



MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: Curtis E. Meier Jr., State Treasurer

Date: November 1, 2019

Re: Public Purpose Investments and Loans

Pursuant to Wyoming Statute 9-4-715(n), by November 1 of each calendar year the State Treasurer, in consultation with the State Loan and Investment Board, the Wyoming Water Development Office, the Wyoming Business Council and the Office of State Lands and Investments, shall provide a report to the Select Committee on Capital Financing & Investments on all state funds invested for the specific public purpose authorized or directed by the Legislature. The report shall include:

i) A list of all investment or loan requests made in the previous year, the amount loaned or invested and the status of all investments and loans, including those which are delinquent as to the payment of any installment of principal or interest due;

Response: See attachments from the Office of State Lands and Investments, Wyoming Business Council, Water Development Office and State Treasurer's Office.

ii) Recommendations for future legislation, including recommendations for adjustments to the amount allocated by this subsection and recommendations for adjustments to the amounts allocated under applicable state law for individual investments authorized or directed by the Legislature for a specific purpose;

Response: No recommendations at this time.

iii) The cost of the investment to the people of Wyoming in terms of (a) forgone earnings that could have been obtained if the funds had been invested by the State Treasurer with the permanent funds of the state and (b) administrative and other costs associated with each investment.

Response: (a) The FY19 Total Return from the Permanent Wyoming Mineral Trust Fund (PWMTF) was 5.10%. Since public purpose loans are made from the PWMTF, interest rates set below this amount result in an opportunity cost to the State. The average weighted interest rate for loans outstanding under this program is approximately 2.8%, resulting in an opportunity cost to the PWMTF of 2.3%.

(b) Administrative costs associated with PPIs are difficult to estimate. Costs fluctuate depending on the number of successful new loans versus maintenance of existing ones.

Office of State Lands & Investments
Public Purpose Investment Loan Information
Fiscal Year 2019
July 1, 2018 - June 30, 2019
W.S. 9-4-715(n)

W.S. 9-4-715(n)(i)
Loan Requests during FY19

Loan Program	SLIB Board Date	Requested Loan Amount	Approved Loan Amount	Interest Rate
Aeronautics	February 2019	\$ 2,550,000	\$ 2,550,000	5.00%
Beginning Agricultural Producer	August 2018	\$ 606,000	\$ 606,000	2.91% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	August 2018	\$ 606,000	\$ 606,000	2.90% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	August 2018	\$ 245,430	\$ 245,430	2.89% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	October 2018	\$ 361,550	\$ 361,550	2.79% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	October 2018	\$ 541,800	\$ 541,800	2.87% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	February 2019	\$ 400,001	\$ 400,001	2.89% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	April 2019	\$ 516,600	\$ 516,600	2.87% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	April 2019	\$ 735,000	\$ 735,000	2.77% 1st Ten Years then 8% for the following Twenty Years
Capital Construction	April 2019	\$ 350,000	\$ -	1.375%
Capital Construction	April 2019	\$ 180,000	\$ 180,000	1.375%
Capital Construction	June 2019	\$ 2,550,000	\$ -	1.60%
Joint Powers Act	December 2018	\$ 824,363	\$ -	4.96%
Student Dormitory	October 2018	\$ 30,000,000	\$ 30,000,000	2.50%
Student Dormitory	October 2018	\$ 9,000,000	\$ 9,000,000	2.50%

W.S. 9-4-715(n)(ii)
Recommendations for future legislation

OSLI administers these PPI Programs under the statutory requirements set out by the legislature and does not have an opinion on how the limits set forth in W.S. §11-34-117 could be adjusted to reflect current program usage patterns or to promote better or more efficient administration.

W.S. 9-4-715(n)(iii)(B)
OSLI's Administrative & Other Costs for FY19

\$67,304

Office of State Lands & Investments

Status of Individual Loans

Fiscal Year 2019

July 1, 2018 - June 30, 2019

Program	Loan ID	Interest Rate	6/30/2019		Status	Comment
			Principal Balance			
Aeronautics	AER1403	5.000%	\$	281,232.05	Current	
Aeronautics	AER1405	5.000%	\$	258,621.10	Current	
Aeronautics	AER1406	5.000%	\$	281,497.35	Current	
Aeronautics	AER1407	5.000%	\$	1,198,360.08	Current	
Aeronautics	AER1408	5.000%	\$	242,947.55	Current	
Aeronautics	AER1409	5.000%	\$	261,578.62	Current	
Beginning Agriculture Producer	B00001	8.000%	\$	278,471.89	Current	
Beginning Agriculture Producer	B00002	8.000%	\$	54,262.56	Current	
Beginning Agriculture Producer	B00004	8.000%	\$	47,225.36	Current	
Beginning Agriculture Producer	B00007	8.000%	\$	17,405.79	Current	
Beginning Agriculture Producer	B00029	8.000%	\$	133,031.40	Current	
Beginning Agriculture Producer	B00033	8.000%	\$	496,746.71	Delinquent	Initiated Foreclosure-Borrower filed Bankruptcy, waiting on Bankruptcy Court Hearing
Beginning Agriculture Producer	B00049	8.000%	\$	241,942.01	Current	
Beginning Agriculture Producer	B00054	8.000%	\$	555,530.80	Current	
Beginning Agriculture Producer	B00055	8.000%	\$	108,274.41	Current	
Beginning Agriculture Producer	B00057	3.350%	\$	636,190.46	Current	
Beginning Agriculture Producer	B00061	3.200%	\$	629,554.03	Current	
Beginning Agriculture Producer	B00064	3.580%	\$	608,849.50	Current	
Beginning Agriculture Producer	B00069	3.520%	\$	326,774.79	Current	
Beginning Agriculture Producer	B00072	3.220%	\$	235,291.29	Current	
Beginning Agriculture Producer	B00073	3.450%	\$	24,768.90	Current	
Beginning Agriculture Producer	B00077	3.060%	\$	251,751.69	Delinquent	Repayment Plan approved 4/1/18 (3 year plan)
Beginning Agriculture Producer	B00084	1.930%	\$	360,195.56	Current	
Beginning Agriculture Producer	B00087	1.850%	\$	420,661.56	Current	
Beginning Agriculture Producer	B00088	1.810%	\$	441,955.76	Current	
Beginning Agriculture Producer	B00095	1.740%	\$	165,366.41	Current	
Beginning Agriculture Producer	B00097	1.950%	\$	152,303.29	Current	
Beginning Agriculture Producer	B00100	2.460%	\$	584,668.70	Current	
Beginning Agriculture Producer	B00101	2.140%	\$	650,373.47	Current	
Beginning Agriculture Producer	B00102	2.140%	\$	254,311.18	Current	
Beginning Agriculture Producer	B00103	2.240%	\$	262,763.55	Current	
Beginning Agriculture Producer	B00104	1.950%	\$	616,590.35	Current	
Beginning Agriculture Producer	B00105	2.190%	\$	697,939.35	Current	
Beginning Agriculture Producer	B00107	2.490%	\$	147,132.04	Current	
Beginning Agriculture Producer	B00110	2.600%	\$	388,719.19	Current	
Beginning Agriculture Producer	B00111	2.480%	\$	468,938.54	Current	
Beginning Agriculture Producer	B00112	2.630%	\$	246,798.14	Current	
Beginning Agriculture Producer	B00113	2.680%	\$	120,423.69	Current	
Beginning Agriculture Producer	B00114	2.650%	\$	165,813.43	Current	
Beginning Agriculture Producer	B00116	2.570%	\$	269,130.72	Current	
Beginning Agriculture Producer	B00117	2.570%	\$	633,445.91	Current	
Beginning Agriculture Producer	B00118	2.570%	\$	634,388.39	Current	
Beginning Agriculture Producer	B00120	2.300%	\$	442,300.67	Current	
Beginning Agriculture Producer	B00122	2.140%	\$	613,173.66	Current	
Beginning Agriculture Producer	B00123	2.140%	\$	445,231.24	Current	
Beginning Agriculture Producer	B00124	2.140%	\$	328,182.28	Current	
Beginning Agriculture Producer	B00127	2.140%	\$	494,560.04	Current	
Beginning Agriculture Producer	B00129	2.100%	\$	271,370.18	Current	
Beginning Agriculture Producer	B00130	2.870%	\$	582,446.38	Current	
Beginning Agriculture Producer	B00131	2.040%	\$	571,780.53	Current	
Beginning Agriculture Producer	B00132	1.870%	\$	419,636.28	Current	
Beginning Agriculture Producer	B00133	1.920%	\$	245,101.36	Current	
Beginning Agriculture Producer	B00134	2.070%	\$	614,477.09	Current	
Beginning Agriculture Producer	B00135	2.330%	\$	277,300.08	Current	
Beginning Agriculture Producer	B00136	2.350%	\$	248,731.17	Current	
Beginning Agriculture Producer	B00138	2.880%	\$	156,550.00	Current	
Beginning Agriculture Producer	B00139	2.900%	\$	606,000.00	Current	
Beginning Agriculture Producer	B00140	2.890%	\$	245,430.00	Current	
Beginning Agriculture Producer	B00141	2.910%	\$	606,000.00	Current	
Beginning Agriculture Producer	B00142	2.870%	\$	541,800.00	Current	
Beginning Agriculture Producer	B00143	2.790%	\$	361,550.00	Current	
Beginning Agriculture Producer	B00144	2.890%	\$	404,001.00	Current	
Farm Loan	F07657	8.000%	\$	3,799.40	Current	
Farm Loan	F08022	8.000%	\$	80,000.00	Current	
Farm Loan	F08081	8.000%	\$	14,362.06	Current	
Farm Loan	F08129	8.000%	\$	12,107.24	Current	
Farm Loan	F08201	8.000%	\$	46,849.22	Current	
Farm Loan	F08359	8.000%	\$	81,037.14	Current	
Farm Loan	F08411	8.000%	\$	29,687.33	Current	
Farm Loan	F08439	9.000%	\$	57,747.66	Current	
Farm Loan	F08486	8.000%	\$	71,255.62	Current	
Farm Loan	F08535	8.000%	\$	31,546.75	Current	

6/30/2019

Program	Loan ID	Interest Rate	Principal Balance	Status	Comment
Farm Loan	F08619	8.000%	\$ 20,751.72	Current	
Farm Loan	F08663	8.000%	\$ 65,611.23	Delinquent	Repayment Plan approved 6/2/16 (5 year plan)
Farm Loan	F08710	8.000%	\$ 468,375.02	Current	
Farm Loan	F08713	8.000%	\$ 436,060.37	Current	
Farm Loan	F08722	8.000%	\$ 524,799.56	Current	
Hot Springs	S00006	6.000%	\$ 237,401.82	Current	
Joint Powers Act	JPA17587	5.380%	\$ 240,044.40	Current	
Joint Powers Act	JPA17588	5.380%	\$ 2,326,508.99	Current	
Joint Powers Act	JPA17589	5.380%	\$ 384,394.26	Current	
Joint Powers Act	JPA09320	8.500%	\$ 2,583.10	Current	
Joint Powers Act	JPA09453	7.250%	\$ 71,861.04	Current	
Joint Powers Act	JPA09489	7.250%	\$ 23,734.25	Current	
Joint Powers Act	JPA09538	6.000%	\$ 65,615.30	Current	
Joint Powers Act	JPA09550	6.000%	\$ 241,883.26	Current	
Joint Powers Act	JPA09552	6.000%	\$ 152,331.03	Current	
Joint Powers Act	JPA09563	5.310%	\$ 58,606.80	Current	
Joint Powers Act	JPA11567	5.170%	\$ 215,118.70	Current	
Joint Powers Act	JPA11570	4.940%	\$ 83,885.19	Current	
Joint Powers Act	JPA11572	4.940%	\$ 134,622.14	Current	
Joint Powers Act	JPA11573	4.940%	\$ 223,374.39	Current	
Joint Powers Act	JPA11574	4.940%	\$ 327,544.15	Current	
Joint Powers Act	JPA11575	4.940%	\$ 87,179.65	Current	
Joint Powers Act	JPA13576	4.890%	\$ 98,224.64	Current	
Joint Powers Act	JPA13577	4.890%	\$ 89,295.11	Current	
Joint Powers Act	JPA13579	4.890%	\$ 26,831.00	Current	
Joint Powers Act	JPA13580	4.130%	\$ 158,210.37	Current	
Joint Powers Act	JPA13581	4.620%	\$ 69,950.87	Current	
Joint Powers Act	JPA15582	4.620%	\$ 411,296.73	Current	
Joint Powers Act	JPA15583	4.620%	\$ 337,655.26	Current	
Joint Powers Act	JPA15584	4.620%	\$ 775,655.95	Current	
Small Water/Irrigation	I00746	4.000%	\$ 33,600.16	Current	
Small Water/Irrigation	I00818	5.000%	\$ 315,174.60	Current	
Small Water/Irrigation	I00835	6.000%	\$ 2,914.09	Current	
Student Dormitory	SDL19001	2.500%	\$ 1,807,828.97	Current	

TO: Dawn Williams, State Treasurer's Office
FROM: Josh Keefe, Economic Development Finance Manager, Wyoming
Business Council (WBC)
DATE: October 29, 2019
SUBJECT: Assistance with Public Purpose Investments

In regards to the report referenced in W.S. 9-4-715(n), the Wyoming Business Council (WBC) assists the State Treasurer's Office with the Large Project Economic Development Fund. This fund was originated in 2014 with an initial allocation of \$25,000,000. There was little to no interest until FY 2016. Since then, there have been four applications received from Standard Alcohol Company of America, Inc. (SACA), Atlas Carbon, LLC (Atlas Carbon), Cody Laboratories, Inc (Cody Labs) and WYTEC, LLC. All four projects were approved by the WBC Board of Directors. All four projects were then presented and approved by the State Loan and Investment Board (SLIB). The SACA application was formally denied on March 6, 2017. Cody Labs was formally denied on November 28, 2018. Large Project Economic Development Fund projects during the past fiscal year include:

- **Atlas Carbon, LLC** (Gillette, WY) – The SLIB approved a loan to Atlas Carbon for \$15M on October 6, 2016. The company began working with the Treasurer's office to finalize the rate and terms of the loan. The loan was closed, becoming the State's first utilizing the Large Project Economic Development Fund, on May 30, 2018. This loan is being used to purchase and install a production line for turning Powder River Basin coal into activated carbon. The construction/implementation of this project is ongoing/underway with an expected completion date of March 2021. Atlas has drawn approximately \$5.2 million so far, nearly completing phase one upgrades and making expenditures for site work, engineering, system control and electrical, processing, and equipment. This value-added product is being sold internationally by Atlas Carbon.
- **WYTEC, LLC** (Cheyenne, WY) – An application from WYTEC, LLC was received on June 7, 2019. The WBC Board of Directors approved the request on June 20, 2019 for \$9.35M in participation with Bank of Star Valley for the construction of an 80,000 square foot facility to be located in the Cheyenne Business Park. The loan request was for capital real estate improvements, fixtures, and equipment. SLIB approved the loan request on August 8, 2019. This request is still being negotiated between WYTEC, LLC and the State Treasurer's Office since a different participating bank is likely needed.

The WBC receives many inquiries (10+ annually) regarding the program, however many don't meet the minimum loan request threshold or may not be a good fit for this program. The unencumbered funds in the Large Project Economic Development Fund were frozen at \$13 million on June 30, 2019 pursuant to 2016 Wyoming Session Laws Chapter 41, Section 5.



WYOMING WATER DEVELOPMENT OFFICE

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TO: Dawn Williams, State Treasurer's Office

FROM: Andrea Odell, Wyoming Water Development Office (WWDO) *AO*

DATE: October 17, 2019

SUBJECT: Current Public Purpose Investment Projects of the WWDO

In regards to the report referenced in W.S. 9-4-715(n), the Wyoming Water Development Office administers one active public purpose investment (PPI) project, the Gillette Madison Pipeline Project. The state of Wyoming legislature appropriated loan dollars to the City of Gillette from the permanent mineral trust fund (PMTF) through the Wyoming Water Development Commission. The total PMTF loan is for \$44,328,358.00 and has been fully transferred to the Gillette Madison pipeline account. The last transfer from the State Treasurer's Office (STO) occurred in June of 2015. Thus, no loan requests were made from the STO in the previous fiscal year (FY 2019). These PMTF loan dollars were for thirty-three percent (33%) of the actual development costs of the project. The remaining sixty-seven percent (67%) of the actual development costs were appropriated from several sources as grant dollars.

The WWDO has disbursed all \$44,328,358.00 in PMTF loan dollars to the City of Gillette. The City of Gillette is now responsible for the remaining thirty-three percent (33%) of the actual project development costs. Interest on the PMTF loan dollars will not be charged until the benefits accrual date is set by the WWDO. The benefits accrual date is estimated to occur in 2021. The project has been delayed due to water quality and well interference concerns. The term of the loan is five (5) years at an annual interest rate of four percent (4%).

In response to W.S.9-4-715(n)(ii) and W.S.9-4-715(n)(iii), the WWDO has no recommendations for future legislation. The STO may calculate the forgone earnings for the above-mentioned PPI project as the STO invests the PMTF dollars. Lastly, for the WWDO, there are no additional administrative or other costs associated with each investment. Please contact me if you have any additional questions.

STATE OF WYOMING TREASURER'S OFFICE
Public Purpose Investments Loan Information
As of June 30, 2019
W.S. 9-4-715 (n)

PPI - LDI	Balance Forward as of June 30, 2018	Amount Loaned In FY19	Principal Payments	Interest Payments	Loan Balance as of June 30, 2019	Current Loan Status
Permanent Mineral Trust Fund (PMTF)						
Airport Loans	\$2,717,695	\$0	\$193,458	\$139,566	2,524,237	Administered by OSLI
Basin Electric	20,300,000	0	2,306,000	925,360	17,994,000	Current
Capital Infrastructure Loans	0	180,000	0	0	180,000	Administered by OSLI
Farm Loans	21,106,159	2,921,331	1,279,887	668,166	22,747,603	Administered by OSLI
Special Loans - Hot Springs State Park	240,591	0	3,189	14,791	237,402	Administered by OSLI
Hydro-Power Development Loans	0	0	0	0	0	N/A
Industrial Development Bonds (repealed July 1, 2016)	27,819,602	45,043	14,137,188	1,220,283	13,727,458	Current
Irrigation Loans	378,726	0	27,037	18,597	351,689	Administered by OSLI
Joint Powers Authority Loans (JPA)	7,049,720	0	443,314	350,943	6,606,407	Administered by OSLI
Reimbursement to Counties for Deferred Taxes	0	0	0	0	0	N/A
Small Business Assistance & FnHA Ag Loans (statute repealed 2008)	12,151	0	12,151	198	0	Paid Off Jan 16, 2019
Student Dormitory Loans	0	10,807,829	0	0	10,807,829	Administered by OSLI
Water Development - Gillette Madison Pipeline	44,328,358	0	0	0	44,328,358	Payments will not start until Water Commission deems project beneficial
Water Development Loans	0	0	0	0	0	Administered by Water Development
Total PMTF	\$123,953,002	\$13,954,203	\$18,402,224	\$3,337,905	\$119,504,982	
Common School Permanent Land Fund (CS)						
Drainage District	\$24,000	\$0	\$0	\$0	\$24,000	Delinquent 1974 - Last Payment 2009
School Foundation Interfund Borrowing	0	125,000,000	125,000,000	0	0	Paid Off June 27, 2019
Wyoming Real Estate - Land	18,335,738	0	0	0	18,335,738	N/A
Total CS	\$18,359,738	\$125,000,000	\$125,000,000	\$0	\$18,359,738	
State Agency Pool (SAP)						
TDOA	\$166,899,000	\$47,900,000	\$21,949,000	\$3,567,509	\$192,850,000	Current
General Fund Borrowing	0	0	0	0	0	N/A
Governor Fire Fighting Interfund Borrowing	0	0	0	0	0	N/A
Group Health Insurance Borrowing	0	0	0	0	0	N/A
Hathaway Scholarship Borrowing	0	0	0	0	0	N/A
WYDOT Borrowing (\$100M)	0	0	0	0	0	N/A
WYDOT Borrowing (\$82M)	15,000,000	0	15,000,000	0	0	N/A
Total SAP	\$181,899,000	\$47,900,000	\$36,949,000	\$3,567,509	\$192,850,000	
Sub-Total PPI's	\$324,211,740	\$186,854,203	\$180,351,224	\$6,905,414	\$330,714,719	
Large Project Funding - Tracked in WOLFS	\$908,549	\$3,725,604	\$0	\$0	\$4,634,153	Current
Total PPIs	\$325,120,289	\$190,579,807	\$180,351,224	\$6,905,414	\$335,348,872	