

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**OCTOBER 13, 2016**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, October 13, 2016 at 2:13 p.m. ET in Room 182 of the Capitol Annex by William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. The Secretary asked for a roll call. Other members present were Secretary Scott Brinkman, permanent proxy for Governor Matt Bevin; Edgar C. Ross, State Controller, Office of the Controller; John E. Chilton, State Budget Director, Office of the State Budget Director; Katie Smith, proxy for Acting Secretary Erik Dunnigan, 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, Liz Columbia, Bethany Couch, Steve Starkweather, Denise Pitts and Tammy McCall.

Other Guests Present: Jeremy Ratliff, Kentucky Housing Corporation (“KHC”); and Carla Wright, Office of the State Budget Director.

Secretary Landrum verified that a quorum was present and that the press was notified of the meeting.

Secretary Landrum introduced the first item for business, which was approval of the minutes from the September 15, 2016 meeting. A motion to accept the minutes of the September 15, 2016 meeting was made by Mr. Ross and seconded by Director Chilton. Motion **CARRIED**.

Secretary Landrum called for a motion to **Remove Resolution 2016-33 from the Table**. Secretary Brinkman made a motion and was seconded by Ms. McCoy-Johnson. Motion **CARRIED**.

Secretary Landrum directed the Commission to Resolution **2016-33**:

**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 \$13,000,000.**

Mr. Brady reminded the committee members that the underwriter for this transaction was involved in a settlement with the U.S. Securities and Exchange Commission (“SEC”). All issues were settled and this transaction is ready for approval by the Commission. He presented Resolution 2016-33 for the approval to issue Kentucky Housing Corporation (“KHC”) Tax-Exempt Conduit Multifamily Housing Revenue Bonds, Series 2016, in an amount not to exceed \$13 million for the Downing Place Apartment Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation and equipping of a 193-unit property located at 3395 Spangler Drive, in Lexington, Kentucky. This transaction was approved by KHC’s Executive Committee on July 21, 2016 and will be presented to

the Capital Projects and Bond Oversight Committee (“CPBOC”) on October 18, 2016. Staff recommended approval.

Director Chilton asked about the nature of the settlement. Jeremy Ratliff, KHC, reported that some misrepresentations were made as to the risk involved in some investments sold to the Wisconsin Board of Education. The issue was discovered in 2011 and the person involved was immediately removed from his position with the underwriter. A settlement with the SEC was finalized last month. Director Chilton asked about the anticipated terms of the proposed Downing Place Apartment Project and was answered by Mr. Ratliff.

There being no further discussion, Secretary Landrum called for a motion to approve Resolution **2016-33**. Mr. Ross made a motion and seconded by Ms. Smith. Motion **CARRIED** and Resolution **2016-33** was **ADOPTED**.

Secretary Landrum directed the Commission to Resolution **2016-35**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF REVENUE AND REVENUE REFUNDING BONDS, SERIES 2016 (MASONIC HOME INDEPENDENT LIVING II, INC.-THE MEADOW PROJECT AND GROVE POINTE PROJECT) IN A PRINCIPAL AMOUNT OF UP TO \$140,000,000 BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY.**

Ms. Smith presented Resolution 2016-35 for the approval to issue Kentucky Economic Development Finance Authority (“KEDFA”) Healthcare Facilities Revenue Bonds, Series 2016, in a principal amount not to exceed \$140,000,000 for the benefit of the Masonic Home Independent Living II, Inc. Project. Proceeds of the bonds will be used to finance the construction, installation and equipping of health care and health related facilities consisting of independent and assisted living units located on the Masonic Homes campus in Louisville, Kentucky; and, to refinance the Series 2011 and 2014 Healthcare Facilities Revenue Bonds. The Louisville/Jefferson County Metro Government adopted a resolution on September 22, 2016, requesting KEDFA to issue the bonds, and a public hearing was conducted on September 29, 2016, in which no comments were received. If financing is approved, KEDFA will serve only as the conduit issuer. The bonds will not be a general obligation of KEDFA, and KEDFA will not be obligated to pay principal or interest on the bonds. KEDFA approved the project at its meeting on September 29, 2016, and it will be presented to CPBOC on October 18, 2016. Staff recommended approval.

After a brief discussion, Secretary Landrum called for a motion to approve **Resolution 2016-35**. Secretary Brinkman made a motion and was seconded by Ms. McCoy-Johnson. There being no further discussion, the motion **CARRIED** and Resolution 2016-35 was **ADOPTED**.

Secretary Landrum directed the Commission to Resolution **2016-36**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF MOREHEAD STATE UNIVERSITY GENERAL RECEIPTS BONDS (CONSTRUCT FOOD SERVICE/RETAIL & PARKING PROJECT).**

Mr. Starkweather presented Resolution 2016-36 for the approval to issue Morehead State University General Receipts Bonds, 2016 Series B, in an approximate principal amount of \$6.6 million. The 2016 Series B is a new money transaction that will be used to finance the Construct Food Service/Retail & Parking project as authorized in HB 303 of the 2016 Regular Session of the Kentucky General Assembly, and pay associated costs of issuance. The proposed date of sale was presented as November 9, 2016, in the board materials, but was changed to November 29, 2016, to accommodate changes to the issuers financing schedule. The transaction has been submitted to CPBOC for approval at the October 18, 2016, meeting. Staff recommended approval.

There being no discussion, Secretary Landrum called for a motion to approve Resolution **2016-36**. Ms. Smith made a motion and seconded by Mr. Ross. Motion **CARRIED** and Resolution **2016-36** was **ADOPTED**.

With no further business before the Commission, Ms. McCoy-Johnson made a motion to adjourn and was seconded by Ms. Smith. Motion carried and the meeting adjourned at 2:34 pm.

Respectfully submitted,



Ryan Barrow  
Secretary