

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION

MINUTES

AUGUST 21, 2019

3:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, August 21, 2019 at 3:00 p.m. ET in Room 182 of the Capitol Annex by Sandy Williams proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. Other members present were Lieutenant Governor Jenean M. Hampton; Justin McNeil, permanent proxy for Attorney General Andy Beshear; Donald Sweasy, proxy for Edgar C. Ross, State Controller, Office of the Controller; and Katie Smith, proxy for Vivek K. Sarin, Acting Secretary for the Cabinet for Economic Development (“CED”).

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Commission; Billy Aldridge, Daniel Auxier, John Brady, and Jennifer Yount.

Other Guests Present: Ethan Williams, Office of the State Budget Director (“OSBD”), Jeremy Ratliff and Travis Weber, Kentucky Housing Corporation (“KHC”).

Ms. Williams verified with staff a quorum was present and the press had been notified of the meeting.

Ms. Williams introduced the first item for business, which was approval of the minutes from the July 10, 2019, meeting. A motion to accept the minutes of the July 10, 2019, meeting was made by Ms. Smith and seconded by Lieutenant Governor Hampton. There being no further discussion, the motion **CARRIED**.

Ms. Williams recognized John Brady to present **Resolution 2019-10**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$34,000,000.

Mr. Brady noted the next four agenda items are all Tax-Exempt Conduit Multifamily Housing Revenue Bonds that will be issued by KHC in name only and will not be a financial liability to KHC or the Commonwealth.

Mr. Brady presented Resolution 2019-10 for the approval of the Ashland Portfolio Project in an amount not to exceed \$34 million. Proceeds of the bonds will be used to finance the rehabilitation of over 400 multifamily housing units at 3 different locations in Ashland, Kentucky. The proposed date of sale is October 15, 2019, and the proposed closing date is October 22, 2019. The anticipated rating from Standard & Poor's is A-1+. The estimated total project cost is approximately \$96 million. The anticipated net interest rate is 1.75% over a term of 36 months. The method of sale is a public offering. Bond counsel is Dinsmore and Shohl, LLP, underwriter is Stifel, Nicolaus & Company, Inc., and the developer is Wabuck Development Company. KHC Board of Directors approved the transaction on April 25, 2019. Staff recommended approval.

Ms. Williams called for a motion to approve Resolution 2019-10. Ms. Smith made a motion and was seconded by Mr. McNeil. The motion **CARRIED** and Resolution 2019-10 was **ADOPTED**.

Ms. Williams recognized John Brady to present Resolution 2019-11:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING
CORPORATION OF ITS TAX-EXEMPT MULTIFAMILY HOUSING
REVENUE BONDS IN ONE OR MORE SERIES IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$14,000,000.**

Mr. Brady presented Resolution 2019-11 for the approval of the Chapel House Project in an amount not to exceed \$14 million. Proceeds of the bonds will be used to finance the rehabilitation of a 200 plus multifamily housing unit, located at 945 South 5th Street, Louisville, Kentucky. The proposed date of sale is December 15, 2019, and the proposed closing date is December 22, 2019. The anticipated rating from Moody's Investor Service is MIG-1. The estimated total project cost is approximately \$26 million. The anticipated net interest rate is 1.35% over a term of 23 months. The method of sale is a public offering. Bond counsel is Ice Miller LLP, underwriter is The Sturges Company, and the developer is Christian Care Communities, Inc. KHC Board of Directors approved the transaction on May 30, 2019. Staff recommended approval.

Ms. Williams called for a motion to approve Resolution 2019-11. Mr. McNeil made a motion and was seconded by Lieutenant Governor Hampton. The motion **CARRIED** and Resolution 2019-11 was **ADOPTED**.

Ms. Williams recognized John Brady to present **Resolution 2019-12:**

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 \$34,000,000.

Mr. Brady presented Resolution 2019-12 for the approval of the City View Park Project in an amount not to exceed \$34 million. Proceeds of the bonds will be used to finance the rehabilitation of over 500 multifamily housing units, located at 3 different locations in downtown Louisville, Kentucky. The proposed date of sale is September 6, 2019, and the proposed closing date is September 13, 2019. The anticipated rating from Standard & Poor's is A-1+. The estimated total project cost is approximately \$129 million. The anticipated net interest rate is 1.75% over a term of 36 months. The method of sale is a public offering. Bond Counsel is Dinsmore and Shohl LLP, underwriter is Stifel, Nicolaus & Company, Inc., and the developer is Telesis Louisville. KHC Board of Directors approved the transaction on October 25, 2018. Staff recommended approval.

Ms. Williams called for a motion to approve Resolution 2019-12. Ms. Smith made a motion and was seconded by Mr. Sweasy. The motion **CARRIED** and Resolution 2019-12 was **ADOPTED**.

Ms. Williams recognized John Brady to present **Resolution 2019-13:**

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,000,000.

Mr. Brady presented Resolution 2019-13 for the approval of the Winterwood II Portfolio Project in an amount not to exceed \$17 million. Proceeds of the bonds will be used to finance the rehabilitation of over 300 multifamily housing units, located at 14 different locations throughout Kentucky. The proposed date of sale is October 24, 2019, and the proposed closing date is October 31, 2019. The anticipated rating from Standard & Poor's is A-1+. The estimated total project cost is approximately \$47 million. The anticipated net interest rate is 1.75% over a term of 36 months. The method of sale is a public offering.

Bond counsel is Dinsmore and Shohl LLP, underwriter is Stifel, Nicolaus & Company, Inc., and the developer is Winterwood Development, LLC. KHC Board of Directors approved the transaction on May 30, 2019. Staff recommended approval.

Ms. Williams called for a motion to approve Resolution 2019-13. Lieutenant Governor Hampton made a motion and was seconded by Mr. McNeil. There being no further discussion, the motion **CARRIED** and Resolution 2019-13 was **ADOPTED**.

Ms. Williams recognized Daniel Auxier to present **Resolution 2019-14**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
AUTHORIZING THE ADOPTION AND USE OF A CORPORATE
SEAL.**


Mr. Auxier presented Resolution 2019-14 authorizing the adoption and use of a Corporate Seal for the State Property and Buildings Commission. He explained that the seal would be used on all official documents, marketing material, official statements, and investor presentations; of significance are the white bars between the columns which total 15, representing Kentucky's history as the 15th state. He further commented that a corporate seal would assist in the identification of the Commission resulting in immediate recognition. Staff recommended approval.

Ms. Williams called for a motion to approve Resolution 2019-14. Lieutenant Governor Hampton made a motion and was seconded by Ms. Smith. There being no further discussion, the motion **CARRIED** and Resolution 2019-14 was **ADOPTED**.

Ms. Williams called for Other Business for the Commission.

With no further business before the Commission, Ms. Williams asked for a motion to adjourn. Ms. Smith made a motion, and was seconded by Mr. Sweasy. Motion **CARRIED** and the meeting adjourned at 3:12 pm.

Respectfully submitted,



Ryan Barrow
Secretary

