



**TO:** Linda Gorton  
Mayor

**FROM:** Kevin Atkins  
Chief Development Officer

**DATE:** January 16, 2020

**RE:** Approve agreement with NX Development Corporation to participate in the Kentucky Business Investment Program

**Request:**

Authorization to allow an inducement to NX Development Corporation as local participation in the Kentucky Business Investment (KBI) Program, which includes a 10-year local 1% wage assessment through KBI. NX Development Corporation will expand its life science company in Lexington.

**Why are you requesting:**

The Kentucky Economic Development Finance Authority (KEDFA) has given NX Development Corporation 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 20 new jobs with an average wage of approximately \$52,000 per year plus benefits. The company has determined the median wage is approximately \$60,000 per year. NX Development Corporation plans to invest more than \$1.2 million in start-up costs and rent.

**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

