

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
JANUARY 14, 2025
10:45 AM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, January 14, 2025, at 10:45 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: Chelsey Couch, Executive Director of OFM; Steven Starkweather, Deputy Executive Director of OFM; Billy Aldridge; Bethany Padgett; Melissa Perry; Kaitlin Craigmyle; and Aubry McDonald.

Other Guests Present: Barbara Dickens, FAC General Counsel; and Kylee Palmer, CED.

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 December 12, 2024, meeting. A motion to accept the minutes of the December 12, 2024, meeting was made by Ms. Rieber and seconded by Ms. Smith. There being no further discussion, the motion **CARRIED**.

Secretary Hicks noted that there were four informational items provided in the meeting packet: Western Kentucky University General Receipts Bonds, 2024 Series A and General Receipts Refunding Bonds, 2024 Series B, Kentucky Housing Corporation Conduit Multifamily Revenue Bonds (Garden Place Apartments), Series 2024, Kentucky Housing Corporation Conduit Multifamily Revenue Bonds (Chenoweth Woods Apartments), Series 2024, and Kentucky Housing Corporation Conduit Multifamily Revenue Bonds (Winterwood III Rural Housing Portfolio), Series 2024. No presentation or action needed.

Secretary Hicks recognized Kylee Palmer to present **Resolutions 2025-01, 2025-02 and 2025-03:**

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 BELL

COUNTY FISCAL COURT ON BEHALF OF THE BELL COUNTY ECONOMIC DEVELOPMENT FOUNDATION, INC. FOR \$2,000,000.

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 FRANKLIN COUNTY FISCAL COURT ON BEHALF OF THE KEATON LANE INDUSTRIAL DEVELOPMENT AUTHORITY, INC. FOR \$4,000,000.

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 SHELBY COUNTY ON BEHALF OF THE SHELBY COUNTY INDUSTRIAL AND DEVELOPMENT FOUNDATION FOR \$2,000,000.

Ms. Palmer presented Resolution 2025-01 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Bell County Fiscal Court on behalf of the Bell County Economic Development Foundation, Inc. for \$2,000,000. The Bell County Fiscal Court on behalf of the Bell County Economic Development Foundation, Inc. is seeking to engage in site preparation and earthwork for the Flash SteelWorks site in Middlesboro. 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 2025-02 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Franklin County Fiscal Court on behalf of the Keaton Lane Industrial Development Authority, Inc. for \$4,000,000. The Franklin County Fiscal Court on behalf of Keaton Lane Industrial Development Authority, Inc. is seeking to acquire the site and perform due diligence and road and infrastructure improvements for the creation of the Keaton Lane Regional 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 presented Resolution 2025-03 for the approval of the Economic Development Revenue Bonds to be issued by the commission to make a grant to the Shelby County Fiscal Court on behalf of the Shelby County Industrial and Development Foundation for \$2,000,000. The Shelby County Fiscal Court on behalf of the Shelby County Industrial and Development Foundation is acquiring 65 acres, extending infrastructure, and building an access road at 1198 Joyes Station Road. The Shelby County Fiscal Court will provide the match funds. The project was 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 projects were recommended by Secretary Noel with concurrence by Secretary Johnson and were approved by CED at the December 12th, monthly board meetings. She also noted that all were Kentucky Product Development Initiative (“KPDI”) Projects. CED staff respectfully recommends approval.

Secretary Hicks called for a motion to approve Resolutions **2025-01, 2025-02 and 2025-03**. Mr. McDaniel made a motion to approve which was seconded by Ms. Wright. The motion **CARRIED** and Resolutions **2025-01, 2025-02 and 2025-03** were **ADOPTED**

Secretary Hicks recognized Bethany Padgett to present **Resolution 2025-04**:

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 AND REFUNDING CERTAIN PRIOR BONDS; 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 2025-04 which can be found behind Attachment E starting on page 109 of the PDF. She stated both are supporting documents for the approval to issue State Property and Buildings Commission Revenue Bonds, Project No. 132 Series A and Revenue Refunding Bonds, Project No. 132 Series B. The purpose of this issuance is to provide permanent financing for approximately \$600,00,000 of General Fund supported capital projects, which were approved through various House Bills and Sessions as referenced in the Preliminary New Bond Issue Report, and to currently refund certain outstanding bonds of the Commission (SPBC 108A and SPBC 110) for an anticipated net present value savings of \$9,800,000, or 7.034% of refunded par. Ms. Padgett stated OFM is seeking approval for a principal amount not to exceed \$900,000,00 but expect to issue approximately \$730,000,000. OFM works closely with the Budget Office to monitor capital spend and this approval will allow to upsize the amount of issuance before pricing based on capital needs or if market conditions warrant. Proceeds will be used to pay for the cost of the project, refund certain outstanding bonds and to pay costs of issuing the bonds. This will be a 20-year financing with a final maturity date of April 1, 2045, and an estimated all-in true interest cost of 4.261%. The project was included in our office’s January submittal to the Capital Projects and Bond Oversight Committee, scheduled to meet Wednesday, January 22, 2025. This will be a

negotiated sale, currently scheduled for March 5, 2025, 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 **2025-04**. Ms. Grigsby made a motion to approve which was seconded by Ms. Rieber. The motion **CARRIED** and Resolution **2025-04** was **ADOPTED**.

With no further business before the Commission, Secretary Hicks asked for a motion to adjourn, Ms. Wright made a motion which was seconded by Mr. McDaniel, and the meeting adjourned at 10:53 AM.

Respectfully submitted,

Signed by:

Chelsey Couch

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Chelsey Couch
Secretary

