

The community of **Danville-Boyle County, Kentucky**, offers to business prospects the following local incentives to induce their development in our location. These incentives are subject to final approval as required by the Danville City Commission (City), the Boyle County Fiscal Court (County), the Kentucky Economic Development Finance Authority (KEDFA), and/or other applicable state or local agencies.

This overview is intended to be a local supplement to the **Kentucky Cabinet for Economic Development's Business Incentives and Financial Programs**, which are summarized online at http://www.thinkkentucky.com/Locating_Expanding/kybizince.aspx. Develop Danville, Inc., is your local contact and facilitator to access both state and local incentive programs.

These incentives are premised upon a policy that the **City and/or County shall experience no net loss of tax revenues as a result of incentives** granted to an eligible project. A cost-benefit analysis may be required to demonstrate that the **City and/or County will recapture a reasonable rate of return on an incentive investment in a project**. Clawback provisions shall be required for applicable incentives. The City and/or County shall give preference to new or expanding business projects that qualify for state incentives preliminarily approved by KEDFA, unless otherwise noted.

Similar incentives may be available in the Cities of Junction City and Perryville to the extent of their local tax or fee assessment authority.

City of Danville and/or Boyle County

- **Payroll Tax Rebate:** The City and County jointly or separately may grant to a company that creates a **minimum of ten (10) new, full-time¹ jobs and investing a minimum of \$100,000.00 in capital** a wage assessment rebate of **1.0% of payroll taxes** payable by the company's new employees **for a period up to fifteen (15) years**.

The minimum thresholds for the local incentive are the same as that required for the Kentucky Cabinet for Economic Development's state incentive programs in Boyle County.

If the company's new full-time employment from an approved business project fails to meet minimum job creation targets during the company's incentive recovery term, the company may be required to repay a prorated amount of its collected incentives to the City and County.

¹ **Full-time employees** are defined as those employed at the project by the company in the City and/or County for at least 35 hours per week and are subject to the City's and/or County's occupational license fee (payroll tax). Contract employees are not included.

- **Industrial Revenue Bond (IRB):** The City and/or the County, with approval of KEDFA, **may issue an IRB on the company’s behalf to finance the project costs of the company’s facility**, including engineering, site preparation, land, buildings, machinery/equipment, and bond issuance costs. The issuing government will take ownership of the subject property as the bond is repaid by the company via leasehold. For the period of the IRB’s repayment and to the extent that the IRB finances the project, **the company will receive an abatement of all City and County real and/or tangible property taxes** and may receive a reduced state property tax rate. **However, a payment in lieu of taxes (PILOT) shall be negotiated with the company for the benefit of school, fire protection, and other special districts.**
- **Community Development Block Grant (CDBG):** Subject to CDBG program guidelines and funding availability, the City and/or the County **may apply for a grant of Economic Development program funds for an eligible project** from the Kentucky Department for Local Government, which administers the U.S. Department of Housing and Urban Development’s CDBG allocation for Kentucky. The City and County may **jointly** apply for a **maximum grant of \$2,000,000.00**, or each jurisdiction **separately** may apply for a **maximum grant of \$1,000,000.00**. CDBG funds may be used **to create or retain jobs and to provide training and human services for the professional advancement of low-to-moderate-income persons**. CDBG funds shall be **loaned to a company at a below-market rate of interest** and then **repaid** to the City and/or County or its sub-recipient for eligible local business reinvestment.
- **New Markets Tax Credit (NMTC):** As of the 2010 Census, Boyle County has **four (4) Qualifying Census Tracts** that are eligible for the NMTC program:

 - a. **Census Tract 21021930100**, which includes an area of Danville and central Boyle County north of Lexington Avenue/KY 34, south of the county line, east of the Norfolk Southern rail line and North Maple Avenue, and west of Herrington Lake.
 - b. **Census Tract 21021930300**, which includes Danville’s downtown business district south of Lexington Avenue/KY 34, north of Clark’s Run, east of the Norfolk Southern rail line, and west of Wilderness Road/Stanford Avenue.
 - c. **Census Tract 21021930400**, which includes an area of Danville south of Clarks Run, north of Bonta Lane and Ball’s Branch, east of Norfolk Southern rail line, and west of Gose Pike (encompassing all of the Hustonville Road commercial corridor and most of the US 127-150 Bypass commercial corridor).
 - d. **Census Tract 21021930700**, which includes an area of Boyle County south of KY 37, Bonta Lane, and Ball’s Branch, east of the community of Mitchellsburg, and west of Gose Pike (encompassing all of Junction City and the Danville-Boyle County Regional Airport/Stuart Powell Field).

Develop Danville, Inc., will **facilitate an eligible project's contact with and application to a Community Development Entity (CDE) to secure financing** via the CDE's NMTC allocation. This federal tax credit may be claimed by individual or corporate investors for **39% of the original investment amount over a period of seven (7) years** as follows: 5% for each of the first three (3) years, 6% for each of the remaining four (4) years. More information is available online at www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx.

- **Opportunity Zone: Census Tract 21021930300**, which includes Danville's downtown business district south of Lexington Avenue/KY 34, north of Clark's Run, east of the Norfolk Southern rail line, and west of Wilderness Road/Stanford Avenue, is certified by the U.S. Department of Treasury as an Opportunity Zone. This designation encourages individuals and corporations to invest in a variety of economic development projects through "Opportunity Funds" generated through favorable capital gains tax treatment. For more information is available online at www.thinkkentucky.com/OZ/.
- **Tax Increment Financing (TIF):** TIF is a tool to use future gains in taxes to finance the current improvements that will create those gains. **A development project is financed by using incremental additional local taxes such as property or payroll taxes realized as a result of the development.** Subject to Kentucky's TIF program guidelines and KEDFA approval, the City and/or the County may participate in the following local development area TIFs as long as either shall not cause the tract to represent over 20% of the assessed value of all taxable real property in the jurisdiction:
 - a. **Vacant Land Development:** In any 12-month period, the City and/or County may approve a development area of a **previously undeveloped tract of land no larger than 1,000 acres**. State participation is not available in a vacant land development TIF.
 - b. **Mixed Use Redevelopment:** The City and/or the County may establish a development area of **contiguous land no larger than three (3) square miles that is determined to be a blighted area** through required statutory findings. The City and/or the County may request state participation with certain additional requirements.

City of Danville

- **Property Tax Exemption:** The City may **abate real and/or tangible property taxes for a period up to five (5) years** to induce **new manufacturing establishments** to locate within the City, per Kentucky Revised Statutes (KRS) 92.300 (1). If a company's new full-time employment from an approved business project fails to meet minimum job creation targets during the company's abatement period, the company shall repay a prorated amount of its abated taxes to the City.
- **Fee Waivers:** Depending upon the value of other incentives granted, the City may **reduce or waive the following fees** related to the project:

- a. **Water and sewer connection fees**, excluding time and materials expended by the City, the value of which is to be determined by the company's expected water and sewer consumption;
- b. **Business license fee** (\$25); and/or
- c. **Stormwater impact fee**, which shall be available for a negotiated period of time only in extraordinary circumstances as justified by project viability within the City and after all other City incentives above have been utilized.

Boyle County

- **Fee Waiver:** Depending upon the value of other incentives granted, the County **may reduce or waive commercial building permit fees.**

Economic Development Partners

- **Industrial Park/Site Survey/Utility Connection:** Since 1961, the **Boyle County Industrial Foundation** has invested significant financial resources to acquire, improve, and develop the **John Hill Bailey Industrial Park**, including Enterprise Center and the John H. Stigall Business Center. For undeveloped lots within the industrial park, BCIF will assume the costs of **surveying a site selected by a project and extending necessary utility connections to the site boundary.**
- **Electricity Demand Charge Reduction**
 - a. In its service territory in the Cities of Danville, Junction City, and Perryville, **Kentucky Utilities** offers an **Economic Development Rider (EDR)** to new customers contracting for a minimum annual average monthly billing load of 1,000 kVA (or kW) and existing customers contracting for a minimum annual average monthly billing load of 1,000 kVA (or kW) above their existing base load. **A customer's demand charge will be reduced by the following amounts under the EDR: first contract year, 50%; second contract year, 40%; third contract year, 30%; fourth contract year, 20%; and fifth contract year, 10%.** More information is available online at www.lge-ku.com/economic-development/rider.asp.
 - b. In its service territory in Boyle County, **Inter-County Energy Cooperative** offers an **Economic Development Rider (EDR)** to new customers contracting for a minimum average monthly billing load of 500 kW over a 12-month period and existing customers contracting for a minimum average monthly billing load increase of 500 kW over a 12-month period above a base load determined by averaging the customer's previous three years' monthly billing loads. More information is available online at www.intercountyenergy.net/content/economic-development.
- **Low-Interest Loan Financing:** In its service territory in Boyle County, **Inter-County Energy Cooperative** offers low-interest loan financing for qualifying projects through the **U.S. Department of**

Agriculture’s Rural Economic Development Loan and Grant (REDLG) program. Under the RED Loan program, USDA provides zero percent (0%) interest loans to local utilities that may in turn loan at very low interest rates to businesses for projects that will create and retain employment in rural areas. Recipients repay the lending utility directly. The utility is responsible for repayment to USDA. More information is available online at www.ekpc.coop/EconomicDevelopmentREDLG.html.

- **Natural Gas Tariff Rate Discount:** New and existing commercial and industrial businesses that meet a minimum level of annual natural gas consumption could receive a **25% discount on Atmos Energy’s tariff rate for up to four (4) years** through its **Economic Development Rider (EDR)**. Qualifications include expected natural gas demand of 9,000 mcf annually for new business customers or a contract for incremental gas demand of 4,500 mcf annually for existing business customers. More information is available online at www.atmosenergy.com/utility-operationsrates/tariffs-kentucky/kentucky at pages 40-41.
- **Application Fee Reimbursement:** The **Boyle County Industrial Foundation** will **reimburse** a company for the **non-refundable application fee payable to the Kentucky Cabinet for Economic Development** upon the company’s submission of an application for state financial incentives, **a value of up to \$1,000.00** per project application.
- **Permitting/Licensing Assistance:** For both industrial and commercial projects, Develop Danville, Inc., offers the **JumpStart initiative to guide project development through the local permitting/licensing process** by:
 - a. **Convening a roundtable of local regulatory agency representatives** to personally advise the project regarding local and, if applicable, state requirements for its operations and to develop a project-specific plan for the permitting/licensing process; and
 - b. **Coordinating the follow-up response of local regulatory agencies** to the project’s needs.
- **Workforce Training, Recruitment & Relocation Support:** The community of Danville-Boyle County, Kentucky, stands ready to accommodate your company’s workforce needs through our network of local resources:
 - a. **Bluegrass Community & Technical College’s Danville Campus** offers a variety of workforce education and training programs that may be specifically tailored to the needs of your company for skilled employees.
 - b. Our **Local Business Service Team** of economic development, educational, and employment agencies coordinated by the **Central Kentucky Career Center** are also committed to assisting your company to **recruit a skilled workforce** from our 13-county labor market area.

- c. Develop Danville, Inc., offers “**concierge**” services to our new and existing industries through our network of public and private resources. On the community’s behalf, Develop Danville, Inc., will warmly receive and diligently support your company’s managerial and/or technical staff and their families who may relocate here to establish your new facility and operations. This support includes direct, personal assistance to secure **residential housing and services, spousal employment, and educational placement.**

- **Historic Rehabilitation Tax Credits:** Both the **Heart of Danville** and **Main Street Perryville** will advise and assist eligible commercial and retail projects targeting a location in a historic building in the downtown business districts of the Cities of Danville and Perryville to apply for both **federal** (www.nps.gov/tps/tax-incentives.htm) and **state** (www.heritage.ky.gov/historic-buildings/rehab-tax-credits/Pages/overview.aspx) **historic rehabilitation tax credits.**

- **Tourism Development:** The **Danville-Boyle County Convention & Visitors Bureau** will advise and assist eligible tourism attractions that are new or expanding in Boyle County to apply for state incentives available through the Kentucky Tourism Development Act, which are summarized online at www.kentuckytourism.com/industry/development-incentives/development-incentive-program/. For a minimum project development cost of **\$1,000,000.00**, an eligible project may receive a **state sales tax rebate** to recover up to **25% of its development cost over a 10-year term.**

As these aggressive and flexible incentives attest, the community of **Danville-Boyle County, Kentucky**, strongly desires to welcome your company as the newest corporate citizen of our diverse and vibrant community of local industries and businesses!

For additional information, please contact:

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