



Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Gray
Mayor

TO: Jim Gray, Mayor

FROM: Kevin Atkins
Chief Development Officer

DATE: October 2, 2017

RE: Approve agreement with Innovative Mattress Solutions to participate in the Kentucky Business Investment Program

Request:

Authorization to: allow an inducement to Innovate Mattress Solutions as local participation in the Kentucky Business Investment Program, which includes a 10-year local 1% wage assessment through KBI.

Why are you requesting?

The Kentucky Economic Development Finance Authority has given Innovate Mattress Solutions 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 equipment costs and 50% of the lease costs through Kentucky corporate income tax credits and a wage assessment fee of up to 4%. The company plans to create 52 new jobs with an average wage of approximately \$67,580 per year plus benefits. Innovative Mattress Solutions plans to invest over \$3,800,000 in new equipment, startup costs and lease costs.

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

The cost for this FY 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

The funds are budgeted or a budget amendment is in process: N/A

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Account number: N/A

Director/Commissioner: Kevin Atkins