

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**JANUARY 16, 2014**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, January 16, 2014 in Room 182 of the Capitol Annex at 11:00 a.m. E.T. by Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were Mike Alexander, proxy for Governor Steven Beshear, Chad Aull, proxy for Lt. Governor Jerry E. Abramson, Edgar C. Ross, State Controller, Office of the Controller, Corey Bellamy, proxy for Attorney General Jack Conway, Jane Driskell, State Budget Director, and Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development.

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director, Sandy Williams, Deputy Executive Director, Tom Midkiff, Steve Starkweather, and Marcia Adams.

Other Guests Present: Katherine Halloran and Zach Ireland from the Legislative Research Commission (“LRC”).

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

After a review of the previous meeting minutes, a motion was made by Mr. Ed Ross and seconded by Mr. Mike Alexander to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the November 15, 2013 meeting were approved.

Secretary Flanery introduced Ms. Katie Smith for her introduction of Resolution **2014-01**:

**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 CITY OF MT. STERLING FOR THE BENEFIT OF VOGELSANG CORPORATION (VOGELSANG) FOR \$75,000.**

Ms. Smith stated the Cabinet for Economic Development (“CED”) is recommending the use of \$75,000 in Economic Development Bond (“EDB”) funds for the purpose of making a grant to the city of Mt. Sterling for the benefit of Vogelsang Corporation. Vogelsang supplies a variety of products to the automotive industry and is looking to consolidate U.S. chassis production in a new 40,000 square foot facility in Mt. Sterling which would manufacture tubular steel products welded to automotive frames. The proposed EDB grant funds will be used to offset the cost associated with this project.

In consideration of this EDB grant, Vogelsang will be required to create 22 new, full-time Kentucky resident jobs (excluding contract or temporary employees) in Montgomery County within three years of the date of approval by the Kentucky Economic Development Finance Authority (“KEDFA”).

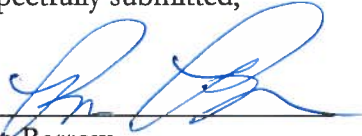
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Vogelsang will be required to pay the 22 new jobs an average hourly wage of not less than \$17.50, including benefits. Vogelsang will also be required to maintain the 22 new jobs, paying the foregoing wages, for an additional three (3) years. Repayment provisions will be included in the grant agreement should the company fail to meet the employment or wage requirements. A letter of credit or collateral satisfactory to the Cabinet will be required as security for repayment of any grant proceeds. The project has been recommended by CED Secretary Larry Hayes and concurred upon by Secretary Lori Flanery of the Finance and Administration Cabinet. Staff recommends approval.

Secretary Flanery asked the Commission members if they had any questions. Mr. Alexander made a motion to approve Resolution **2014-01** that was seconded by Ms. Jane Driskell. Motion **CARRIED**, and Resolution **2014-01** was **ADOPTED**.

With no other business, the meeting stands adjourned.

Respectfully submitted,



Ryan Barrow  
Secretary