

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
MAY 12, 2021
11:00 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, May 12, 2021 at 11:00 AM ET via ZOOM video teleconference by J. Michael Brown, Secretary of the Governor’s Executive Cabinet, permanent proxy for Governor Andy Beshear, and Chair of the Commission. Other members present were Geri Grigsby, proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission; Beth Roark, permanent proxy for Lieutenant Governor and Vice-Chair to the Commission Jacqueline Coleman; Edgar C. Ross, State Controller and Executive Director, Office of the Controller; and John T. Hicks, 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; Billy Aldridge, Bethany Couch, Matthew Feltner and Aubry McDonald.

Other Guests Present: Robert Long, Executive Director of the Finance and Administration Cabinet (“FAC”); Katherine Halloran, Legislative Research Committee (“LRC”); Carla Wright, Office of the State Budget Director (“OSBD”), Tracy Thurston, Kentucky Housing Corporation (“KHC”) and Brian Thomas, Executive Director of the Finance and Administration Cabinet (“FAC”).

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

Secretary Brown introduced the first item for business, which was the approval of the minutes from April 13, 2021, meeting. A motion to accept the minutes of the April 13, 2021, meeting was made by Mr. Ross and seconded by Mr. Hicks. There being no further discussion, the motion **CARRIED**.

Secretary Brown recognized Billy Aldridge to present **Resolution 2021-09**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000.

Mr. Aldridge presented Resolution 2021-009 for the approval of the Kentucky Housing Corporation Multifamily Tax-Exempt Bonds in one or more series in an amount not to exceed \$40 million. Proceeds of the bonds will be used to finance the acquisition, construction, and equipping of a multifamily residential rental facility of approximately 312 units on multiple parcels located at 4011 and 4201 South Park Road and 9007 Blue Lick Road, Louisville, Kentucky. The proposed date of sale is summer 2021. The estimated total project cost is approximately \$67.3 million. The

anticipated net interest rate is 4.30% over a term of 40 years. These preliminary numbers are estimates based on recent market conditions. The financing was included in OFM's May submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on Wednesday, May 18. The method of sale is a private placement. Bond counsel is Frost Brown Todd, LLC, and the developer is LDG Development. KHC Board of Directors approved the inducement resolution for this project on November 19, 2019. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Mr. Hicks presented a question confirming that the 40 year term is fairly common among the Housing Corporation Conduit issuances. Mr. Aldridge confirmed that to be true.

Secretary Brown called for a motion to approve Resolution **2021-09**. Ms. Grigsby made a motion to approve and was seconded by Mr. Hicks. The motion **CARRIED** and Resolution **2021-09** was **ADOPTED**.

Secretary Brown recognized Bethany Couch to present **Resolution 2021-10**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION APPROVING CAPITAL CONSTRUCTION PROJECTS AUTHORIZED BY THE 2021 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 presented Resolution 2021-10 for the approval of Capital Construction Projects authorized by the 2021 regular session of the General Assembly with the adoption of House Bill 192. She stated that by approving this resolution it gives the ability to issue bonds and also allowing reimbursements. Secretary Brown confirmed that is also enables us to allow for projects to move forward and then go back later and still have tax-exempt bonds issued. Ms. Couch confirmed. Mr. Hicks reiterates what Bethany stated. He emphasized that it enables every authorized project move forward on its own time. He stated this method was adopted because you cannot always predict the schedules of each of the projects. Staff recommends approval.

Secretary Brown called for a motion to approve Resolution **2021-10**. Ms. Roark made a motion to approve and was seconded by Mr. Ross. The motion **CARRIED** and Resolution **2021-10** was **ADOPTED**.

With no further business before the Commission, Secretary Brown asked for a motion to adjourn and was seconded by all remaining members and the meeting adjourned at 11:10 AM.

Respectfully submitted,



Ryan Barrow
Secretary

