

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
MAY 14, 2020
2:00 PM**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order on Thursday, May 14, 2020, at 2:02 PM ET via ZOOM video teleconference by Geri Grigsby, permanent proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet ("FAC"). Other members present were J. Michael Brown, Secretary of the Governor's Executive Cabinet; Edgar C. Ross, State Controller, and Executive Director, Office of the Controller; and Katie Smith, proxy for Larry Hayes, Interim Secretary for the Cabinet for Economic Development ("CED").

The Office of Financial Management ("OFM") Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Committee; Sandy Williams, Deputy Executive Director; John Brady, Bethany Couch, Billy Aldridge, and Jennifer Yount.

Other Guests Present: Katherine Halloran, Legislative Research Commission ("LRC"); Julia Wang, LRC; Tom Midkiff, Kentucky Housing Corporation ("KHC"); C.B. Rathburn, Hilltop Securities/Texas Bluegrass Biofuels; Edward Germann, Texas Bluegrass Biofuels; Josh Krieg, Texas Bluegrass Biofuels; Joe Monahan, Texas Bluegrass Biofuels; Mark Franklin, Dinsmore & Shohl LLP representing Texas Bluegrass Biofuels; Roger Peterman, Dinsmore & Shohl LLP representing Nucor Corporation; Amy Johnson, Moore & VanAllen representing Nucor Corporation; and Beth Buckner, Moore & VanAllen representing Nucor Corporation.

Ms. Grigsby verified with staff a quorum was present, and the press had been notified of the meeting.

The first item on the agenda was the approval of the December 2, 2019, minutes. A motion to accept the minutes of December 2, 2019, meeting was made by Mr. Ross and seconded by Secretary Brown. Motion **CARRIED**.

2020 Available Volume Cap – Billy Aldridge gave a brief overview of the Committee and a brief explanation of the Committee's role within the Commonwealth. Mr. Aldridge presented a summary of the 2020 Volume Cap. He reported as of July 1, 2019, Kentucky's population was estimated at approximately 4.5 million, and the 2020 federal per capita allocation amount remained at \$105, which brought the total Kentucky volume cap for the calendar year 2020 to approximately \$469 million. Under KRS 103.286, for each calendar year, 60% or approximately \$281 million is reserved for state bond issuance authorities, 30% or approximately \$141 million is reserved for local bond issuance authorities, and 10% or approximately \$47 million is reserved for energy-efficient projects.


2020 Local Issuer Pool – Mr. Aldridge directed the Committee to the applications from Texas Bluegrass Biofuels, LLC, and Nucor Corporation, both of whom applied for volume cap from the Local Issuer Pool. Analysis and scoring of the applications included the total amount of volume cap available, amounts requested, jobs created and retained, capital investment, and prior state incentives received by the applicants. Combined, the two applicants requested nearly \$213 million. There is \$140.7 million available from the Local Issuer Pool. Based on KPABAC’s objectives and the scoring, staff recommends approving both applications, allocating \$25 million of volume cap to Texas Bluegrass Biofuels, LLC, and the remaining allocation of over \$115 million of volume cap to Nucor Corporation.

Ms. Grigsby called for a motion to approve the Private Activity Bond Cap Allocations to Texas Bluegrass Biofuels, LLC, and Nucor Corporation. Secretary Brown made a motion to approve the allocation as presented and was seconded by Mr. Ross. Ms. Smith abstained from the vote due to pending incentives for the Nucor project, which had not received all approvals from CED as of the time of the vote. Motion **CARRIED**.

Summary of 2020 Volume Cap – Mr. Aldridge presented the Volume Cap summary for the 2020 calendar year. This summary is used to track allocations of the different pools throughout the calendar year. The application window for the State Issuer Pool ends on May 22. The Energy Efficient Project Pool will convert to the Single Issuer Pool on July 1, 2020. Staff anticipates opening an application window in June for the Single Issuer Pool and scheduling a meeting in July to allocate the volume cap from the State Issuer and Single Issuer Pools.

With no further business before the Committee, Ms. Grigsby asked for a motion to adjourn. Ms. Smith made a motion and was seconded by Secretary Brown. Motion **CARRIED** and the meeting adjourned at 2:14 PM.

Respectfully submitted,



Ryan Barrow
Secretary