

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
AUGUST 18, 2022
11:30 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, August 18, 2022, at 11:30 AM ET via ZOOM video teleconference by Michael Bowman, permanent proxy for Lieutenant Governor and Vice-Chair to the Commission Jacqueline Coleman. Other members present were Edgar C. Ross, State Controller and Executive Director, Office of the Controller; Carla Wright, proxy for the Office of the State Budget Director (“OSBD”); Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administrative Cabinet (“FAC”); and Sarah Butler, 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 and Secretary to the Commission; Steven Starkweather, Deputy Director of OFM; Billy Aldridge; Bethany Couch; Melissa Perry; and Aubry McDonald.

Other Guests Present: Korey Sallee, Legislative Research Commission (“LRC”); Katherine Halloran, LRC; and Robert Long, FAC.

Mr. Bowman verified with staff a quorum was present, and the press had been notified of the meeting.

Mr. Bowman introduced the first item for business, which was the approval of the minutes from the July 19, 2022, meeting. A motion to accept the minutes of the July 19, 2022, meeting was made by Mr. Ross and seconded by Ms. Grigsby. There being no further discussion, the motion **CARRIED**.

Mr. Bowman recognized Sarah Butler to present **Resolution 2022-32**:

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 WINCHESTER ON BEHALF OF THE WINCHESTER-CLARK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, INC FOR \$500,000.

Ms. Butler presented Resolution 2022-32 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Winchester on behalf of the Winchester-Clark County Industrial Development Authority, Inc. for \$500,000. The city of Winchester, in partnership with Winchester-Clark County Industrial Development Authority is seeking the grading of a 70-acre site in the Winchester Industrial Park. This project is a potential infrastructure project identified by an independent site selection consultant as having potential for

future investment, location of an economic development project. Ms. Butler 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, etc. 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. Butler noted that CED staff recommends approval.

Mr. Bowman called for a motion to approve Resolution **2022-32**. Ms. Wright made a motion to approve and was seconded by Mr. Ross. The motion **CARRIED** and Resolution **2022-32** was **ADOPTED**.

Mr. Bowman recognized Bethany Couch to present **Resolution 2022-33**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS; SETTING FOR THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE BONDS ARE TO BE ISSUED AND PROVIDING FOR A NEGOTIATED 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 FOR 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 FINANCE CERTAIN PROJECTS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES; APPROVING A LEASE OF THE PROJECTS TO THE CABINET 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. Couch presented Resolution 2022-33 for the approval to issue State Property and Buildings Commission Revenue Bonds, Project No. 127 in two series in a principal amount not to exceed \$260,000,000. She explained Series A will provide permanent financing for \$215,000,000 of General Fund supported capital projects which were approved through various House Bills and Sessions as referenced in the Preliminary New Bond Issue Report, which begins on page 80 of the pdf. Series B will provide \$40,000,000 for the Bucks for Brains project approved in House Bill 1 of the 2022 Regular Session of the General Assembly. It was determined by bond counsel that the Bucks for Brains project cannot be funded with tax-exempt debt. For information purposes she pointed out the project list attached to the Preliminary New Bond Issue Report and the Bond Resolution is a working project list that will be finalized before closing in October. OFM is currently working with OSBD to update some of the project amounts. The total amount may deviate slightly but will remain at approximately \$3,100,000,000. Proceeds will be used for the cost of the project and to pay costs of issuing the bonds. This will be a 20-year financing with a final maturity date of June 1, 2042, and an estimated all-in true interest cost of 3.778%. The project was included the OFM August submittal to Capital Projects and Bond Oversight Committee,

scheduled to meet August 24, 2022. This will be a negotiated sale, currently scheduled for September 8, 2022, to be executed by Citigroup as underwriter. Bond Counsel is Kutak Rock. Staff recommends approval.

Mr. Bowman called for a motion to approve Resolution **2022-33**. Mr. Ross made a motion to approve and was seconded by Ms. Wright. The motion **CARRIED** and Resolution **2022-33** was **ADOPTED**.

With no further business before the Commission, Mr. Bowman asked for a motion to adjourn, Ms. Butler made a motion and was seconded by Ms. Grigsby and the meeting adjourned at 11:39 AM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

