

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION

MINUTES

OCTOBER 11, 2018

1:30 PM

The Kentucky State Property and Buildings Commission ("SPBC" or the "Commission") meeting was called to order on Thursday, October 11, 2018 at 1:30 p.m. ET in Room 182 of the Capitol Annex by Melinda Hill, proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet ("FAC") and Executive Director to the Commission. Other members present were Scott Brinkman, permanent proxy for Governor Matt Bevin; Edgar C. Ross, State Controller, Office of the Controller; Katie Smith, proxy for Terry Gill, Secretary for the Cabinet for Economic Development ("CED"); Holly McCoy-Johnson, permanent proxy for Attorney General Andy Beshear; and John E. Chilton, State Budget Director, Office of the State Budget Director ("OSBD").

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; Steve Starkweather, Bethany Couch, Billy Aldridge and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Janice Tomes, OSBD; Trina Shields, Kentucky Housing Corporation (KHC); Diane Beidleman, KHC; Jeremy Ratliff, KHC; Mike Herrington, Stites & Harbison; Mark Franklin, Stoll Keenon Ogden; and James Parsons, Keating Muething & Klekamp.

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

Ms. Hill introduced the first item for business, which was approval of the minutes from the July 11, 2018 meeting. A motion to accept the minutes of the July 11, 2018 meeting was made by Director Chilton and seconded by Mr. Ross. Motion **CARRIED**.

Ms. Hill recognized Bethany Couch to present **Resolution 2018-12**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION APPROVING CAPITAL CONSTRUCTION PROJECTS AUTHORIZED BY THE 2018 REGULAR SESSION OF THE GENERAL ASSEMBLY WHERE SUCH PROJECTS WILL BE FINANCED BY THE ISSUANCE OF STATE PROPERTY AND BUILDINGS COMMISSION REVENUE BONDS OR BONDS ISSUED BY OTHER AUTHORIZED STATE DEBT-ISSUING AUTHORITIES.

Ms. Couch explained Resolution 2018-12 was to approve capital construction projects authorized by the 2018 Regular Session of the General Assembly where projects will be financed by the issuance of SPBC Bonds or authorized state debt-issuing authorities. Staff typically presents a reimbursement resolution to the Commission after the budget has been enacted for all the General Fund bond supported projects in the budget. An Exhibit A was provided which listed all the projects covered under this reimbursement resolution. Staff recommended approval.

Ms. Hill called for a motion to approve Resolution 2018-12. Secretary Brinkman made a motion, and was seconded by Ms. Smith. There being no further discussion, the motion **CARRIED** and Resolution 2018-12 was **ADOPTED**.

Ms. Hill recognized John Brady to present **Resolution 2018-13**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE INCURRENCE OF TAX-EXEMPT INDEBTEDNESS BY THE KENTUCKY HOUSING CORPORATION IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000.

Mr. Brady presented Resolution 2018-13 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Notes Series 2018 in an amount not to exceed \$24 million for the Puritan Apartments Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation and equipping of a 247-unit property located in Louisville, Kentucky. KHC Board of Directors approved the transaction on August 30, 2018, and material was submitted for review to the Capital Projects and Bond Oversight Commission. The proposed date of sale and proposed closing date are November 2018. The estimated total project cost is approximately \$43 million. The anticipated net interest rate is 5.75% over a term of 30 years. The method of sale is a private placement. Bond counsel is Stites & Harbinson, financial advisor is The Housing Partnership, Inc., and the developer is SOCA YR, Inc. Mr. Brady noted this debt is not a liability to KHC or the Commonwealth. Staff recommended approval.

Ms. Hill called for a motion to approve Resolution 2018-13. Mr. Ross made a motion and was seconded by Director Chilton. Motion **CARRIED** and Resolution 2018-13 was **ADOPTED**.

Ms. Hill recognized John Brady to present **Resolution 2018-14**:

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 \$9,500,000.

Mr. Brady presented Resolution 2018-14 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds Series 2018 in an amount not to exceed \$9.5 million for the Westminster Village Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation and equipping of a 132-unit property located in Lexington, Kentucky. KHC Board of Directors approved the transaction on August 30, 2018, and material was submitted for review to the Capital Projects and Bond Oversight Commission. The proposed date of sale is November 8, 2018 and the proposed closing date is November 15, 2018. The anticipated rating from Standard & Poor's is AA-. The estimated total project cost is approximately \$17.9 million. The anticipated net interest

rate is 2.0% over a term of 2 years. The method of sale is a Public Offering. Bond counsel is Dinsmore & Shohl LLP, the underwriter is Citigroup, and the developer is Allied Real Estate Partners. Mr. Brady noted this debt is not a liability to KHC or the Commonwealth. Staff recommended approval.

Ms. Hill called for a motion to approve Resolution **2018-14**. Secretary Brinkman made a motion and was seconded by Ms. Smith. Motion **CARRIED** and Resolution **2018-14** was **ADOPTED**.

With no further business before the Commission, Ms. Hill asked for a motion to adjourn. Ms. Smith made a motion, and was seconded by Director Chilton. Motion carried and the meeting adjourned at 1:39 pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Barrow', is written over a horizontal line.

Ryan Barrow
Secretary