

Yokohama Building Acquisition – Public Q&A

Q: What is the project?

The City of Versailles, Woodford County Fiscal Court, and the Woodford Economic Development Authority (EDA) are working together to purchase the former Yokohama facility in Versailles. Leaders have strategized on this opportunity since Yokohama made their closure announcement public in early 2025. Furthermore, this has been publicly discussed since July 2025 and was officially reported by The Woodford Sun after the City of Versailles became the first to vote on the Purchase and Sale Agreement (PSA). The property is under contract for \$8.5 million dollars, a figure that was reported by The Woodford Sun in August 2025.

Q: Who is the purchaser?

The City of Versailles, Woodford County Fiscal Court, and the Woodford EDA jointly executed the PSA with the intent of assigning the purchase to one of the entities before closing. It is anticipated that the EDA will hold title, with financial support from the City and County.

Q: What are the terms of the agreement?

The PSA was executed on October 2, 2025. The contract price is \$8.5 million dollars, with \$100,000 dollars in earnest money (divided equally between the City, Fiscal Court and EDA) that is fully refundable through the due diligence period. Due diligence concludes March 31, 2026.

Q: How is the purchase being funded?

The partners applied for and recently received word that they have received Kentucky Product Development Initiative (KPD I) funding, which will provide \$2 million dollars toward the purchase. This means the total local investment will be \$6.5 million dollars. Versailles and Woodford County have been successful in prior KPD I rounds and remained confident in their current application. The Kentucky Cabinet for Economic Development outsources the review of applications and recommendations for funding to a third-party, independent consultant. This consultant, Site Selection Group, does projects across the world. Thus, it is a completely unbiased nod of approval from a well-respected global firm.

Local leaders strategically negotiated the contract to make the deal contingent on KPD I funding. Additionally, the community was successful in obtaining \$100,000 dollars in grant funding from Kentucky Utilities through their KY Opportunity Grant program,

offsetting upfront due diligence expenses and in turn providing a risk-free opportunity to evaluate this project.

Q: Why are Versailles and Woodford County pursuing this purchase?

When Yokohama announced it would close the facility, local leaders saw an opportunity to keep control of this major industrial property within the community. The alternative is to do nothing, which, depending on who bought the facility, could result in a significant loss of tax revenue due to a nearly 300-person company leaving the area, equating to hundreds of thousands of dollars per year. Public ownership ensures the property is redeveloped in a way that benefits Versailles and Woodford County for the long term. A third-party independent appraisal has been completed which appraised the property above the purchase price.

Q: Why is public ownership a common approach?

Public control of industrial sites is a common practice in economic development across the country. Many local economic development authorities and industrial development agencies routinely acquire or even build facilities to attract high-quality employers and investment, and purchasing an existing building reduces risk and increases the likelihood of recruiting an end user that adds value to Versailles and Woodford County.

Q: What happens after the purchase?

If the acquisition proceeds, the EDA will market the facility to employers that align with the community's economic development goals. The goal is to secure an end user that brings jobs, investment, and long-term stability to Versailles and Woodford County. There is also potential for a short-term leaseback with Yokohama, which would offset and minimize overall costs for a period of time.

Q: What's next in the process?

Due diligence continues through March 31, 2026. During that time, environmental, structural, and legal reviews will be completed, and once due diligence and funding decisions are finalized, the partners will determine whether to move forward with closing.

Q. Assuming the partners close on the property, will there be a financial impact for the residents of Versailles and Woodford County?

No. The purchase will be financed by a short-term bond note or a traditional bank loan. We are currently researching the most favorable option. Expenses to “carry” the building – carrying costs include taxes, insurance, maintenance, and utilities – as well as the funds to purchase the property will be recouped when the property sells.