

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
NOVEMBER 13, 2015

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Friday, November 13, 2015 at 1:30 p.m. ET in Room 182 of the Capitol Annex by Lori Flanery, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. Other members present were Will Adams, proxy for Governor Steve Beshear; Edgar C. Ross, State Controller, Office of the Controller; Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development (“CED”); and Corey Bellamy, proxy for Attorney General Jack Conway.

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Commission, Sandy Williams, Deputy Executive Director, John Brady, Liz Columbia, Denise Pitts, Steve Starkweather, Bethany Couch and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission.

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. Corey Bellamy and seconded by Mr. Will Adams to approve the previous meeting minutes. Motion **CARRIED** and the minutes from the October 20, 2015 meeting were **APPROVED**.

Secretary Flanery acknowledged Ms. Katie Smith for her introduction of Resolution **2015-28**:

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 MORGANTOWN FOR THE BENEFIT OF ARC AUTOMOTIVE, INC. (ARC) FOR \$325,000.

Ms. Smith asked the Committee for the approval of the Economic Development Bond Grant in the amount of \$325,000 to the City of Morgantown for the benefit of ARC Automotive, Inc. (“ARC”). ARC is a global manufacturer that produces a full complement of automotive airbag inflators and propellants. The company plans to produce airbag inflators in 60,000 square feet of leased space in Morgantown. The total investment for the project is approximately \$4.5 million. ARC will be required to create and maintain 129 new, permanent, full-time Kentucky resident jobs paying average hourly wages of \$13.00, including benefits, within 3 years of KEDFA approval of the project and maintain for 3 additional years. ARC will be required to maintain 111 existing, full-time Kentucky resident jobs in Butler County for a total full-time Kentucky resident jobs requirement of

240 jobs in Butler County. Collateral satisfactory to the Cabinet will be required for the project and the grant agreement will include repayment provisions should ARC fail to meet the wage or job requirements. KEDFA approved the project at its meeting on October 29, 2015. Staff recommended approval.

Secretary Flanery called for a motion to approve Resolution **2015-28**. Mr. Will Adams made a motion, and was seconded by Mr. Ed Ross. There being no discussion, the motion **CARRIED** and Resolution **2015-28** was **ADOPTED**.

Secretary Flanery again acknowledged Ms. Smith for her introduction of Resolution **2015-29**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF HEALTHCARE FACILITIES REVENUE BONDS, SERIES 2015 (CHRISTIAN CARE COMMUNITIES, INC. OBLIGATED GROUP) IN ONE OR MORE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY.

Ms. Smith asked the Committee for the approval for the issuance of Healthcare Facilities Revenue Bonds not to exceed \$50 million on behalf of Christian Care Communities, Inc. Obligated Group. The proceeds of the 2015 Bonds will be used to refinance the Series 2007 Bonds and finance the reimbursement of costs paid to the Obligated Group in connection with the acquisition, construction and equipping of healthcare and health related facilities including long-term care facilities and housing for the aged or infirmed. Local resolutions requesting KEDFA to issue the bonds were received from Bowling Green, Corbin, Owensboro, Hopkinsville, Lexington, Louisville, and Nicholasville. A public hearing was held and no public comments were received. The project was approved by KEDFA at the October 29, 2015 board meeting. Staff recommended approval.

Secretary Flanery called for a motion to approve Resolution **2015-29**. Mr. Corey Bellamy made a motion, and was seconded by Mr. Will Adams. There being no discussion, the motion **CARRIED** and Resolution **2015-29** was **ADOPTED**.

Secretary Flanery recognized Mr. Steve Starkweather for his introduction of Resolution **2015-30**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF UNIVERSITY OF KENTUCKY GENERAL RECEIPTS BONDS, 2016 SERIES A AND UNIVERSITY OF KENTUCKY GENERAL RECEIPTS BONDS, 2016 TAXABLE SERIES B.

Mr. Starkweather stated the University of Kentucky was seeking approval to issue general receipts bonds in an aggregate principal amount of approximately \$158,390,000 to renovate and expand the University Student Center as authorized by HB 235 of the 2014 Regular Session and pay costs of

issuance. The issuance will be comprised of the 2016 Tax-Exempt Series A in an approximate amount of \$93,255,000 and the 2016 Taxable Series B in an approximate amount of \$65,135,000. The transaction will hold a 30-year term, will have an estimated True Interest Cost of 4.193%, and will have an estimated total debt service of \$288.9 million. The Financial Advisor is Hilliard Lyons. Bond Counsel is Dinsmore & Shohl LLC. Staff recommended approval.

Secretary Flanery called for a motion to approve Resolution **2015-30**. Mr. Ed Ross made a motion, and was seconded by Ms. Katie Smith. There being no discussion, the motion **CARRIED** and Resolution **2015-30** was **ADOPTED**.

Secretary Flanery recognized Ms. Sandy Williams.

**Kentucky Community and Technical College System
Request for Approval of Inter-Agency Deed of Conveyance**

Ms. Williams stated that Staff was requesting the Committee's approval of a Deed of Conveyance for a tract of land containing 17.014 acres lying on the Little Hoods Creek in Boyd County. The property is part of the Ashland Campus of the Kentucky Community and Technical College System (KCTCS). KCTCS had requested that the property, currently deeded to the Commonwealth of Kentucky and the State Property and Buildings Commission, be transferred to KCTCS to be used for a public purpose. KCTCS had been working with Finance Facilities and the General Counsel's Office and had obtained all necessary approvals to execute the deed with the exception of the Committee's approval. The Deed of Conveyance, prepared by Pat McGee of the Finance and Administration Cabinet's Office of General Counsel, and a boundary survey of the property were presented to the Committee. There were no outstanding bonds associated with the tract of land or any buildings or appurtenances on the land. Bond counsel for the State Property and Buildings Commission determined that a resolution was not needed for the action and that approval of the matter could be accomplished by motion and voice vote. Staff recommended approval and requested action by the Committee.

Secretary Flanery called for a motion to approve the transfer of the property for a public purpose as described in the Deed of Conveyance. Mr. Ed Ross made a motion, and was seconded by Ms. Katie Smith. There being no discussion, the motion **CARRIED**.

With no further business before the Commission, Secretary Flanery called for a motion to adjourn. A motion was made by Ms. Katie Smith. The meeting stands adjourned.

Respectfully submitted,



Ryan Barrow
Secretary