



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

MEMORANDUM

TO: KEDFA Board Members

FROM: Jean R. Hale, Chairman 
Kentucky Economic Development Finance Authority

DATE: January 11, 2022

SUBJECT: KEDFA Special Board Meeting

A special meeting of the Kentucky Economic Development Finance Authority is called for **10:00 a.m. (EDT) on Tuesday, January 11, 2022** through both in person attendance and video conference. The primary location for the meeting where all members can be seen and heard and the public may attend in accordance with KRS 61.826 and 61.810 will be in the Board of Directors Conference Room at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. While participants, media and members of the public may attend the board meeting in person at the primary location, attendees are also encouraged to join the meeting virtually and can access the video teleconference at the following link:

<https://us02web.zoom.us/j/83280936465?pwd=S1FTNXAycDV5STRZR2FmeUF6ZWNHdz09>

The purpose of the meeting is to consider a Kentucky Business Investment (KBI) and Kentucky Enterprise Initiative Act (KEIA) project in Todd County.

Attachment

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**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
AGENDA
SPECIAL BOARD MEETING**

January 11, 2022

PRIMARY LOCATION:

Where all members can be seen and heard and the public may attend in accordance with KRS 61.826 & 61.840

Board of Directors Conference Room

Old Capitol Annex

300 West Broadway

Frankfort, Kentucky

ALSO AVAILABLE VIA ZOOM:

<https://us02web.zoom.us/j/83280936465?pwd=S1FTNXAycDV5STRZR2FmeUF6ZWNHdz09>

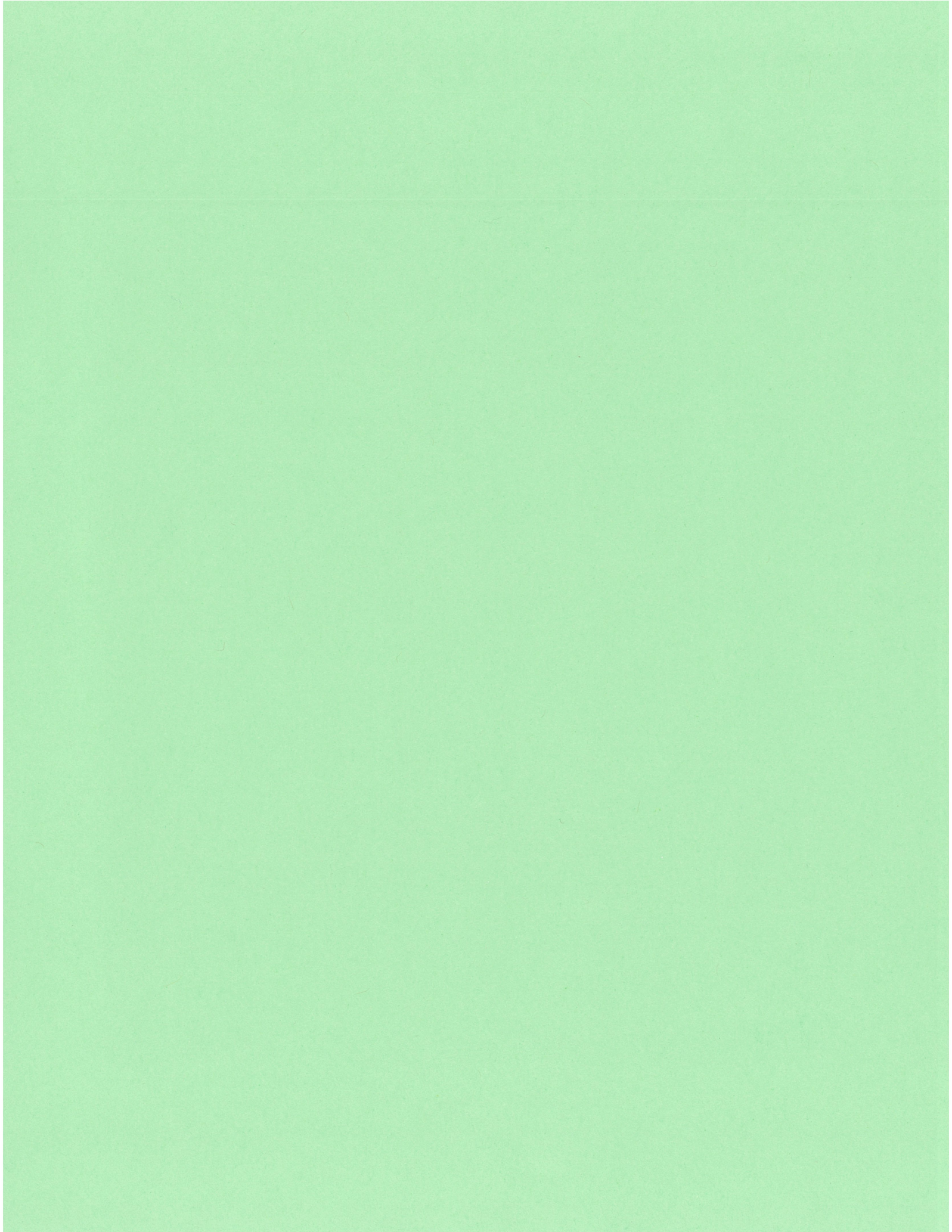
Call to Order

Notification of Press

Roll Call

KBI Project (Preliminary) and KEIA Project – Todd County

Adjournment



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: January 11, 2022
Approved Company: Novelis Corporation
City: Guthrie **County:** Todd
Activity: Manufacturing **Prelim Resolution #:** KBI-I-22-23627
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder

Project Description: Novelis Corporation operates an integrated network of technically advanced aluminum rolling and recycling facilities across North America, South America, Europe and Asia. Novelis is the leading producer of flat-rolled aluminum products and the world's largest recycler of aluminum as well as the world's leading supplier of aluminum sheet to the automotive industry. The company is considering the construction of a large sheet, ingot casting, shredding and recycling center to serve the automotive market.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

| Eligible Costs | Total Investment |
|----------------------|----------------------|
| \$0 | \$0 |
| \$155,600,000 | \$155,600,000 |
| \$173,400,000 | \$173,400,000 |
| \$35,200,000 | \$35,200,000 |
| \$364,200,000 | \$364,200,000 |

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

| Year | Job Target | Average Hourly Wage Target (Including Employee Benefits) | Annual Approved Cost Limitation |
|-----------------------|------------|--|---------------------------------|
| As of Activation Date | 10 | \$38.00 | |
| 1 | 50 | \$38.00 | \$100,000 |
| 2 | 78 | \$38.00 | \$200,000 |
| 3 | 138 | \$38.00 | \$300,000 |
| 4 | 138 | \$38.00 | \$300,000 |
| 5 | 138 | \$38.00 | \$300,000 |
| 6 | 138 | \$38.00 | \$300,000 |
| 7 | 138 | \$38.00 | \$300,000 |
| 8 | 138 | \$38.00 | \$400,000 |
| 9 | 138 | \$38.00 | \$400,000 |
| 10 | 138 | \$38.00 | \$400,000 |
| 11 | 138 | \$38.00 | \$400,000 |
| 12 | 138 | \$38.00 | \$400,000 |
| 13 | 138 | \$38.00 | \$400,000 |
| 14 | 138 | \$38.00 | \$400,000 |
| 15 | 138 | \$38.00 | \$400,000 |

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$5,000,000

Incentive Type:

Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

Ownership (20% or more):

Novelis Inc. Atlanta, GA

Active State Participation at the project site:

| <u>Date</u> | <u>Program</u> | <u>Status / Jobs Required</u> | <u>Amount</u> |
|--------------|----------------|-------------------------------|---------------|
| Jan 23, 2018 | KBI | Approve-Prelim | \$8,500,000 |
| Jan 23, 2018 | KEIA | Approve-Final | \$3,000,000 |

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 2.3%

Kentucky: 3.7%

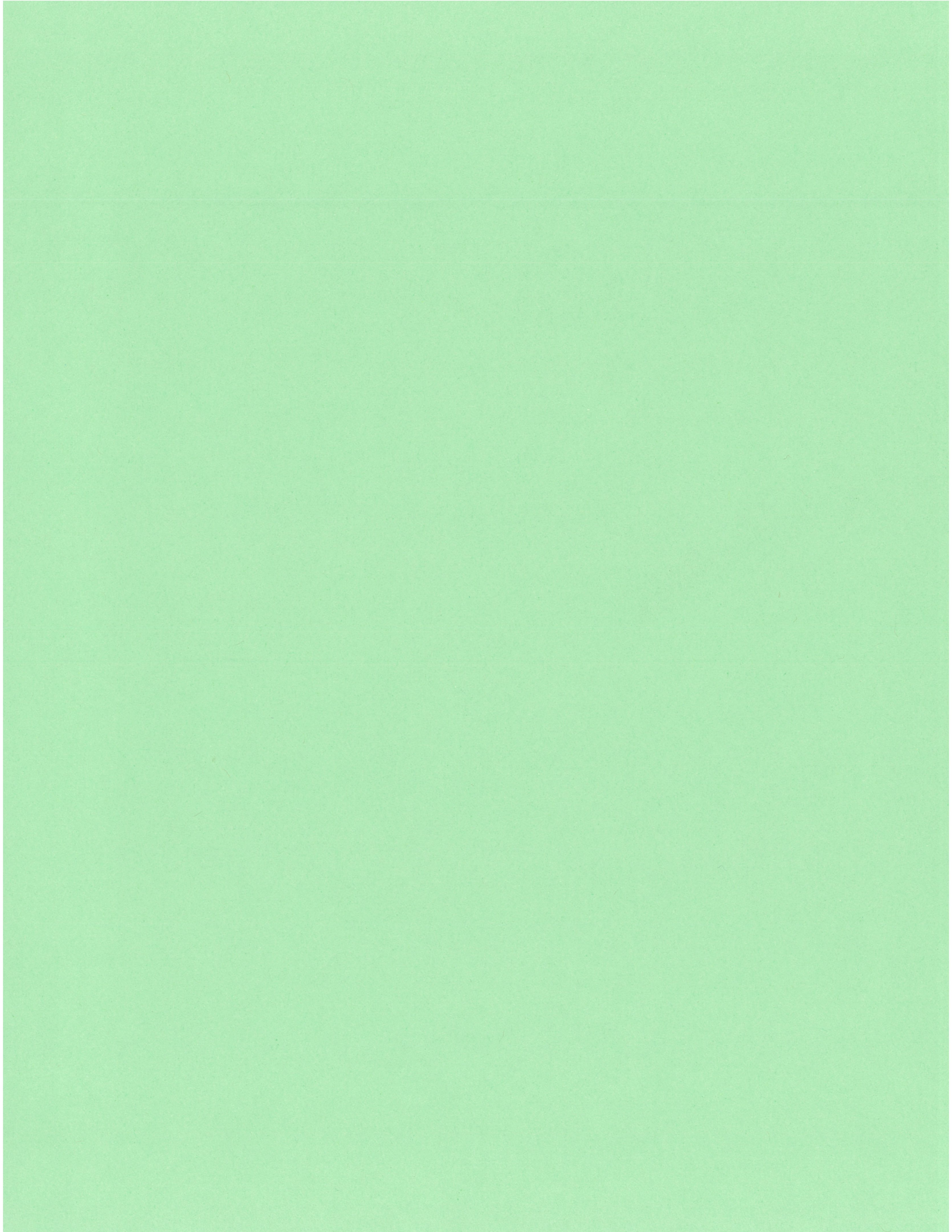
Existing Presence in Kentucky:

Madison and Todd Counties

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. The company reported 145 full-time employees subject to Kentucky income tax as of the application date.

The company will be required to maintain 90% of the total statewide full-time employees subject to Kentucky income tax at all company locations, excluding the site of the project, as of the date of preliminary approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: January 11, 2022
Approved Company: Novelis Corporation
City: Guthrie
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Todd
Resolution #: KEIA-22-23628
DFS Staff: M. Elder

Project Description: Novelis Corporation operates an integrated network of technically advanced aluminum rolling and recycling facilities across North America, South America, Europe and Asia. Novelis is the leading producer of flat-rolled aluminum products and the world's largest recycler of aluminum as well as the world's leading supplier of aluminum sheet to the automotive industry. The company is considering the construction of a large sheet, ingot casting, shredding and recycling center to serve the automotive market.

Facility Details: Expanding existing operations

Anticipated Project Investment

| | Eligible Costs | Total Investment |
|----------------------------------|-----------------------|-------------------------|
| Land | \$0 | \$0 |
| Building Construction | \$125,300,000 | \$155,600,000 |
| Electronic Processing Equipment | \$0 | \$0 |
| Research & Development Equipment | \$0 | \$0 |
| Flight Simulation Equipment | \$0 | \$0 |
| Other Equipment | \$0 | \$173,400,000 |
| Other Start-up Costs | \$0 | \$35,200,000 |
| TOTAL | \$125,300,000 | \$364,200,000 |

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$4,000,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$4,000,000

See KBI file (KBI-I-22-23627) for Ownership, Other State Participation and Unemployment Rate.