

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**JANUARY 15, 2010**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) was called to order on Friday January 15, 2010 upon adjournment of the Asset/Liability Commission meeting (approximately at 2:15 p.m.) in Room 182 of the Capitol Annex by Lori Flanery, Deputy Secretary, Finance and Administration Cabinet as proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet. Other members present were Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, Edmund Sauer, proxy for Gov. Beshear, Corey Bellamy, proxy for Jack Conway, Attorney General, and Bill Burger, proxy for Lt. Governor Mongiardo.

OFM Staff Members Present: Mr. Tom Howard, Executive Director and Secretary to the Commission, Deputy Director Brett Antle, Rob Ramsey, Tom Midkiff, Rachael Putnam and Marcia Adams.

Other Guests Present: Kristi Culpepper and Kelly Dudley from the Legislative Research Commission.

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

A motion was made by Mr. Ed Ross and seconded by Mr. Bill Burger to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the November 16, 2009 meeting were approved as written.

Deputy Secretary Flanery introduced Resolution 2010-01:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION  
OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF  
KENTUCKY ASSET/LIABILITY COMMISSION PROJECT NOTES,  
2010 FEDERAL HIGHWAY TRUST FUND FIRST SERIES IN AN AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$105,000,000 FOR THE PURPOSE OF  
PROVIDING FINANCING FOR AN AUTHORIZED PROJECT.**

Mr. Rob Ramsey stated that Resolution 2010-01 is for approval of the Kentucky Asset/Liability Commission (ALCo) Project Notes 2010 Federal Highway Trust Fund, First Series, also known as Grant Anticipation Revenue Vehicle (GARVEEs) Notes. ALCo will provide financing in an amount not to exceed \$105 million dollars for partial financing of the \$231 million dollars authorized in H.B. 410 from the 2008 Session of the General Assembly. The proceeds will be used to partially fund projects related to the Louisville-Southern Indiana-Ohio River Bridges Project. The debt service will be paid from the Federal Highway Trust Fund. Bond Counsel is Kutak Rock LLP, the Underwriter is Citigroup, the Underwriter’s Counsel is Frost Brown Todd LLC, and the Trustee is the Bank of New York Mellon. The anticipated bond sale is February 17, 2010 with a closing on March 4, 2010. Staff recommends approval.

Mr. Burger made a motion to approve Resolution 2010-01 that was seconded by Ms. Katie Smith. Motion **CARRIED** and Resolution 2010-01 was **ADOPTED**.

Deputy Secretary Flanery introduced Resolution 2010-02:

January 15, 2010

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A GRANT TO THE PIKE COUNT FISCAL COURT FOR THE BENEFIT OF EQT CORPORATION (EQT) (\$250,000).**

Ms. Katie Smith reported that the Kentucky Economic Development Finance Authority (KEDFA) is requesting the use of \$250,000 in Economic Development Bond Funds for the purpose of making a grant to the Pike County Fiscal Court for the benefit of EQT Corporation and its affiliates. EQT anticipates the construction, lease and equipping of a 35,000 square foot office building and a 10,000 square foot warehouse facility in Pikeville, Kentucky for the production of its midstream regional headquarters and ancillary warehouse facility. EQT is currently leasing available space in Pike County for the expansion project during the ongoing engineering and construction. The Company will be required to maintain its existing 147 full-time jobs and create 100 new full-time jobs for Kentucky residents within three years of the date of KEDFA approval. They will also be required to pay the new 100 jobs an average hourly wage not less than \$26.78 per hour, excluding benefits. EQT will have to maintain the jobs and wages for three additional years after the first requirement. EQT will also be required to provide a written commitment of the construction for the new facility prior to the disbursement of any of the grant funds. They will also be required to provide a letter of credit or other collateral acceptable to the Cabinet as security for the grant. The grant will include repayment provisions if EQT does fail to meet the job or wage requirements. The project has also received approval of up to \$2.5 million dollars in tax incentives under the Kentucky Jobs Development Act program. It was also approved by the KEDFA at its December 10, 2009 Board meeting. Staff recommends approval.

Mr. Burger asked the nature of their business. Ms. Smith responded that it is natural gas. Mr. Ross asked if Kentucky resident employees were always a part of all the grants the Committee authorizes. Ms. Smith answered affirmatively.

Mr. Burger made a motion to approve Resolution **2010-02** that was seconded by Mr. Ross. Motion **CARRIED** and Resolution **2010-02** was **ADOPTED**.

Deputy Secretary Flanery asked if there was any other business. With no other business, the meeting stands adjourned.

Respectfully submitted,



F. Thomas Howard  
Secretary