




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 2, 2012

Re: Approve agreement with Nitto Denko Automotive Kentucky, INC. to participate in the Kentucky Business Investment Program

The Kentucky Economic Development Finance Authority has given Nitto Denko Automotive Kentucky, INC. 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 costs and 50% of the annual rent costs through Kentucky corporate income tax credits and a wage assessment fee of up to 4%.

Nitto Denko's decision to expand their automotive manufacturing facility in Lexington will create wealth and provide additional job opportunities for citizens of Lexington and the surrounding area. The company plans to create 23 new jobs with an average wage of approximately \$27,000.00 per year plus benefits. Nitto Denko Automotive Kentucky, INC. plans to invest nearly \$2,500,000.00 in new equipment, building improvements, start-up costs and lease costs for a 10-year period.

It is recommended by Gina Greathouse, with Commerce Lexington for LFUCG to approve the 10-year local 1% wage assessment through KBI. There is no budgetary impact on LFUCG.

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