

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
MARCH 9, 2021
11:30 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, March 9, at 11:30 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; Chris Lewis, permanent proxy for Attorney General Daniel Cameron; 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, Steve Starkweather, Bethany Couch, Matthew Feltner and Aubry McDonald.

Other Guests Present: Tracy M. Thurston, Kentucky Housing Corporation; Katherine Halloran, Legislative Research Committee (“LRC”); Brian Thomas, Executive Director of the Finance and Administration Cabinet (“FAC”) and Robert Long, 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 February 22, 2021, meeting. A motion to accept the minutes of the February 22, 2021, meeting was made by Mr. Ross and seconded by Ms. Smith. There being no further discussion, the motion **CARRIED**.

Secretary Brown recognized Billy Aldridge to present **Resolution 2021-04**:

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 \$30,000,000.

Mr. Aldridge presented Resolution 2021-04 for the approval of the Kentucky Housing Corporation Multifamily Tax-Exempt Bonds in one or more series in an amount not to exceed \$30 million. Proceeds of the bonds will be used to finance the acquisition, construction, and equipping of a multifamily residential rental facility of approximately 202 units located at 1975 Russell Cave Road, Lexington, Kentucky. The proposed date of sale is April 30, 2021. The estimated total

project cost is approximately \$43.5 million. The anticipated net interest rate is 3.93% over a term of 40 years. These preliminary numbers are estimates based on recent market conditions. The financing was included in OFM's March submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on Wednesday, March 16. The method of sale is a private placement. Bond counsel is Dinsmore & Shohl, LLP, and the developer is LDG Development. KHC Board of Directors approved the inducement resolution for this project on August 27, 2020. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Secretary Brown called for a motion to approve Resolution **2021-04**. Mr. Lewis made a motion to approve and was seconded by Ms. Grigsby. The motion **CARRIED** and Resolution **2021-04** was **ADOPTED**.

Secretary Brown recognized Billy Aldridge to present **Resolution 2021-05**:

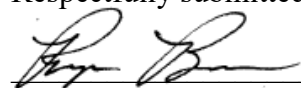
A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$33,000,000.

Mr. Aldridge presented Resolution 2021-05 for the approval of the Kentucky Housing Corporation Multifamily Tax-Exempt Bonds in one or more series in an amount not to exceed \$33 million. Proceeds of the bonds will be used to finance the acquisition, rehabilitation, and equipping of a multifamily residential rental facility of approximately 200 units located at 101 Promontory Drive, Covington, Kentucky. The proposed date of sale is April 30, 2021. The estimated total project cost is approximately \$76.6 million. The anticipated net interest rate is 1% over a term of 3 years. These preliminary numbers are estimates based on recent market conditions. The financing was included in OFM's March submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on Wednesday, March 16. The method of sale is a public offering. Bond counsel is Dinsmore & Shohl, LLP, and the developer is Fairstead Affordable. KHC Board of Directors approved the inducement resolution for this project on December 10, 2020. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Secretary Brown called for a motion to approve Resolution **2021-05**. Mr. Ross made a motion to approve and was seconded by Ms. Roark. The motion **CARRIED** and Resolution **2021-05** 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 11:38 AM.

Respectfully submitted,



Ryan Barrow
Secretary

