

STATE PROPERTY AND BUILDINGS COMMISSION
December 17, 2007

MINUTES

The State Property and Buildings Commission was called to order by Lori Flanery, Deputy Secretary, Finance and Administration Cabinet and proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet at 10:00 a.m. in Room 76 of the Capitol Annex on Monday, December 17, 2007, in Frankfort, Kentucky. Other members present were Katie Smith, proxy for John E. Hindman, Secretary, Cabinet for Economic Development; Mary Lassiter, State Budget Director; Edgar C. Ross, Executive Director, Office of the Controller; and Corey Bellamy, proxy for Attorney General Greg Stumbo.

Chairman Flanery verified that a quorum was present and that the press was notified of the meeting.

A motion was made by Ed Ross and seconded by Katie Smith to approve the minutes of the November 19, 2007 meeting.

Chairman Flanery introduced Resolution 2007-37:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPOINTING THE SECRETARY OF THE FINANCE AND
ADMINISTRATION CABINET AS EXECUTIVE DIRECTOR OF THE
COMMISSION AND DELEGATING THE PERFORMANCE OF
CERTAIN ADMINISTRATIVE FUNCTIONS NECESSARY TO
ACCOMPLISH THE PURPOSE OF THE COMMISSION.**

F. Thomas Howard, Executive Director, Office of Financial Management, stated that Resolution 2007-37 appoints the Secretary of the Finance and Administration Cabinet as the Executive Director of the Commission. Mr. Howard further stated that this allows the Secretary to call meetings as needed, preside over the meetings in the absence of the Governor and to sign documents approved by the Commission.

A motion was made by Mary Lassiter and seconded by Ed Ross to adopt Resolution 2007-37 appointing the Secretary of the Finance and Administration Cabinet as the Executive Director of the Commission. Motion carried and Resolution 2007-37 was adopted.

Chairman Flanery introduced Resolution 2007-38:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
DELEGATING THE PERFORMANCE OF CERTAIN
ADMINISTRATIVE FUNCTIONS OF THE COMMISSION TO THE
SECRETARY OF THE FINANCE AND ADMINISTRATION CABINET**

**ACTING IN HIS CAPACITY AS THE EXECUTIVE DIRECTOR OF
THE COMMISSION.**

Mr. Howard stated that Resolution 2007-38 authorizes the Secretary of the Finance and Administration Cabinet in his capacity as Executive Director of the Commission to sign documents for minor modifications and amendments to economic development bond projects previously approved by the Commission. Mr. Howard added that the modifications may include collateral substitutions, alterations in the job requirements and time extensions. He noted that Resolution 2007-38 also allows the Secretary to sign documents affecting waiver of technical defaults caused by substitution of project owner and failure to provide timely routine financial documents to the Commonwealth.

A motion was made by Mary Lassiter and seconded by Corey Bellamy to adopt Resolution 2007-38 delegating the performance of certain administrative functions of the Commission to the Secretary of the Finance and Administration Cabinet acting in his capacity as the Executive Director of the Commission. Motion carried and Resolution 2007-38 was approved.

Chairman Flanery introduced Resolution 2007-39:

**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 BONDS IN ONE
OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT
TO EXCEED \$11,500,000.**

Mr. Howard stated that Resolution 2007-39 authorizes the issuance of Kentucky Housing Corporation Multifamily Mortgage Revenue Bonds, Series 2007. Mr. Howard stated that the proceeds of the bonds would be used to finance new construction of 144 two and three bedroom units in Louisville, Kentucky. Mr. Howard noted that the Corporation's Executive Committee approved the issuance on August 10, 2007. He added that the issue will be presented to the Capital Projects and Bond Oversight Committee on December 18, 2007. Mr. Howard stated that the financing team consists of Peck, Shaffer & Williams, LLP as bond counsel; Gallagher, Evelius and Jones as underwriter's counsel; MMA Financial as underwriter; and U.S. Bank as trustee.

A motion was made by Katie Smith and seconded by Ed Ross to adopt Resolution 2007-39 approving the issuance of Kentucky Housing Corporation Multifamily Housing Bonds in one or more series in an aggregate principal amount not to exceed \$11,500,000. Motion carried and Resolution 2007-39 was adopted.

Chairman Flanery introduced Resolution 2007-40:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY ADJUSTABLE RATE INDUSTRIAL BUILDINGS REVENUE BONDS, SERIES 2007 (GOODWILL INDUSTRIES OF KENTUCKY, INC. PROJECT) IN THE PRINCIPAL AMOUNT OF \$10,000,000.

Katie Smith, Deputy Commissioner, Department of Financial Incentives, Cabinet for Economic Development, stated that approval was being sought to finance a portion of the costs associated with Goodwill Donation Centers in five different local jurisdictions in Kentucky. She indicated that the proceeds of the bonds will be used to acquire, expand and relocate Goodwill Donation Centers in Campbellsville, Danville, Maysville, Middletown, and Nicholasville. Ms. Smith noted that referral resolutions were received from all local jurisdictions and a TEFRA Hearing was conducted on December 13, 2007 with no public comment. Ms. Smith also reported that the Final Resolution was approved by KEDFA at the December 13, 2007, meeting and that the project will be presented to the Capital Project and Bond Oversight Committee on December 18, 2007 if approved by SPBC. Ms. Smith noted that Wyatt, Tarrant & Combs will serve as bond counsel; Frost Brown Todd will serve as underwriter's counsel; PNC Capital Markets will serve as underwriter; and BB & T Company will serve as trustee on the transaction.

Mary Lassiter, State Budget Director, asked if this was the first time that Goodwill Industries has approached KEDFA for monies to finance costs associated with the construction and relocations of donation centers. Ms. Smith stated that this is the second time that Goodwill Industries has requested funding, but it not part of a plan to construct or relocate other centers. She noted the request for funding is based on the amount of money needed to fund the construction and relocation.

A motion was made by Mary Lassiter and seconded by Ed Ross to adopt Resolution 2007-40 approving the issuance by the Kentucky Economic Development Finance Authority of its Adjustable Rate Industrial Building Revenue Bonds, Series 2007 in a principal amount of \$10,000,000. Motion carried and Resolution 2007-40 was adopted.

Chairman Flanery introduced Resolution 2007-41:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY SUPPLEMENTING THE COMMISSION'S RESOLUTION ADOPTED ON NOVEMBER 19, 2007, RELATING TO THE ISSUANCE BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY OF ITS LOUISVILLE ARENA PROJECT REVENUE BONDS, SERIES 2007A

**AND TAXABLE SERIES 2007b (LOUISVILLE ARENA AUTHORITY,
INC) IN AN AMOUNT NOT TO EXCEED \$360,000,000**

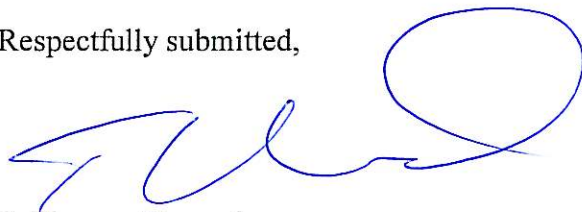
Mr. Howard stated that Resolution 2007-41 supplements an earlier resolution adopted in November originally titled 2007 Series A and 2007 Series B. He stated that this Supplemental Resolution changes the Series designation to 2008 and extends the authorized final maturity by no more than three (3) additional years which is consistent with the rating requirements to achieve an investment-grade underlying rating. Mr. Howard noted that it is not expected that the bonds will be outstanding for an additional three years, but the additional three years provides flexibility to extend the maturity should it be necessary to do so.

Mary Lassiter asked if the original maturity was 30 years. Mr. Howard stated that was correct. He stated in addition that the original maturity was 30 years and allowed for three and one-years of capitalized interest. He added that the extended maturity would be a total of 36 years. Mary Lassiter asked if this changed the Commonwealth's commitment. Mr. Howard stated that it did not change the Commonwealth's commitment of 20 years.

A motion was made by Katie Smith and seconded by Ed Ross to adopt Resolution 2007-41 approving a Supplemental Resolution relating to the issuance by the Kentucky Economic Development Finance Authority of its Louisville Arena Project Revenue Bonds, Series 2007A and Taxable Series 2007B in an amount not to exceed \$360,000,000. Motion carried and Resolution 2007-41 was adopted.

With no further business before the Commission, a motion was made by Mary Lassiter and seconded by Katie Smith to adjourn. Motion carried and the meeting was adjourned.

Respectfully submitted,



F. Thomas Howard
Secretary