

# The Kroger Co.

1014 Vine Street, Cincinnati, OH 45202

Jill D. Giles, Manager, Economic Development Relations and Incentives

**Date:** September 23, 2021

## Application Facts:

Industry **Transportation, Warehousing & Utilities**  
 NAICS **445110**  
 Type of App **New**  
 Location **Clark County**  
 RDA LVGEA, Michael Walsh

## Company Profile

The Kroger Co. (Kroger) plans to purchase land in the North Las Vegas area to construct an 1,000,000 sq. ft. full line distribution Center that will include freezer, ambient, perishable, and candy fulfillment and distribution. The new project plans to manage and facilitate the internal sourcing for approximately 21,000 items currently sourced through Layton, Utah and Tolleson, Arizona for the Southwestern region. Las Vegas stores, plus New Mexico, Reno, Arizona, and Southern Utah stores would be serviced from the proposed North Las Vegas site. This will allow Kroger to increase the full line distribution center's service area with expansion opportunities in the Southwestern U.S. region. Kroger is committed to advancing positive change in the company and its communities to protect people and the planet. Through Kroger's Zero Hunger, Zero Waste social impact plan, the company is on a journey to end hunger in communities and eliminate waste, across the company, by 2025. Additionally, the company is committed to reducing the social and environmental impacts of its supply chain by using responsible sourcing practices along reducing the environmental and social impacts of the products carried in its stores. *Source: The Kroger Co.*

## Tax Abatement Requirements:

	<u>Statutory</u>	<u>Company Application</u>	<u>Meeting Requirements</u>
Job Creation	50	<b>207</b>	<b>Yes</b>
Average Wage	\$24.16	<b>\$26.53</b>	<b>Yes</b>
Equipment Capex (SU & MBT)	\$1,000,000	<b>\$40,974,207</b>	<b>Yes</b>
Equipment Capex (PP)			

*Note: As the company submitted its application, prior to 1 July, 2021 - the statewide average wage for FY 21 (\$24.16) is still applicable)*

## Additional Requirements:

Health Insurance	65%	<b>65%</b>	<b>Yes</b>
Revenues generated outside NV	51%	<b>60%</b>	<b>Yes</b>
Business License	<input type="checkbox"/> Current	<input type="checkbox"/> Pending	<input checked="" type="checkbox"/> Will comply

## Total Tax Liability (without tax abatements)

### Direct (company)

**\$5,792,426**

### Total

**\$52,705,092**

## Tax Abatements

### Contract Terms

### Estimated Tax Abatement

Sales Tax Abmt.	2% for 2 years	\$2,612,106
Modified Business Tax Abmt.	50% for 4 years	\$385,929
Personal Property Tax Abmt.	50% for 10 years	\$794,489

## Total Estimated Tax Abatement over 10 yrs.

**\$3,792,524**

## Net New Tax Revenues

### Direct

### Indirect

### Taxes after Abatements

### Local Taxes

Property	\$17,887,241	\$10,643,087	\$28,530,328
Sales	\$5,179,688	\$5,465,683	\$10,645,371
Lodging	\$0	\$241,391	\$241,391

### State Taxes

Property	\$978,325	\$619,270	\$1,597,595
Sales	\$2,444,484	\$1,824,175	\$4,268,659
Modified Business	\$2,210,516	\$1,341,155	\$3,551,671
Lodging	\$0	\$77,553	\$77,553

## Total Estimated New Tax Revenue over 10 yrs.

**\$48,912,568**

## Economic Impact over 10 yrs.

### Total

### Construction

### Total

Total Jobs Supported	641	1,230	1,871
Total Payroll Supported	\$294,221,721	\$66,803,185	\$361,024,906
Total Economic Value	\$756,639,160	\$176,430,585	\$933,069,745

## IMPORTANT TERMS & INFORMATION

**Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.**

**Total Estimated Tax Abatement** is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

**Estimated New Tax Revenue** is amount of tax revenues local and state government will collect after the abatement was given to applying company.

**Economic Impact** is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.



August 19, 2021

Mr. Michael Brown  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Brown,

The Kroger Co. is applying to the State of Nevada for the Sales & Use Tax Abatement, the Modified Business Tax Abatement, and the Personal Property Tax Abatement. We request that The Kroger Co. be placed on the September 23, 2021 GOED Board meeting agenda.

The Kroger Co. will create 207 new positions in the first 24 months of operations, with an average hourly wage of \$26.53. The company will make a capital investment of \$40,974,207.00

The Kroger Co. meets and exceeds the three requirements for tax abatements. This application has the full support of the Las Vegas Global Economic Alliance.

Sincerely,

A handwritten signature in blue ink that reads "Michael Walsh". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael Walsh  
VP Economic Development  
Las Vegas Global Economic Alliance



THE KROGER CO.

1014 VINE STREET

CINCINNATI, OH 45202-1100

November 24, 2020

Mr. Michael Brown  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Avenue  
Suite 5400  
Las Vegas, NV 89101

Dear Mr. Brown:

Attached is a Standard Abatement application related to an evaluation of a significant new business investment in the State of Nevada. The Kroger Co's ("Kroger") Corporate Logistics and Supply Chain team has outlined plans for a completely new Full Line Distribution Center in Metro Las Vegas that will include Freezer, Ambient, Perishable, and Candy fulfillment and distribution ("the new project"). This would be 1 of 3 facilities of this magnitude for Kroger enterprise wide. Other U.S. sites under consideration and evaluation include Layton, UT and Tolleson, AZ.

Kroger has identified greenfield land on the western edge of Apex, North Las Vegas that appears to meet internal site requirements for this proposed new project. The proposed facility will be approximately 1,000,000 SF facility and will employ over 200 new positions averaging nearly \$30.00 per hour, offering full family health insurance and benefits, with a 10-year direct economic wage impact exceeding \$125 million. Capital investment includes approximately \$200 Million in Real and Personal Property expenditures.

The new project plans to manage and facilitate the internal sourcing for approximately 21,000 items currently sourced through Layton, Utah and Tolleson, Arizona for the Southwestern region. Las Vegas stores, plus New Mexico, Reno, Arizona, and Southern Utah stores would be serviced from the proposed North Las Vegas site. This will allow Kroger to increase the full line Distribution Center's service area with expansion opportunities in the Southwestern U.S. region.

We appreciate the support of LVGEA and GOED. The standard new location abatements are a key factor in the internal financial modeling for the project and make Apex a viable location to serve this multi-state region. We look forward to your approval of our application to assist us with our efforts with this new project in your great State of Nevada.

Thank you for your consideration.

Sincerely,

*Rita L Williams*

Ms. Rita L. Williams  
Economic Development  
The Kroger Co.

cc: Jonas R. Peterson, LVGEA

**ECONOMIC DEVELOPMENT**

**Incentive Application**

Company is an / a: (check one)

New location in Nevada

Expansion of a Nevada company

Company Name: The Kroger Co.

Date of Application: November 24, 2020

**Section 1 - Type of Incentives**

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: \_\_\_\_\_

**Section 2 - Corporate Information**

COMPANY NAME (Legal name under which business will be transacted in Nevada) The Kroger Co.			FEDERAL TAX ID # 31-0345740	
CORPORATE ADDRESS 1014 Vine Street	CITY / TOWN Cincinnati	STATE / PROVINCE Ohio	ZIP 45202	
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) 1014 Vine Street (7th Floor - Tax Department, Attn: Jill Giles)	CITY / TOWN Cincinnati	STATE / PROVINCE Ohio	ZIP 45202	
TELEPHONE NUMBER 513-762-4808	WEBSITE <a href="http://www.thekrogerco.com">www.thekrogerco.com</a>			
COMPANY CONTACT NAME Jill D. Giles	COMPANY CONTACT TITLE Manager, Economic Development Relations and Incentives			
E-MAIL ADDRESS <a href="mailto:Incentives.Credits@kroger.com">Incentives.Credits@kroger.com</a>	PREFERRED PHONE NUMBER (513) 720-8594			

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  Yes  No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

**Section 3 - Program Requirements**

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In both urban and rural areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or more "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: \_\_\_\_\_

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA 60%	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) Q2 2023
NAICS CODE / SIC 445110 / 5411	INDUSTRY TYPE Distribution / Logistics

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS

Kroger is considering building a new 1,000,000 SF regional distribution center on the western edge of Apex, North Las Vegas. If Kroger decides this location is viable, the facility will be designed to incorporate ambient, perishable, and freezer goods to serve the company's southwestern region including the states of Nevada, Utah, New Mexico and Arizona.

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS APEX	CITY / TOWN North Las Vegas	COUNTY Clark County	ZIP 89052
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WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?

Phoenix, AZ region or Salt Lake, UT region

**Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 5 (A)  Equipment List
- 5 (B)  Employment Schedule
- 5 (C)  Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.
- 5 (D)  Company Information Form

**Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up - Plans Over the Next <u>Ten</u> Years	Expansions - Plans Over the Next <u>10</u> Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? <u>No</u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="margin-left: 40px;">What year(s)? _____</p> <p style="margin-left: 40px;">How much space (sq. ft.)? _____</p> <p style="margin-left: 40px;">Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? <u>No</u></p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p style="margin-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>No</u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="margin-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="margin-left: 40px;">How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="margin-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>Yes</u></p> <p><b>If Yes *, continue below:</b></p> <p style="margin-left: 40px;">When to break ground, if building (month, year)? <u>Q42021</u></p> <p style="margin-left: 40px;">Estimated completion date, if building (month, year): <u>Q42023</u></p> <p style="margin-left: 40px;">How much space (sq. ft.)? <u>1,000,000 SF</u></p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p style="margin-left: 40px;">What year(s)? _____</p> <p style="margin-left: 40px;">How much space (sq. ft.)? _____</p> <p style="margin-left: 40px;">Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="margin-left: 40px;">Expanding at the current facility or a new facility? _____</p> <p style="margin-left: 40px;">What year(s)? _____</p> <p style="margin-left: 40px;">How much expanded space (sq. ft.)? _____</p> <p style="margin-left: 40px;">Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="margin-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p style="margin-left: 40px;">How much space (sq. ft.)? _____</p> <p style="margin-left: 40px;">Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p style="margin-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p style="margin-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="margin-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="margin-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="margin-left: 40px;">How much space (sq. ft.)? _____</p>
* Please complete Section 7 - Capital Investment for New Operations / Startup.	* Please complete Section 7 - Capital Investment for Expansions below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

The Kroger logistics team is reviewing site selection criteria involving construction of an over 1,000,000 SF regional distribution facility to serve stores in Nevada, Utah, New Mexico, and Arizona. Kroger's proposed 10-year direct investment is estimated to exceed \$325,000,000, including over \$125,000,000 in new direct payroll for an estimated over 200 jobs averaging around \$30.00 per hour.

**Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): _____	Building Purchase (if buying): _____
Building Costs (if building / making improvements): <u>\$125,000,000</u>	Building Costs (if building / making improvements): _____
Land: <u>\$45,000,000</u>	Land: _____
Equipment Cost: <u>\$40,974,207</u>	Equipment Cost: _____
<b>Total: <u>\$211,000,000</u></b>	<b>Total: _____</b>
	Is the equipment purchase for replacement of existing equipment? _____
	Current assessed value of personal property in NV: _____
	(Must <b>attach</b> the most recent assessment from the County Assessor's Office.)

**Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: <u>207</u>	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: _____
Average hourly wage of these <u>new</u> employees: <u>\$26.53</u>	Average hourly wage of these <u>new</u> employees: _____
	How many FTE employees prior to expansion?: _____
	Average hourly wage of these <u>existing</u> employees: _____
	Total number of employees after expansion: _____

\* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- |   |  |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> Overtime              | <input checked="" type="checkbox"/> Merit increases  | <input checked="" type="checkbox"/> Tuition assistance                        | <input checked="" type="checkbox"/> Bonus |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input checked="" type="checkbox"/> COLA adjustments | <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____     |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

**Section 9 - Employee Health Insurance Benefit Program**

Is health insurance for employees and is an option for dependents offered?  Yes (**attach health plan and quote or invoice**)  No

Package includes (check all that apply):

- Medical       Vision       Dental       Other: \_\_\_\_\_

Qualified after (check one):

- Upon employment       Three months after hire date       Six months after hire date       Other: \_\_\_\_\_

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: _____	
Employer Contribution (annual premium per employee): <u>\$4,691.00</u>	Company: <u>65%</u>
Employee Contribution (annual premium per employee): <u>\$4,000.00</u>	Employee: <u>35%</u>
<b>Total Annual Premium: <u>\$8,691.00</u></b>	

[SIGNATURE PAGE FOLLOWS]

**Section 10 - Certification**

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Rita L. Williams  
Name of person authorized for signature

  
Signature

Director, Economic Development  
Title

November 24, 2020  
Date

**Nevada Governor's Office of Economic Development**  
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • [www.diversifynevada.com](http://www.diversifynevada.com)

## Site Selection Factors

Company Name: The Kroger Co.

County: Clark

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### Section I - Site Selection Ratings

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Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

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Availability of qualified workforce:	<u>5</u>	Transportation infrastructure:	<u>4</u>
Labor costs:	<u>4</u>	Transportation costs:	<u>4</u>
Real estate availability:	<u>4</u>	State and local tax structure:	<u>4</u>
Real estate costs:	<u>3</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>3</u>	Business permitting & regulatory structure:	<u>4</u>
Utility costs:	<u>2</u>	Access to higher education resources:	<u>3</u>

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Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):





## 5(B) Employment Schedule

Company Name: The Kroger Co.

County: Clark

### Section I - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application. A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

Please use the Bureau of Labor Statistics Standard Occupational Classification System (SOC) link to populate section (b): [https://www.bls.gov/soc/2018/major\\_groups.htm#11-0000](https://www.bls.gov/soc/2018/major_groups.htm#11-0000)

(a) New Hire Position Title/Description	(b) Position SOC Code	(c) Number of Positions	(d) Average Hourly Wage	(e) US Bureau of Labor Statistics Average Hourly Wage - Nevada Non-Metro Area	(f) Average Weekly Hours	(g) Annual Wage per Position	(h) Total Annual Wages
First-Line Supervisors of Production and Operating Workers	51-1011	14	\$39.28	\$28.72	40	\$81,702.40	\$1,143,833.60
General and Operations Managers	11-1021	5	\$49.70	\$61.83	40	\$103,376.00	\$516,880.00
Maintenance and Repair Workers, General	49-9071	2	\$29.11	\$22.83	40	\$60,548.80	\$121,097.60
Maintenance and Repair Workers, General	49-9071	6	\$25.67	\$22.83	40	\$53,393.60	\$320,361.60
Office Clerks, General	43-9061	8	\$24.36	\$18.30	40	\$50,668.80	\$405,350.40
Logisticians	13-1081	3	\$26.11	\$28.93	40	\$54,308.80	\$162,926.40
Office Clerks, General	43-9061	4	\$24.36	\$18.30	40	\$50,668.80	\$202,675.20
Production Workers, All Other	51-9199	165	\$24.91	\$14.52	40	\$51,812.80	\$8,549,112.00
<b>TOTAL</b>		<b>207</b>	<b>\$26.53</b>	<b>\$17.37</b>			<b>\$11,422,236.80</b>

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete columns (b) and (c). These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. **Please enter the estimated new full time employees on a year by year basis (not cumulative)**

(a) Year	(b) Number of New FTE(s)	(c) Average Hourly Wage	(d) Payroll
3-Year	150	\$26.33	\$8,214,960.00
4-Year	30	\$26.33	\$1,642,992.00
5-Year	27	\$26.33	\$1,478,692.80

\* Column (e) determines if wage is commensurate to current wage ranges in the region the company plans to locate/is located. For these purposes the mean average hourly wage for the location has been used.

U = Unknown / data set for region is not currently available.

Source: [US Bureau of Labor Statistics](#)

## 5(C) Evaluation of Health Plans Offered by Companies

Company Name: The Kroger Co.

County: Clark

Total Number of Full-Time Employees: 207

Average Hourly Wage per Employee \$26.53

Average Annual Wage per Employee (implied) \$55,179.89

### COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$8,691.00

Percentage of Premium Covered by:

Company 65%

Employee 35%

### HEALTH INSURANCE PLANS:

Base Health Insurance Plan*:	PPO
Deductible - per employee	\$ 850
Coinsurance	100% / 0%
Out-of-Pocket Maximum per employee	\$ 4,000

Additional Health Insurance Plan*:	HSA 1
Deductible - per employee	\$ 1,500
Coinsurance	100% / 0%
Out-of-Pocket Maximum per employee	\$ 4,000

Additional Health Insurance Plan*:	HAS 2
Deductible - per employee	\$ -
Coinsurance	0% / 0%
Out-of-Pocket Maximum per employee	\$ -

\*Note: **Please list only "In Network" for deductible and out of the pocket amounts .**

### Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage	8.5%	MMQ
Annual Out-of-Pocket Maximum not to exceed \$8,700 (2022)	\$4,000	MMQ

Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Rita L. Williams

Name of person authorized for signature



Signature

Director, Economic Development

Title

18-Aug-21

Date

## 5(D) Company Information

Company Name: The Kroger Co.

County: Clark

### Section I - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.

<i>(a)</i> Name	<i>(b)</i> Title
The Kroger Co. (NYSE: KR)	Applicant

### Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

**If Yes, continue below:**

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Please include any additional details below: