

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

February 22, 2022

Call to Order and Roll Call

The February Capital Projects and Bond Oversight Committee meeting was held on Tuesday, February 22, 2022, at 2:00 PM, in Room 169 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Chris Freeland, Co-Chair; Senator Christian McDaniel; Representatives Joni L. Jenkins, Jason Petrie, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Elizabeth Hardy, Committee Assistant.

Approval of Minutes

Representative Thomas moved to approve the February 22, 2022 meeting minutes. Representative Freeland seconded the motion and the committee approved without objection.

Information Items

Ms. Halloran referenced five information items. Pursuant to KRS 45.760(5), the University of Kentucky reported two restricted funds equipment purchases totaling \$608,600 for UK Chandler Hospital; a \$938,900 equipment purchase, primarily with restricted funds although UK utilized some private funds, for its Health Sciences Research Building; and a \$289,300 privately funded Mobile Health Unit purchase. Pursuant to KRS 45.760(6), Western Kentucky University reported \$5.5 million in private funds rather than agency bonds for its Improve Softball and Soccer Complex project under the \$50 million Construct, Renovate, and Improve Athletics Facilities authorization. Pursuant to KRS 45.812(1); six school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues for new projects through their fiscal agents as follows: Leslie County, Marshall County, Meade County, Monroe County, Paducah Independent (McCracken County), Pike County, and Simpson County. Pursuant to KRS

45A.180(2), UK reported the construction management-at-risk project delivery method for its Improve Sanders-Brown Center on Aging/Neuroscience Facilities project. Pursuant to KRS 56.823(11)(a), the Division of Real Properties reported a quarterly square footage lease modification under \$50,000. DRP did not have any reportable KRS 56.813(2)(a)3.b. leasehold improvements under \$10,000.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted two new projects. Senator McDaniel moved to roll the two new projects into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection. The first was the \$2 million Education and Labor Cabinet, Office of Unemployment Insurance, Unemployment Insurance System Maintenance and Support Upgrades project, funded with one hundred percent federal funds from the U.S. Department of Labor. The Office of Unemployment Insurance needs to complete UI system security and software maintenance. This project will help secure personal identifiable information, provide database support, reduce vulnerabilities and operational risk, and make value-driven improvements to the claims/benefits processing capabilities of the UI system. The second is the Kentucky Community and Technical College System, Renovate Student Center Building - Elizabethtown Community and Technical College project. KCTCS submitted the \$800,000 restricted fund appropriation increase under the authority of KRS 164A.575(15) [statute references new projects]. The original 2016-18 biennial budget project authorization was \$4.3 million and this increase will bring the total appropriation to \$5.1 million. The project was bid and rebid and still came in over budget. Current construction market conditions have increased material and labor costs.

In response to Senator Girdler, Ms. Tomes said OSBD has seen other construction project appropriation increase requests due to market conditions.

Representative Thomas moved to approve the two new projects, Representative Freeland seconded the motion, and the committee approved by unanimous roll call vote.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey reported two Graves County emergency leases expiring February 28, 2022; in Mayfield, both for a one dollar one-time payment with the same lessor for temporary office space necessitated by the December 10, 2021 tornadoes. The first was with the Department of Corrections for 2,919 square feet and the second was with the Cabinet for Health and Family Services for 7,410 square feet.

Office of Financial Management Kentucky Infrastructure Authority

Ms. Williams submitted four Drinking Water State Revolving Fund (Fund F) Program transactions. Representative Freeland moved to roll the four Fund F drinking

water transactions into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The City of Morehead, Rowan County, requested a \$16.57 million Fund F loan increase to its previously approved \$28.428 million Fund F loans for a \$44.998 million total Fund F loan amount. The Regional Water Treatment Plant construction loan increase is due to additional supply costs and price increases for both the plant and the raw and finished waterline. The loan term is thirty years at a 0.5 percent interest rate.

The Grayson County Water District requested a \$7.231 million Fund F loan for its Grayson County Water District East - West Improvements II project; comprehensive improvements to the water treatment plant and the distribution system. The loan term is thirty years at a 0.25 percent interest rate.

The City of Whitesburg, Letcher County, requested a \$1.66 million Fund F loan for its Water Line Replacement Phase 1 project; replacement of water lines, meters, hydrants, valves, and other related items to enhance the system on the eastern side of the city. The loan term is thirty years at a 0.25 percent interest rate.

The City of London, Laurel County, requested a \$2.904 million Fund F loan for its Water Treatment Plant Improvements project; various improvements to the water treatment plan, repairs to three existing water storage tanks, and submersible pump station installation. The loan term is twenty years at a 0.25 percent interest rate.

Representative Freeland moved to approve the four Fund F drinking water transactions, Leader Jenkins seconded the motion, and the committee approved by unanimous roll call vote.

New and Previous Debt Issues

Mr. Barrow submitted the State Property and Buildings Commission Revenue and Revenue Refunding Bonds, Project No. 126. Series A will finance \$100 million of various remaining capital projects authorized in appropriations bills with general fund supported debt. OFM included two refunding series in its submission; however, it is unlikely that OFM will execute the refundings unless market conditions change. For the first series, the all-in true interest cost is 2.86 percent. If OFM completes the refundings, then projected savings are close to \$915,000 and \$2 million for Series B and C. The sale date will be around March 9th with delivery on April 5th.

In response to Senator McDaniel, Mr. Barrow said that he did not expect a negative effect on the municipal market if the Federal Reserve scales back or divests its bond purchases.

Representative Thomas moved to approve the new State Property and Buildings Commission debt issue, Senator McDaniel seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Barrow reported three previous Kentucky Housing Corporation conduit debt issues, applied towards the state's private activity volume cap for the tax-exemption and affecting neither the commonwealth's nor KHC's financials as the developer pays the debt service, for multifamily rental housing in Louisville, Kentucky. The first was Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Crossings at Mill Creek), Series 2021; 180 units, \$20.8 million net proceeds with an over \$38.1 million project cost. The second was Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Lower Hunter's Trace), Series 2021; 168 units, \$18.7 million net proceeds with an over \$35.2 million project cost. The final was Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Mt. Lebanon of Cedars of Lebanon Homes), Series 2022; 70 units, \$5.6 million net proceeds with an over \$16 million project cost.

Mr. Barrow reported two previous postsecondary debt issues. The first was Murray State University General Receipts Bonds, 2022 Series A, the debt issue was just over \$11 million to fund \$12.2 million of projects in the Historic Buildings Preservation Pool as authorized by the General Assembly. The all-in true interest cost was 2.15 percent with an A2 Moody's rating and an AA Standard and Poor's rating [insured rating for maturities 2037, 2039, and 2041]. The second was University of Kentucky General Receipts (Forward Delivery) Refunding Bonds, Series 2022 A. The debt issue was \$27.5 million with an April 2034 final maturity. The all-in true interest cost was 1.57 percent with an Aa2 Moody's rating and an AA- Standard and Poor's rating. UK received its net present value savings, \$3 million [net of costs of issuance] or close to eleven percent, upfront and applied \$2.9 million towards electrical infrastructure improvements at the agricultural complex and nearly \$130,000 towards the central plant deaerators.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Mr. Barrow submitted six new school district debt issues with SFCC debt service participation, none of which needed an additional tax levy to pay debt service as follows: Christian County, Crittenden County, Greenup County, Lee County, Paducah Independent (McCracken County), and Scott County. Senator McDaniel moved to roll the school district debt issues with SFCC participation into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection. The debt issues totaled about \$195 million, over ninety-six percent with locally supported debt service and just under four percent, around \$7.7 million, with SFCC debt service participation.

Senator McDaniel moved to approve the school district debt issues with SFCC participation, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Senator Girdler announced the 9:00 AM. March 15 meeting. With there being no further business, the meeting adjourned at 2:34 PM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

March 15, 2022

Call to Order and Roll Call

The March Capital Projects and Bond Oversight Committee was held on Tuesday, March 15, 2022, at 9:00 AM, in Room 171 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll. There was no quorum at this meeting.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senators Jason Howell and Robin L. Webb; Representative Walker Thomas.

Guests: Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Elizabeth Hardy, Committee Assistant.

Introduction of New Member

Representative Freeland welcomed Representative Keturah Herron from the 42nd District in Jefferson County to the committee.

Information Item

Ms. Halloran referenced an information item. Pursuant to KRS 45.812(1), four school districts reported upcoming debt issues through their fiscal agents. Bowling Green Independent, Jefferson County, and Rowan County; none of which needed an additional tax levy to pay debt service, reported financings for new projects. Carter County reported a current refunding.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted a new lease, lease renewal with a rate increase, and lease modification over \$50,000. The Transportation Cabinet, Department of Vehicle Regulation's new lease in Jefferson County; 7,594 square feet at \$15.00 per square foot for a \$113,910 total annual cost from January 18, 2022 through June 30, 2023, was due to the reassignment of REAL ID office space from the Circuit Clerk to the Transportation Cabinet. The Finance and Administration Cabinet, Department of Revenue's lease

renewal; 7,081 square feet at \$19.18 per square foot for a \$138,814 total annual cost through June 30, 2030, involved a rental rate increase. DRP procured bids [required by KRS 56.806(1) for rate increases. The advertisement notice was reported to the committee at its December, 2021 meeting.] DRP received one best and final proposal [from the current lessor]. Both leases included janitorial and utilities. The Transportation Cabinet, Department of Vehicle Regulation's over \$50,000 lease modification in Boyle County was to amortize leasehold improvements for REAL ID office space. DRP received two estimates: \$79,600 from Mobley's and \$95,520 from McAnly Commercial Properties [the current lessor]. DRP selected the lower bid, the amount of which will be amortized through the lease term ending June 30, 2029.

Mr. Aubrey reported a KRS 56.820(4)(b) General Government Cabinet, Department of Military Affairs, Bluegrass Station Division lease modification in Fayette County. The Bluegrass Station Division is modifying, at the federal agency occupant's request, one of its built-to suit leases to construct a two-story 65,327 square foot secured storage facility adjacent to and connected to Building #344. The \$4.14 square foot rental rate will remain unchanged with extension of the lease term to November 30, 2049.

**Office of Financial Management
Kentucky Infrastructure Authority**

Ms. Williams submitted two Drinking Water State Revolving Fund (Fund F) Program loans, two Fund F loans with Cleaner Water Program grants, and one hundred three Cleaner Water Program grants.

The City of Hazard requested two Fund F loans with thirty-year loan terms at a quarter percent interest rate. The first request was \$1 million for its Buckhorn Middle Fork Water Treatment Plant to Chavies Transmission Line project and the second was \$1.95 million for its Lothair Waterline Replacement project, which will reduce excessive water loss for two hundred seventy-seven existing customers.

The City of Monticello requested a \$2,340,250 Fund F loan and a \$746,750 CWP grant for its New Powersburg Booster Pump Station, Wray Hill BPS/Storage Tank Replacement, and Miscellaneous Waterline Improvements project. The loan term is thirty years at a quarter percent interest rate. The Knox County Utility Commission requested a \$1.193 million Fund F loan and a \$1,143,832 CWP grant for its Barbourville Connection - KY 225 project, which will install about 15,000 linear feet of eight inch water main and add a booster pump station. The loan term is twenty years at a quarter percent interest rate.

Of the one hundred three CWP grants, thirty-four were for sewer and sixty-nine were for water projects. The General Assembly appropriated \$250 million for the CWP program; \$150 million based upon each county's population, \$50,000 for unserved drinking water or consent decree sewer projects, [and \$49.9 million to supplement project

grants]. All of today's submittals, except one from the consent decree pool, were from the county allocation pool.

In response to Representative Freeland, Ms. Williams confirmed that KIA would be submitting more CWP grants.

Cabinet for Economic Development

Ms. Smith submitted a \$100,000 Economic Development Fund grant for the City of Elizabethtown on behalf of Kruger Packaging (USA), a subsidiary of Kruger Incorporated; to be applied towards its capital investment in its first U.S. corrugated box plant; which will serve future and existing customers across the midwestern and southern U.S. The grant agreement includes job and wage requirements; 147 new full-time jobs for employees subject to Kentucky individual income tax at a \$32.50 average hourly wage, including benefits, measured annually over three years beginning December 30, 2025. CED will disburse funds after annual compliance reporting, with the amount based upon the achieved performance requirements. If Kruger fails to achieve the job or wage targets, then CED will reduce the disbursement amount at each of the compliance measurement dates.

New Conduit Bond Issue

Mr. Barrow submitted the Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2022A-1 and Series 2022A-2 (Baptist Healthcare System Obligated Group) conduit bond issue. This conduit debt issue, refinancing the remaining Series 2009B-1 through 2009B-4 variable rate demand notes for certain healthcare facilities, affects neither the commonwealth's nor KEDFA's financials as the debt service is the Baptist Healthcare System's obligation. The proposed sale and closing dates are March 31 and April 1.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Mr. Barrow submitted three new school district debt issues with SFCC debt service participation, two for new projects and one to refinance debt. For new projects; Beechwood Independent plans a \$26 million issuance for the second phase of its school renovations and passed a tax increase in 2019. Taylor County, which did not need an additional tax levy to pay debt service, plans a \$4.9 million issuance; \$4.7 million through district debt service and \$210,000 through SFCC debt service. Jefferson County plans a \$31.8 million refunding debt issue.

Next Meeting Date

Representative Freeland announced the next meeting date, Thursday April 14 at 11:00 AM in Room 169 with Senator Rick Girdler presiding, and the April 1 agency submission due date.

With there being no further business the meeting adjourned at 9:17 AM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

April 13, 2022

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Wednesday, April 13, 2022, at 10:00 AM, in Room 154 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Chris Freeland, Co-Chair; Senator Jason Howell; and Representative Walker Thomas.

Guests: Ethan Witt, Assistant Vice President, Government and Community Relations, Eastern Kentucky University; Ryan Green, Executive Director, Budgeting, Financial Planning, and Fiscal Effectiveness, Eastern Kentucky University; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Jason Siwula, Assistant State Highway Engineer, Office of Commissioner, Department of Highways, Kentucky Transportation Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Sarah Butler, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Liz Hardy, Committee Assistant.

Introduction of New Staff

Senator Girdler welcomed Liz Hardy, Committee Assistant.

Information Items

Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818; the Administrative Office of the Courts; the Finance and Administration Cabinet with the Commonwealth Office of Technology reporting independently; and postsecondary institutions managing their own capital construction under KRS 164A.580, transmitted quarterly capital project status reports.

Pursuant to KRS 45.760(5), the University of Kentucky reported two restricted fund medical equipment purchases for healthcare facilities and two federally funded research equipment purchases.

Pursuant to KRS 45.800(4) and KRS 45.810(4), the Finance and Administration Cabinet notified the committee that it preceded with the transactions submitted for last month's meeting.

Pursuant to KRS 45.812(1), the Pulaski and Rowan County school districts, neither of which needed an additional tax levy to pay debt service, reported upcoming debt issues for new projects.

Pursuant to KRS 48.111(6)(a), the Division of Real Properties transmitted its advertisement for Cabinet for Health and Family Services space in Bullitt County.

Pursuant to the Auditor of Public Accounts 2005 Model Program Checklist for Postsecondary Education Institutions' Lease Law Compliance, the Council on Postsecondary Education transmitted lease law compliance reports and the institutions' auditors did not report any findings.

The Kentucky Infrastructure Authority released information relating to the Environmental Protection Agency's March release of the Bipartisan Infrastructure Law implementation guidelines for the Clean Water and Drinking Water State Revolving Fund Programs. KIA and the Division of Water will incorporate key provisions in the fiscal year 2023 Intended Use Plans.

Project Report from the Postsecondary Institutions

Mr. Green submitted the \$1.15 million Upgrade Building Management System Controls information technology project, federally funded with U.S. Department of Education funds from the Coronavirus Aid, Relief, and Economic Security Act and supplemental actions through the Coronavirus Response and Relief Supplemental Appropriations and American Rescue Plan Acts. The project will upgrade multiple building supervisory control systems, changing Windows XP-era network controls to Linux, accessed through a campus-wide graphical user interface.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted two new Department of Military Affairs (DMA) projects. The first DMA project was the federally funded \$16,120,500, Construct Burlington Field Maintenance Shop project. The 25,156 square foot facility, adjacent to the readiness center and replacing the leased maintenance shop, will provide maintenance services for military vehicles used by the Burlington, Carrolton, and Walton armories. The second was the \$3.5 million Bowman Field Annex Readiness Center Interior Restoration project, \$3 million in federal funds and \$500,000 in investment income funds from DMA's maintenance pool for the required state match. The interior restoration is a complete interior renovation; with upgrades including latrines, HVAC, lighting, electrical, antiterrorism/force protection windows, flooring, and walls. The readiness center was constructed in 1951 and served as the U.S. Army Reserve Readiness Center until it was replaced by the adjacent new facility.

The building has largely laid dormant since 2016 when the acquisition transfer process to the Kentucky Army National Guard began. The Kentucky Army National Guard plans to station a newly assigned 200 soldier divisional artillery headquarters within the renovated facility, which will include Human Resources, Intelligence, Operations, Sustainment, Signal, and Special Staff Sections.

Ms. Tomes reported a Cabinet for Health and Family Services, Department for Public Health research equipment purchase. The equipment purchase is for a \$307,600 Clear DX Platform Instrument, federally funded from the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases grant. The instrument will allow for identification of broader range of diseases for surveillance of epidemiological investigations, tracing route of transmission, detection of new mutations, and determining effectiveness of new therapies and vaccines.

Ms. Tomes reported on two emergency repair, maintenance, or replacement projects, one a DMA amended project and the other a new Department of Parks project. The DMA amended project is a \$598,300 amendment, funded with \$558,800 from the Capital Construction Surplus account and \$39,500 from the Emergency Repair, Maintenance, or Replacement fund, to the DMA Boone National Guard Center State Emergency Operations Center Window Replacement project, resulting in a \$1,648,300 revised appropriation. The increase is due to the current bid climate driven by global economy and supply issues. Ms. Tomes reported the \$6 million Tourism, Arts and Heritage Cabinet, Department of Parks, Lake Barkley Lodge Fire Repairs project, funded with insurance proceeds and involving building restoration and reconstruction to the lodge due to a fire on November 27, 2021. The work primarily consists of repairs to the West Lodge Wing from fire and smoke damage as well as water and limited demolition damage from the resulting firefighting efforts. Several hospitality rooms, linen storage room, as well as the mechanical room were directly affected by the fire and the remaining rooms in the wing have smoke damage.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted a Department of Corrections lease modification and reported two Kentucky Transportation Cabinet, Department of Highways, emergency leases.

The Department of Corrections, Division of Probation and Parole's lease modification in Boyd County included an additional five years; a 1,429 square feet [and corresponding \$22,900 annual rent] increase, and renovation costs amortization. Division of Real Properties (DRP) received two estimates: \$85,300 from CTB and \$98,900 from the Boyd County Fiscal Court [the current lessor]. DRP selected the lower bid, the amount of which will be amortized through the lease term ending June 30, 2028.

The two emergency leases in Graves and Warren County were for sites housing travel trailers [KYTC purchased two hundred with House Bill 5 proceeds for the

Commonwealth Sheltering Program] for families whose primary residences were majorly damaged, destroyed, or not habitable due to the December 2021 tornadoes. The sites had utility hookups to place the non-congregate shelters/trailers; therefore leases were procured through non-competitive negotiation. The leases are monthly, \$325 (Graves County - initially fifteen lots with a lease amendment increasing the lots to seventeen) and \$500 (Warren County – ten lots) per site.

In response to Representative Thomas; Mr. Siwula stated that staff does walk throughs with individuals using the travel trailers, there is twenty-four hour contact information for a maintenance contractor; frost proof fire hydrants and such prevent frozen water lines, and KYTC is facilitating transitioning into permanent housing in partnership with Kentucky Emergency Management. The leases have a thirty day cancellation clause and individuals may occupy the travel trailers for up to six months with the ability to extend based upon individual circumstances.

Office of Financial Management Kentucky Infrastructure Authority

Ms. Williams submitted a report on an Infrastructure Revolving Fund (Fund B) Program loan and 148 Cleaner Water Program grants. The City of Catlettsburg requested a \$499,853 Fund B loan to partially repay a \$2.485 million Clean Water State Revolving Fund (Fund A) Program loan, A14-013. The completed project was the wastewater treatment plant upgrade and rehabilitation and a portion of the sanitary sewer collection system's replacement. For state revolving fund loans, utilities must either produce an American Iron and Steel certification letter or a waiver for certain project materials. The city was unable to produce AIS certification for the collection system replacement materials and did not have a waiver. Therefore, the Environmental Protection Agency is requiring the city to repay the remaining Fund A proceeds used for the collection system replacement materials. The loan term is twenty years with the same interest rate as the Fund A loan, three quarters of a percent. Ms. Williams then referenced the 148 Cleaner Water Program grants.

Cabinet for Economic Development

Ms. Butler submitted three Economic Development Fund grants. [The grants to the Graves County Fiscal Court and the City of Bowling Green were part of the Kentucky Product Development Initiative program which, administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades. Recipients are required to match funds on a dollar-for-dollar basis.] The KPI locations were identified by an independent site consultant as prospective infrastructure projects with the potential for future investment/location of an economic development project. The Cabinet for Economic Development disburses KPI program funds to the local government entity on a reimbursement basis after review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress report.

The \$115,000 EDF grant to the Graves County Fiscal Court on behalf of Graves County Economic Development will fund a 150,000 square foot pre-graded pad on six acres in the Hickory Industrial Park. GCED has committed funds to match the grant.

The \$500,000 EDF grant to the Shelby County Fiscal Court on behalf of Wieland North American Recycling, a leading manufacturer and converter of copper and copper alloy-sheet, strip, foil, tube, and fabricated components in North America, will be applied towards the new Shelbyville manufacturing facility's capital investment costs. The grant agreement includes investment, job, and wage requirements; 75 to 225 new full-time jobs over four years [increase of 50 jobs each year] for employees subject to Kentucky individual income tax at a \$30 average hourly wage, including benefits, measured annually from December 31, 2025 to December 31, 2028. County economic development will disburse funds after annual compliance reporting, with the amount based upon the achieved performance requirements. If Wieland fails to achieve the job or wage targets, then CED will reduce the disbursement amount at each of the compliance measurement dates, \$833 for each full-time job not created or maintained by the company and a pro-rata amount of the EDF grant based on a formula to be outlined in the EDF agreement for failure to pay the \$30 average hourly wage, including benefits.

The \$500,000 EDF grant to the City of Bowling Green on behalf of Inter-Modal Transportation Authority will fund the utilities extension to over 669 acres in Kentucky Transpark. ITA's Board of Directors has committed to match the grant.

New Kentucky Housing Corporation Conduit Debt Issues

Mr. Barrow submitted two Kentucky Housing Corporation conduit debt issues, applied towards the state's private activity volume cap for the tax-exemption and affecting neither the commonwealth's nor KHC's financials, as the developer pays the debt service, for multifamily rental housing. The first was the Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Carl D Perkins), Series 2022, rehab of 150 units at 200 Douglas Parkway in Pikeville; \$10 million net proceeds with an over \$18.5 million total project cost. The second project was the Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Eclipse in Russell), Series 2022, construction of 208 units on multiple parcels at Magazine Street in Louisville; \$43 million net proceeds with an over \$73.7 million project cost.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Mr. Barrow submitted two new school district debt issues with SFCC debt service participation, both for new projects. The Caldwell County and Owen County school districts, which did not need an additional tax levy to pay debt service, planned debt issuances totaling just over \$11 million, over 92 percent with locally supported debt service and just under eight percent with SFCC debt service participation.

Next Meeting Date

Senator Girdler announced the Tuesday, May 17 meeting, 1:00 PM in Room 169 of the Capitol Annex with Representative Freeland presiding.