

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
MAY 16, 2014

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Friday, May 16, 2014 at 11:00 a.m. ET in Room 182 of the Capitol Annex by Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were Mary Lassiter, 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, Robin Brewer, Tom Midkiff, Steve Starkweather, and Marcia Adams.

Other Guests Present: Katherine Halloran from the Legislative Research Commission.

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 Ms. Katie Smith to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the April 11, 2014 meeting were approved.

Secretary Flanery introduced Ms. Robin Brewer for her introduction of Resolution 2014-07:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION APPROVING CAPITAL CONSTRUCTION PROJECTS AUTHORIZED BY THE 2014 REGULAR SESSION OF THE GENERAL ASSEMBLY WHERE SUCH PROJECTS WILL BE FINANCED BY THE ISSUANCE OF STATE PROPERTY AND BUILDINGS COMMISSION REVENUE BONDS OR OTHER AUTHORIZED STATE DEBT-ISSUING AUTHORITIES.

Ms. Brewer stated that Resolution 2014-07 is a Resolution of the State Property and Buildings Commission approving capital construction projects authorized by House Bill 235 and House Bill 236 of the 2014 Regular Session of the General Assembly where such projects are to be financed by the issuance of State Property and Buildings Commission Revenue Bonds or other authorized state debt-issuing authorities. This reimbursement resolution from a tax perspective, establishes the intent to reimburse authorized expenditures for projects made prior to the issuance of the bonds. Approval will authorize advancement of monies from the Capital Construction accounts for planning, design, and construction so these projects can move forward. The intent is that once the bonds are issued, the accounts will be reimbursed for any eligible expenditures that have occurred.

Staff typically presents a reimbursement resolution to the Commission after the budget has been enacted for all the General Fund bond supported projects in the budget. This project list includes a

Road Fund supported project for a garage. Most Road Fund supported projects are issued by the Turnpike Authority whose purview is for roads and bridges. Other projects outside of that scope are typically issued by the Commission, such as aviation projects.

Secretary Flanery asked the Commission members if they had any questions. Ms. Jane Driskell made a motion to approve Resolution **2014-07** that was seconded by Mr. Chad Aull. Motion **CARRIED**, and Resolution **2014-07** was **ADOPTED**.

Secretary Flanery introduced Ms. Katie Smith for her introduction of Resolution **2014-08**:

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 MCCRACKEN COUNTY FISCAL COURT FOR THE BENEFIT OF SRS INDUSTRIES LLC DBA WHITEHALL INDUSTRIES FOR \$300,000.

Ms. Smith stated that Resolution 2014-08 is for approval of Economic Development Bond Funds for the purpose of making a grant to the McCracken County Fiscal Court for the benefit of SRS Industries LLC dba Whitehall Industries (Whitehall). Whitehall is a Michigan based parts manufacturer of aluminum components for the automotive industry. Whitehall seeks to establish a new 100,000 square foot aluminum extrusion facility in Paducah to serve this market. The proposed EDB grant funds will be used to offset the cost associated with this project.

In consideration of this EDB grant, Whitehall will be required to create 140 new, full-time Kentucky resident jobs (excluding contract or temporary employees) in McCracken County within three years of the date of approval by the Kentucky Economic Development Finance Authority (KEDFA). Whitehall will be required to pay an average hourly wage of not less than \$19.50, including benefits, for the 140 added jobs. Whitehall will also be required to maintain the 140 new jobs, paying the foregoing wages, for an additional three (3) years. Repayment provisions will be included in the grant agreement should the job or wage requirement not be achieved at each of the four measurement dates. A letter of credit or certificate of deposit or other collateral satisfactory to the Cabinet for Economic Development will be required as security for the repayment of the grant. KEDFA approved the project at their April 24, 2014 Board meeting and staff recommends approval.

Secretary Flanery asked the Commission members if they had any questions. Ms. Mary Lassiter made a motion to approve Resolution **2014-08** that was seconded by Mr. Corey Bellamy. Motion **CARRIED**, and Resolution **2014-08** was **ADOPTED**.

With no other business, the meeting adjourned.

Respectfully submitted,



Ryan Barrow
Secretary