

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
DECEMBER 8, 2023
8:30 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Friday, December 8, 2023, at 8:30 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; 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; Kylee Palmer, CED; and Tom Midkiff and Tracy Thurston, both with the 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 November 9, 2023, meeting. A motion to accept the minutes of the November 9, 2023, meeting was made by Mr. McDaniel and seconded by Ms. Wright. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Kylee Palmer to present **Resolutions 2023-64, 2023-65, 2023-66, 2023-67, 2023-68, 2023-69, 2023-70 and 2023-71**:

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 BOWLING GREEN ON BEHALF OF THE INTER-MODAL TRANSPORTATION AUTHORITY, INC. FOR \$415,201.

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 HOPKINSVILLE ON BEHALF OF TOYOTA BOSHOKU AMERICA, INC. FOR \$750,000.

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 MORGANTOWN ON BEHALF OF THE CITY OF MORGANTOWN INDUSTRIAL HOLDING CORPORATION FOR \$300,679.

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 BOONE COUNTY FISCAL COURT ON BEHALF OF THE KENTON COUNTY AIRPORT BOARD FOR \$3,666,925.

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 FULTON COUNTY FISCAL COURT ON BEHALF OF THE FULTON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR \$158,348.

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 LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT ON BEHALF OF STELLAR SNACKS, LLC. FOR \$2,250,000.

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 OWEN

COUNTY FISCAL COURT ON BEHALF OF THE OWEN COUNTY INDUSTRIAL DEVELOPMENT CORPORATION FOR \$93,250.

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 POWELL COUNTY FISCAL COURT ON BEHALF OF THE POWELL COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, INC. FOR \$319,012.

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 2023-64 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the of Bowling Green on behalf of the Inter-Modal Transportation Authority, Inc. for \$415,201. The City of Bowling Green on behalf of the Inter-Modal Transportation Authority, Inc. is seeking to extend infrastructure in the Kentucky Transpark.

Ms. Palmer presented Resolution 2023-65 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Hopkinsville on behalf of Toyota Boshoku America, Inc. for \$750,000. The City of Hopkinsville on behalf of Toyota Boshoku America, Inc. is considering opening a new automotive parts stamping plant in Christian County. The facility being considered will be the company's first ever ""Smart Plant"" that will employ innovative technology to enhance and maximize efficiency and operations. The proposed EDF grant funds will be used to offset the cost associated with this project.

Ms. Palmer presented Resolution 2023-66 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Morgantown on behalf of the City of Morgantown Industrial Holding Corporation for \$300,679. The City of Morgantown on behalf of the City of Morgantown Industrial Holding Corporation is seeking to do road improvements in the Morgantown Industrial Park.

Ms. Palmer presented Resolution 2023-67 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the County Fiscal Court on behalf of the Kenton County Airport Board for \$3,666,925. The Boone County Fiscal Court on behalf of Kenton County Airport Board is seeking to construct an air cargo warehouse facility with airside access on airport property. This is a regional project with support from Boone, Campbell and Kenton counties.

Ms. Palmer presented Resolution 2023-68 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Fulton County Fiscal Court on behalf of the Fulton County Industrial Development Authority for \$158,348. The Fulton County Fiscal Court on behalf of Fulton County Industrial Development Authority is seeking to develop the Enterprise Park for site development and rail-readiness.

Ms. Palmer presented Resolution 2023-69 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to Louisville/Jefferson County Metro Government on behalf of the Stellar Snacks LLC for \$2,250,000. Louisville/Jefferson County Metro Government on behalf of the Stellar Snacks LLC., a woman and family-owned food manufacturing company is estimating the creation of at least 350 new, full-time positions with an average hourly wage of \$30.20, including benefits, over the next 10 years. The proposed EDF grant funds will be used to offset the cost associated with this project.

Ms. Palmer presented Resolution 2023-70 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Owen County Fiscal Court on behalf of the Owen County Industrial Development Corporation for \$93,250. The Owen County Fiscal Court on behalf of the Owen County Industrial Development Corporation is seeking to construct a new build-ready pad in Owen County.

Ms. Palmer presented Resolution 2023-71 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Powell County Fiscal Court on behalf of the Powell County Industrial Development Authority, Inc. for \$319,012. The Powell County Fiscal Court on behalf of the Powell County Industrial Development Authority, Inc. is seeking to extend water and sewer utilities into the Clay City Business Park.

Ms. Palmer noted that all the projects were recommended by Secretary Noel with concurrence by Secretary Johnson and were approved by CED at the December 7, 2023 board meeting. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve both Resolutions **2023-64, 2023-65, 2023-66, 2023-67, 2023-68, 2023-69, 2023-70 and 2023-71**. Ms. Grigsby made a motion to approve which was seconded by Ms. Wright The motion **CARRIED** and Resolutions **2023-64, 2023-65, 2023-66, 2023-67, 2023-68, 2023-69, 2023-70 and 2023-71** were **ADOPTED**.

Secretary Hicks recognized Melissa Perry to present **Resolution 2023-72:**

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF UNIVERSITY OF KENTUCKY GENERAL RECEIPTS BONDS IN ONE OR MORE SERIES IN AN APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF \$125,000,000.

Ms. Perry presented Resolution 2023-72 for approving the issuance of The University of Kentucky General Receipts Bonds in one or more series in an approximate aggregate principal amount of \$125,000,000. Bond proceeds will be used to finance \$125,000,000 of modernization projects, not previously authorized, finance year two of \$23,130,000 asset preservation bonds previously authorized but unissued, finance year two of previously authorized but unissued modernization

bonds in the amount of \$51,000,000 appropriated for the projects identified in H.B. 1 of the General Assembly of the Commonwealth of Kentucky, 2022 Regular Session as "Facilities Renewal and Modernization Additional Reauthorization"; and pay costs of issuance. She stated the University of Kentucky Board of Trustees approved this financing at their December 5, 2023, board meeting. The Tax-Exempt Series 2024 B will be a 20-year financing with a final maturity of April 2044 and an estimated all in true interest cost of 4.73%. Series B does have a deferred principal portion through 2029, level the debt service on an annual basis. The Taxable Series 2024 C is in place to address any private business use that may arise in the buildings. It will be a six-year financing with a final maturity date of April 2030 and an estimated all in true interest cost of 5.85%. This will be an 80% tax-exempt competitive sale currently scheduled for February 6, 2024. The financing was included in OFM's December submittal to the Capital Projects and Bond Oversight Committee, scheduled to meet on Thursday, December 14th. Bond Counsel is Dinsmore & Shohl and Financial Advisor is Baird. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-72**. Ms. Wright made a motion to approve and was seconded by Ms. Smith. The motion **CARRIED** and Resolution **2023-72** was **ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present **Resolution 2023-73**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES AND IN ONE OR MORE TAX PLANS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000.

Mr. Aldridge presented Resolution 2023-73 for the authorization of a Kentucky Housing Corporation issuance in an amount not to exceed \$150,000,000 of Single Family Mortgage Revenue Bonds in one or more series. Bond proceeds will be used to provide ongoing mortgage financing for first-time low- and moderate-income Kentucky homebuyers. The proposed date of sale is January 10, 2024. The estimated total deposit to the Mortgage Purchase Account is approximately \$154,000,000. The anticipated net interest rate is 5.79% over a term of 30 years. The preliminary numbers are estimates based on recent market conditions. The financing was included in OFM's submittal to the Capital Projects and Bond Oversight Committee. The method of sale is negotiated with Citi as the senior managing underwriter. Bond counsel is Kutak Rock. KHC Board of Directors approved the resolution for this issuance on November 29, 2023. The bonds will be limited obligations of the Corporation payable solely from the revenues and security interests pledged in the indenture. The bonds will not be a Commonwealth debt. KHC staff was available for questions. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-73**. Ms. Grigsby made a motion to approve and was seconded by Mr. McDaniel. The motion **CARRIED** and Resolution **2023-73** was **ADOPTED**.

Secretary Hicks recognized Kaitlin Craigmyle to present **Resolution 2023-74**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN PRIOR BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE BONDS ARE TO BE ISSUED AND PROVIDING FOR A COMPETITIVE SALE THEREOF; AUTHORIZING AND RATIFYING ACTIONS OF THE COMMISSION STAFF IN THE STRUCTURING, PLANNING AND PREPARATION OF ALL DOCUMENTATION FOR THE ISSUANCE OF SAID BONDS AND IN PREPARING AND PUBLISHING A PRELIMINARY OFFICIAL STATEMENT, OFFICIAL TERMS AND CONDITIONS OF BOND SALE AND AN OFFICIAL BID FORM RELATING TO THE SALE OF THE BONDS AND A FINAL OFFICIAL STATEMENT TO BE COMPLETED UPON THE SALE OF THE BONDS; RECITING, ACKNOWLEDGING AND APPROVING THE FILING OF AN APPLICATION BY THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR REVENUE BONDS TO REFUND THE PRIOR BONDS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES; APPROVING A SUPPLEMENTAL LEASE OF THE PROJECT TO THE CABINET AND THE KENTUCKY RIVER AUTHORITY TO PROVIDE REVENUES FOR THE AMORTIZATION OF THE BONDS; DEFINING AND PROVIDING FOR THE RIGHTS OF THE OWNERS OF THE BONDS AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS THEREOF.

Ms. Craigmyle presented Resolution 2023-74 for the approval to issue State Property and Buildings Commission Revenue Refunding Bonds, Project No. 129 in a principal amount not to exceed \$13,000,000. Bond proceeds will be used to refund State Prop Project No. 105 for economic savings, which were originally issued in May 2013 on behalf of the Kentucky River Authority for the purpose of renovating Locks 1 and 2, constructing Dam 8, the construction and renovation of additional public projects, and to pay cost of issuance. KRA approved the project at the November 14, 2023, board meeting. Upon approval of the Commission, it will be presented to the Capital Projects and Bond Oversight Committee (“CPBO”) on Thursday December 14, 2023. The method of sale is competitive; the sale and closing date are tentatively scheduled for March 5, 2024, and March 27, 2024, respectively, with an estimated all-in true interest cost of 3.6%. She noted that the sale date is tentative and will not be acted upon without KRAs endorsement as OFM continues to monitor market conditions. Based on preliminary cash flows as of November 27, 2023, the refunding is expected to yield a net present value savings of nearly \$442,000 or about 3.7% to KRA over the life of the bonds. The Financial Advisor is Hilltop Securities, Bond Counsel is Kutak Rock, and the Trustee is U.S. Bank. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-74**. Mr. McDaniel made a motion to approve and was seconded by Ms. Wright. The motion **CARRIED** and Resolution **2023-74** was **ADOPTED**.

Secretary Hicks recognized Bethany Padgett to present an informational item:

Ms. Padgett presented an informational item; State Property and Building Commissions’ recent sale of \$143,970,000 of revenue bonds for Project No. 128 Series A. The issue was approved during the August 17, 2023 Committee meeting. The issuance produced \$150,000,000 of proceeds for general fund and received an A1 rating from Moody’s and an AA- from Fitch. Pricing took

place on October 10th and October 11th with BofA Securities as underwriter and closed on November 8, 2023. The True Interest Cost was 4.68%, and the final maturity date is November 1, 2043. The average annual debt service is approximately \$108,000,000 with total debt service approximating \$234,000,000. No action was required on the informational item.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Ms. Smith made a motion which was seconded by Ms. Grigsby, and the meeting adjourned at 8:51 AM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

