



**TO: Jim Gray  
Mayor**

**FROM: Kevin Atkins  
Chief Development Officer**

**DATE: October 11, 2018**

**RE: Approve agreement with Zivo Inc. dba Zelios to participate in the  
Kentucky Business Investment Program**

**Request:**

Authorization to allow an inducement to Zivo Inc. dba Zelios 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 hemp oil extraction in Lexington.

**Why are you requesting?**

The Kentucky Economic Development Finance Authority (KEDFA) has Zivo Inc. dba Zelios 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 44 new jobs with an average wage of approximately \$42,000 per year plus benefits. The company has determined the median wage is approximately \$39,500 per year. Zivo Inc. dba Zelios plans to invest \$2.1 million in new equipment and building improvements.

**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

