

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
JULY 2, 2015

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, July 2, 2015 at 11:00 a.m. ET in Room 182 of the Capitol Annex by Lori Flanery, Secretary, Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. Other members present were Jane Driskell, State Budget Director; Mike Bartlett, proxy for Governor Steven Beshear; Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development (“CED”); Edgar C. Ross, State Controller, Office of the Controller; Phil Huddleston, proxy for Lt. Governor Crit Luallen; and Corey Bellamy, proxy for Attorney General Jack Conway.

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, John Brady, Liz Columbia, Denise Pitts and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Carla Wright, Office of State Budget Director; and Representative Dennis Horlander.

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 Ms. Jane Driskell and seconded by Mr. Ed Ross to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the June 11, 2015 meeting were **APPROVED**.

Secretary Flanery introduced Ms. Katie Smith for her introduction of Resolution **2015-14**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE OF REVENUE BONDS (NEXT
GENERATION KENTUCKY INFORMATION HIGHWAY PROJECT),
SERIES 2015 IN ONE OR MORE SERIES AND IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$375,000,000 BY THE
KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY.**

Ms. Smith stated that Resolution 2015-14 was for approval to issue Series 2015 Revenue Bonds in one or more series by the Kentucky Economic Development Finance Authority (“KEDFA”) in an amount not to exceed \$375,000,000 for the Next Generation Kentucky Information Highway Project. Proceeds of the bonds will be used to make a loan to KentuckyWired Infrastructure Company, a non-profit corporation, to finance the cost of acquisition, construction, renovation, equipping and installation of a statewide, middle mile fiber optic network to connect key sites, including governmental and academic institutions, and promote economic development. It will also entail constructing 3,000+ miles of fiber connecting more than 1,100 anchor institutions and will

have a presence in every county in the Commonwealth. The Commonwealth has entered into a 30-year public private partnership with Macquarie Capital to finance, design, build, and operate this network. The Commonwealth will contribute state funds, has received federal commitments to assist with financing the project, and future financial commitments will be financed through Macquarie Capital. The project was approved by KEDFA at its meeting on June 25, 2015, and staff recommended approval.

Secretary Flanery called for a motion to approve Resolution **2015-14**. Mr. Ed Ross made a motion, and was seconded by Ms. Jane Driskell. The motion **CARRIED** and Resolution **2015-14** was **ADOPTED**.

Ms. Katie Smith introduced Resolution **2015-15**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY OF ITS HOSPITAL REVENUE BONDS, SERIES 2015 (OWENSBORO HEALTH, INC.) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$125,000,000.

Ms. Smith stated that Resolution 2015-15 was for approval for KEDFA to issue hospital revenue bonds in an amount not to exceed \$125,000,000 on behalf of Owensboro Health, Inc. Proceeds from the Series 2015A Bonds will be used to finance or refinance the acquisition, construction and equipping of five Healthplex outpatient facilities in Daviess, Hopkins, Muhlenberg, Henderson, and Hancock counties, which will be owned and operated by Owensboro Health, Inc. The proceeds from the Series 2015B Bonds will be used to refinance currently callable maturities of the Series 2010B Bonds. KEDFA approved the project at the June 25, 2015 meeting. Staff recommended approval.

Secretary Flanery called for a motion to approve. Mr. Ed Ross made a motion to approve Resolution **2015-15**, and was seconded by Ms. Jane Driskell. The motion **CARRIED** and Resolution **2015-15** was **ADOPTED**.

Ms. Katie Smith introduced Resolution **2015-16**:

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 BOWLING GREEN FOR THE BENEFIT OF QUIVER VENTURES, LLC (QUIVER) FOR \$750,000.

July 2, 2015

Ms. Smith stated that the Secretary of the Cabinet for Economic Development (“CED”) recommended the use of \$750,000 in Economic Development Bond (“EDB”) funds for the purpose of making a grant to the City of Bowling Green for the benefit of Quiver Ventures, LLC (“Quiver”). Quiver is considering the expansion of its automotive support facility in Bowling Green with the addition of a second line. The facility will consist of handling and finishing equipment to serve customers throughout North America. In consideration of this EDB grant, Quiver will be required to create 80 new, full-time Kentucky resident jobs, within three years of the date of approval by KEDFA, paying an average hourly wage of \$30.000, including benefits. Quiver will also be required to maintain these 80 new jobs, paying the foregoing wages, for an additional three years. If Quiver fails to create or maintain the 80 new, full-time jobs, then they will be required to pay to the City of Bowling Green the sum of \$2,344 for each new, full-time job not created or maintained at each of the four annual measurement dates. A letter of credit or other form of collateral satisfactory to CED will be required as security for the repayment of the EDB grant proceeds. KEDFA approved the project at its meeting on June 25, 2015. Staff recommended approval.

Secretary Flanery called for a motion to approve. Ms. Jane Driskell made a motion to approve Resolution **2015-16**, and was seconded by Mr. Mike Bartlett. The motion **CARRIED** and Resolution **2015-16** was **ADOPTED**.

With no further business before the Commission, Secretary Flanery called for a motion to adjourn. A motion was made by Ms. Katie Smith. The meeting stands adjourned.

Respectfully submitted,



Ryan Barrow
Secretary