

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE**  
**MINUTES**  
**August 3, 2011**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman Lori Flanery, Secretary, Finance and Administration Cabinet, on Wednesday, August 3, 2011 at 11:30 a.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Other members present were Donna Duncan, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, Ed Ross, Controller, Finance and Administration Cabinet, and John Hicks, proxy for Mary Lassiter, State Budget Director.

Office of Financial Management (OFM) and staff to the Committee present: Tom Howard, Executive Director of OFM and secretary to the Committee; Tom Midkiff and Marcia Adams.

Other guests present were Kristi Culpepper from the Legislative Research Commission (LRC), and William Skees, Jr. from Frost Brown Todd LLC.

Chairman Flanery verified with staff that a quorum was present and that the press had been notified of the meeting.

The first item on the agenda was the approval of the June 14, 2011 minutes. A motion was made by Ms. Donna Duncan and the motion was seconded by Mr. Ed Ross to approve the minutes. **Motion CARRIED.**

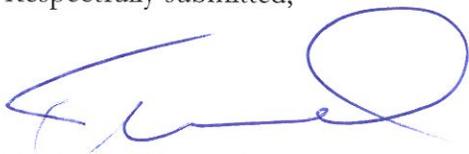
**2011 Local Volume Cap (1<sup>st</sup> Lottery)** – Mr. Tom Midkiff presented information regarding the Lottery portion of Cap available from the Local Issuer's Pool. The applicant, Westport Axle Corporation, intends to build a 208,000 square foot new building ("the Project") on 9.9 acres in Louisville utilizing an existing rail spur to provide assembling, sequencing and services for Ford Motor Company Kentucky Truck plant and other existing companies. The Project would provide 54 new full-time jobs with an average pay of \$19.01 (including benefits). The proceeds from the bonds would be sufficient to complete the Project without state or county funds. The Louisville/Jefferson Metro County Government (Metro Government) will act as the conduit issuer of the bonds and a Memorandum of Agreement dated June 23, 2011 stating the Company would be the sole source of repayment for the bonds was included in the Committee member packets. Mr. Bill Skees, Jr. from Frost Brown Todd LLC attended to answer questions regarding the Project. There were no questions from the Committee.

A motion was made by Ms. Duncan to approve the staff recommendation for the Local Issuer Pool allocation. Motion was seconded by Mr. John Hicks. **Motion CARRIED.**

**Summary of 2011 Volume Cap** – Mr. Tom Midkiff presented information regarding the entire 2011 Volume Cap spreadsheet. The state allocation under the State Issuer pool showed the award that was approved at a previous meeting. The entire State Cap has been allocated but has yet to be issued by the recipients. The Local Issuer pool had one allocation for Hematite Properties, LLC for \$5,635,000 that expired, unissued. Mr. Midkiff pointed out that a total amount of \$154,895,946 of Local Volume Cap remained unallocated.

With no further business before the Committee, the meeting adjourned.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a series of loops and a large circular flourish at the end.

F. Thomas Howard  
Secretary