

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**SEPTEMBER 15, 2016**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday, September 15, 2016 at 2:30 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 Adrienne Southworth, proxy for Lt. Governor Jenean Hampton; 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 Mr. Leo Miller, 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 Lewis Diaz, Dinsmore & Shohl.

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 August 9, 2016 meeting. A motion to accept the minutes of the August 9, 2016 meeting was made by Ms. Smith and seconded by Mr. Ross. Motion **CARRIED**.

Secretary Landrum directed the Commission to Resolution **2016-32**:

**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 \$22,540,000.**

Mr. Brady presented Resolution 2016-32 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds, Series 2016, in an amount not to exceed \$22,540,000 for the Bristol Bluffs Project. The proceeds of the bonds will be used to finance the acquisition, construction and equipping of 216-unit property located 6203 Gellhaus Lane, Louisville, KY 40299. KHC has conducted a public hearing concerning the proposed project on September 14, 2016 following a delivery of notice to the public on August 29, 2016. The KHC Executive Committee of the Board of Directors approved the transaction on July 21, 2016, and it will be presented to the Capital Projects and Bond Oversight Committee (“CPBOC”) on September 20, 2016. The proposed date of sale is October 31, 2016, and proposed closing date is November 15, 2016. The anticipated rating from Standard and Poor’s is A-1+. The total project cost is approximately \$35

million. The anticipated net interest rate is 4.33% over a term of 16 years. The method of sale is a private placement with Red Stone LLC. Bond Counsel is Dinsmore & Shohl. The Developer is LDG Multifamily, LLC. Staff recommended approval.

After a brief discussion, Secretary Landrum called for a motion to approve Resolution 2016-32. Secretary Brinkman made a motion and seconded by Mr. Ross. Motion **CARRIED** and Resolution 2016-32 was **ADOPTED**.

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 informed the committee members that the project developer contacted KHC the morning of this meeting asking KHC to inform the Commission of a recent settlement involving the underwriter. Mr. Ratliff, with KHC, stated that the underwriter for this transaction had reached a settlement with the U.S. Securities and Exchange Commission ("SEC") this week involving issues that incurred with another state. The project's developer asked KHC to pull the transaction from the CPBOC's agenda for September 20, 2016, and submit it at a later date. Mr. Diaz, bond counsel with Dinsmore and Shohl, gave a brief history of the issue. The Commission was asked if they wanted to consider the project at this meeting or wait to consider it at a later date.

Ms. Smith made a Motion to Table Resolution 2016-33 and seconded by Mr. Miller. Motion **CARRIED** and Resolution 2016-33 was **TABLED**.

Secretary Landrum directed the Commission to Resolution 2016-34:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF WESTERN KENTUCKY UNIVERSITY GENERAL RECEIPTS BONDS, SERIES 2016B (CONSTRUCT PARKING STRUCTURE III) AND GENERAL RECEIPTS REVENUE REFUNDING BONDS, SERIES 2016C.**

Mr. Starkweather presented Resolution 2016-34 for the approval to issue Western Kentucky University ("WKU") General Receipts Bonds, 2016 Series B, in an approximate principal amount of \$9.5 million and General Receipts Refunding Bonds, 2016 Series C, in an approximate principal of \$32 million. The 2016 Series B is a new money transaction that will be used to finance the project listed as "Construct Parking Structure III" in HB 303 of the 2016 Regular Session of the Kentucky General Assembly, and pay associated costs of issuance. The 2016 Series C issuance will partially advance refund the WKU 2009 Series A Bonds (the 9/1/19 thru 9/1/28 maturities). The refunding

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of the 2009 Series C could yield a NPV savings of approximately \$2.92 million or about 10.3% to the University over the remaining life of the bonds. The All-in-True Interest cost of the 2016 Series B transaction is anticipated at 2.801% and the 2016 Series C transaction is anticipated at 2.098%. This transaction has been submitted to CPBOC for approval and is scheduled to be competitively bid on October 11, 2016. The underwriter is Hilliard Lyons and bond counsel is Dinsmore and Shohl. Staff recommended approval.

After a brief discussion, Secretary Landrum called for a motion to approve Resolution **2016-34**. Mr. Ross made a motion and seconded by Director Chilton. Motion **CARRIED** and Resolution **2016-34** was **ADOPTED**.

With no further business before the Commission, Ms. Smith made a motion to adjourn and was seconded by Mr. Miller. Motion carried and the meeting adjourned at 2:42 pm.

Respectfully submitted,

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

Ryan Barrow  
Secretary