



**TO: Jim Gray
Mayor**

**FROM: Kevin Atkins
Chief Development Officer**

DATE: October 11, 2018

RE: Approve agreement with Webasto Roof Systems Incorporated to participate in the Kentucky Business Investment Program

Request:

Authorization to allow an inducement to Webasto Roof Systems, 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 expand its manufacturing of OEM roof systems in Lexington.

Why are you requesting?

The Kentucky Economic Development Finance Authority (KEDFA) has given Webasto Roof Systems, 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 183 new jobs with an average wage of approximately \$35,600 per year plus benefits. The company has determined the median wage is approximately \$36,400 per year. Webasto Roof Systems, Inc. plans to invest \$15 million in new equipment and startup 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

