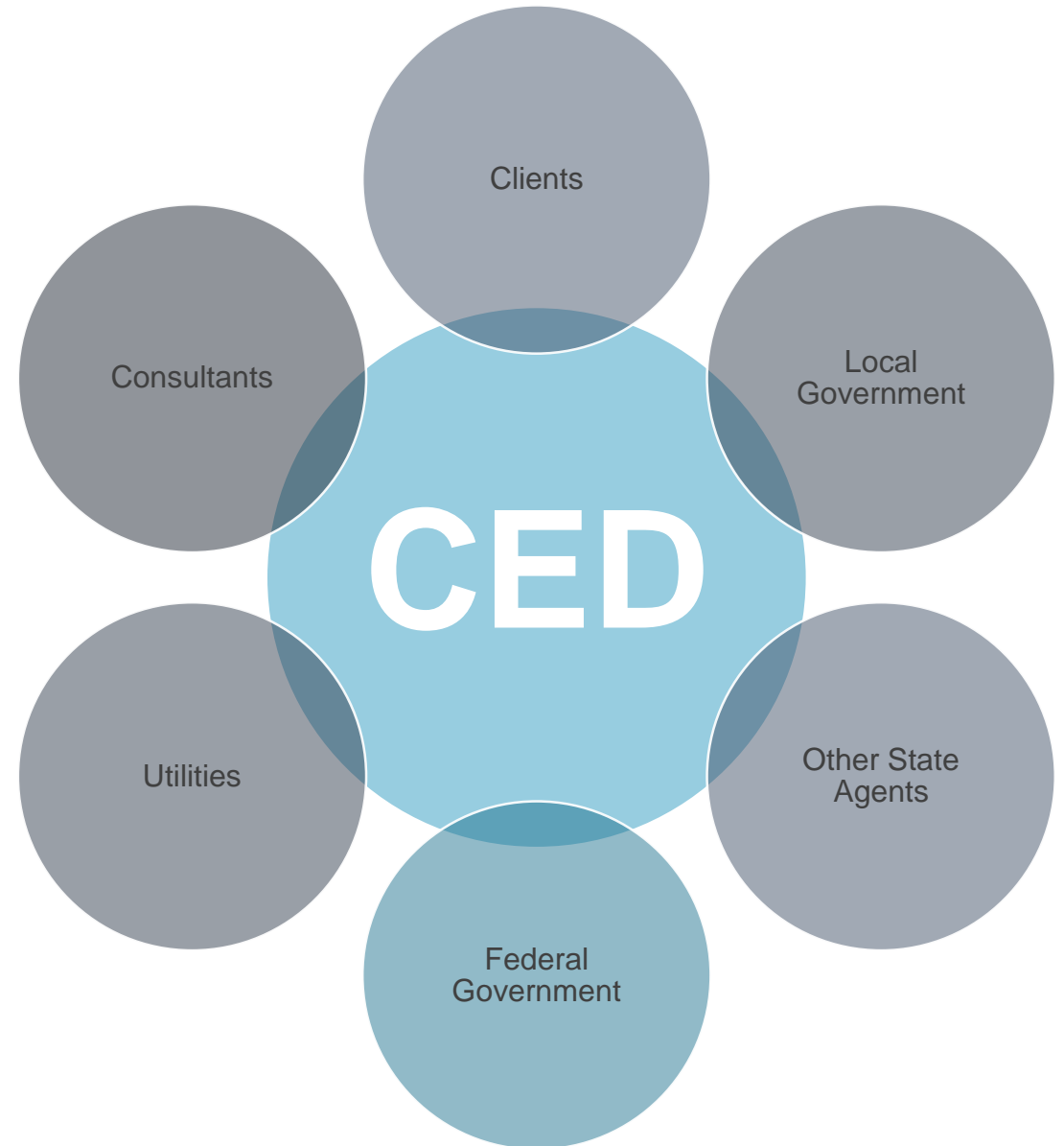


Vivek Sarin
EXECUTIVE OFFICER

OUR MISSION

The **Kentucky Cabinet for Economic Development** is the primary state agency responsible for encouraging job creation, business retention and new investment in the state.

- Create jobs
- Focus on advanced manufacturing
- Provide a trained workforce
- Build relationships
- Engage communities
- Support existing industry
- Foster a positive business climate
- Attract FDI



PROGRESS

DURING THE BEVIN ADMINISTRATION



\$17.2 BILLION
NEW INVESTMENT



47,500+
NEW JOBS



950+
NEW PROJECTS

CED AREAS OF **EMPHASIS**

- ✓ Business Development
- ✓ International Affairs and Business Development
- ✓ Entrepreneurship
- ✓ Legal
- ✓ Marketing & Public Affairs
- ✓ Community and Workforce Development
- ✓ Financial Services





INCENTIVES

NEEDED TO “STAY IN THE GAME”



Lowers the cost of doing business to give the new/expanding business a competitive edge



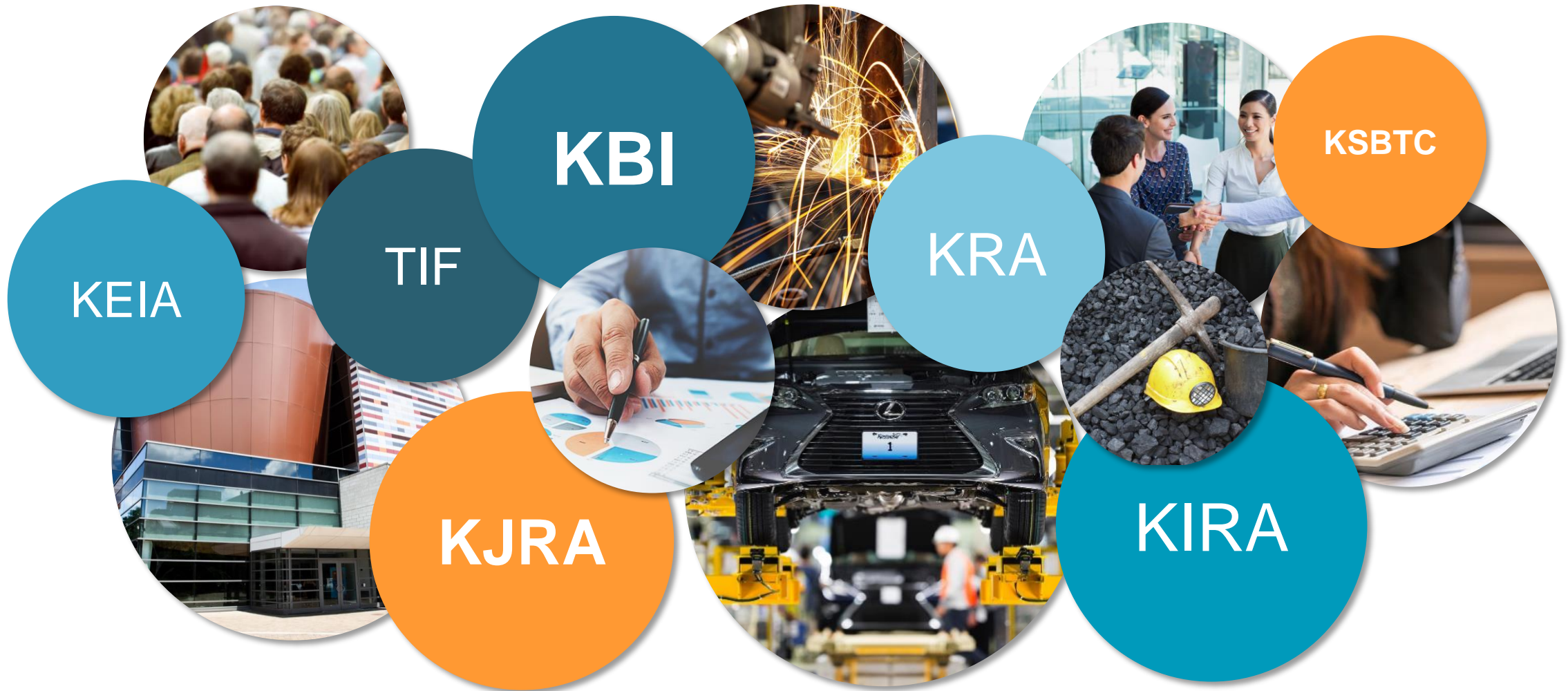
Ensures a company's long term presence in Kentucky



All 50 states offer financial incentives

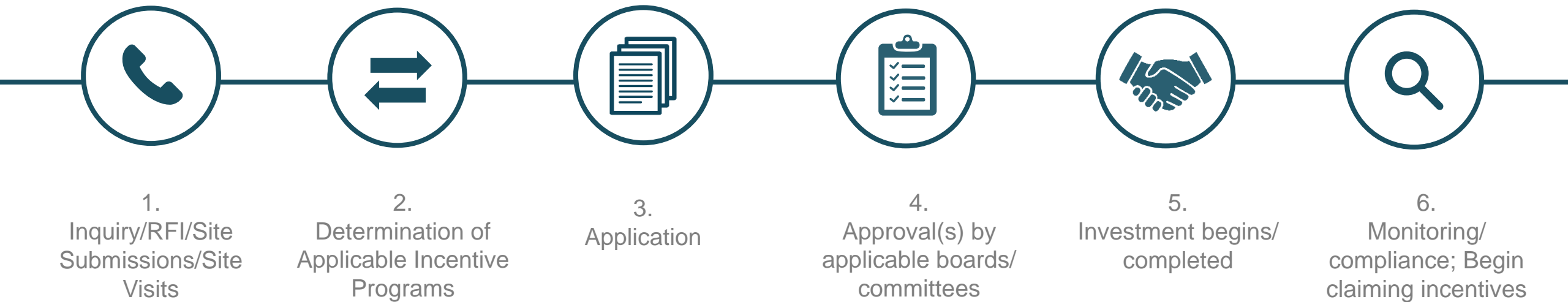
TAX INCENTIVE PROGRAMS

All are performance based



KENTUCKY'S STANDARD PROCESS

FOR INCENTIVES



KBI SUMMARY

THROUGH OCTOBER, 2018

- The Commonwealth provided \$2,875 of incentives per new job reported based on total actual incentives claimed to date and actual jobs reported in 2016.
- Based on actual jobs and wages reported in 2016 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1.1 billion. This equated to **\$18.05 for every \$1 of claimed incentives.**

**Notes on incentives claimed: Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.*

***Due to taxpayer confidentiality, years 2010-2012 were combined.*

Fiscal Year End Reporting

Year	Number of Projects	Jobs Reported	JOBS		WAGES		
			Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,882	5,395	109%	\$24.88	\$23.35	107%
2014	94	10,019	9,552	105%	\$24.87	\$22.99	108%
2015	139	14,303	12,842	111%	\$25.33	\$22.30	114%
2016	187	20,817	18,045	115%	\$24.94	\$21.61	115%
2017	189	20,990	16,812	125%	\$26.01	\$21.50	121%

Annual Maximums and Incentives Claimed

Year	Approval Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,799,451	\$14,088,369	\$6,601,085	47%
2014	\$27,770,169	\$24,112,127	\$13,131,631	54%
2015	\$46,169,440	\$40,389,783	\$18,084,965	45%
2016	\$40,500,648	\$35,834,783	\$19,923,814	56%
2017	\$40,418,767	\$34,248,946	N/A	N/A
Grand Total	\$175,841,307	\$153,589,005	\$59,845,588	39%

WORKFORCE PROGRAMS

Bluegrass State Skills Corporation (BSSC) Programs

	Skills Training Investment Credit (STIC)	Grant-in-Aid (GIA)
Eligible Costs	Up to 50% of eligible costs to eligible training costs to eligible companies for specific training activities	
Eligible Trainees	Eligible trainees must be Kentucky residents who are full-time employees of the company and who must be paid at least \$12.51/hour, plus benefits	
Maximum Allowed	\$75,000 per company	
Annual Limitation	\$2.5 million/fiscal year	\$2.3 million/fiscal year
Recovery Method	Corporate income/LLET credits	Cash reimbursement

LOCATING AND EXPANDING IN KENTUCKY

Kentucky Business Incentives & Financial Programs

Kentucky's pro-business climate provides a number of incentives for businesses. The Kentucky Economic Development Finance Authority (KEDFA), established within the Cabinet for Economic Development to encourage economic development, business expansion, and job creation, provides financial support through an array of financial assistance and tax credit programs. Helping businesses in this way furthers the Commonwealth's goals of achieving long-term economic growth and employment opportunities for its citizens.

KEDFA approval is required for participation in the loan and tax incentive programs, except the Skills Training Investment credits, which are approved by the Bluegrass State Skills Corporation (BSSC). KEDFA meets the last Thursday of each month. Projects must be received by the last Friday of the month prior to the KEDFA meeting date in order to be considered.

To find out if your business qualifies contact the [Department for Business Development](#) where a professional economic development agent will be assigned to work with you. Your agent can answer your questions and guide you through the application processes.

New and Expanding Industry

- [Kentucky Business Investment \(KBI\) Program – \(PDF\)](#)
Provides income tax credits and wage assessments to new and existing agribusinesses, regional and national headquarters, manufacturing companies, alternative fuel, gasification, energy-efficient alternative fuels, renewable energy production companies, carbon dioxide transmission pipelines and non-retail service or technology related companies that locate or expand operations in Kentucky. Projects locating in certain counties may qualify for enhanced incentives. Click [here](#) to view a map of the enhanced

QUICK LINKS

- [How We Help](#)
- [Why Kentucky](#)
- [Business Costs](#)
- [Available Sites/Buildings](#)
- [Financial Incentives](#)
- [About Kentucky](#)
- [Living In Kentucky](#)
- [Community Profiles](#)
- [Workforce](#)
- [Contact Us](#)

CONTACT THE DEPARTMENT FOR BUSINESS DEVELOPMENT

Phone: (502) 564-7670

Email: econdev@ky.gov

Kentucky Cabinet for Economic Development
300 West Broadway
Frankfort, Kentucky 40601

**FACT
SHEETS**

NEWSROOM

The Kentucky Economic Development Finance Authority

The Kentucky Economic Development Finance Authority (KEDFA) is responsible for awarding most of the financial incentives offered by the Cabinet, including job growth and retention tax credit programs, loans, bonds, grants and tax increment financing.

KEDFA meets monthly and considers economic development incentive projects.

KEDFA 2018 Board Meeting Schedule

Cabinet for Economic Development
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

Day: Last Thursday of each month

Time: 10:00 a.m. Eastern

[KEDFA SCHEDULE](#)

Previous KEDFA board meeting materials:

2018

- [October](#)
- [September](#)
- [August](#)
- [August \(special\)](#)
- [July](#)

QUICK LINKS

- [News Releases](#)
- [Publications](#)
- [Videos](#)
- [Newsletters](#)
- [KEDFA Meeting News](#)
- [Annual Reports](#)
- [Incentive Programs/Searchable Database](#)

NEWSLETTER SIGNUP

Stay informed. Sign up for our bi-monthly e-newsletter.

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TRENDING ARTICLES

- [It's time to cut Kentucky's red tape](#)
- [Graves County gets Build-Ready site](#)
- [CovCath Junior Wins KY FAME Top Prize](#)
- [Seven more Kentucky Counties Certified Work Ready](#)

**MEETING
NOTES**



Kentucky's Financial Incentives Database

* Required

RECIPIENT NAME:

PROJECT TYPE:

* PROGRAMS:

Select

Quick Select:

- BSSC Tax Credit
- BSSC Training Grant
- KBI - Kentucky Business Investment Program
- KEDFA - Direct Loan and Small Business Loan Program
- KEOZ - Kentucky Economic Opportunity Zone
- KEIA - Kentucky Enterprise Initiative Act
- KESA - Kentucky Environmental Stewardship Act
- KIDA - Kentucky Industrial Development Act
- KIRA - Kentucky Industrial Revitalization Act
- KJDA - Kentucky Jobs Development Act

QUICK LINKS

- Overview
- FI Reports Search

SEARCH

Kentucky's Financial Incentives Database







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Your search **criteria** of:


Project Type: All
 Program: KBI
 Counties: Taylor

has returned the following **results**:

KEDFA APPROVED PROJECTS

RECIPIENT	PROGRAM	COUNTY	PROJECT TYPE	INCENTIVE STATUS	TOTAL PROJECT COST	MAXIMUM TAX INCENTIVE AUTHORIZED	AUTHORIZED LOAN/GRANT	STARTING JOBS	ESTIMATED NEW JOBS	ESTIMATED AVERAGE HOURLY WAGE	DATE OF KEDFA ACTION
 Amazon.com kyde LLC	KBI	TAYLOR	E	Inactive	\$11,000,000	\$2,250,000	-	803	150	\$11.25	10/29/2015
 FluorTubing US, LLC	✓ KBI	TAYLOR	E	Inactive	\$782,825	\$150,000	-	3	10	\$9.50	7/30/2015
 Frost-Arnett Company	KBI	TAYLOR	E	Prelim Approval	\$621,000	\$300,000	-	121	70	\$10.50	3/27/2014
 INFAC North America Inc.	KBI	TAYLOR	E	Prelim Approval	\$1,000,000	\$200,000	-	82	20	\$11.00	6/25/2015
 INFAC North America, Inc.	✓ KBI	TAYLOR	E	Final Approval	\$2,574,710	\$1,000,000	-	10	72	\$10.34	9/30/2010
 Murakami Manufacturing USA, Inc.	✓ KBI	TAYLOR	E	Final Approval	\$1,310,000	\$750,000	-	216	50	\$10.00	7/30/2015
 Ragner Manufacturing, LLC	KBI	TAYLOR	N	Inactive	\$6,641,000	\$3,000,000	-	NA	125	\$17.38	8/27/2009

Facility Details:

 : Link to the Kentucky Business & Industry Information System (KBIS), providing details on a recipient's facility, including employment data when available.

Programs:

HTP: High-Tech Investment / Construction Pools	KIRA: Kentucky Industrial Revitalization Act
EDB: Economic Development Bonds	KJDA: Kentucky Jobs Development Act
IEIA: Incentives for Energy Independence Act	KJRA: Kentucky Jobs Retention Act
KBI: Kentucky Business Investment Program	KRA: Kentucky Reinvestment Act
KEDFA: Direct Loan and Small Business Loan Program	KREDA: Kentucky Rural Economic Development Act
KEIA: Kentucky Enterprise Initiative Act	KSBTC: Kentucky Small Business Tax Credit
KEOZ: Kentucky Economic Opportunity Zone	LGEDF: Local Government Economic Development Fund
KESA: Kentucky Environmental Stewardship Act	LINE ITEM: General Assembly Line Item Project
KIDA: Kentucky Industrial Development Act	

Project Type:

E = Expansion
 N = New Location
 R = Relocation

Incentive Status:

Prelim Approval: Project has received preliminary approval. This status only applies to the following programs: KBI, KIDA, KREDA, KJDA, KIRA, KJRA, KESA, KEOZ, KRA, IEIA and BSSC Tax Credits.

Final Approval: Project has received either its only approval or final approval (when two approvals are required) and begins the monitoring period.

Inactive: Agreement has concluded and the project is no longer eligible for incentives.

Kentucky's Financial Incentives Database

Information as of :
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RECIPIENT: INFAC North America, Inc.
PROGRAM: KBI
COUNTY: TAYLOR
INCENTIVE STATUS: Final Approval
FORM NUMBER: 18404

Target Date	Job Target	Annual Average Project Employees Reported	Minimum Wage Target	Average Total Hourly Compensation Reported	Approved Cost Annual Maximum	Confirmed Approved Cost Annual Maximum	Earned Approved Cost Annual Maximum	Reported Amount of Incentives Claimed
9/30/2010		20	27	\$11.00	\$13.22	NR	NR	NR
12/31/2010		51	40	\$11.00	\$11.42	\$48,000.00	\$48,000.00	\$9,311.72
12/31/2011		72	45	\$11.00	\$11.63	\$68,000.00	\$68,000.00	\$33,787.95
12/31/2012		72	47	\$11.00	\$11.75	\$68,000.00	\$68,000.00	\$33,725.11
12/31/2013		72	53	\$11.00	\$11.95	\$68,000.00	\$68,000.00	\$45,356.12
12/31/2014		72	60	\$11.00	\$19.94	\$68,000.00	\$68,000.00	\$50,490.00
12/31/2015		72	64	\$11.00	\$14.79	\$68,000.00	\$68,000.00	\$56,440.00
12/31/2016		72	81	\$11.00	\$14.90	\$68,000.00	\$68,000.00	\$60,520.00
12/31/2017		72	80	\$11.00	\$15.49	\$68,000.00	\$68,000.00	\$67,512.10
12/31/2018		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0
12/31/2019		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0
12/31/2020		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0
12/31/2021		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0
12/31/2022		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0
12/31/2023		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0
12/31/2024		72	0	\$11.00	\$0	\$68,000.00	\$68,000.00	\$0



Annual Reports

Pursuant to KRS 154.12-2035, the Cabinet for Economic Development (CED) must file a single annual report of program activity to the Legislative Research Commission and to the Governor by November 1st of each fiscal year. These annual reports, a list of economic development projects approved and all active economic development projects are available as follows:

Office of Entrepreneurship

- [2018 Annual Report](#)
- [2018 New Energy Venture Fund](#)
- [2017 Annual Report](#)
- [2017 New Energy Venture Fund](#)

Bluegrass State Skills Corporation (BSSC)

- [2017 Annual Report](#)
- [2017 Audited Financial Statements](#)

Economic Development Bond (EDB)

- [2018 Annual Report](#)
- [2017 Annual Report](#)

Kentucky Investment Fund Act (KIFA)

- [2018 Annual Report](#)

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CONTACT OFFICE OF
RESEARCH & PUBLIC AFFAIRS

**ANNUAL
REPORTS**



OPPORTUNITY ZONES

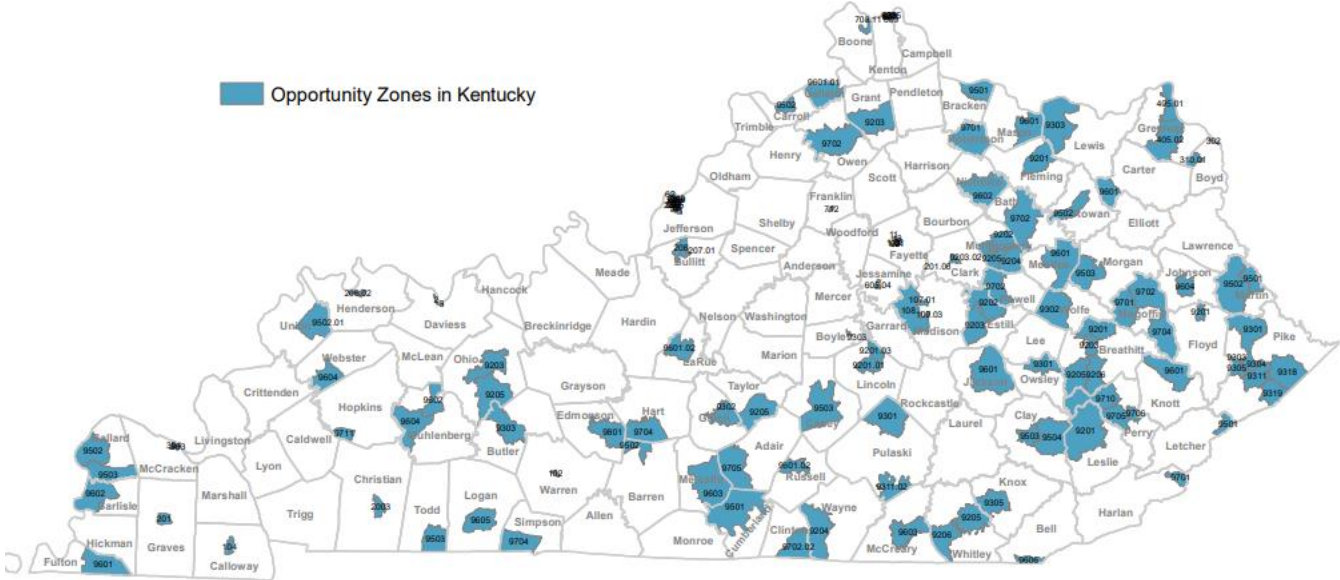
- Kentucky among first state to receive federal approval
- Zones will provide significant tax benefits to encourage investment
- *144 zones in 84 KY counties*



For more details please visit
www.KYOZ.com

KENTUCKY OPPORTUNITY ZONES

Kentucky's Opportunity Zones



2019

LEGISLATIVE INITIATIVES

TO ADDRESS SHORTCOMINGS

- HB 366/487 fixes (affecting KIRA, Angel Investment Tax Credits, and KIFA)
- Open Records Act amendments
- Abolish the Kentucky Industrial Revitalization Act program and roll it into the Kentucky Reinvestment Act program. The bill also adds wage assessments as a method of recovery and adds service and tech companies and coal mining and processing companies as eligible companies



2019

LEGISLATIVE INITIATIVES

TO ADDRESS SHORTCOMINGS

- Amend Kentucky Business Investment (KBI) program
- Minimum Rate Guarantee/Transportation Facility Support program
- Clean up of drafting error in 2018 CED re-organization
- Earn and Learn Tax Credit
- Highly Skilled Employee Tax Credit
- Direct from Manufacturer Auto Sales



The background of the slide features a photograph of the Kentucky State Capitol building, which is a large, classical-style structure with a prominent dome and a portico supported by columns. The image is partially obscured by large, overlapping geometric shapes in shades of blue and orange.

THANK YOU

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Cabinet for Economic Development

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