

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
AUGUST 27, 2024
10:30 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, August 27, 2024, at 10:30 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 Wil Schroder, proxy for Attorney General Russell Coleman; 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: Steven Starkweather, Deputy Executive Director of OFM; Bethany Padgett; Billy Aldridge; Kaitlin Craigmyle; Melissa Perry; and Aubry McDonald.

Other Guests Present: Kylee Palmer, CED; Robert Long, General Counsel, FAC; Alexis Larson, FAC; and Susan Cottingham and Terry Helton, Kentucky Housing Corporation.

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 July 25, 2024, meeting. A motion to accept the minutes of the July 25, 2024, meeting was made by Ms. Smith and seconded by Ms. Grigsby. 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 Conduit Multifamily Housing Revenue Bonds (Briarwood of Lexington Apartments), Series 2024. No presentation or action needed.

Secretary Hicks recognized Kylee Palmer to present **Resolutions 2024-43 and 2024-44**:

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 ROCKCASTLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR \$327,000.

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 ROWAN COUNTY FISCAL COURT ON BEHALF OF THE MOREHEAD-ROWAN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, INC. FOR \$814,379.

Ms. Palmer stated both 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 2024-43 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 \$327,000. The Rockcastle County Fiscal Court on behalf of the Rockcastle County Industrial Development Authority is seeking to acquire land adjoining the Sparks Property and complete due diligence and site preparation. The regional project, including Lincoln and Garrard counties, will complete the directive of the original gas line project. 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 presented Resolution 2024-44 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Rowan County Fiscal Court on behalf of the Morehead-Rowan County Industrial Development Authority, Inc. for \$814,379. The Rowan County Fiscal Court on behalf of Morehead-Rowan County Industrial Development Authority, Inc. is seeking to acquire an 80-acre tract of land for industrial development purposes. 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 all the projects were recommended by Secretary Noel with concurrence by Secretary Johnson and were approved by CED at the July 25, 2024, monthly board meeting. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve Resolutions **2024-43 and 2024-44**. Ms. Wright made a motion to approve which was seconded by Mr. McDaniel. The motion **CARRIED** and Resolutions **2024-43 and 2024-44** were **ADOPTED**.

Secretary Hicks recognized Bethany Padgett to present **Resolution 2024-45**:

A 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 FORTH THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE

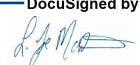
BONDS ARE TO BE ISSUED AND PROVIDING FOR A NEGOTIATED SALE THEREOF; AUTHORIZING AND RATIFYING ACTIONS OF THE COMMISSION STAFF IN THE STRUCTURING, PLANNING AND PREPARATION OF ALL DOCUMENTATION FOR THE ISSUANCE OF SAID BONDS AND IN PREPARING AND PUBLISHING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL 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. Padgett presented Resolution 2024-45 for the approval to issue State Property and Buildings Commission Revenue Bonds, Project No. 131 in a principal amount not to exceed \$750,000,000 but expected to issue approximately \$500,000,000. She stated our office works closely with the Budget Office to monitor capital spend so this approval will allow us to upsize the amount of issuance before pricing based on our capital needs or if market conditions warrant. This issuance will provide permanent financing for General Fund supported capital projects which were approved through various House Bills and Sessions as referenced in the Preliminary New Bond Issue Report. Bond proceeds will be used to pay 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 October 1, 2044, and an estimated all-in true interest cost of 3.741%. The project was included in our office's August submittal to the Capital Projects and Bond Oversight Committee, scheduled to meet this Thursday, August 29th. This will be a negotiated sale, currently scheduled for October 2, 2024, to be executed by BofA Securities as underwriter. Bond Counsel is Kutak Rock. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolution **2024-45**. Ms. Grigsby made a motion to approve and was seconded by Ms. Smith. The motion **CARRIED** and Resolution **2024-45** was **ADOPTED**.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Mr. Schroder made a motion which was seconded by all, and the meeting adjourned at 10:39 AM.

Respectfully submitted,

DocuSigned by:

CA3F6571E8DC413...
Secretary

