

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
THURSDAY, OCTOBER 14, 2021
11:30 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, October 14, 2021 at 11:30 AM ET via ZOOM video teleconference by Beth Roark, permanent proxy for Lieutenant Governor Jacqueline Coleman, and Vice-Chair of the Commission. Other members present were Geri Grigsby, permanent proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission; Edgar C. Ross, State Controller and Executive Director, Office of the Controller and Katie Smith, proxy for Larry Hayes, Interim 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, Bethany Couch, Steven Starkweather, Matthew Feltner and Aubry McDonald.

Other Guests Present: Robert Long, Executive Director of the Finance and Administration Cabinet (“FAC”); Tracy Thurston, Kentucky Housing Corporation (“KHC”) and Katherine Halloran, Legislative Research Commission (“LRC”).

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

Ms. Roark introduced the first item for business, which was the approval of the minutes from September 16, 2021 meeting. A motion to accept the minutes of the September 16, 2021 meeting was made by Mr. Ross and seconded by Ms. Smith. There being no further discussion, the motion **CARRIED**.

Ms. Roark recognized Billy Aldridge to present **Resolution 2021-18**:

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 \$26,000,000.

Mr. Aldridge presented Resolution 2021-18 for the authorization of an issuance in an amount not to exceed \$26 million of Kentucky Housing Corporation Multifamily Housing Revenue Bonds in one or more series. Proceeds of the bonds will be used to finance the acquisition, construction, and equipping of a multifamily residential rental facility of approximately 252 units located at 2559 Kearney Ridge Boulevard, Lexington, Kentucky. The proposed date of sale is November 15th. The estimated total project cost is approximately \$45 million. The anticipated true interest rate is 3.53% over a term of 15-years with a 35-year amortization. These preliminary numbers are estimates based on recent market conditions. The financing was included in OFM’s October submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on October 21st. The method

of sale is direct placement. Bond counsel is Dinsmore & Shohl, LLP, and the developer is AU Associates. KHC Board of Directors approved the inducement resolution for this project in February 2020. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Ms. Roark called for a motion to approve Resolution **2021-18**. Ms. Grigsby made a motion to approve and was seconded by Mr. Ross. The motion **CARRIED** and Resolution **2021-18** was **ADOPTED**.

Ms. Roark recognized Billy Aldridge to present **Resolution 2021-19**:

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 \$6,500,000.

Mr. Aldridge presented Resolution 2021-19 for the authorization of a conduit issuance in an amount not to exceed \$6.5 million of Kentucky Housing Corporation Multifamily Housing Revenue Bonds in one or more series. Proceeds of the bonds will be used to finance the acquisition, construction, and equipping of a multifamily residential rental facility of approximately 70 units located at 223 West Magazine Street, Louisville, Kentucky. The proposed date of sale is November 15th. The estimated total project cost is approximately \$14 million. The anticipated true interest rate is 3.5% over a term of 3-years. These preliminary numbers are estimates based on recent market conditions. The financing was included in OFM's October submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on October 21st. The method of sale is private placement. Bond counsel is Dinsmore & Shohl, LLP, and the developer is Allied Argenta. KHC Board of Directors approved the inducement resolution for this project in August 2021. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Ms. Roark called for a motion to approve Resolution **2021-19**. Ms. Smith made a motion to approve and was seconded by Mr. Ross. The motion **CARRIED** and Resolution **2021-19** was **ADOPTED**.

Ms. Roark recognized Billy Aldridge to present **Resolution 2021-20**:

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 \$15,930,000.

Mr. Aldridge presented Resolution 2021-20 for the authorization of a conduit issuance in an amount not to exceed \$15.93 million of Kentucky Housing Corporation Multifamily Housing Revenue Bonds in one or more series. Proceeds of the bonds will be used to finance the acquisition, construction, and equipping of a multifamily residential rental facility of approximately 144 units

located on multiple parcels at or near 1201 Greendale Road, Lexington, Kentucky. The proposed date of sale is November 15th. The estimated total project cost is approximately \$27 million. The anticipated true interest rate is 3.75% over a term of 18-years with a 40-year amortization. These preliminary numbers are estimates based on recent market conditions. The financing was included in OFM's October submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on October 21st. The method of sale is private placement. Bond counsel is Dinsmore & Shohl, LLP, and the developer is Beargrass Development. KHC Board of Directors approved the inducement resolution for this project in August 2021. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Ms. Roark called for a motion to approve Resolution **2021-20**. Ms. Grigsby made a motion to approve and was seconded by Ms. Smith. The motion **CARRIED** and Resolution **2021-20** was **ADOPTED**.

Ms. Roark recognized Matthew Feltner to present **Resolution 2021-21**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF MURRAY STATE UNIVERSITY GENERAL RECEIPTS BONDS, IN ONE OR MORE SERIES OR SUBSERIES, IN AN APPROXIMATE PRINCIPAL AMOUNT OF \$12,320,000.

Mr. Feltner presented Resolution 2021-21 for the authorization of an issuance in an approximate amount of \$12.320 million of Murray State University General Receipts Bonds. Proceeds of the bonds will be used to finance projects listed under the "Historic Building Preservation Pool" in H.B. 192 of the 2021 Regular Session of the Kentucky General Assembly and pay associated costs of issuance. The 2021 transaction for approximately \$12,320,000 will be a 20-year financing with a final maturity of September 2041. The transaction will have an estimated all in true interest cost of 2.3689%. This will be a competitive sale, and pending approvals is currently scheduled for January 2022. This project has been included in the October OFM submittal to CPBO. Bond counsel is Dinsmore & Shohl, LLP. Staff recommends approval.

Ms. Roark called for a motion to approve Resolution **2021-21**. Mr. Ross made a motion to approve and was seconded by Ms. Smith. The motion **CARRIED** and Resolution **2021-21** was **ADOPTED**.

Ms. Roark recognized Katie Smith to present **Resolution 2021-22**:

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 TO MAKE A GRANT TO MARSHALL COUNTY FISCAL COURT FOR THE BENEFIT OF MARSHALL COUNTY DEVELOPEMNT AUTHORITY FOR \$285,241.

Ms. Smith presented Resolution 2021-22 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to Marshall County Fiscal Court for the benefit of Marshall County Industrial Development Authority, Inc. for \$285,241. She stated Marshall County Fiscal Court in partnership with the Marshall County Industrial Development Authority, Inc. and is seeking to develop and implement a dense grade extension of Southwest One Boulevard and include an aluminum box culvert across Gain Branch and the construction of an expandable 120,000 square foot pad ready site within the Southwest One Industrial Park. Marshall County Fiscal Court has committed general funds to match the EDF grant. This project was one of three potential infrastructure projects identified by an independent site selection consultant contracted by the Kentucky Association for Economic Development as having the potential for future investment/location of an economic development project. She stated authorization of a conduit under the terms of the EDF grant agreement, requests may be submitted no more than monthly, and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant. Staff recommends approval.

Ms. Roark called for a motion to approve Resolution **2021-22**. Ms. Grigsby made a motion to approve and was seconded by Mr. Ross. The motion **CARRIED** and Resolution **2021-22** was **ADOPTED**.

With no further business before the Commission, Ms. Roark asked for a motion to adjourn and was seconded by all remaining members and the meeting adjourned at 11:43 AM.

Respectfully submitted,



Ryan Barrow
Secretary

