

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
OCTOBER 22, 2024
11:30 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, October 22, 2024, at 11:31 AM 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; 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; Kaitlin Craigmyle; Melissa Perry; and Aubry McDonald.

Other Guests Present: Robert Long, General Counsel, FAC; Alexis Larson, FAC; and Diane Beidleman, 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 September 19, 2024, meeting. A motion to accept the minutes of the September 19, 2024, meeting was made by Mr. Schroder and seconded by Mr. McDaniel. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Kaitlin Craigmyle to present **Resolution 2024-47**:

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 \$14,000,000.

Ms. Craigmyle presented Resolution 2024-47 for the authorization of a conduit issuance in an amount not to exceed \$14,000,000 of Kentucky Housing Corporation Multifamily Housing Revenue Bonds in one or more series. Bond proceeds will be used to finance the acquisition, rehabilitation and equipping of the Winterwood Rural Housing Portfolio, consisting of six multifamily residential rental facilities having a total of two hundred and twenty-one (221) units spread across six locations throughout the Commonwealth. The proposed date of sale is December 13th. The estimated total project cost is approximately \$42,300,000. The anticipated net interest rate is a 6.85%. The preliminary numbers are estimates based on recent market conditions. The

financing was approved by Capital Projects and Bond Oversight Committee on October 15, 2024. The method of sale is a Public Offering. Bond counsel is Dinsmore & Shohl and the developer information can be found in your packet. KHC Board of Directors approved the inducement resolution for this project on September 25, 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 **2024-47**. Ms. Smith made a motion to approve which was seconded by Ms. Grigsby. The motion **CARRIED** and Resolution **2024-47** was **ADOPTED**.

Secretary Hicks recognized Melissa Perry to present **Resolution 2024-48**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF WESTERN KENTUCKY UNIVERSITY GENERAL RECEIPTS BONDS AND GENERAL RECEIPTS REFUNDING BONDS, IN ONE OR MORE SERIES, IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$71,355,000.

Ms. Perry presented Resolution 2024-48 for the approval of the approval to issue the Western Kentucky University General Receipts Bonds and General Receipts Refunding Bonds in one or more series, in a maximum aggregate amount of \$71,355,000. She stated, at this time, only \$40,505,000 will be issued. Bond proceeds from Series A will be used to finance the project listed as "Construct New Gordon Ford College of Business" in House Bill ("H.B.") 1 of the 2022 Regular Session of the Kentucky General Assembly and reauthorized in H.B. 6 of the 2024 Regular Session of the Kentucky General Assembly and to partially finance the project listed as "Construct, Renovate and Improve Athletics Facilities" in H.B. 192 of the 2021 Regular Session of the Kentucky General Assembly and reauthorized in H.B. 1 of the 2022 Regular Session of the Kentucky General Assembly and in H.B. 6 of the 2024 Regular Session of the Kentucky General Assembly. Series B proceeds will be used to refund certain outstanding 2012 Series A bonds for present value savings; and the remaining proceeds will pay associated costs of issuance. Western Kentucky University Board of Regents approved the financing at their August 9, 2024, meeting. General Receipts Bonds 2024 Series A, for approximately \$34,240,000, will be used to construct the new Gordon Ford College of Business and renovate athletics facilities with a final maturity of September 1, 2044, and an all-in true interest cost of 3.936%. General Receipts Refunding Bonds 2024 Series B for approximately \$6,265,000, has an approximate Net Present Value Savings of \$516,112 or 7.584%, a final maturity date of September 1, 2031, and an all-in true interest cost of 3.201%. This will be a tax-exempt competitive sale currently scheduled for December 5, 2024. The numbers are preliminary based on recent market conditions. The financing was included in OFM's October submittal to Capital Projects and Bond Oversight Committee and approved at the meeting held on Tuesday, October 15, 2024. Bond Counsel is Dinsmore & Shohl and Financial Advisor is Baird. Staff recommended approval.

Secretary Hicks called for a motion to approve Resolution **2024-48**. Ms. Wright made a motion to approve which was seconded by Mr. McDaniel. The motion **CARRIED** and Resolution **2024-48** was **ADOPTED**.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Mr. Schroder made a motion which was seconded by all, and the meeting adjourned at 11:39 AM.

Respectfully submitted,

Signed by:

Chelsey Couch

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Chelsey Couch
Secretary

