



**MATTHEW G. BEVIN**  
Governor

**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**  
702 Capital Avenue  
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Frankfort, Kentucky 40601  
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**WILLIAM M. LANDRUM III**  
Secretary

**RYAN BARROW**  
Executive Director

May 24, 2018

William M. Landrum III  
Secretary  
Finance and Administration Cabinet  
Executive Director  
State Property and Buildings Commission  
702 Capital Avenue  
Frankfort, KY 40601

Dear Secretary Landrum:

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the \$28,945,000 State Property and Buildings Commission Agency Fund Revenue Bonds, Project No. 118, dated May 24, 2018.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Barrow".

Ryan Barrow  
Executive Director  
Office of Financial Management

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420**  
**\$28,945,000**  
**COMMONWEALTH OF KENTUCKY**  
**STATE PROPERTY AND BUILDINGS COMMISSION**  
**AGENCY FUND REVENUE REFUNDING BONDS**  
**PROJECT NO. 118**

**DESCRIPTION:**

The Bonds provide funds to (i) construct Dam 10 on the Kentucky River, and (ii) pay the costs of issuing the Bonds.

<b>PAR AMOUNT:</b>	\$28,945,000
<b>PRICING DATE:</b>	May 10, 2018
<b>CLOSING DATE:</b>	May 24, 2018
<b>DATED DATE:</b>	May 24, 2018
<b>FINAL MATURITY:</b>	April 1, 2038
<b>ABTRIBAGE YIELD:</b>	3.508234%
<b>TIC:</b>	3.625532%
<b>NIC:</b>	3.604830%
<b>BENCHMARK: (BBWK20GO)</b>	3.88% (May 10, 2018)
<b>METHOD OF SALE:</b>	Competitive
<b>FINANCIAL ADVISOR:</b>	Compass Municipal Advisors, LLC
<b>BOND COUNSEL:</b>	Dinsmore & Shohl, LLP
<b>RATING:</b>	A2

**SOURCES OF FUNDS:**

Par Amount of Series 2016 Bonds	\$28,945,000.00
Reoffering Premium	605,468.95
Funds of State Agency	<u>1,300,000.00</u>
<b>TOTAL SOURCES</b>	<b>\$30,850,468.95</b>

**USES OF FUNDS:**

Deposit to Project Fund	\$28,334,000.00
Deposit to Debt Service Reserve Fund	1,651,775.02
Deposit to Rate Stabilization Fund	248,505.51
Underwriter's Discount	547,536.07
Costs of Issuance*	<u>68,652.35</u>
<b>TOTAL USES</b>	<b>\$30,850,468.95</b>

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\* Includes legal fees, rating agency fees, and other costs of issuance.

**PROFESSIONAL SERVICES:**

Pursuant to KRS Chapter 45, the Issuer is providing information on all costs associated, either directly or indirectly, with this bond issuance. Costs are actual or estimated as of the date of closing of the issue.

<u>Firm</u>	<u>Service</u>	<u>Fee</u>
Compass Municipal Advisors	Financial Advisor	\$14,183.05
	IPREO	
	CUSIPS	
Dinsmore & Shohl	Bond Counsel	14,472.50
	Expenses	3,515.15
Moody's	Rating Service	25,000.00
US Bank	Trustee	1,500.00
McElwee & Quinn	Printer	855.00
OFM	Financial Advisor	7,236.25
	Miscellaneous	1,890.40
<b>Total</b>		<b>\$68,652.35</b>

**ATTACHMENTS:****OS Cover****Bond Debt Service Schedule**

**Book-Entry-Only**  
**NEW ISSUE**

**Ratings: See "Ratings" herein**

*In the opinion of Bond Counsel for the Series 2018 Bonds, based upon an analysis of laws, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants made by the Commission, and subject to the conditions and limitations set forth herein under the caption "TAX EXEMPTION," interest on the Series 2018 Bonds is excludable from gross income for Federal income tax purposes and is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes. Interest on the Series 2018 Bonds is exempt from Kentucky income tax and the Series 2018 Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.*

**\$28,945,000**

**COMMONWEALTH OF KENTUCKY**  
**State Property and Buildings Commission**  
**Agency Fund Revenue Bonds, Project No. 118**

**Dated: Date of Delivery**

**Due: April 1, as shown below**

The Agency Fund Revenue Bonds, Project No. 118 (the "Series 2018 Bonds") will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2018 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2018 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2018 Bonds, payments of the principal of, premium, if any, and interest due on the Series 2018 Bonds will be made directly to DTC. The Series 2018 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, and will bear interest payable on each April 1 and October 1, commencing on October 1, 2018. Principal of, redemption premium, if any, and interest on the Series 2018 Bonds will be paid directly to DTC by U.S. Bank National Association, as Trustee and Paying Agent.

The Series 2018 Bonds mature on the dates, in the principal amounts, bear interest at the rates per annum and have the prices or yields as follows:

<u>Maturity</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <sup>1</sup> <u>49151F</u>	<u>Maturity</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <sup>1</sup> <u>49151F</u>
2019	\$350,000	5.000%	1.870%	XT2	2029	\$1,140,000	3.000%	3.100%	YD6
2020	735,000	5.000	2.120	XU9	2030	1,020,000	3.000	3.200	YE4
2021	770,000	5.000	2.270	XV7	2031	1,045,000	3.125	3.300	YF1
2022	815,000	5.000	2.350	XW5	2032	1,085,000	3.250	3.400	YG9
2023	850,000	5.000	2.450	XX3	2033	1,120,000	3.250	3.500	YH7
2024	890,000	5.000	2.600	XY1	2034	2,815,000	3.375	3.550	YJ3
2025	950,000	5.000	2.700	XZ8	2035	2,910,000	3.375	3.600	YK0
2026	985,000	5.000	2.800	YA2	2036	3,010,000	3.500	3.650	YL8
2027	1,030,000	5.000	2.900	YB0	2037	3,115,000	3.500	3.700	YM6
2028	1,085,000	5.000	3.000	YC8	2038	3,225,000	3.625	3.730	YN4

The Series 2018 Bonds are subject to redemption prior to maturity as described herein.

The Series 2018 Bonds are being issued by the State Property and Buildings Commission (the "Commission"), an independent agency of the Commonwealth of Kentucky (the "Commonwealth"), at the request of the Finance and Administration Cabinet of the Commonwealth (the "Cabinet") and the Kentucky River Authority (the "State Agency") pursuant to a Bond Resolution adopted April 12, 2018 to (i) pay the costs of the 2018 Project for the State Agency defined herein, (ii) make the required deposit, together with other funds of the State Agency, into the Reserve Fund (as defined herein) and (iii) pay the costs of issuing the Series 2018 Bonds.

The Scheduled payment of principal of an interest on the Series 2018 Bonds when due will be guaranteed under a Municipal Bond Insurance Policy to be issued concurrently with the delivery of the Series 2018 Bonds by Build America Mutual Assurance Company.



THE SERIES 2018 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION. THE SERIES 2018 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF THE COMMONWEALTH, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH, BUT ARE PAYABLE SOLELY FROM AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS CREATED BY THE RESOLUTION AND FROM RENTAL INCOME DERIVED FROM THE BIENNIAL RENEWABLE LEASE (AS DESCRIBED AND DEFINED HEREIN) AMONG THE COMMISSION, THE CABINET AND THE STATE AGENCY, THE RENT FROM WHICH IS SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH ON A BIENNIAL BASIS. THE BONDHOLDERS HAVE NO SECURITY INTEREST IN ANY PROPERTIES CONSTITUTING THE PROJECT OR ANY AMOUNTS DERIVED THEREFROM. See "SECURITY FOR THE SERIES 2018 BONDS" herein.

The Series 2018 Bonds are offered when, as and if issued and accepted by the underwriter, subject to the approving legal opinion of Dinsmore & Shohl LLP, Covington, Kentucky, Bond Counsel. It is expected that delivery of the Series 2018 Bonds will be made on or about May 24, 2018 in New York, New York, through the facilities of DTC, against payment therefor.

Dated: May 18, 2018.

## Commonwealth of Kentucky

State Property and Buildings Commission

Agency Fund Revenue Bonds, Project No. 118

FINAL: Sold to UBS on 05.10.18 - Delivery 05.24.18

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2018	-	-	393,918.28	393,918.28
04/01/2019	350,000.00	5.000%	558,309.38	908,309.38
10/01/2019	-	-	549,559.38	549,559.38
04/01/2020	735,000.00	5.000%	549,559.38	1,284,559.38
10/01/2020	-	-	531,184.38	531,184.38
04/01/2021	770,000.00	5.000%	531,184.38	1,301,184.38
10/01/2021	-	-	511,934.38	511,934.38
04/01/2022	815,000.00	5.000%	511,934.38	1,326,934.38
10/01/2022	-	-	491,559.38	491,559.38
04/01/2023	850,000.00	5.000%	491,559.38	1,341,559.38
10/01/2023	-	-	470,309.38	470,309.38
04/01/2024	890,000.00	5.000%	470,309.38	1,360,309.38
10/01/2024	-	-	448,059.38	448,059.38
04/01/2025	950,000.00	5.000%	448,059.38	1,398,059.38
10/01/2025	-	-	424,309.38	424,309.38
04/01/2026	985,000.00	5.000%	424,309.38	1,409,309.38
10/01/2026	-	-	399,684.38	399,684.38
04/01/2027	1,030,000.00	5.000%	399,684.38	1,429,684.38
10/01/2027	-	-	373,934.38	373,934.38
04/01/2028	1,085,000.00	5.000%	373,934.38	1,458,934.38
10/01/2028	-	-	346,809.38	346,809.38
04/01/2029	1,140,000.00	3.000%	346,809.38	1,486,809.38
10/01/2029	-	-	329,709.38	329,709.38
04/01/2030	1,020,000.00	3.000%	329,709.38	1,349,709.38
10/01/2030	-	-	314,409.38	314,409.38
04/01/2031	1,045,000.00	3.125%	314,409.38	1,359,409.38
10/01/2031	-	-	298,081.25	298,081.25
04/01/2032	1,085,000.00	3.250%	298,081.25	1,383,081.25
10/01/2032	-	-	280,450.00	280,450.00
04/01/2033	1,120,000.00	3.250%	280,450.00	1,400,450.00
10/01/2033	-	-	262,250.00	262,250.00
04/01/2034	2,815,000.00	3.375%	262,250.00	3,077,250.00
10/01/2034	-	-	214,746.88	214,746.88
04/01/2035	2,910,000.00	3.375%	214,746.88	3,124,746.88
10/01/2035	-	-	165,640.63	165,640.63
04/01/2036	3,010,000.00	3.500%	165,640.63	3,175,640.63
10/01/2036	-	-	112,965.63	112,965.63
04/01/2037	3,115,000.00	3.500%	112,965.63	3,227,965.63
10/01/2037	-	-	58,453.13	58,453.13
04/01/2038	3,225,000.00	3.625%	58,453.13	3,283,453.13
<b>Total</b>	<b>\$28,945,000.00</b>	<b>-</b>	<b>\$14,120,327.82</b>	<b>\$43,065,327.82</b>

#118 (2018) | 5/30/2018 | 11:33 AM

**MGeorge**  
Compass Municipal Advisors, LLC