

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
OCTOBER 11, 2017
3:30 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, October 11, 2017 at 3:32 p.m. ET in Room 182 of the Capitol Annex by Melinda Hill, proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. Other members present were Lt. Governor Jenean Hampton; Edgar C. Ross, State Controller, Office of the Controller; Katie Smith, proxy for Terry Gill, Secretary for the Cabinet for Economic Development (“CED”); and Holly McCoy-Johnson, permanent proxy for Attorney General Andy Beshear.

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Commission; Sandy Williams, Deputy Executive Director; John Brady, Steve Starkweather, Bethany Couch and Tammy McCall.

Other Guests Present: Adrienne Southworth, Lt. Governor’s Office; Jeremy Ratliff, Kentucky Housing Corporation (“KHC”); Tracy Thurston, KHC; Katherine Halloran, Legislative Research Commission; Greg Harkenrider, Office of the State Budget Director; Pamela Trautner, Office of the Secretary, FAC; Chip Sutherland, Hilliard Lyons; and Marcus Green, WDRB 41 Louisville News.

Ms. Hill verified with staff that a quorum was present and that the press had been notified of the meeting.

Ms. Hill introduced the first item for business, which was approval of the minutes from the August 9, 2017 meeting. A motion to accept the minutes of the August 9, 2017 meeting was made by Mr. Ed Ross and seconded by Ms. Smith. Motion **CARRIED**.

Ms. Hill recognized Sandy Williams to present Resolution 2017-11:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY (THE “AUTHORITY”) OF A REFUNDING REVENUE BOND FINANCING FOR LOUISVILLE ARENA AUTHORITY, INC. IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$450,000,000; APPROVING THE REFUNDING OF THE OUTSTANDING KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY, LOUISVILLE ARENA PROJECT REVENUE BONDS, SERIES 2008 (LOUISVILLE ARENA AUTHORITY, INC.) PREVIOUSLY ISSUED BY THE AUTHORITY TO FINANCE THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, AND INSTALLATION OF THE KFC YUM! CENTER IN DOWNTOWN LOUISVILLE, KENTUCKY.

Ms. Williams presented Resolution 2017-11 for the approval to issue the Kentucky Economic Development Finance Authority ("KEDFA") Louisville Arena Project Refunding Revenue Bonds, Series 2017A in an amount not to exceed \$450 million. Ms. Williams explained that if the financing were approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds. Other sources of revenue, which are concurrently being renegotiated, include a TIF agreement, University of Louisville revenue, and a commitment from the City of Louisville. These agreements will be completed prior to the sale of the KEDFA bonds. The bonds to be refunded were previously issued to finance the acquisition, development, construction and installation of the KFC Yum! Center in downtown Louisville, KY. Ms. Williams reported the proceeds from the refunding would be used to refund and restructure all of the outstanding bonds of the KEDFA Louisville Arena Project Revenue Bonds Series 2008A, Taxable Series 2008B, and Taxable Subordinate Series 2008C. The financing team is evaluating the benefit of insurance for the transaction. The final maturity date will not exceed 35 years although the underwriter anticipates a shorter maturity date and is evaluating all factors to arrive at the most economically beneficial term for the transaction. New ratings will be obtained before the issuance of the refunding bonds. Current ratings are Ba3 underlying from Moody's (A2 insured) and BB underlying from S&P (AA insured). KEDFA approved the transaction on September 28, 2017. Upon approval from this Committee, it will be presented to the Capital Projects and Bond Oversight Committee on October 17, 2017. Staff recommended approval.

There being no discussion, Ms. Hill called for a motion to approve Resolution 2017-11. Mr. Ross made a motion and was seconded by Ms. McCoy-Johnson. Motion **CARRIED** and Resolution 2017-11 was **ADOPTED**.

Ms. Hill recognized John Brady to present Resolution 2017-12:

**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 \$10,500,000**

Mr. Brady presented Resolution 2017-12 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds in an amount not to exceed \$10.5 million for the Henry Greene Apartments Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation, and equipping of 125 units located at 1005 W. Jefferson Street in Louisville, Ky. The transaction was approved by the KHC Board of Directors on August 31, 2017, and will be presented to Capital Projects and Bond Oversight Committee on October 17, 2017. The developer is Allied Real Estate Partners, LLC. Mr. Brady noted that this debt is not a liability to KHC or the Commonwealth. Staff recommended approval.

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There being no discussion, Ms. Hill called for a motion to approve Resolution 2017-12. Ms. Smith made a motion and was seconded by Mr. Ross. Motion **CARRIED** and Resolution 2017-12 was **ADOPTED**.

With no further business before the Commission, Ms. Hill made a motion to adjourn and was seconded by Mr. Ross. Motion carried and the meeting adjourned at 3:40 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Barrow', written over a horizontal line.

Ryan Barrow
Secretary