



**TO:** Linda Gorton  
Mayor

**FROM:** Kevin Atkins  
Chief Development Officer

**DATE:** March 6, 2025

**RE:** Approve agreement with Lexair, Inc. to participate in the Kentucky Business Investment Program

**Request:**

Authorization to allow an inducement to Lexair 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 facility and will add new product lines.

**Why are you requesting:**

The Kentucky Economic Development Finance Authority (KEDFA) has given Lexair 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 start-up and equipment costs through Kentucky corporate income tax credits and a wage assessment fee of up to 3.5%. The company plans to create 14 new jobs with an average wage of approximately \$87,297.00 per year including benefits. Lexair Inc. plans to invest more than \$8.5 million in building improvements, equipment and start-up costs.

Lexair, Inc. manufactures machine tool products, commercial hydraulic and pneumatic control valves and a series of CO2 evacuation compressors and stainless valves for the US Navy.

KEDFA will contract directly with Lexair and be responsible for compliance monitoring.

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

The cost for FY2025 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

