



TO: Mayor Jim Gray
Lexington Fayette Urban County Council

FROM: Gina Greathouse
Senior Vice President, Economic Development, Commerce Lexington Inc.

DATE: May 31, 2013

RE: Kentucky Business Investment program
Tiffany and Company Jewelers, Inc.

Tiffany and Company Jewelers, Inc. has submitted an application and received preliminary approval from the Kentucky Economic Development Finance Authority to participate in the Kentucky Business Investment (KBI) program. Tiffany and Company's decision to expand its jewelry manufacturing operations in Lexington will create wealth and provide additional job opportunities for the citizens of Lexington and the surrounding area.

The company plans to create 75 new jobs with an average wage of approximately \$40,000 per year plus benefits. Tiffany and Company plans to invest \$2,000,000 in building improvements and new equipment.

With the KBI program, the state and local government enter into a ten-year agreement with an 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%. Although the company may not actually use the full KBI benefit, we demonstrate in the chart below the maximum amount that the company could recover through the local 1% wage assessment.

