



**TO: Jim Gray
Mayor**

**FROM: Kevin Atkins
Chief Development Officer**

DATE: October 11, 2018

RE: Approve agreement with Tru-Tone Finishing Incorporated to participate in the Kentucky Business Investment Program

Request:

Authorization to allow an inducement to Tru-Tone Finishing, Inc. as local participation in the Kentucky Business Investment (KBI) Program, which includes a 10-year local 1% wage assessment through KBI. The company will locate its manufacturing of e-coat metal finishing operations in Lexington.

Why are you requesting?

The Kentucky Economic Development Finance Authority (KEDFA) has given Tru-Tone Finishing, Inc. 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 equipment costs and 50% of the leases costs through Kentucky corporate income tax credits and a wage assessment fee of up to 4%. The company plans to create 120 new jobs with an average wage of approximately \$25,000 per year plus benefits. The company has determined the median wage is approximately \$30,000 per year. Tru-Tone Finishing, Inc. plans to invest \$4.6 million in new equipment costs, startup costs, and lease costs.

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

The cost for FY2019 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

