



TO: Mayor Jim Gray
Lexington Fayette Urban County Council

FROM: Gina Greathouse
Senior Vice President, Economic Development, Commerce Lexington Inc.

DATE: May 31, 2013

RE: Kentucky Business Investment program
TeleHealth Holdings, LLC

TeleHealth Holdings, LLC has submitted an application and received preliminary approval from the Kentucky Economic Development Finance Authority to participate in the Kentucky Business Investment (KBI) program. TeleHealth Holdings' decision to locate their medical device headquarters in Lexington will create wealth and provide additional job opportunities for the citizens of Lexington and the surrounding area.

The company plans to create 35 new jobs with an average wage of approximately \$73,000 per year plus benefits. TeleHealth plans to invest nearly \$2,500,000 in new equipment, building improvements, start-up costs, and building costs.

With the KBI program, the state and local government enter into a ten-year agreement with an approved company under which the business can recover up to 100% of its start-up costs and 100% of the building purchase price through Kentucky corporate income tax credits and a wage assessment fee of up to 4%. Although the company may not actually use the full KBI benefit, we demonstrate in the chart below the maximum amount that the company could recover through the local 1% wage assessment.

The maximum potential fiscal impact of this project is summarized in the following table.

New F-T Jobs	Total Payroll	Total Wage	KY portion of Wage	LFUCG portion of Wage	LFUCG Projected
		Assessment (4%)	Assessment (3%)	Assessment (1%)	Collections(1.25%)
15	\$900,000.00	\$36,000.00	\$27,000.00	\$9,000.00	\$11,250.00
20	\$1,200,000.00	\$48,000.00	\$36,000.00	\$12,000.00	\$15,000.00
25	\$1,500,000.00	\$60,000.00	\$45,000.00	\$15,000.00	\$18,750.00
30	\$1,800,000.00	\$72,000.00	\$54,000.00	\$18,000.00	\$22,500.00
35	\$2,100,000.00	\$84,000.00	\$63,000.00	\$21,000.00	\$26,250.00
35	\$2,100,000.00	\$84,000.00	\$63,000.00	\$21,000.00	\$26,250.00
35	\$2,100,000.00	\$84,000.00	\$63,000.00	\$21,000.00	\$26,250.00
35	\$2,100,000.00	\$84,000.00	\$63,000.00	\$21,000.00	\$26,250.00
35	\$2,100,000.00	\$84,000.00	\$63,000.00	\$21,000.00	\$26,250.00
	\$18,000,000.00	\$720,000.00	\$540,000.00	\$180,000.00	\$225,000.00

This is an excellent project for our community and I strongly recommend approval of the 10 year local 1% wage assessment benefit through KBI.

Cc: Kevin Atkins, LFUCG