

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION

MINUTES
JUNE 7, 2018
3:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, June 7, 2018 at 3:00 p.m. ET in Room 182 of the Capitol Annex by William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. Other members present were Scott Brinkman, permanent proxy for Governor Matt Bevin; Edgar C. Ross, State Controller, Office of the Controller; Katie Smith, proxy for Terry Gill, Secretary for the Cabinet for Economic Development (“CED”); Holly McCoy-Johnson, permanent proxy for Attorney General Andy Beshear; Adrienne Southworth, permanent proxy for Lt. Governor Jenean Hampton; and John E. Chilton, State Budget Director, Office of the State Budget Director (“OSBD”).

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; Bethany Couch and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Carla Wright, OSBD; Ethan Williams, OSBD; and Tom Midkiff, Kentucky Housing Corporation.

Secretary Landrum verified with staff that a quorum was present and that the press had been notified of the meeting.

Secretary Landrum introduced the first item for business, which was approval of the minutes from the May 9, 2018 meeting. A motion to accept the minutes of the May 9, 2018 meeting was made by Director Chilton and seconded by Mr. Ross. Motion **CARRIED**.

Secretary Landrum recognized Katie Smith to present **Resolution 2018-09**:

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 FRANKLIN FOR THE BENEFIT OF FRITZ WINTER NORTH AMERICA LP. (FRITZ WINTER) FOR \$1,000,000.

Ms. Smith presented Resolution 2018-09 for the approval to issue Economic Development Revenue Bonds to make a grant in the amount of \$1,000,000 to the City of Franklin for the benefit of Fritz Winter North American LP (Fritz Winter). Fritz Winter is a German Company that specializes in iron cast auto parts such as brake rotors, drums, fly wheels and more. The company constructed a 240,000 square foot facility in Franklin for the processing, storage and distribution of automotive and

commercial products. Fritz Winter will be required to create 265 new, full-time Kentucky resident jobs paying an average hourly wage of not less than \$22.00, including benefits. The Job and Wage Requirement schedule was included in the board materials listing the dates by which the jobs were to be created over a four-year period. Disbursement of grant funds will occur after the annual compliance reporting has occurred and the amount of disbursement payments will be based on the performance requirements achieved. KEDFA approved the project at its meeting on May 31, 2018, and it will be presented to the Capital Projects and Bond Oversight Committee ("CPBOC") on June 19, 2018. Staff recommended approval.

Ms. Southworth asked about the cost of the benefits to the average hourly wage. Ms. Smith answered that the reported hourly wage was an average of the total 265 jobs. She did not bring a breakdown of the wages and the benefits with her at the meeting but would send that to Ms. Southworth via email. Ms. Smith also added that the company is required to provide at least one company paid benefit to the employee. Director Chilton asked when the first disbursement would be made. Ms. Smith stated that the first payment is made after December 31, 2021, if the measurement of 160 jobs is achieved. The subsequent disbursements would be made according to the annual measurement dates.

Secretary Landrum called for a motion to approve Resolution 2018-09. Secretary Brinkman made a motion, and was seconded by Director Chilton. There being no further discussion, the motion **CARRIED** and Resolution 2018-09 was **ADOPTED**.

With no further business before the Commission, Secretary Landrum asked for a motion to adjourn. Ms. Southworth made a motion, and was seconded by Director Chilton. Motion carried and the meeting adjourned at 3:09 pm.

Respectfully submitted,



Ryan Barrow
Secretary