

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
May 31, 2013

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Lori Flanery, Secretary, Finance and Administration Cabinet, on Friday, May 31, 2013 at 11:00 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, Jane Driskell, State Budget Director, and Mary Lassiter, Secretary, Governor's Executive Cabinet.

Office of Financial Management (OFM) and staff to the Committee present were Ryan Barrow, Executive Director and Secretary to the Committee, Sandy Williams, Deputy Executive Director, Tom Midkiff, John Bailey, Robin Brewer, Rachael Dever, Jennifer Kantner, and Marcia Adams.

Other guests present were Mr. Gakuyuki "Gary" Kajiyama and Ms. Ashley Chesnut from Riken Elastomers Corporation, and Mr. Mike Helton, Partner, Government Strategies.

Secretary 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 December 17, 2012 minutes. Mr. Ed Ross made a motion to approve the minutes. Ms. Katie Smith seconded the motion. **The motion CARRIED.**

Allocation of 2013 Local Volume Cap - Mr. Tom Midkiff presented a project by Riken Elastomers Corporation, producers of high performance plastic compounds mainly for the automotive industry. The Corporation plans to construct a 20,000 sq. ft. building addition that will have space to house three additional production lines, with only one being installed at this time. The Project also includes the construction of a 1,760 sq. ft. new employee break room. Construction is planned to begin in July of 2013 and should be completed by July 2014. The Project will create six new jobs that are clerical and semi-skilled in nature with combined benefits that range from \$14.18 per hour to \$17.34 per hour, respectively. No county or state funds will be expended for the Project. Proceeds from the sale of bonds are intended to be sufficient to complete the Project. The City of Hopkinsville will act as the conduit issuer of the bonds per a Memorandum of Agreement dated November 20, 2012 with the Corporation and other revenues of the Project will be the sole source of repayment for the bonds. The application and Memorandum of Agreement are also a part of the Committee's packet.

The analysis of the Local Issuers Pool shows Riken Elastomers Corporation listed as the only applicant for funds at this time in the amount of \$5,000,000. In attendance are Mr. Gakuyuki "Gary" Kajiyama, President of the Corporation and Ms. Ashley Chesnut for any questions by the Committee. Staff recommends approval.

Secretary Flanery asked for questions about this project and applicant. With no questions by the Committee, Ms. Jane Driskell made a motion to approve the 2013 Volume Cap distribution that was seconded by Mr. Ross. **The motion CARRIED.**

Mr. Midkiff continued with the analysis of available 2013 Volume Cap and stated that with no applications received as of today's closing date, there is approximately \$249,683,655 of Volume Cap available in the State Issuer Pool. There is approximately \$161,455,770 remaining available in the Local Issuer Pool. Staff plans to reopen another application period and if new applications are received, the Committee will be called to meet and review the projects and recommended allocations for approval.

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

Respectfully submitted,



Ryan Barrow
Secretary