

STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
AUGUST 14, 2009

The State Property and Buildings Commission (SPBC or the Commission) was called to order on Friday, August 14, 2009 at 2:00 p.m. in Room 182 of the Capitol Annex by Lori Flanery, Deputy Secretary, Finance and Administration Cabinet as proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet. Other members present were Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, Bonnie Howell, proxy for Attorney General, Jack Conway, Edmund Sauer, Proxy for Gov. Beshear, and Bill Burger, proxy for Lt. Governor Mongiardo.

OFM Staff Members Present: Mr. Tom Howard, Executive Director and Secretary to the Commission, Deputy Director Brett Antle, Robin Brewer, Rachael Putnam, and Marcia Adams.

Other Guests Present: Kristi Culpepper, from the Legislative Research Commission (LRC) and Ryan Green from the Office of State Budget Director.

Deputy 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. Mary Lassiter and seconded by Ms. Bonnie Howell to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the July 14, 2009 meeting were approved as written.

Deputy Secretary Flanery introduced Resolutions 2009-24:

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 NELSON COUNTY FISCAL COURT FOR THE BENEFIT OF FLOWERS FOODS, INC. (FLOWERS FOODS) (\$126,000).

Ms. Katie Smith stated that Secretary Hayes is recommending the use of \$126,000 in Economic Development Bond (EDB) funds for the purpose of making a grant to the Nelson County Fiscal Court for the benefit of Flowers Foods, Inc. The company purchased a thirty-acre site and constructed and equipped a 200,000 square foot facility in Bardstown, Kentucky for the purpose of manufacturing bread and bun-baked products. Total cost of the project is estimated at \$55.53 million dollars and the EDB funds will be used to offset the costs. Flowers Foods will be required to create 105 new full-time jobs for Kentucky residents within three years of completion and occupancy of the facility. They will be required to pay the new jobs an hourly average wage of not less than the \$18.46 excluding benefits. They will also be required to maintain the 105 jobs paying the wages for an additional three years. Repayment provisions will be included in the grant agreement if the company fails to create and maintain the jobs and the wages. The grant will also be secured by a letter of credit or another form of collateral satisfactory to the Cabinet for Economic Development. The project has also

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received preliminary approval for up to \$2 million in tax incentives under the Kentucky Industrial Development Act (KIDA) program. The project has received a concurrence from Secretary Miller and was approved by the KEDFA at its July 30, 2009 meeting. Staff recommends approval.

Mr. Bill Burger made a motion to approve Resolution **2009-24** that was seconded by Mr. Ross. Motion **CARRIED** and Resolution **2009-24** was **ADOPTED**.

With no other business, the meeting stands adjourned.

Respectfully submitted,



F. Thomas Howard
Secretary