

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**NOVEMBER 16, 2017**  
**1:00 PM**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, November 16, 2017 at 1:03 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. Other members present were John E. Chilton, State Budget Director, Office of the State Budget Director (“OSBD”); Edgar C. Ross, State Controller, Office of the Controller; and Katie Smith, proxy for Terry Gill, Secretary for the Cabinet for Economic Development (“CED”).

The Office of Financial Management (“OFM”) Staff Members Present: Sandy Williams, Deputy Executive Director; John Brady, Steve Starkweather, Bethany Couch and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Jeremy Ratliff, Kentucky Housing Corporation (“KHC”); Andrew Hawes; The Housing Partnership, Inc.; Mike Herrington, Stites & Harbison, PLLC; Bobby Vice, Vice Cox & Townsend, PLLC.

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

Secretary Landrum introduced the first item for business, which was approval of the minutes from the October 11, 2017 meeting. A motion to accept the minutes of the October 11, 2017 meeting was made by Mr. Ross and seconded by Ms. Smith. Motion **CARRIED**.

Secretary Landrum recognized John Brady to present Resolution 2017-13:

**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  
\$13,000,000.**

Mr. Brady presented Resolution 2017-13 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Notes in an amount not to exceed \$13 million for the SOCAJR Portfolio Project. Proceeds of the notes will be used to finance the rehabilitation and equipping of a 100-unit property in Frankfort, a 50-unit property in Adairville, and an 89-unit property in Louisville, Ky. The transaction was approved by the KHC Board of Directors on May 25, 2017, and will be presented to Capital Projects and Bond Oversight Committee (“CPBOC”) on November 21, 2017. The proposed date of sale and close is December 28, 2017. Mr. Brady noted that this debt is not a liability to KHC or the Commonwealth. Staff recommended approval.

Director Chilton asked who the typical buyers of this debt were. Mr. Brady answered that the sale is a private placement and financed directly with a bank.

There being no further discussion, Secretary Landrum called for a motion to approve Resolution 2017-13. Mr. Ross made a motion and was seconded by Director Chilton. Motion **CARRIED** and Resolution 2017-13 was **ADOPTED**.

Secretary Landrum recognized John Brady to present Resolution 2017-14:

**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 \$9,300,000.**

Mr. Brady presented Resolution 2017-14 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds in an amount not to exceed \$9.3 million for the Winterwood HPW Portfolio Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation, and equipping of 76-unit property in Harlan, 32-unit property in Manchester, and 40-unit property in Lexington, Ky. The transaction was approved by the KHC Board of Directors on May 25, 2017, and will be presented to CPBOC on November 21, 2017. The proposed date of sale and close is February 28, 2018. Mr. Brady noted that this debt is not a liability to KHC or the Commonwealth. Staff recommended approval.

Ms. Smith asked if there was a delay in the project since KHC gave approval in May and it is just now being presented to the Commission. Mr. Ratliff explained that all the properties but one are Rural Development properties and the Rural Development processes can take more time.

There being no further discussion, Secretary Landrum called for a motion to approve Resolution 2017-14. Director Chilton made a motion and was seconded by Mr. Ross. Motion **CARRIED** and Resolution 2017-14 was **ADOPTED**.

Secretary Landrum recognized Bethany Couch to present Resolution 2017-15:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS  
COMMISSION OF THE COMMONWEALTH OF KENTUCKY  
APPROVING THE ISSUANCE OF APPROXIMATELY \$4,200,000 OF  
MURRAY STATE UNIVERSITY GENERAL RECEIPTS REFUNDING  
BONDS, 2017 SERIES A.**

Ms. Couch presented Resolution 2017-15 for the approval to issue Murray State University ("MSU") General Receipts Refunding Bonds, 2017 Series A, in a principal amount not to exceed \$4.2 million. The purpose of the issuance is to advance refund certain outstanding MSU General Receipts Bonds, 2009 Series A and pay the costs of issuance. The 2017 Series A issuance will partially advance refund the July 30, 2022 thru July 30, 2028 maturities and yield a savings of approximately \$218,000 or about 5.65%. The project will be presented to CPBOC on November 21, 2017. Ms. Couch noted that

today's approval by the Commission will be contingent upon the Board of Regents of MSU approving the Series Resolution, which is scheduled to meet on December 8, 2017. She explained the reason this request is being brought before the Commission before the University has approved the Series Resolution is because of a proposed federal tax reform legislation that may eliminate advance refunding at the end of the calendar year and MSU would like to take advantage of the tax savings now. This will be a competitive sale currently scheduled for December 13, 2017. Staff recommended approval.

Secretary Landrum asked and Ms. Couch confirmed that the federal tax reform legislation has only been proposed and not passed as of the day of this meeting. Ms. Couch also confirmed that if passed then MSU would not be able to perform advance refundings after December 30, 2017 and would have to wait to do a current refundings.

Secretary Landrum called for a motion to approve Resolution **2017-15**. Director Chilton made a motion, and was seconded by Ms. Smith. There being no further discussion, the motion **CARRIED** and Resolution **2017-15** was **ADOPTED**.

Secretary Landrum recognized Bethany Couch to present **Resolution 2017-16**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS  
COMMISSION OF THE COMMONWEALTH OF KENTUCKY  
APPROVING THE ISSUANCE OF EASTERN KENTUCKY UNIVERSITY  
GENERAL RECEIPTS REFUNDING BONDS.**

Ms. Couch presented Resolution 2017-16 for the approval to issue Eastern Kentucky University ("EKU") General Receipts Refunding Bonds, 2018 Series B, for a principal amount not to exceed \$6.6 million. The purpose of the issuance is to advance refund certain outstanding EKU General Receipts Bonds, 2009 Series A and to pay the costs of issuance. The 2018 Series B bonds will be sold along with the 2018 Series A bonds. The Series A bonds will be a new money issuance, which was approved by the Commission on February 14, 2017. The Series B issuance will partially advance refund the May 1, 2022 thru May 1, 2028 maturities and yield a savings of approximately \$360,000 or about 6.32%. The project will be presented to CPBOC on November 21, 2017. This will be a competitive sale and is currently scheduled for January 9, 2018. Staff recommended approval.

Secretary Landrum called for a motion to approve Resolution **2017-16**. Mr. Ross made a motion, and was seconded by Director Chilton. There being no further discussion, the motion **CARRIED** and Resolution **2017-16** was **ADOPTED**.

Secretary Landrum asked if there was any other business to be discussed. Director Chilton asked if there was a summary published of all the debt approved by the Commission in the last couple of years upon which trends in interest rates and ratings could be compared, and the total amount that has actually been approved. Ms. Williams did not think that information has been compiled and published but OFM staff would be able to put that together.

With no further business before the Commission, Secretary Landrum asked for a motion to adjourn. Mr. Ross made a motion, and was seconded by Ms. Smith. Motion carried and the meeting adjourned at 1:19 pm.

Respectfully submitted,



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Ryan Barrow  
Secretary