



Lexington-Fayette Urban County Government  
OFFICE OF THE MAYOR

Jim Gray  
Mayor

To: Jim Gray, Mayor  
Urban County Council

From:   
Kevin Atkins, Chief Development Officer

Date: June 15, 2015

Re: Approve agreement with Sumitomo Electric Wiring Systems, Inc.

The Kentucky Economic Development Finance Authority has given Sumitomo Electric Wiring Systems, Inc. preliminary approval to participate in the Kentucky Business Investment (KBI) Program. The KBI Program request that the state and local government can 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 annual lease costs through Kentucky corporate income tax credits and a wage assessment of up to 4%.

Sumitomo Electric Wiring Systems, Inc.'s decision to expand their operations in Lexington will create wealth and provide job opportunities for the citizens of Lexington and the surrounding area. The company plans to create 10 new jobs with an average wage of approximately \$56,400 per year plus benefits. The company has determined the median wage is approximately \$48,000 per year. Sumitomo Electric Wiring Systems, Inc. plans to invest over \$8.4 million in equipment and lease costs for a 10-year period.

It is recommended LFUCG approve the 10-year local 1% wage assessment through KBI. There is no budgetary impact on LFUCG.

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