

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
APRIL 18, 2023
1:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, April 18, 2023, at 1:09 PM ET via ZOOM video teleconference and upon adjournment of the Kentucky Asset/Liability Commission meeting, 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 Susan Rieber, permanent proxy for Lieutenant Governor and Vice-Chair to the Commission Jacqueline Coleman; Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administrative Cabinet (“FAC”); Joe McDaniel, Acting State Controller and Executive Director, Office of the Controller; Carla Wright, proxy for the Office of the State Budget Director (“OSBD”); Chris Lewis, permanent proxy for Attorney General Daniel Cameron; and Katie Smith, proxy for Jeff Noel, Secretary for the Cabinet for Economic Development (“CED”).

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

Other Guests Present: Jenny Bannister, Legislative Research Commission (“LRC”); Brian Thomas, Executive Director, Office of General Counsel FAC; and Leslie Palmer, public.

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 16, 2023, meeting. A motion to accept the minutes of the February 16, 2023, meeting was made by Ms. Smith and seconded by Mr. McDaniel. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Katie Smith to present **Resolution 2023-05**:

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 RICHMOND ON BEHALF OF RICHMOND INDUSTRIAL DEVELOPMENT CORPORATION FOR \$500,000.

Ms. Smith presented Resolution 2023-05 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Richmond on behalf of the

Richmond Industrial Development Corporation (RIDC) for \$500,000. The City of Richmond, Kentucky in partnership with the RIDC is seeking to develop and implement a land grading plan to better prepare the topography for 46.74 acres of land owned by the RIDC and located in the Richmond Industrial Park South III of Bill Robertson Way, Richmond, KY 40475. This project was a potential infrastructure project identified by an independent site selection consultant through the Kentucky Product Development Initiative (KPDI) program as having the potential for future investment/location of an economic development project. Ms. Smith stated that under the terms of the EDF grant agreement, requests may be submitted no more than monthly, and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant. Ms. Smith noted that CED staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-05**. Ms. Grigsby made a motion to approve and was seconded by Ms. Rieber. The motion **CARRIED** and Resolution **2023-05** was **ADOPTED**.

Secretary Hicks recognized Katie Smith to present **Resolution 2023-06**:

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 GREENUP COUNTY FISCAL COURT ON BEHALF OF THE NORTHEAST KENTUCKY REGIONAL INDUSTRIAL AUTHORITY, INC. FOR \$750,000.

Ms. Smith presented Resolution 2023-06 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Greenup County Fiscal Court on behalf of the Northeast Kentucky Regional Industrial Authority, Inc. (East Park) for \$750,000. The Greenup County Fiscal Court in partnership with Northeast Kentucky Regional Industrial Authority, Inc. is seeking to acquire over 240 acres in the EastPark Industrial Park. This project was a potential infrastructure project identified by an independent site selection consultant through the Kentucky Product Development Initiative (KPDI) program as having the potential for future investment/location of an economic development project. Ms. Smith stated that under the terms of the EDF grant agreement, requests may be submitted no more than monthly, and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant. Ms. Smith noted that CED staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-06**. Ms. Wright made a motion to approve and was seconded by Mr. McDaniel. The motion **CARRIED** and Resolution **2023-06** was **ADOPTED**.

Secretary Hicks recognized Katie Smith to present **Resolution 2023-07**:

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 LAUREL COUNTY FISCAL COURT ON BEHALF OF THE LONDON-LAUREL COUNTY ECONOMIC DEVELOPMENT AUTHORITY FOR \$1,512,819.

Ms. Smith presented Resolution 2023-07 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority (LLCEDA) for \$1,512,819. The Laurel County Fiscal Court in partnership with LLCEDA is seeking to build a 105,000 square foot spec building to attract new business to its community. This project was a potential infrastructure project identified by an independent site selection consultant through the Kentucky Product Development Initiative (KPDI) program as having the potential for future investment/location of an economic development project. Ms. Smith stated that under the terms of the EDF grant agreement, requests may be submitted no more than monthly and funds shall be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant. Ms. Smith noted that CED staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-07**. Ms. Rieber made a motion to approve and was seconded by Ms. Wright. The motion **CARRIED** and Resolution **2023-07** was **ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present **Resolution 2023-08**:

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 \$15,000,000.

Mr. Aldridge presented Resolution 2023-08 for the issuance authorization of a conduit issuance in an amount not to exceed \$15,000,000 of Kentucky Housing Corporation Multifamily Housing Revenue Bonds in one or more series. Proceeds of the bonds will be used to finance the acquisition, construction, and equipping of a multifamily residential rental facility of approximately 80 units located on Preston Highway in Louisville. The proposed date of sale is summer 2023. The estimated total project cost is approximately \$27,000,000. The anticipated true interest rate is 6.57% over a term of 24-months. These 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 Frost Brown Todd, and the developer is LDG Development. KHC Board of Directors approved the inducement

resolution for this project on August 25, 2022. As a conduit transaction, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-08**. Ms. Smith made a motion to approve and was seconded by Ms. Grigsby. The motion **CARRIED** and Resolution **2023-08** was **ADOPTED**.

Secretary Hicks recognized Steven Starkweather to present **Resolution 2023-09**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF THE KENTUCKY ASSET/LIABILITY COMMISSION PROJECT NOTES, 2023 FEDERAL HIGHWAY TRUST FUND FIRST REFUNDING SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 FOR THE PURPOSE OF PROVIDING FINANCING FOR THE CURRENT REFUNDING OF CERTAIN FEDERAL HIGHWAY TRUST FUND FIRST SERIES NOTES PREVIOUSLY ISSUED BY THE KENTUCKY ASSET/LIABILITY COMMISSION.

Mr. Starkweather presented Resolution 2023-09 which authorizes a refunding of the 2013A Federal Highway Trust Fund bonds, also known as GARVEEs. These bonds will be currently callable on September 1, 2023, and this resolution authorizes the refunding of an amount not to exceed \$60,000,000. Mr. Starkweather stated that the Kentucky Asset/Liability Commission (ALCo) traditionally issues GARVEE bonds with a duration of 12 years with a ten-year par call. He stated as you can see on page 43, even with the elevated interest rates we are seeing today the remaining maturities are currently generating an estimated savings of approximately \$1,800,000 or about 3.28% on \$54,580,000 of bonds. This transaction will be competitive with Dinsmore serving as Bond Counsel and Hilltop serving as FA. The PNBIR will also be presented to Capital Projects and Bond Oversight Committee. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2023-09**. Mr. McDaniel made a motion to approve and was seconded by Ms. Wright. The motion **CARRIED** and Resolution **2023-09** was **ADOPTED**.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Mr. McDaniel made a motion and was seconded by Susan Rieber and the meeting adjourned at 1:20 PM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

