

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
NOVEMBER 14, 2024
3:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, November 14, 2024, at 3:00 PM ET via ZOOM video teleconference, by John T. Hicks, Secretary of the Governor’s Executive Cabinet and State Budget Director, Office of the State Budget Director (“OSBD”), permanent proxy for Governor Andy Beshear, and Chair of the Commission. Other members present were Wil Schroder, proxy for Attorney General Russell Coleman; Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administrative Cabinet (“FAC”); Carla Wright, proxy for the Office of the State Budget Director; Joe McDaniel, State Controller and Executive Director, Office of the Controller; Susan Rieber, proxy for the Lieutenant Governor Jacqueline Coleman; and Katie Smith, proxy for Jeff Noel, Secretary for the Cabinet for Economic Development (“CED”).

The Office of Financial Management (“OFM”) Staff Members Present: Chelsey Couch, Executive Director of OFM; Steven Starkweather, Deputy Executive Director of OFM; Billy Aldridge; Bethany Padgett; Melissa Perry; and Aubry McDonald.

Other Guests Present: Kylee Palmer, CED; Alexis Larson, FAC; and Susan Cottingham and Terry Helton, Kentucky Housing Corporation (“KHC”).

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

Secretary Hicks introduced the first item for business, which was the approval of the minutes from the October 22, 2024, meeting. A motion to accept the minutes of the October 22, 2024, meeting was made by Ms. Smith and seconded by Ms. Grigsby. There being no further discussion, the motion **CARRIED**.

Secretary Hicks noted that there was one informational item provided in the meeting packet: State Property and Buildings Commission Revenue Bonds, Project No. 131 Series A. No presentation or action needed.

Secretary Hicks recognized Kylee Palmer to present **Resolutions 2024-49, 2024-50, 2024-51, 2024-52, 2024-53 and 2024-54**:

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 THE CHRISTIAN COUNTY FISCAL COURT ON BEHALF OF THE CITY OF HOPKINSVILLE FOR \$2,500,000.

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 THE CHRISTIAN COUNTY FISCAL COURT ON BEHALF OF KITCHEN FOOD COMPANY LIMITED FOR \$2,500,000.

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 THE CITY OF EDDYVILLE ON BEHALF OF THE EDDYVILLE RIVERPORT AND INDUSTRIAL DEVELOPMENT AUTHORITY INC. FOR \$2,000,000.

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 THE FLOYD COUNTY FISCAL COURT ON BEHALF OF BIG SANDY AREA DEVELOPMENT DISTRICT FOR \$2,000,000.

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 THE COAL FIELDS REGIONAL INDUSTRIAL AUTHORITY, INC. ON BEHALF OF THE CITY OF HAZARD FOR \$4,200,000.

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 THE CALDWELL COUNTY FISCAL COURT ON BEHALF OF PRINCETON-CALDWELL COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR \$4,000,000.

Ms. Palmer presented Resolution 2024-49 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Christian County Fiscal Court on behalf of the City of Hopkinsville for \$2,500,000. The Christian County Fiscal Court in partnership with City of Hopkinsville, is considering funding infrastructure improvements necessary for the location of Kitchen Food Company Limited's manufacturing location. Infrastructure improvements required for the project include work on the wastewater and other infrastructure development. The funds for this project are critical to provide access for this economic development project as well as to provide more competitive sites to improve economic growth. In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$2,500,000 in Economic Development Fund ("EDF") funds for the purpose of making a grant to the Christian County Fiscal Court on behalf of City of Hopkinsville, to assist with the wastewater portion of the infrastructure improvements.

Ms. Palmer presented Resolution 2024-50 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Christian County Fiscal Court on behalf of Kitchen Food Company Limited. for \$2,500,000. Kitchen Food Company Limited manufactures a diverse range of ready meals, sandwiches, wraps, salads and desserts, which are distributed fresh daily to its partners in the retail & foodservice industry across the country. The company is considering a location in Christian County for its new location to help meet the needs of its customers in the United States. The proposed EDF grant funds will be used to offset the equipment cost associated with this project. In consideration of this EDF grant, Kitchen Food Company Limited will be required to create/maintain 925 new, full-time jobs for employees subject to Kentucky individual income tax (excluding contract or temporary employees) in Christian County.

Ms. Palmer presented Resolution 2024-51 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Eddyville on behalf of the Eddyville Riverport and Industrial Development Authority Inc. for \$2,000,000. The City of Eddyville on behalf of the Eddyville Riverport and Industrial Development Authority Inc. is seeking to construct a spec building on Site B in the Eddyville Industrial Park. A KPDI round one grant allowed the beneficiary to clear Site B and construct a building pad, and this will allow the construction of a building on the round one site. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Ms. Palmer presented Resolution 2024-52 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Floyd County Fiscal Court on behalf of the Big Sandy Area Development District. for \$2,000,000. The Floyd County Fiscal Court on behalf of the Big Sandy Area Development District is seeking to purchase a 50-acre tract of land for the purpose of developing the property into the Thunder Ridge Industrial Business Park. Due diligence and site preparation will also be completed. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Ms. Palmer presented Resolution 2024-53 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Coal Fields Regional Industrial Authority, Inc. on behalf of the City of Hazard for \$4,200,000. The Coal Fields Regional Industrial

Authority, Inc. on behalf of the City of Hazard is seeking to construct a secondary water treatment plant and transmission line at the Coal Fields Industrial Park in Perry County. This is a regional project with support from Breathitt, Knott, and Perry Counties. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Ms. Palmer presented Resolution 2024-54 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Caldwell County Fiscal Court on behalf of the Princeton- Caldwell County Industrial Development Authority for \$4,000,000. The Caldwell County Fiscal Court on behalf of the Princeton-Caldwell County Industrial Development Authority is seeking to construct a building on an existing Build- Ready site in the Princeton Industrial Park. This project was a potential infrastructure project identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Ms. Palmer noted that all projects were recommended by Secretary Noel with concurrence by Secretary Johnson and were approved by CED at the September and October, monthly board meetings. She also noted that four were Kentucky Product Development Initiative (“KPDI”) Projects. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve Resolutions **2024-49, 2024-50, 2024-51, 2024-52, 2024-53 and 2024-54**. Ms. Rieber made a motion to approve which was seconded by Ms. Wright. The motion **CARRIED** and Resolutions **2024-49, 2024-50, 2024-51, 2024-52, 2024-53 and 2024-54** were **ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present **Resolution 2024-55**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE INCURRENCE OF TAX-EXEMPT INDEBTEDNESS BY THE KENTUCKY HOUSING CORPORATION IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$46,129,448.

Mr. Aldridge presented Resolution 2024-55 for the authorization of a conduit issuance in an amount not to exceed \$46,129,448.00 of Kentucky Housing Corporation Multifamily Housing Revenue Bonds in one or more series. Bond proceeds will be used to finance the acquisition, construction, and equipping of three multifamily residential rental facilities with 294 units located across Western Kentucky. The proposed date of sale is March 2025. The estimated total project cost is approximately \$92,000,000. The anticipated net interest rate is a 5.79%. The preliminary numbers are estimates based on recent market conditions. The financing was included in OFM’s submittal to Capital Projects and Bond Oversight Committee. The method of sale is a Private Placement. Bond counsel is Stites & Harbison, PLLC, and Cedar Rapids Bank and Trust is the purchaser of the permanent financing. KHC Board of Directors approved the inducement resolution for this project on October 31, 2024. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommended approval.

Secretary Hicks called for a motion to approve Resolution **2024-55**. Ms. Grigsby made a motion to approve which was seconded by Ms. Rieber. The motion **CARRIED** and Resolution **2024-55** was **ADOPTED**.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Mr. McDaniel made a motion which was seconded by Mr. Schroder, and the meeting adjourned at 3:11 PM.

Respectfully submitted,

Signed by:

Chelsey Couch

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Chelsey Couch
Secretary

