



**ANDY BESHEAR**  
Governor

**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**  
702 Capital Avenue  
Suite 76  
Frankfort, Kentucky 40601  
(502) 564-2924  
(502) 564-7416 Facsimile

**HOLLY M. JOHNSON**  
Secretary

**RYAN BARROW**  
Executive Director

May 4, 2020

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

Dear Secretary Johnson:

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 \$66,710,000 State Property and Buildings Commission Revenue Refunding Bonds, Project No. 122 Series C (Forward Delivery) dated May 4, 2020.

Sincerely,

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

Ryan Barrow  
Executive Director  
Office of Financial Management

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420**  
**\$66,710,000**  
**COMMONWEALTH OF KENTUCKY**  
**STATE PROPERTY AND BUILDINGS COMMISSION**  
**REVENUE REFUNDING BONDS, PROJECT NO. 122 SERIES C (FORWARD DELIVERY)**

**DESCRIPTION:**

The Bonds are being issued to provide funds with which to (i) refund on a forward basis certain outstanding Revenue and Revenue Refunding Bonds, Project No. 98 for present value savings and, (ii) pay costs of issuance.

**BOND SUMMARY STATISTICS:**

Par Amount:	\$66,710,000
Pricing Date:	October 8, 2019
Closing Date:	May 4, 2020
Dated Date:	May 4, 2020
Final Maturity:	November 1, 2021
Arbitrage Yield:	2.155%
TIC:	1.855%
NIC:	1.912%
All-In TIC:	1.928%
Benchmark (BBWK20GO):	2.590% (October 10, 2019)
Method of Sale:	Negotiated
Underwriter:	Citigroup

**RATINGS:**

Moody's:	A1
Fitch Ratings:	A+
Kroll:	A+

## **SOURCES AND USES OF FUNDS:**

### **SOURCES OF FUNDS:**

Par Amount of Bonds	\$ 66,710,000.00
Net Original Issue Premium	<u>3,339,502.60</u>
<b>TOTAL SOURCES</b>	<b>\$ 70,049,502.60</b>

### **USES OF FUNDS:**

Deposit to Escrow	\$ 69,705,125.00
Costs of Issuance*	<u>344,377.60</u>
<b>TOTAL USES</b>	<b>\$ 70,049,502.60</b>

\*Includes underwriters' discount, legal fees, rating agency fees, trustee fees, printing and other expenses of the issuance and offering of the Bonds.

## **REFUNDING:**

Par Amount of Refunded Bonds:	\$ 68,005,000.00
Net PV Savings:	\$ 1,742,738.36
Percentage Savings of Refunded Bonds:	2.5627%

**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.

<b>Firm</b>	<b>Service</b>	<b>Fee</b>
AVIA Communications, Inc.	Printer / Roadshow	\$ 655.32
U.S. Bank	Trustee	0.00
Kutak Rock LLP	Bond Counsel	10,006.50
Moody's	Rating Service	13,601.47
Fitch Ratings	Rating Service	18,832.81
Kroll Bond Rating Agency	Rating Service	11,508.94
AMTEC	Verification Agent	261.57
OFM	Financial Advisor	16,677.50
	Contingency / Misc.	<u>6,477.40</u>
TOTAL		\$ 78,021.51

**GROSS SPREAD/UNDERWRITER'S DISCOUNT:**

	<b>Per Bond</b>	<b>Total</b>
Underwriter's Average Takedown	3.750000	\$ 250,162.50
Underwriter's Other Fee	0.142746	9,522.59
Underwriter's Counsel	<u>0.100000</u>	<u>6,671.00</u>
TOTAL	3.992746	\$ 266,356.09

COST OF ISSUANCE GRAND TOTAL: \$ 344,377.60

**ATTACHMENTS:**

OS Cover  
Bond Debt Service Schedule  
Savings Schedule  
Summary of Bonds Refunded

**THIS OFFICIAL STATEMENT UPDATES THE OFFICIAL STATEMENT DATED OCTOBER 8, 2019 RELATING TO \$66,710,000 COMMONWEALTH OF KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION REVENUE REFUNDING BONDS, PROJECT NO. 122 SERIES C (FORWARD DELIVERY)**

**Book-Entry-Only**

**Ratings: Moody's: "A1"**

**Fitch: "A+"**

**Kroll: "A+"**

**(See "RATINGS" herein)**

**NEW ISSUE**

*In the opinion of Bond Counsel for the 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 TREATMENT," interest on the Bonds is excludible from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions. See "TAX TREATMENT" herein for a more complete discussion, and EXHIBIT F – "FORM OF BOND COUNSEL OPINIONS FOR THE BONDS."*



**COMMONWEALTH OF KENTUCKY  
State Property and Buildings Commission  
\$66,710,000 Revenue Refunding Bonds, Project No. 122 Series C  
(Forward Delivery)**

<b><u>Maturity</u></b> <b><u>(November 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP No.*</u></b>
2021	\$66,710,000	5.000%	105.006	1.590%	49151FE22

The Commonwealth of Kentucky State Property and Buildings Commission (the "Commission") is issuing its Revenue Refunding Bonds, Project No. 122, Series C (Forward Delivery) (the "Bonds" and the "Series C Bonds"). The 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 Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of, premium, if any, and interest due on the Bonds will be made directly to DTC. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Bonds will bear interest payable on each November 1 and May 1, commencing on November 1, 2020. Principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by U.S. Bank National Association, Louisville, Kentucky, as Trustee and Paying Agent.

The Bonds mature on the dates and in the principal amounts, bearing semiannual interest and have the prices and/or yields shown on the cover.

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption".

The Bonds are being issued by 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") pursuant to Bond Resolution adopted on September 10, 2019 (the "Resolution"). The Bonds are being issued to (i) refund on a forward basis certain outstanding Commission Revenue and Revenue Refunding Bonds, Project No. 98, as more completely identified in EXHIBIT D - SUMMARY OF PRIOR BONDS, and (ii) pay costs of issuing the Bonds.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION. THE 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 RESPECTIVE RESOLUTIONS AND FROM RENTAL INCOME DERIVED FROM THE BIENNIAL RENEWABLE LEASE WITH THE CABINET AND SUBLEASES (AS DESCRIBED AND DEFINED HEREIN), 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 BONDS" herein.

The cover page contains information for quick reference only and is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approving legal opinion of Kutak Rock LLP, Omaha, Nebraska, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Frost Brown Todd LLC, Louisville, Kentucky. It is expected that the Bonds will be available for delivery in New York New York, through the book-entry procedures of DTC, on or about May 4, 2020. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS FOR THE BONDS" for certain conditions regarding the obligations of the Underwriters to purchase the Bonds and certain risks to the purchasers of the Bonds resulting from the forward delivery thereof.

**Citigroup**

**Morgan Stanley**

**J.J.B. Hilliard, W.L. Lyons, a Baird Company**  
**FTN Financial Capital Markets**

**Raymond James**  
**Ross, Sinclaire & Associates, LLC**

**PNC Capital Markets LLC**  
**First Kentucky Securities Corp.**

Dated: April 22, 2020

## BOND DEBT SERVICE

Kentucky State Property and Buildings Commission  
Revenue Refunding Bonds, Project No. 122 Series C (Forward Delivery)  
Tax-Exempt Forward Refunding  
Rates as of October 8, 2019  
\*\*\*Final Numbers\*\*\*

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2020			1,639,954.17	1,639,954.17	
05/01/2021			1,667,750.00	1,667,750.00	
06/30/2021					3,307,704.17
11/01/2021	66,710,000	5.000%	1,667,750.00	68,377,750.00	
06/30/2022					68,377,750.00
	66,710,000		4,975,454.17	71,685,454.17	71,685,454.17

## SAVINGS

Kentucky State Property and Buildings Commission  
Revenue Refunding Bonds, Project No. 122 Series C (Forward Delivery)  
Tax-Exempt Forward Refunding  
Rates as of October 8, 2019  
\*\*\*Final Numbers\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 10/30/2019 @ 2.1548944%
08/01/2020	1,700,125.00		1,700,125.00		1,672,913.94
11/01/2020		1,639,954.17	-1,639,954.17		-1,605,082.37
02/01/2021	1,700,125.00		1,700,125.00		1,655,081.31
05/01/2021		1,667,750.00	-1,667,750.00		-1,614,887.59
06/30/2021				92,545.83	
08/01/2021	69,705,125.00		69,705,125.00		67,134,989.68
11/01/2021		68,377,750.00	-68,377,750.00		-65,504,613.70
06/30/2022				1,327,375.00	
	73,105,375.00	71,685,454.17	1,419,920.83	1,419,920.83	1,738,401.27

Savings Summary

Deliv Date	Refunding Funds on Hand	Total	Present Value to 10/30/2019 @ 2.1548944%
05/04/2020	4,384.87	4,384.87	4,337.10
			4,337.10

PV of savings from cash flow	1,738,401.27
Adjustments	4,337.10
Net PV Savings	1,742,738.36

SUMMARY OF BONDS REFUNDED

Kentucky State Property and Buildings Commission  
Revenue Refunding Bonds, Project No. 122 Series C (Forward Delivery)  
Tax-Exempt Forward Refunding  
Rates as of October 8, 2019  
\*\*\*Final Numbers\*\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Project No. 98 (Tax-Exempt), PROJ98:					
SERIAL3N	08/01/2021	5.000%	68,005,000.00	08/01/2020	100.000
			68,005,000.00		