

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
NOVEMBER 15, 2010

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Monday, November 15, 2010 at 3:00 p.m. EST 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, Executive Director to the Commission. Other members present were John Esham, proxy for Governor Stephen Beshear, Bill Burger, proxy for Lt. Governor Mongiardo, Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, John Hicks, proxy for Mary Lassiter, State Budget Director, Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, and Bonnie Howell, proxy for Attorney General, Jack Conway.

Office of Financial Management (OFM) Staff Members Present: Brett Antle, Deputy Executive Director, Robin Brewer, Tom Midkiff, Rachael Dever, Rob Ramsey and Marcia Adams.

Other Guests Present: Kristi Culpepper from the Legislative Research Commission (LRC).

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. Bill Burger and seconded by Mr. Ed Ross to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the October 18, 2010 meeting were approved as written.

Deputy Secretary Flanery introduced Resolution **2010-31**:

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 SCOTTSVILLE-ALLEN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR THE BENEFIT OF THE J.M. SMUCKER COMPANY (SMUCKER’S) (\$250,000).

Ms. Katie Smith stated that Secretary Hayes is recommending the use of \$250,000 of Economic Development Bond (EDB) Funds for the purpose of making a grant to the Scottsville-Allen County Industrial Development Authority for the benefit of The J.M. Smucker Company (Smucker’s). Smucker’s anticipates the construction and equipping of an approximately 20,000 square foot warehouse facility in relation to the existing 188,000 square foot manufacturing facility in Allen County, to support expanded bakery operations and research and development functions. The proposed EDB grant funds will be used to offset the cost associated with this project.

In consideration of this EDB grant, in addition to retaining its current workforce of 322 full-time work force, Smucker’s will be required to create 25 new, full-time jobs for Kentucky residents paying average hourly wages of \$13.80, excluding benefits within three years of Kentucky Economic Development Finance Authority (KEDFA) approval and maintain for an additional three years. Repayment provisions

will be included in the grant agreement and Smucker's will be required to provide collateral satisfactory to the Cabinet as security for repayment of any EDB grant proceeds.

KEDFA approved the project on October 28, 2010 and upon approval by this Commission, will be presented to Capital Projects and Bond Oversight Committee on November 16, 2010. Staff recommends approval.

Mr. Burger made a motion to approve Resolution **2010-31** that was seconded by Mr. John Hicks. Motion **CARRIED**, and Resolution **2010-31** was **ADOPTED**.

Deputy Secretary Flanery introduced Resolution **2010-32**:

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 HENDERSON FOR THE BENEFIT OF NORTH AMERICAN LIGHTING, INC. (NAL) (\$90,000).

Ms. Katie Smith stated that Secretary Hayes is recommending the use of \$90,000 of Economic Development Bond (EDB) Funds for the purpose of making a grant to the city of Henderson for the benefit of North American Lighting (NAL). NAL anticipates the construction and equipping of an approximately 32,000 square foot facility on twelve acres in Henderson for an injection mold fabrication facility in order to meet its increasing demand for high quality injection mold tools. The proposed EDB grant funds will be used to offset the cost associated with this project.

In consideration of this EDB grant, NAL will be required to create 47 new, full-time jobs for Kentucky residents paying average hourly wages of \$18.00, excluding benefits within three years of Kentucky Economic Development Finance Authority (KEDFA) approval and maintain for an additional three years. Repayment provisions will be included in the grant agreement and NAL will be required to provide collateral satisfactory to the Cabinet as security for repayment of any EDB grant proceeds. The company is also requesting, upon approval, incentives under the Kentucky Investment Program.

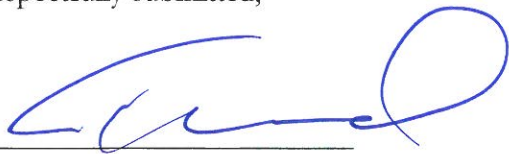
KEDFA approved the project on October 28, 2010 and upon approval by this Commission, will be presented to Capital Projects and Bond Oversight Committee on November 16, 2010. Staff recommends approval.

Mr. Burger made a motion to approve Resolution **2010-32** that was seconded by Ms. Bonnie Howell. Motion **CARRIED**, and Resolution **2010-32** was **ADOPTED**.

Minutes - State Property and Buildings Commission
Page 3
November 15, 2010

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

Respectfully submitted,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke, positioned above a thin horizontal line.

F. Thomas Howard
Secretary