

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
SEPTEMBER 10, 2014

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, September 10, 2014 at 1:30 p.m. ET in Room 182 of the Capitol Annex by Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were John Hicks, proxy for Governor Steven Beshear; Edgar C. Ross, State Controller, Office of the Controller; Corey Bellamy, proxy for Attorney General Jack Conway; Jane Driskell, State Budget Director; Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development; and Chad Aull, proxy for Lt. Governor Jerry Abramson.

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, Robin Brewer, Tom Midkiff, Steve Starkweather, John Brady, Liz Columbia and Tammy McCall.

Other Guests Present: Katherine Halloran and Josh Nacey from the Legislative Research Commission; Rob Barr from SOCAJR, Inc.; Shawn Dyer from Kentucky Housing Corporation; and Mike Herrington and Bob Vice from Sites & Harbison, PLLC.

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

After a review of the previous meeting minutes, a motion was made by Mr. Ed Ross and seconded by Ms. Jane Driskell to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the July 10, 2014 meeting were approved.

Secretary Flanery introduced Mr. Tom Midkiff for his introduction of Resolution **2014-13**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE INCURRENCE OF TAX-EXEMPT INDEBTEDNESS
BY THE KENTUCKY HOUSING CORPORATION IN ONE OR MORE
SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$30,000,000, THE PROCEEDS OF WHICH WILL BE LOANED TO
ROOSEVELT HOUSE, LLLP.**

Mr. Midkiff stated that Resolution 2014-13 is a resolution to approve Kentucky Housing Corporation (“KHC”) Tax-Exempt Conduit-Multifamily Housing Revenue Bonds in one or more series in an aggregate principal amount not-to-exceed \$30,000,000 for the benefit of Roosevelt House, LLLP. The proceeds will be used to finance the acquisition, rehabilitation and equipping of a multifamily residential rental facility of approximately 319 units located in Owensboro, Daviess County, Kentucky at 530 and 2920 Yale Place, Owensboro, Kentucky and to be owned by Roosevelt House, LLLP, a Kentucky limited liability limited partnership. This project was approved by KHC at the May 29, 2014

Board Meeting and will be presented to the Capital Projects and Bond Oversight Committee on September 16, 2014.

The project developer is SOCAYR, Inc. The proposed date of sale and issuance is in October 2014; it is not anticipated to be rated; the anticipated net proceeds are \$27,060,000; the estimated cost of issuance is \$440,000; and the estimated gross proceeds are \$27,500,000. The terms of issuance will have an anticipated Net Interest Rate of 4.0% during the draw down period, approximately 18 months; then there will be an anticipated long-term fixed Gross Interest Rate of 5.75% once the draw down period is complete. The anticipated annual debt service amount is \$890,029 and the anticipated gross debt service is \$23,971,120. The bonds will be callable anytime with no premium. The method of sale is private placement. Bond counsel is Frost Brown Todd LLC and the financial advisor is The Housing Partnership, Inc. Staff recommended approval.

Mr. Mike Herrington stated the project developer for this project just completed the Hillebrand House in Louisville, which is very similar to the Roosevelt House, and it had turned out very nice. Citibank is providing the construction funding and the permit. He explained that structurally there is a loan agreement between Citibank and KHC and a similar loan agreement between KHC and the developer in order to get the funding to the developer to complete the project. Mr. John Hicks asked about the current condition of the Roosevelt House. Mr. Rob Vice answered that the building was built during the 1970's and is currently 90% occupied. Mr. Shawn Dyer added that it has been operating at full occupancy for the last 10 years and has a waiting list of approximately 80 people. Mr. Hicks also asked if it participated in the Section 8 program, and Mr. Dyer affirmed. Secretary Flanery asked if all the units were one bedroom and Mr. Dyer affirmed.

Secretary Flanery asked the Commission members if they had any further questions. Ms. Jane Driskell made a motion to approve Resolution **2014-13**. It was seconded by Mr. Hicks. The motion **CARRIED** and Resolution **2014-13** was **ADOPTED**.

With no further business before the Commission, a motion was made by Mr. Hicks to adjourn the meeting. Motion **CARRIED**.

Respectfully submitted,



Ryan Barrow

Secretary