

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE**  
**MINUTES**  
**March 30, 2011**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman Lori Flanery, Deputy Secretary and proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet, on Wednesday, March 30, 2011 at 11:30 a.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Other members present were Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, Ed Ross, Controller, Finance and Administration Cabinet, John Hicks, proxy for Mary Lassiter, State Budget Director and Kevin Cardwell proxy for Mary Lassiter, Secretary, Governor's Executive Cabinet.

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

Other guests present were Kristi Culpepper from the Legislative Research Commission (LRC), Carla Wright, Office of State Budget Director, (OSBD) and John Egan, 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 March 25, 2011 minutes. A motion was made by Ms. Katie Smith and the motion was seconded by Mr. John Hicks to approve the minutes. **Motion CARRIED.**

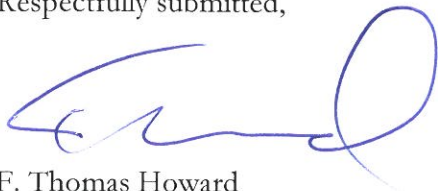
**Summary of 2011 Volume Cap & 2011 Issuer Pool** – Mr. Tom Midkiff presented information regarding the Volume Cap and the Local Issuer's Pool on the spreadsheet. Previous meeting information stated a different amount and staff is presenting a correction to the previously reported figures. With the amount of \$5,635,000 applied for by Hematite Properties, LLC for a project in Boyle County, that leaves \$159,260,946 carry forward available for the first lottery. The project description for Hematite has not changed; the local issuer review has changed slightly with the adjusted amount of \$5,635,000, which does adjust the state incentive percentage to 10.29 percent. The scoring page also shows the slight difference to the score of 95 and with no additional applicants, staff recommends Committee approval for funds disbursed to Hematite Properties. Mr. John Egan from Frost Brown Todd LLC is here to answer any questions about the project that the Committee may have.

Mr. Howard added that at the prior meeting staff presented information but made an error and wanted to present correct figures for the Committee to approve and apologize for any inconvenience to the applicant and the Committee.

A motion was made by Mr. Ed Ross to approve the staff recommendation for funding to Hematite Properties, LLC in the Local Issuer pool. Motion was seconded by Mr. Hicks. **Motion CARRIED.** Ms. Katie Smith abstained from the vote due to the pending final approval from KEDFA of the applicant/project.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'F. Thomas Howard', with a large, stylized loop at the end.

F. Thomas Howard  
Secretary