

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
NOVEMBER 9, 2023
11:00 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, November 9, 2023, at 11:00 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 Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administrative Cabinet (“FAC”); Joe McDaniel, State Controller and Executive Director, Office of the Controller; Carla Wright, proxy for the Office of the State Budget Director; Susan Rieber, permanent proxy for Lieutenant Governor and Vice-Chair to the Commission 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: Ryan Barrow, Executive Director of OFM; Steven Starkweather, Deputy Executive Director of OFM; Billy Aldridge; Bethany Padgett; Melissa Perry; Kaitlin Craigmyle; and Aubry McDonald.

Other Guests Present: Brian Thomas, General Counsel FAC; and David Carlsen and Harold Barnett, both with the Kentucky Higher Education Student Loan Corporation (“KHESLC”).

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 18, 2023, meeting. A motion to accept the minutes of the October 18, 2023, meeting was made by Ms. Wright and seconded by Ms. Smith. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Kylee Palmer to present **Resolutions 2023-55, 2023-56, 2023-57, 2023-58, 2023-59, 2023-60, 2023-61 and 2023-62:**

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 DANVILLE ON BEHALF OF THE DANVILLE BOYLE COUNTY ECONOMIC DEVELOPMENT AUTHORITY FOR \$744,078.

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 OHIO COUNTY FISCAL COURT ON BEHALF OF THE GREEN RIVER REGIONAL DEVELOPMENT AUTHORITY, INC. FOR \$222,500.

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 LINCOLN COUNTY FISCAL COURT ON BEHALF OF THE STANFORD-LINCOLN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR \$590,008.

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 MARION COUNTY FISCAL COURT ON BEHALF OF THE MARION COUNTY ECONOMIC DEVELOPMENT AUTHORITY, INC. FOR \$475,919.

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 MCCRACKEN COUNTY FISCAL COURT ON BEHALF OF THE PADUCAH MCCRACKEN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, INC. FOR \$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 MUHLENBERG COUNTY FISCAL COURT ON BEHALF OF THE PARADISE PARK REGIONAL INDUSTRIAL DEVELOPMENT AUTHORITY, INC. FOR \$745,000.

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 ROCKCASTLE COUNTY FISCAL COURT ON BEHALF OF THE ROCKCASLTE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR \$801,000.

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 BALLARD COUNTY FISCAL COURT ON BEHALF OF THE WEST KENTUCKY REGIONAL RIVERPORT AUTHORITY, INC. FOR \$300,000.

Ms. Palmer stated the eight Resolutions were for the approval of the Economic Development Revenue Bonds to be issued by the commission. She stated the projects were identified by an independent site selection consultant through the Kentucky Product Development Initiative (“KPDI”) program as having the potential for future investment/location of economic development projects. All funds shall be disbursed on a reimbursement basis once supporting documentation has been received.

Ms. Palmer presented Resolution 2023-55 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Danville on behalf of the Danville Boyle County Economic Development Authority for \$744,078. The City of Danville on behalf of the Danville Boyle County Economic Development Authority is seeking to acquire land, site improvements, a water line extension and road improvements to the Norfolk Southern Site to attract industry.

Ms. Palmer presented Resolution 2023-56 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Ohio County Fiscal Court on behalf of the Green River Regional Development Authority, Inc. for \$222,500. The Ohio County Fiscal Court on behalf of the Green River Regional Development Authority, Inc. is seeking to extend an access road, water, sewer and electricity to a project site to attract industry.

Ms. Palmer presented Resolution 2023-57 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Lincoln County Fiscal Court on behalf of the Stanford-Lincoln County Industrial Development Authority for \$590,008. The Lincoln County Fiscal Court on behalf of Stanford-Lincoln County Industrial Development Authority is seeking to fund two Rowland Industrial Park Build Ready Sites in Lincoln County.

Ms. Palmer presented Resolution 2023-58 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Marion County Fiscal Court on behalf of the Marion County Industrial Foundation for \$475,919. The Marion County Fiscal Court on behalf of the Marion County Industrial Foundation is seeking to build an access road, perform site grading, and complete utility buildout at the industrial park located in Lebanon.

Ms. Palmer presented Resolution 2023-59 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the McCracken County Fiscal Court on behalf of the Paducah McCracken County Industrial Development Authority for \$500,000. The McCracken County Fiscal Court on behalf of Paducah McCracken County Industrial Development Authority is seeking to extend sewers to the Ohio River Triple Rail Site.

Ms. Palmer presented Resolution 2023-60 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Muhlenberg County Fiscal Court on behalf of the Paradise Park Regional Industrial Development Authority, Inc. for \$745,000. The Muhlenberg County Fiscal Court on behalf of the Paradise Park Regional Industrial Development Authority, Inc. is seeking to further develop the Paradise Regional Industrial Park by acquiring two adjacent properties, as well as developing infrastructure and enhance the appearance of the park to attract business and industry.

Ms. Palmer presented Resolution 2023-61 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Rockcastle County Fiscal Court on behalf of the Rockcastle County Industrial Development Authority for \$801,000. The Rockcastle County Fiscal Court on behalf of the Rockcastle County Industrial Development Authority plans to complete a due diligence study and acquire land in order to create a regional industrial park. Funds will be provided by Rockcastle and Garrard Counties and Lincoln County is supportive of the project.

Ms. Palmer presented Resolution 2023-62 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Ballard County Fiscal Court on behalf of the West Kentucky Regional Riverport Authority, Inc. for \$300,000. The Ballard County Fiscal Court on behalf of the West Kentucky Regional Riverport Authority, Inc. is seeking to develop acreage on the riverport property for a new Kentucky riverport. This is a regional project with support from Ballard and Carlisle counties.

Ms. Palmer noted that all the projects were recommended by Secretary Noel with concurrence by Secretary Johnson and were approved by CED at the October 26, 2023 board meeting. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve both Resolutions **2023-55, 2023-56, 2023-57, 2023-58, 2023-59, 2023-60, 2023-61 and 2023-62**. Ms. Grigsby made a motion to approve which was seconded by Mr. McDaniel The motion **CARRIED** and Resolutions **2023-55, 2023-56, 2023-57, 2023-58, 2023-59, 2023-60, 2023-61 and 2023-62** were **ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present **Resolution 2023-63**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION (THE "CORPORATION") OF STUDENT LOAN REVENUE BONDS PURSUANT TO ONE OR MORE INDENTURES OF TRUST, SUPPLEMENTS THERETO AND AUTHORIZING RESOLUTIONS OF THE CORPORATION, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$226,000,000, TO BE ISSUED AS ONE OR MORE SERIES

OF VARIABLE INTEREST RATE, SENIOR OR SUBORDINATE, FEDERALLY TAX-EXEMPT OR FEDERALLY TAXABLE AND PUBLICLY OFFERED OR PRIVATELY PLACED BONDS, THE AMENDMENT OF CERTAIN EXISTING INDENTURES OF TRUST SECURING OUTSTANDING BONDS AND THE ENTRY BY THE CORPORATION INTO ONE OR MORE NEW WORKING CAPITAL, WAREHOUSE OR BRIDGE FACILITIES OR THE AMENDMENT OF ONE OR MORE EXISTING SUCH LIQUIDITY FACILITIES

Mr. Aldridge presented Resolution 2023-63 for the authorization of a Kentucky Higher Education Student Loan Corporation issuance in an amount not to exceed \$226,000,000 of Student Loan Revenue Bonds in one or more series of variable rate demand bonds. Bond proceeds will be used to provide long-term financing for the restructuring, refinancing, or amendment of the Corporation's Student Loan Backed Notes, Series 2017-1 and Series 2019-1 collectively the Direct Placement Notes, and of the Corporation's revolving line of credit note. Bond proceeds will also provide additional funding for the acquisition of loans originated pursuant to the Federal Family Education Loan Program "FFELP". He stated a synopsis of the financing plan begins on page 69 of the PDF in the new bond issue report. The proposed date of sale is December 12, 2023. The estimated gross proceeds is \$226,000,000. The anticipated net interest rate is 4.075% for the tax-exempt series and 5.405% for the taxable series over a term of 30 years. The preliminary numbers are estimates based on market conditions from October 27, 2023. The financing was included in OFM's submittal to the Capital Projects and Bond Oversight Committee. The method of sale is negotiated with Bank of America as the senior managing underwriter. Bond counsel is Hawkins, Delafield, & Wood LLP. KHESLC Board of Directors approved the preliminary resolution for the issuance on August 24, 2023. KHESLC staff was available for questions. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-63**. Ms. Rieber made a motion to approve and was seconded by Ms. Wright. The motion **CARRIED** and Resolution **2023-63** was **ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present an informational item:

Mr. Aldridge presented an informational item; Kentucky Housing Corporation's recent sale of \$98,115,000 of housing revenue bonds for the single family mortgage program. KHC's financing was approved during the August 17, 2023 Committee meeting. The issuance produced \$101,500,000 of gross proceeds and received an Aaa rating from Moody's. Pricing took place on September 5th and 6th with Citi as underwriter and closed on October 5, 2023. The True Interest Cost was 5.06%, and the final maturity date is July 1, 2054. The average annual debt service is approximately \$6,500,000 with total debt service approximating \$200,500,000. No action was required on the informational item.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Ms. Wright made a motion which was seconded by Ms. Grigsby, and the meeting adjourned at 11:13 AM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

