



**TO: Linda Gorton
Mayor**

**FROM: Kevin Atkins
Chief Development Officer**

DATE: January 27, 2023

RE: Approve agreement with Quality Logistics LLC DBA Longship Logistics to participate in the Kentucky Business Investment Program

Request:

Authorization to allow an inducement to Quality Logistics LLC DBA Longship Logistics as local participation in the Kentucky Business Investment (KBI) Program, which includes a 10-year local 1% wage assessment through KBI. The company will expand the Lexington facility, which is a third-party logistics company specializing in over-the road truckloads of fresh, frozen and dry shipments.

Why are you requesting:

The Kentucky Economic Development Finance Authority (KEDFA) has given Quality Logistics LLC DBA Longship Logistics preliminary approval to participate in the KBI Program. The KBI Program requests that the state and local government enter into a 10-year agreement with the approved company under which the business can recover up to 100% of its start-up and equipment costs through Kentucky corporate income tax credits and a wage assessment fee of up to 4%. The company plans to create 155 new jobs with an average wage of approximately \$50,960.00 per year plus benefits. Quality Logistics plans to invest more than \$4.3 million in building improvements, equipment, and start-up costs.

What is the cost in this budget year and future budget years?

The cost for FY2023 is: Revenue to be rebated. Tax expenditure, not actual cost

The cost for future FY is: Revenue to be rebated. Tax expenditure, not actual cost

Are the funds budgeted?

N/A

Director/Commissioner:

Kevin Atkins

