

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**JULY 13, 2011**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, July 13, 2011 in Room 182 of the Capitol Annex at 11:00 a.m. by Deputy Secretary Jamie Link, proxy for Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were Ryan Keith, proxy for Governor Beshear, Valeria Cummings Swope, proxy for Lt. Governor Mongiardo, Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Larry Clarke, proxy for Jack Conway, Attorney General and Donna Duncan, proxy for Larry Hayes, Secretary, Cabinet for Economic Development.

Office of Financial Management (“OFM”) Staff Members Present: Tom Howard, Executive Director and Secretary to the Commission, Brett Antle, Deputy Director, Robin Brewer, Tom Midkiff, Rachael Dever, and Marcia Adams.

Other Guests Present: Kristi Culpepper, from the Legislative Research Commission (“LRC”).

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

A motion was made by Ms. Mary Lassiter and seconded by Mr. Ed Ross to approve the previous meeting minutes with the noted name change. Motion **CARRIED** and the minutes of the June 14, 2011 meeting were approved.

Deputy Secretary Link recognized Ms. Rachael Dever for her introduction of Resolution **2011-23**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS  
COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING  
THE ISSUANCE OF UNIVERSITY OF LOUISVILLE GENERAL RECEIPTS  
BONDS, 2011 SERIES A.**

Ms. Dever stated that Resolution 2011-23 is for University of Louisville (U of L) General Receipts Bonds, 2011 Series A in an estimated amount of \$38,430,000. The bonds will be used to finance a new Student Recreation Center authorized in House Bill 1 of the 2010 Special Session of the Kentucky General Assembly.

The project was approved by the U of L Board of Trustees on July 13, 2011 and the Student Activity Fee which will support these bonds, was approved on June 10, 2011. The bond sale is August 2, 2011 and will tentatively close on August 24<sup>th</sup>, and the financing will be for 20 years with a 10-year call date. Bond Counsel is Peck, Shaffer, & Williams; Financial Advisor is Hilliard Lyons, and trustee is U.S. Bank. Staff recommends approval.

Ms. Donna Duncan made a motion to approve Resolution **2011-23** that was seconded by Mr. Ross. Motion **CARRIED**, and Resolution **2011-23** was **ADOPTED**.

Deputy Secretary Link recognized Ms. Donna Duncan for her introduction of Resolution **2011-24**:

**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 LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (METRO GOVERNMENT) FOR THE BENEFIT OF AAF-MCQUAY d/b/a AAF INTERNATIONAL (AAF) (\$550,000).**

Ms. Duncan stated that Secretary Hayes is recommending the use of \$550,000 in Economic Development Bond (EDB) funds for the purpose of making a grant to the Louisville/Jefferson County Metro Government (Metro Government) for the benefit of AAF-McQuay, d/b/a AAF International (AAF). The recommendation was concurred upon by Finance and Administration Cabinet Secretary Lori H. Flanery on June 24, 2011 and received Kentucky Economic Development Finance Authority (KEDFA) approval on June 30, 2011. AAF is considering the expansion of the existing headquarters operation in Jefferson County. The proposed EDB grant funds will be used to offset the cost associated with this project.

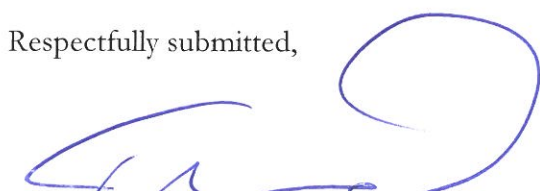
AAF will be required to retain the existing 167 full-time, Kentucky resident workforce, and create 50 new full-time jobs for Kentucky residents totaling 217 jobs paying an average hourly wage of not less than \$25.00. Repayment provisions will be included in the grant agreement if AAF fails to create or maintain the jobs or pay the foregoing wages within five years of the date of Kentucky Economic Development Finance Authority (KEDFA) approval. The company will be required to provide a letter of credit or other form of collateral satisfactory to the Cabinet as security for repayment of any EDB funds. Ms. Duncan noted that this company was a little different in that AAF Headquarters have been in Louisville for several years but all manufacturing is located around the country and the world. Staff recommends approval.

Mr. Ross made a motion to approve Resolution **2011-24** and was seconded by Ms. Lassiter. Motion **CARRIED**, and Resolution **2011-24** was **ADOPTED**.

Deputy Secretary Link asked if there was any other business.

With no other business, the meeting stands adjourned.

Respectfully submitted,

  
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F. Thomas Howard  
Secretary