

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
SEPTEMBER 21, 2023
1:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, September 21, 2023, at 1:00 PM 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 Joe McDaniel, State Controller and Executive Director, Office of the Controller; Janice Tomes, proxy for the Office of the State Budget Director; Susan Rieber, permanent proxy for Lieutenant Governor and Vice-Chair to the Commission Jacqueline Coleman; and Kylee Palmer, 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; and Aubry McDonald.

Other Guests Present: Katherine Halloran, Committee Staff Administrator, Legislative Research Commission (“LRC”).

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 August 17, 2023, meeting. A motion to accept the minutes of the August 17, 2023, meeting was made by Ms. Rieber and seconded by Ms. Palmer. Mr. Joe McDaniel abstained noting his absence at the August 17, 2023 meeting. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Kylee Palmer to present **Resolutions 2023-48 and 2023-49**:

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 CYNTHIANA ON BEHALF OF THE CYNTHIANA-HARRISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY, INC. FOR \$450,000.

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 GRAVES COUNTY FISCAL COURT ON BEHALF OF THE GRAVES COUNTY ECONOMIC DEVELOPMENT, INC. FOR \$890,670.

Ms. Palmer stated the two Resolutions were for the approval of the Economic Development Revenue Bonds to be issued by the commission. She stated both 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 2023-48 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the City of Cynthiana on behalf of the Cynthiana-Harrison County Economic Development Authority for \$450,000. The City of Cynthiana on behalf of the Cynthiana-Harrison County Economic Development Authority is seeking to assist in the development of a business park in Harrison County.

Ms. Palmer presented Resolution 2023-49 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Graves County Fiscal Court on behalf of the Graves County Economic Development, Inc. for \$890,670. The Graves County Fiscal Court on behalf of the Graves County Economic Development, Inc. will assist in the development and construction of a speculative building in the Hickory Industrial Park. This building will provide Graves County with new business opportunities and provide the community with significant jobs and capital investment.

Ms. Palmer noted that all the projects were recommended by Secretary Noel with concurrence by Secretary Johnson and were approved by CED. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve both Resolutions **2023-48 and 2023-49**. Mr. McDaniel made a motion to approve which was seconded by Ms. Tomes. The motion **CARRIED** and Resolutions **2023-48 and 2023-49** were **ADOPTED**.

Secretary Hicks recognized Billy Aldridge to present **Resolutions 2023-50, 2023-51 and 2023-52:**

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 \$40,500,000.

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 \$20,000,000.

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 \$13,500,000.

Mr. Aldridge presented three Resolutions **2023-50, 2023-51 and 2023-52** for authorizations of conduit issuances in an aggregate amount not to exceed \$74,000,000 of Kentucky Housing Corporation Multifamily Housing Revenue Bonds each in one or more series. Bond proceeds will be used to finance the acquisition, construction, rehabilitation, and equipping of 661 units located throughout the Commonwealth. He stated The Path off Cane Run was previously authorized for \$17,500,000 in July 2022, but a second KHC inducement resolution increased the authorization to the \$20,000,000, being presented today. The proposed dates of sale are in the last three months of 2023. The estimated aggregate total project cost is \$165,600,000. The anticipated net interest rates average 6.5%. The preliminary numbers are estimates based on recent market conditions. The financings were included in OFM's submittal to the Capital Projects and Bond Oversight Committee. The methods of sale are private placements. Frost Brown Todd and Dinsmore are serving as bond counsels and the developers are Winterwood Development and LDG Development. KHC Board of Directors approved the inducement resolutions for this project in February and August of 2023. As conduit transactions, the bonds will not be a KHC or Commonwealth debt. Staff recommends approval.

Secretary Hicks called for a motion to approve Resolutions **2023-50, 2023-51 and 2023-52**. Ms. Rieber made a motion to approve and was seconded by Mr. McDaniel. The motion **CARRIED** and Resolutions **2023-50, 2023-51 and 2023-52** were **ADOPTED**.

Secretary Hicks recognized Melissa Perry to present an informational item:

Ms. Perry presented an informational item; Morehead State University issued the 2023 Series A General Receipts Bonds with a par amount of \$5,175,000.00. The funds will be used for Asset Preservation. She stated the OFM approval letter for the transaction was included in the packet beginning on page 51. The pricing date of this transaction was July 18, 2023, and the Closing Date was August 8, 2023. The all-in-true interest cost was 4.166%. The total Debt Service is \$8,079,661.71 with a Final Maturity of September 1, 2043. The average annual Debt Service is \$402,696.69 with an average life of 12.878 Years.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Ms. Tomes made a motion and was seconded by all, and the meeting adjourned at 1:09 PM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

