KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

SPECIAL BOARD MEETING

AGENDA
January 31, 2017

Call to Order
Notification of Press
Roll Call

1. KBI (Preliminary) - Boone County
   Presented by Anna Beth Bobbitt and Lynda Cunningham

Adjournment

Video Conference Sites:

Cabinet for Economic Development
Board of Directors Conference Room
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky

Mazak Corporation
Conference Room B
6850 Industrial Road
Florence, Kentucky

Community Trust Bank, Inc.
5th Floor Conference Room
346 North Mayo Trail
Pikeville, Kentucky
KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: January 31, 2017
Approved Company: Amazon Fulfillment Services, Inc.
City: Hebron
County: Boone
Activity: Service & Technology
Prelim Resolution #: KBI-I-17-21488
Bus. Dev. Contact: A. Bobbitt
OFS Staff: L. Cunningham

Project Description: Amazon has a long, rich history in Kentucky and employs over 10,000 full time associates in eleven fulfillment centers. As the company’s capacity demand continues to grow, the need to invest in infrastructure is necessary in order to meet and exceed the needs of its customers. The company is considering developing a centralized air hub at the CVG Airport to serve the growing fleet of Prime Air cargo planes. The project has the potential to create over 2,700 new jobs and a significant capital investment over several years.

Facility Details: Locating in a new facility

<table>
<thead>
<tr>
<th>Anticipated Project Investment - Owned</th>
<th>Eligible Costs</th>
<th>Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Building/Improvements</td>
<td>$461,600,000</td>
<td>$461,600,000</td>
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<tr>
<td>Equipment</td>
<td>$2,000,000</td>
<td>$1,032,400,000</td>
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<tr>
<td>Other Start-up Costs</td>
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<td>$0</td>
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<tr>
<td>TOTAL</td>
<td>$463,600,000</td>
<td>$1,494,000,000</td>
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</tbody>
</table>

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

<table>
<thead>
<tr>
<th>Year</th>
<th>Job Target</th>
<th>Average Hourly Wage Target (Including Employee Benefits)</th>
<th>Annual Approved Cost Limitation</th>
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<tbody>
<tr>
<td>As of Activation Date</td>
<td>100</td>
<td>$26.00</td>
<td>$4,000,000</td>
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<tr>
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<tr>
<td>10</td>
<td>600</td>
<td>$26.00</td>
<td>$4,000,000</td>
</tr>
</tbody>
</table>

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: $40,000,000
County Type: Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 2.25%
Local: 0.6% Unincorporated Boone County

Unemployment Rate:
County: 3.1%
Kentucky: 4.0%

Existing Presence in Kentucky:
Boone, Bullitt, Clark, Fayette, Jefferson and Taylor Counties

Special Conditions:
The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate locations, excluding the site of the project, as of the date of preliminary approval.