KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY KBI REPORT - PRELIMINARY APPROVAL

Date:

April 28, 2016

Approved Company:

AAK USA K2, LLC

Approved Affiliate(s):

AAK USA REALCO, LLC

AAK USA K1, LLC

City:

Louisville

County: Jefferson

Activity:

Manufacturing

Prelim Resolution #: KBI-I-16-21022

Bus. Dev. Contact:

A. Bobbitt

OFS Staff: L. Cunningham

Project Description:

AAK is an international corporation that refines vegetable oils for specialized

products. The company is organized into four business areas:

Confectionery Fats, Food Ingredients, Personal Care and Technical Products and Feed. AAK USA K2, LLC is primarily engaged in the Food Ingredients business with a focus on value-added specialty oil solutions to minimize trans fat and saturated fat. The company is considering investing in its current facility in Louisville to meet current demand and accommodate

for future growth.

Facility Details:

Expanding existing operations

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment	
\$0	\$0	
\$5,650,000	\$5,650,000	
\$200,000	\$26,580,000	
\$520,000	\$520,000	
\$6,370,000	\$32,750,000	

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost
As of Activation Date	10	\$21.00	
1	10	\$21.00	\$20,000
2	15	\$21.00	\$20,000
3	20	\$21.00	\$20,000
4	20	\$21.00	\$20,000
5	20	\$21.00	\$20,000
6	20	\$21.00	\$20,000
7	20	\$21.00	\$20,000
8	20	\$21.00	\$20,000
9	20	\$21.00	\$20,000
10	20	\$21.00	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$200	nnn	1

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

AarhusKarlshamn USA Inc. - DE

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: 5.3%

Kentucky: 6.3%

Existing Presence in Kentucky: Jefferson County

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 131 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within the county of Jefferson. Only investment costs incurred at 2520 Seventh Street Road will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Only investment costs incurred by the approved company will be considered towards calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate(s) recognized above.