



Lexington-Fayette Urban County Government  
OFFICE OF THE MAYOR

Jim Gray  
Mayor

TO: MAYOR JIM GRAY  
URBAN COUNTY COUNCIL

FROM: KEVIN ATKINS   
CHIEF DEVELOPMENT OFFICER

DATE: NOVEMBER 8, 2013

RE: APPROVE AGREEMENT WITH ALLIANCE COAL, LLC TO PARTICIPATE IN THE  
KENTUCKY BUSINESS INVESTMENT PROGRAM

The Kentucky Economic Development Finance Authority (KEDFA) has given Alliance Coal, LLC preliminary approval to participate in the Kentucky Business Investment (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 building costs through Kentucky corporate income tax credits and wage assessment fee of up to 4%.

Alliance Coal's decision to expand their regional 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 25 new jobs with an average wage of approximately \$65,000 per year plus benefits. The company has determined the median wage is approximately \$78,000 per year. Alliance Coal plans to invest over \$8.3 million in land, new construction, and equipment and start-up costs for a 10-year period.

Its is recommended by the staff at Commerce Lexington for Lexington-Fayette Urban County Government to approve the 10-year local 1% wage assessment through KBI. There is no budgetary impact on Lexington-Fayette Urban County Government.

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