



TO: Linda Gorton
Mayor

FROM: Kevin Atkins
Chief Development Officer

DATE: December 12, 2019

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

Request:

Authorization to allow an inducement to Faneuil, Inc. as local participation in the Kentucky Business Investment (KBI) Program, which includes a 10-year local 0.5% wage assessment through KBI. The company will locate its customer service center in Lexington.

Why are you requesting:

The Kentucky Economic Development Finance Authority (KEDFA) has given Faneuil, 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 4%. The company plans to create 450 new jobs with an average wage of approximately \$28,080 per year plus benefits. The company has determined the median wage is approximately \$27,040 per year. Faneuil, Inc. plans to invest more than \$12.2 million in existing building improvements, lease, and start-up costs.

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

The cost for FY2020 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

