

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
AUGUST 9, 2016

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, August 9, 2016 at 2:00 p.m. ET in Room 182 of the Capitol Annex by William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. The secretary asked for a roll call. Other members present were Adrienne Southworth, proxy for Lt. Governor Jenean Hampton; Scott Brinkman, permanent proxy for Governor Matt Bevin; Edgar C. Ross, State Controller, Office of the Controller; Erik Dunnigan, Acting Secretary, Cabinet for Economic Development (“CED”); and Ms. Holly McCoy-Johnson, permanent proxy for Attorney General Andy Beshear.

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Commission; Sandy Williams, Deputy Executive Director; John Brady, Liz Columbia, Bethany Couch, Steve Starkweather, Denise Pitts and Tammy McCall.

Other Guests Present: Representative Dennis Keene; Katie Smith, Cabinet for Economic Development (“CED”); Jeremy Ratliff, Kentucky Housing Corporation (“KHC”); and Micah LeMaster, Office of the Lieutenant Governor.

Secretary Landrum verified that a quorum was present and that the press was notified of the meeting.

Secretary Landrum introduced the first item for business, which was approval of the minutes from the July 18, 2016 meeting. A motion to accept the minutes of the July 18, 2016 meeting was made by Secretary Dunnigan and seconded by Mr. Ross. Motion **CARRIED**.

Secretary Landrum directed the Commission to Resolution **2016-30**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING A REQUEST FOR AMENDMENT FOR A CERTAIN
ECONOMIC DEVELOPMENT PROJECT FUNDED FROM THE
PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS
ISSUED BY THE COMMISSION.**

Ms. Smith presented Resolution 2016-30 for the approval to amend the Economic Development Revenue Bond grant issued in 2013 to Boyle County Fiscal Court on behalf of Corning Incorporated. The amendment is to request a 3-year extension of the First Compliance Date from May 30, 2016 to May 30, 2019, and to add the provision for performance based disbursements of grant proceeds. The project has been delayed due to federal regulation and patent processes. KEDFA approved the amendment at its meeting on July 28, 2016. Staff recommended approval.

After a brief discussion, Secretary Landrum called for a motion to approve **Resolution 2016-30**. Secretary Brinkman made a motion and was seconded by Ms. McCoy-Johnson. There being no further discussion, the motion **CARRIED** and Resolution 2016-30 was **ADOPTED**.

Secretary Landrum directed the Commission to Resolution **2016-31**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000.

Mr. Brady presented Resolution 2016-31 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds, Series 2016, in an amount not to exceed \$20 million for the Arcadia Apartments Project. He reminded the Commission this item was pulled from last month's Agenda in order to give KHC more time to review the transaction. The bonds will be used to finance the acquisition, rehabilitation and equipping of 432 units located throughout 68 buildings at 1422 Arcade Avenue in Louisville, Ky. KHC has conducted a public hearing concerning the proposed project on Monday, July 11, 2016 following a delivery of notice to the public on June 24, 2016. The KHC Executive Committee of the Board of Directors approved the transaction on February 26, 2015, and it will be presented to the Capital Projects and Bond Oversight Committee on August 16, 2016. The proposed date of sale is September 15, 2016, and proposed closing date is September 30, 2016. The total project cost is approximately \$33 million. The anticipated net interest rate is 5% over a term of 15 years with a 35-year amortization. The developer is Clark Development Group. Bond Counsel is Dinsmore & Shohl; Underwriter, BB&T Capital Markets; Underwriter Counsel, Eichner Norris & Neumann; and Trustee, The Huntington National Bank. Staff recommended approval. Mr. Ratliff answered questions from the Commission regarding the costs of the transaction and the denominations of the bonds.

After a brief discussion, Secretary Landrum called for a motion to approve Resolution **2016-31**. Mr. Ross made a motion and was seconded by Secretary Brinkman. Motion **CARRIED** and Resolution **2016-31** was **ADOPTED**.

With no further business before the Commission, Ms. Southworth made a motion to adjourn and was seconded by Secretary Dunnigan. Motion carried and the meeting adjourned at 2:12 pm.

Respectfully submitted,



Ryan Barrow
Secretary