

STATE PROPERTY AND BUILDINGS COMMISSION
May 11, 2007

MINUTES

The State Property and Buildings Commission was called to order by Kristen Webb, Chief of Staff, Finance and Administration Cabinet and proxy for John Farris, Secretary, Finance and Administration Cabinet at 10:15 a.m. in Room 76 of the Capitol Annex in Frankfort, Kentucky. Other members present were Libby Milligan, proxy for Governor Ernie Fletcher; Bonnie Howell, proxy for Attorney General Greg Stumbo; Katie Smith, proxy for Gene Fuqua, Acting Secretary, Cabinet for Economic Development; and Ed Ross, Executive Director, Office of the Controller. Dr. Randy Embry attended the meeting on behalf of Steve Pence, Lt. Governor.

Chairman Webb 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 Bonnie Howell to approve the minutes of the April 16, 2007 meeting. Motion carried and the minutes were approved.

Chairman Webb introduced Resolution 2007-09:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING
CORPORATION OF ITS HOUSING REVENUE BONDS IN ONE OR
MORE SERIES AND IN ONE OR MORE TAX PLANS IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000.**

F. Thomas Howard, Executive Director, Office of Financial Management, stated that Resolution 2007-09 authorizes the issuance of Kentucky Housing Corporation revenue bonds in one or more series and in one or more tax plans in an amount not to exceed \$200,000,000. He indicated that this authorization is part of the ongoing financing of the Corporation's single family housing program. Mr. Howard stated that the transaction will be a blend of recycled non-AMT proceeds and private activity volume cap for the AMT portion and a blend of taxable bonds that will be balanced in each issue to manage against the full spread allowed under the tax code. Mr. Howard stated that UBS will serve as the underwriter (rotating) for the transaction; Peck, Shaffer & Williams LLP will serve as underwriter's counsel; and Kutak Rock LLP will serve as bond counsel.

A motion was made by Ms. Howell and seconded by Ms. Smith to adopt Resolution 2007-09 approving the issuance of Kentucky Housing Corporation Housing Revenue Bonds in one or more tax series and in one or more tax plans in an aggregate principal amount not to exceed \$200,000,000. Motion carried and Resolution 2007-09 was adopted.

Chairman Webb introduced Resolution 2007-10:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING
CORPORATION OF ITS VARIABLE RATE MULTIFAMILY HOUSING
REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$13,880,000.**

Mr. Howard stated that Resolution 2007-10 authorizes the Kentucky Housing Corporation to issue Variable Rate Multifamily Housing Revenue Bonds for Canterbury House Apartments. Mr. Howard informed the Commission members that this particular project consisted of 230 one, two and three bedroom units located in Southgate (Campbell County), Kentucky. Mr. Howard stated that Citigroup Global Markets, Inc. will serve as underwriter on the transaction; Peck, Shaffer & Williams LLP will serve as bond counsel; and Katten Muchin Rosenman LLP will serve as underwriter's counsel. He further stated that this project was originally approved by the Board of Directors on August 31, 2006 and if approved, will be presented to the Capital Projects and Bond Oversight Committee for approval on May 15, 2007.

A motion was made by Ms. Howell and seconded by Mr. Ross to adopt Resolution 2007-10 approving the issuance by the Kentucky Housing Corporation of its Variable Rate Multifamily Housing Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$13,880,000. Motion carried and Resolution 2007-10 was adopted.

Chairman Webb introduced Resolution 2007-11:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE OF WESTERN KENTUCKY
UNIVERSITY GENERAL RECEIPTS BONDS, 2007 SERIES A.**

Robin Brewer, Financial Analyst, Office of Financial Management, stated that Resolution 2007-11 authorizes the issuance of Western Kentucky University General Receipts Bonds, 2007 Series A in an approximate amount of \$43,205,000. Ms. Brewer indicated that the University proposes to issue Agency Funds to complete funding for multiple projects including: South Campus Parking & Dining Improvements, Math & Science Academy Renovation, construction of Student Health Services Building, IT infrastructure and renovation of Academic Athletic #2 Project. Ms. Brewer stated, in addition, the project proposes to redeem outstanding Kentucky Asset/Liability Commission Agency Fund Interim Notes that were issued for these projects. Ms. Brewer noted that all projects were approved in House Bill 267 of the 2005 Regular Session of the General Assembly and House Bill 380 of the 2006 Regular Session of the General Assembly. She added that the projects were partially funded by the 2006 Series A Bonds issued by the University in

December 2006. Ms. Brewer stated that the estimated net interest cost on the transaction is 4.326 percent. She informed the members that this transaction will complete permanent financing for the University's Agency Fund projects which currently have bond authorization. Ms. Brewer stated that this transaction was approved by the University's Board of Regents on April 27, 2007 and will be presented to the Capital Projects and Bond Oversight Committee on May 15, 2007. Ms. Brewer stated that Peck, Shaffer & Williams LLP will serve as bond counsel; J. J. B. Hilliard, W. L. Lyons, Inc. will serve as financial advisor; and U. S. Bank will serve as trustee on the transaction.

A motion was made by Ms. Smith and seconded by Mr. Ross to adopt Resolution 2007-11 approving the issuance of Western Kentucky University General Receipts Bonds, 2007, Series A. Motion carried and Resolution 2007-11 was adopted.

Chairman Webb introduced Resolution 2007-12:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE OF NORTHERN KENTUCKY
UNIVERSITY GENERAL RECEIPTS BONDS, 2007 SERIES A.**

Ms. Brewer stated that Resolution 2007-12 approves the issuance of Northern Kentucky University General Receipts Bonds, 2007 Series A in an approximate amount of \$48,670,000. Ms. Brewer further stated that the University plans to sell Agency Fund supported Revenue Bonds to pay for construction of a new student union building and a parking garage. She noted that in addition, the bonds would redeem outstanding ALCo Agency Fund Interim Notes for the Student Union Building and pay costs of issuing the 2007 Series A Bonds. Ms. Brewer stated that these projects were authorized in HB 267 of the 2005 Regular Session of the General Assembly and House Bill 380 of the 2006 Regular Session of the General Assembly. Ms. Brewer noted that the estimated net interest cost for the transaction is 4.331 percent. She stated that this transaction also completes the permanent financing for the University's Agency Fund projects that currently have bond authorization and will be the first transaction under the General Receipts Indenture. Ms. Brewer stated that the University's Board of Regents approved the transaction on May 2, 2007 and it will be presented to the Capital Projects and Bond Oversight Committee on May 15, 2007. She also noted that Peck, Shaffer & Williams LLP will serve as bond counsel on the transaction; J.J.B. Hilliard, W. L. Lyons will serve as financial advisor; and U.S. Bank will serve as trustee.

A motion was made by Ms. Howell and seconded by Mr. Ross to adopt Resolution 2007-12 approving the issuance of Northern Kentucky University General Receipts Bonds, 2007, Series A. Motion carried and Resolution 2007-12 was adopted.

Chairman Webb introduced Resolution 2007-13:

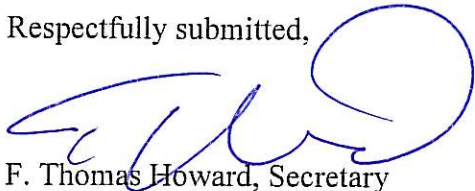
A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION FOR PURCHASE REGIONAL INDUSTRIAL PARK AUTHORITY (GRAVES COUNTY) (\$2,500,000).

Katie Smith, Deputy Commissioner, Department of Financial Incentives, Cabinet for Economic Development, stated that the Cabinet received a joint application from the Purchase Area Regional Industrial Authority, Inc. ("PARIA") and Graves County Fiscal Court for a \$2.5 million Economic Development Bond ("EDB") grant. Ms. Smith further stated that the project consisted of the acquisition and development of up to 2,500 acres of land in Graves County for a regional industrial park. She noted that the Graves County Fiscal Court has agreed to be the local entity through which the EDB bonds will flow to PARIA. Ms. Smith stated that this project was authorized in House Bill 380 of the 2006 Regular Session of the General Assembly. Ms. Smith stated that total project costs to fully develop the proposed industrial park will be approximately \$32.5 million. Ms. Smith stated that the project was recommended by the Acting Secretary of the Cabinet, concurred upon by the Secretary of the Finance and Administration Cabinet, and was approved by the Kentucky Economic Development Finance Authority on April 26, 2007. She stated that the project will be presented to the Capital Projects and Bond Oversight Committee on May 15, 2007.

A motion was made by Mr. Ross and seconded by Ms. Howell to adopt Resolution 2007-13 approving the joint application of Purchase Regional Industrial Park Authority and the Graves County Fiscal Court for approximately \$2,500,000 for an Economic Development Bond grant. Motion carried and Resolution 2007-13 was adopted.

With no further business before the Commission, a motion was made by Ms. Smith to adjourn the meeting.

Respectfully submitted,



F. Thomas Howard, Secretary
State Property and Buildings Commission