

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
MARCH 13, 2025
11:30 AM OR UPON ADJOURNMENT OF ALCO MEETING

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, March 13, 2025, upon adjournment of the Kentucky Asset/Liability Commission meeting at 11:42 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”); 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; Kaitlin Craigmyle; Marcia Hutcherson; and Aubry McDonald.

Other Guests Present: Barbara Dickens, FAC General Counsel; Kylee Palmer, CED; Laura Theilmann, Frost Brown Todd; David Carlsen, Kentucky Higher Education Student Loan Corporation (“KHESLC”); Randall Royer, Office of Policy and Audit (“OPA”); Robert Slavin, Bond Buyer; Stacy Woodrum, Attorney General (“AG”); Pam Howarah, Office of the Controller; and Tom Midkiff and Tracy Thurston, 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 February 20, 2025, meeting. A motion to accept the minutes of the February 20, 2025, meeting was made by Ms. Rieber and seconded by Ms. Smith. There being no further discussion, the motion **CARRIED**.

Secretary Hicks noted that there was one informational item provided in the meeting packet: Kentucky Housing Corporation Housing Single Family Mortgage Revenue Bonds, 2025 Series A and Taxable 2025 Series B No presentation or action needed.

Secretary Hicks recognized Kylee Palmer to present **Resolution 2025-06**:

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 KNOX

COUNTY FISCAL COURT ON BEHALF OF KNOX COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, INC. FOR \$2,797,750.

Ms. Palmer presented Resolution 2025-06 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Knox County Fiscal Court on behalf of the Knox County Industrial Development Authority, Inc. is acquiring 1,556 acres designated as the "Middle Fork Richland Property" to establish a new 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 the project was recommended by Secretary Noel with concurrence by Secretary Johnson and was approved by CED at the February 27th, monthly board meeting. She also noted that it was a Kentucky Product Development Initiative ("KPDI") Project. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve Resolution **2025-06**. Ms. Wright made a motion to approve which was seconded by Mr. McDaniel. The motion **CARRIED** and Resolution **2025-06** was **ADOPTED**.

Secretary Hicks recognized Melissa Perry to present **Resolution 2025-07**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY OF ITS VARIABLE RATE DEMAND REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000.

Ms. Perry presented Resolution 2025-07 which can be found behind Attachment C starting on page 24 of the PDF, approving the issuance by KEDFA of Variable Rate Demand Revenue bonds for the benefit of Goodwill Industries of Kentucky, Inc. in one or more series in an aggregate principal amount not to exceed \$45,000,000. She stated bond proceeds will be used to finance the costs of, or reimburse Goodwill for the acquisition, construction, improvement and equipping of attended donation centers, retail stores and outlets, opportunity centers and career centers at various locations across the Commonwealth, the costs of refunding the outstanding City of Lyndon Industrial Revenue Bond, Series 2013 Industrial Revenue Bonds, the costs of refunding the taxable Truist Bank line of credit in an amount not to exceed \$6,026,322 and the taxable Promissory note in an amount not to exceed \$9,015,170, capitalized interest on the Series 2025 Bonds, if applicable and pay costs of issuance. The sale will be negotiated with an estimated Spring 2025 sale date, a net interest rate of 2.73% and a term not to exceed 40 years. KEDFA adopted a resolution on February 27, 2025, authorizing the financing. Bond Counsel is Frost Brown Todd LLP. If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds will not constitute a debt of KEDFA or the Commonwealth. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2025-07**. Ms. Grigsby made a motion to approve which was seconded by Ms. Rieber. The motion **CARRIED** and Resolution **2025-07** was **ADOPTED**.

Secretary Hicks recognized Melissa Perry to present **Resolution 2025-08**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF UNIVERSITY OF LOUISVILLE GENERAL RECEIPTS BONDS, IN ONE OR MORE SERIES OR SUBSERIES, IN AN APPROXIMATE AMOUNT OF \$40,000,000 (SUBJECT TO A PERMITTED ADJUSTMENT DECREASING THE PRINCIPAL AMOUNT OF BONDS BY ANY AMOUNT).

Ms. Perry presented Resolution 2025-08 which can be found behind Attachment D starting on page 32 of the PDF, for the approval to issue University of Louisville General Receipts Bonds in an approximate amount of \$40,000,000, subject to a permitted adjustment decreasing the principal amount of bonds by any amount. She stated bond proceeds will be used to finance the costs of the projects identified in House Bill 6 of the 2024 Regular Session of the Kentucky General Assembly as “Asset Preservation Pool 2024-2026,” “Construct Student Commons and Recreational Fields,” “Speed School Multidisciplinary Engineering Building 1 – Speed School Addition Reauthorization”, and “Purchase Land”, and pay costs of issuance. The University of Louisville Board of Trustees approved this financing at their February 13, 2025, board meeting. This will be a 20-year financing with a final maturity of September 2045 and an estimated all in true interest cost of 4.52%. The sale will be competitive, currently scheduled for April 16, 2025. The financing was included in OFM’s March submittal to Capital Projects and Bond Oversight Committee, scheduled to meet on Thursday, March 27th. Bond Counsel is Dinsmore & Shohl and Financial Advisor is Baird. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2025-08**. Ms. Wright made a motion to approve which was seconded by Ms. Smith. The motion **CARRIED** and Resolution **2025-08 was ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present **Resolution 2025-09**:

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 \$400,000,000.

Mr. Aldridge presented Resolution 2025-09 for the authorization of a Kentucky Housing Corporation issuance in an aggregate amount not to exceed \$400,000,000 of Single Family Mortgage Revenue Bonds in one or more series. He stated bond proceeds will be used to provide on-going mortgage financing for first-time low- and moderate-income Kentucky homebuyers. KHC plans to issue the first \$150,000,000 of the \$400,000,000 authorization being requested. The preliminary new bond issue report in the packet focuses on the first issuance and anticipates a 50/50 split between tax-exempt and taxable bonds to preserve tax-exempt volume cap. KHC plans to issue the remaining \$250,000,000 as needed prior to March 2026. The proposed date of sale is May 7, 2025. The anticipated net interest rate is 5.492% over a term of 30 years. These 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 proposed method of sale is

negotiated with Bank of America as the senior managing underwriter. Bond counsel is Kutak Rock. KHC Board of Directors approved the resolution for this issuance on February 27, 2025. 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. He stated KHC staff, including CFO Tracy Thurston, are available for questions. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2025-09**. Ms. Rieber made a motion to approve which was seconded by Mr. McDaniel. The motion **CARRIED** and Resolution **2025-09** was **ADOPTED**.

Secretary Hicks recognized Kaitlin Craigmyle to present **Resolution 2025-10**:

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 \$339,385,000, TO BE ISSUED AS ONE OR MORE SERIES OF BONDS AND AS FIXED INTEREST RATE OR VARIABLE INTEREST RATE BONDS, SENIOR OR SUBORDINATE BONDS, FEDERALLY TAXEXEMPT OR FEDERALLY TAXABLE BONDS AND PUBLICLY OFFERED OR PRIVATELY PLACED BONDS, AND THE AMENDMENT OR ENTRY INTO ONE OR MORE INDENTURES OF TRUST IN CONNECTION THEREWITH.

Ms. Craigmyle presented Resolution 2025-10 which can be found behind Attachment F for the authorization of a KHESLC issuance of Student Loan Revenue Bonds in an aggregate principal amount not to exceed \$339,000,000 in one or more series. This resolution gives the Corporation the flexibility to address their financing needs by coordinating State level approvals with the KHESLC Executive Board authorization through the end of Fiscal Year 2026. The preliminary new bond issue report describes a potential Advantage loan financing for \$110,000,000 of the \$339,000,000 of requested authorization. The timing, size, and structure of the transactions are yet to be determined. She stated this is very similar to KHESLC's Series 2023A that utilized a portion of the authorization from earlier that year. Bond proceeds will be used for purchasing, originating, and financing Advantage and/or FFELP Loans including, Education and Parent Loans. The proposed date of sale is May 13, 2025. The anticipated true interest rate is 5.4% over a term of 20 years. The financing was included in OFM's recent submittal to Capital Projects and Bond Oversight Committee. The anticipated method of sale is negotiated with Bank of America as the senior managing underwriter. Bond Counsel is Hawkins. KHESLC's Board of Directors approved the resolution for this issuance on March 6, 2025, and David Carlsen with KHESLC was available for questions. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2025-10**. Ms. Grigsby made a motion to approve which was seconded by Ms. Wright. The motion **CARRIED** and Resolution **2025-10** was **ADOPTED**.

Secretary Hicks recognized Steven Starkweather to present **Resolution 2025-11**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF KENTUCKY ASSET/LIABILITY COMMISSION PROJECT NOTES, 2025 FEDERAL HIGHWAY TRUST FUND FIRST REFUNDING SERIES A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 FOR THE PURPOSE OF CURRENTLY REFUNDING CERTAIN FEDERAL HIGHWAY TRUST FUND FIRST SERIES NOTES PREVIOUSLY ISSUED BY THE KENTUCKY ASSET/LIABILITY COMMISSION.

Mr. Starkweather presented Resolution 2025-11 which can be found behind Attachment G that provides for the refunding of the Kentucky Asset/Liability Commission (“ALCo”) GARVEE 2015 Series A notes for economic savings and to pay associated costs of issuance. With a not to exceed par of \$35,000,000 and a May 14, 2025 sale date, the issuance is preliminarily and is expected to produce \$400,000 in savings or 1.229%. The method of sale is competitive, with Baird serving as Financial Advisor and Bond Counsel is Dinsmore and Shohl. Additional information about the transaction is available in the packet. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2025-11**. Ms. Smith made a motion to approve which was seconded by Ms. Rieber. The motion **CARRIED** and Resolution **2025-11 was ADOPTED**.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Ms. Rieber made a motion which was seconded by Ms. Wright, and the meeting adjourned at 11:59 AM.

Respectfully submitted,



Chelsey Couch
Secretary

