

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: April 24, 2014
Approved Company: Keebler Company
City: Louisville **County:** Jefferson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-14-19906
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Keebler Company, a subsidiary of Kellogg, is one of the largest manufacturers of snack foods in the United States. Kellogg is undergoing a four year global growth and efficiency program to optimize supply chain through consolidation of facilities and elimination of excess capacity, all existing facilities are being evaluated. The company is considering the purchase of new equipment to add additional manufacturing lines at its Louisville facility.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$0	\$0
\$420,000	\$2,000,000
\$750,000	\$750,000
\$1,170,000	\$2,750,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	21	\$27.00	
1	21	\$27.00	\$55,000
2	21	\$27.00	\$55,000
3	21	\$27.00	\$55,000
4	21	\$27.00	\$55,000
5	21	\$27.00	\$55,000
6	21	\$27.00	\$55,000
7	21	\$27.00	\$55,000
8	21	\$27.00	\$55,000
9	21	\$27.00	\$55,000
10	21	\$27.00	\$55,000

Other County Minimum Wage Requirements: Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$550,000

Ownership (20% or more):

Kellogg Company Battle Creek, MI

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% Louisville-Jefferson County Metro Government

Unemployment Rate

County: 8.3%

Kentucky: 8.3%

Existing Presence in Kentucky:

Jefferson and Boone Counties

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 389 full-time, Kentucky resident employees as of the application date.

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