



Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Gray
Mayor

To: Jim Gray, Mayor
Urban County Council

From: 
Kevin Atkins, Chief Development Officer

Date: June 15, 2015

Re: Approve agreement with Harbor Steel and Supply Corporation

The Kentucky Economic Development Finance Authority has given Harbor Steel and Supply Corporation preliminary approval to participate in the Kentucky Business Investment (KBI) Program. The KBI Program request that the state and local government can 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 annual lease costs through Kentucky corporate income tax credits and a wage assessment of up to 4%.

Harbor Steel's decision to expand their fabricated steel manufacturing operations in Lexington will create wealth and provide job opportunities for the citizens of Lexington and the surrounding area. The company plans to create 40 new jobs with an average wage of approximately \$32,000 per year plus benefits. The company has determined the median wage is approximately \$28,800 per year. SRC of Lexington plans to invest over \$2.25 million in equipment and lease costs for a 10-year period.

It is recommended LFUCG approve the 10-year local 1% wage assessment through KBI. There is no budgetary impact on LFUCG.

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