

RESOLUTION NO. 154, SERIES 2007

**A RESOLUTION AMENDING RESOLUTION NO. 36, SERIES 2007 APPROVING THE GRANTING OF LOCAL INDUCEMENTS TO PHARMERICA CORPORATION, HUNDRED INSTITUTIONAL PHARMACY SERVICES, INC., PURSUANT TO KRS CHAPTER 154, SUBCHAPTER 24.**

**SPONSORED BY:** Councilman David Tandy, District 4

**WHEREAS**, the Legislative Council of the Louisville/Jefferson County Metro Government (the Council) finds that it is a legitimate public purpose of the Louisville/Jefferson County Metro Government ("Metro") to undertake activities for the purpose of attracting and retaining jobs for residents of this community; and

**WHEREAS**, the Kentucky General Assembly in 1992 enacted KRS 154.24-010 to 154.24-150 establishing the Kentucky Jobs Development Authority ("KJDA") for the purpose of encouraging the development and expansion of the service and technology industry in Kentucky; and

**WHEREAS**, this program provides state inducements to businesses which locate in or remain in the Commonwealth, thus creating and preserving jobs for Kentuckians; and

**WHEREAS**, the program encourages local governments to participate in these inducements for businesses within their jurisdictions; and

**WHEREAS**, the Council finds that offering the local inducements authorized by KJDA for the purpose of attracting and retaining businesses is in furtherance of the public purposes of Metro and will benefit Metro by creating new sources of tax revenue for the support of the public services provided by Metro; and

WHEREAS, ~~PharMerica Corporation~~ **KINDRED INSTITUTIONAL PHARMACY**

**SERVICES, INC** has applied for the benefits authorized under KJDA.

BE IT RESOLVED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

**Section 1:** The Council does hereby approve the granting of inducements to the following company which is undertaking a project approved pursuant to KRS 154.24-010 to KRS 154.24-150. This company is:

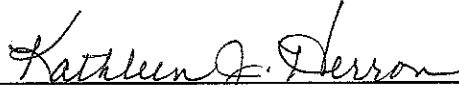
**PHARMERICA CORPORATION**  
**KINDRED INSTITUTIONAL PHARMACY SERVICES, INC**

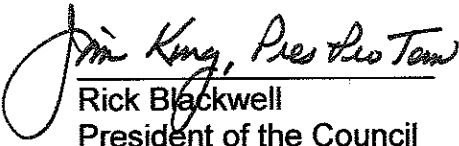
**Section 2:** The State to Local participation ratio in this grant of inducements shall be 80% to 20%. The local occupational tax participation level is .556% with a minimum average salary of \$31,000 at activation.

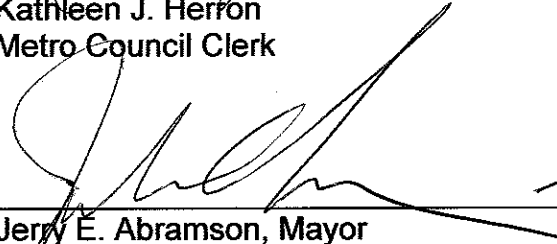
**Section 3:** The Mayor and other appropriate officers and employees of Louisville/Jefferson County Metro are authorized and directed to execute, acknowledge and deliver on behalf of Louisville/Jefferson County Metro any and all papers, instruments, certificates, affidavits and other documents; and to do and cause to be done any and all acts and things necessary or proper for the granting of the inducements authorized by the Acts and this Resolution.

**Section 4:** No portion of the funds derived by the company from the granting of the inducements herein shall be used by the company for any purposes designed to prevent, limit, discourage or restrict union activities within the company.

**Section 5:** This Resolution shall be effective upon its passage and approval.

  
Kathleen J. Herron  
Metro Council Clerk

  
Rick Blackwell  
President of the Council

  
Jerry E. Abramson, Mayor

Approved: 9-19-07  
Date

**Approved as to Form and Legality:**

Irv Maze  
Jefferson County Attorney

**LOUISVILLE METRO COUNCIL  
ADOPTED**  
*September 13, 2007*

By: 

PharMerica - KJDA - - 07 Feb 2007 roc/wtw  
Kindred Inst. Pharm. Svcs. Inc. namechange from PharMerica-KJDA-07Feb2007\_AmndRes.36Series2007ROCwtw\_rf\_bknDraft1.doc

8-14-07



Greater Louisville Inc.  
The Metro Chamber of Commerce

**Business Location Facts**  
Louisville Metro Council - Development Committee  
Location in District # 18

**Corporate** **Kindred Institutional Pharmacy Services, Inc.**  
originally assigned as PharMerica Corporation

**Category:** Name Change Amendment

**Information:** 1901 Campus Place  
Jeffersontown, KY 40299

**Name change:** Having submitted approval of incentives prior to the formal formation of the company, Kindred Institutional Pharmacy Services, Inc. will be the legal entity name of the company receiving the KJDA tax credits. Metro resolution 36 series 2007 should be amended to reflect assignment of inducements from Pharmerica Corporation to Kindred Institutional Pharmacy Services, Inc.

**Original Business/Project Description:** PharMerica Corporation (a new public company to be formed by the merger of KPS, Inc. and PharMerica, Inc.) will form as the result of a joint spin-off and merger between the institutional pharmacy divisions of Kindred Healthcare and AmerisourceBergen. Institutional pharmacies provide outsourced pharmacy services to hospitals, assisted living centers and nursing homes by buying wholesale pharmaceuticals, packaging them for individual users and distributing them to the institutions they serve. The new company will operate in 42 states, serve over 330,000 beds and is expected to post \$1.9 billion in revenues in its first year of operation. Additionally, the new company is expected to grow rapidly through aggressive acquisition. This project will employ approximately 200 new headquarters jobs with an average salary over \$75,000.

**Local Participation:** KJDA local occupational tax participation level is .556%

Note: City of Jeffersontown is sharing participation at a rate of .444%  
with a minimum salary of \$31,000 at activation.

**KEDFA Proceedings:**

**Preliminary Approval Date:** October 26, 2006  
**Final Approval Date:** Expected October 2007  
**Activation Date:** Expected October 2008

**Projected Investment and Employment:**

Existing Local Employment: 75  
Jobs to be created at activation: 200  
Average F/T Salary: \$77,750  
Total Square Footage: 75,000  
Ultimate Investment: \$5,400,000  
New Payroll at activation: \$15,550,000

**Local Annual Economic Impact at Activation (year one):**

	<b>Direct Impact (spin-off)</b>	<b>Total Impact</b>
Projected tax revenues	\$233,265	\$514,465
<b>*Local KJDA benefits</b>	\$155,500	\$155,500
<b>Net benefit to community (Local new taxes, less incentives)</b>	\$77,765	\$358,965

**\*State to Local Participation Ratio is 89% to 11%**

Resolution sponsored by Councilman Tandy