

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**JULY 12, 2017**  
**1:30 PM**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, July 12, 2017 at 1:31 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 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”); and 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, Bethany Couch, Steve Starkweather, Denise Pitts and Tammy McCall.

Other Guests Present: Jeremy Ratliff, Kentucky Housing Corporation (“KHC”); and Tracy Thurston, KHC.

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 June 15, 2017 meeting. A motion to accept the minutes of the June 15, 2017 meeting was made by Secretary Brinkman and seconded by Mr. Ross. Motion **CARRIED**.

Secretary Landrum directed the Commission to Resolution **2017-08**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING VARIOUS PROJECTS AND REFUNDING CERTAIN PRIOR BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE BONDS ARE TO BE ISSUED AND PROVIDING FOR A NEGOTIATED SALE THEREOF; AUTHORIZING AND RATIFYING ACTIONS OF THE COMMISSION STAFF IN THE STRUCTURING, PLANNING AND PREPARATION OF ALL DOCUMENTATION FOR THE ISSUANCE OF SAID BONDS AND IN PREPARING AND PUBLISHING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE BONDS; RECITING, ACKNOWLEDGING AND APPROVING THE FILING OF AN APPLICATION BY THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR REVENUE BONDS TO FINANCE THE PROJECT AND REFUND PRIOR BONDS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES;**

**APPROVING A LEASE OF THE PROJECTS TO THE CABINET TO PROVIDE REVENUES FOR THE AMORTIZATION OF THE BONDS; DEFINING AND PROVIDING FOR THE RIGHTS OF THE OWNERS OF THE BONDS AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS THEREOF.**

Ms. Couch presented Resolution 2017-08 for the approval to issue State Property and Buildings Commission Revenue Bonds, Project No. 117 Taxable Series A; Revenue Bonds, Project No. 117 Tax-Exempt Series B; Revenue Refunding Bonds, Project No. 117 Taxable Series C; Revenue Refunding Bonds, Project No. 117 Tax-Exempt Series D. The total principal amount of the issuance is not to exceed \$305 million. The purpose of the issue is to: i) provide permanent financing for approximately \$115 million General Fund supported capital projects authorized by the General Assembly of the Commonwealth of Kentucky in HB 267 (2005 Session), HB 380 and HB 557 (2006 Session), HB 1 (2010 Special Session), HB 265 (2012 Session), HB 235 (2014 Session), HB 303 (2016 Session), and HB 13 and HB482 (2017 Session); ii) refund certain outstanding SPBC Bonds for present value savings; and, iii) pay costs of issuance. The list of projects expected to be financed from this transaction was detailed in the meeting packet under Exhibit A to the Preliminary New Bond Issue Report. Ms. Couch noted the Preliminary New Bond Issue Report in the meeting packet was revised from the one previously sent out prior to the meeting. The revision corrected transposed information in the Refunding Summary under columns Series C and Series D.

The transaction will be presented to the Capital Projects and Bond Oversight Committee on July 18, 2017. This will be a negotiated sale, currently scheduled for August 14 and 15, 2017. Staff recommended approval.

Secretary Brinkman noted that a piece of the transaction was taxable and asked what was not tax-exempt. Mr. Barrow answered that one transaction has to be allocated based on tax law and he thought it was SPBC Project 90. He stated a prior issue of taxable bonds was included that will be refunded. There are two series that are taxable and four series that are tax-exempt that will be refunded. The market rates on the date of sale will determine what will actually be refunded.

There being no further discussion, Secretary Landrum called for a motion to approve Resolution 2017-08. Secretary Brinkman made a motion and was seconded by Mr. Ross. Motion **CARRIED** and Resolution 2017-08 was **ADOPTED**.

Secretary Landrum directed the Commission to Resolution 2017-09:

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

Mr. Brady presented Resolution 2017-09 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds in an amount not to exceed \$13 million for the Lincolnshire Portfolio Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation, and equipping of a 280-unit property located in Owensboro, Kentucky. KHC conducted a public hearing concerning the proposed project on June 13, 2017 following a delivery of notice to the public on May 26, 2017. The transaction was approved by the KHC Executive Committee on June 28, 2017, and will be presented to CPBOC on July 18, 2017. The proposed date of sale and closing is July 26, 2017. The estimated total project cost is approximately \$33.8 million. The anticipated net interest rate is 4% over a term of 20 years. Staff recommended approval. Secretary Landrum asked about the relationship between the developer and co-developer. Mr. Ratliff explained that Audubon Area Community Services will ultimately be the property owner and Wabuck Development Company will take care of the construction.

There being no further discussion, Secretary Landrum called for a motion to approve Resolution **2017-09**. Ms. Smith made a motion and was seconded by Mr. Ross. Motion **CARRIED** and Resolution **2017-09** was **ADOPTED**.

With no further business before the Commission, Secretary Landrum called for a motion to adjourn. Ms. Smith made a motion to adjourn and was seconded by Mr. Ross. Motion carried and the meeting adjourned at 1:40 pm.

Respectfully submitted,



Ryan Barrow  
Secretary