

INVESTMENT GRADE RATINGS

Ratings reflect a credit rating agency’s opinion of a state’s creditworthiness relative to other borrowers in the financial markets. Ratings below Baa3/BBB-/BBB-/BBB- are considered speculative credits (“junk bonds”).

The rating agencies also assign “positive,” “stable,” and “negative” outlooks to their ratings to indicate the direction the rating is likely to move over an intermediate time period. The outlooks represent trends affecting a credit which have not reached a level warranting a change in a state’s credit rating, but may if continued. A negative outlook indicates a higher likelihood of a downgrade in a state’s credit rating while a positive outlook indicates a higher likelihood of an upgrade in a state’s credit rating.

Moody’s*		Standard and Poor’s*		Fitch*		Kroll*		Description
Long-Term	Short-Term**	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	
Aaa	MIG 1	AAA	A-1+	AAA	F1+	AAA	K1+	Prime
Aa1		AA+		AA+		AA+		
Aa2		AA		AA		AA		
Aa3***		AA-		AA-***		AA-***		
A1****		A+	A-1	A+****	F1/F1+	A+****	K1/K1+	Upper
A2	MIG 2	A***	A-2	A	F1/F1+	A	K1	Medium
A3		A-****		A-	F2/F1	A-	K2/K1	Grade
Baa1		BBB+	BBB+	BBB+	F2/F1	BBB+	K2	Lower
Baa2	MIG 3	BBB	A-3	BBB	F3/F2	BBB	K3/K2	Medium
Baa3		BBB-		BBB-	F3	BBB-	K3	Grade

*Outlooks are Stable/Positive/Stable/Stable

**MIG is Moody’s acronym for Municipal Investment Grade

***Commonwealth’s issuer credit/default ratings (ICRs/IDRs)/implied general obligation ratings (effectively what the Commonwealth’s general obligation ratings would be if it were to issue general obligation debt)

****Commonwealth’s lease appropriation rating for general fund supported debt

State Investor Relations and Debt Calendar websites are <https://bonds.ky.gov> and <https://finance.ky.gov/office-of-the-controller/office-of-financial-management/Documents/CurrentBondCalendar.pdf>.

Preliminary New Bond Issue Report

Issue: State Property & Buildings Commission
 Revenue Bonds, Project No. 127 Series A
 Revenue Bonds, Project No. 127 Federally Taxable Series B

Purpose of Issue: To (i) provide permanent financing for approximately \$255 million General Fund supported capitals project authorized by the General Assembly of the Commonwealth of Kentucky in H.B. 1 (2010 Special Session), H.B. 265 (2012 Session), H.B. 235 (2014 Session), H.B. 303 (2016 Session), H.B. 200 (2018 Session), H.B. 268 (2019 Session), H.B. 352 (2020 Session), H.B. 192 (2021 Session), H.B. 1 (2022 Session), and H.B. 241 (2022 Session); and, (ii) pay costs of issuance.

Please see Exhibit A for the list of projects expected to be financed in this issue.

Proposed Date of Sale: September 8, 2022
 Proposed Date of Delivery: October 5, 2022

Ratings:
 Moody's TBD
 Fitch TBD

	<u>Series A</u>		<u>Series B</u>		<u>Total</u>
Sources:					
Par amount of bonds:	\$ 190,840,000		\$ 40,280,000		\$ 231,120,000
Premium:	25,584,889				25,584,889
Total Sources:	\$ 216,424,889		\$ 40,280,000		\$ 256,704,889
Uses:					
Project Fund Deposit:	\$ 215,000,000		\$ 40,000,000		\$ 255,000,000
Issuance Cost:	1,424,889		280,000		1,704,889
Total Uses:	\$ 216,424,889		\$ 40,280,000		\$ 256,704,889

All-in True Interest Cost:	3.778%		4.280%		3.802%
Final Maturity Date:	6/1/2042		6/1/2028		6/1/2042
Average Annual Debt Service:	\$16,322,131		\$7,953,700		\$18,610,675
Total Debt Service:	\$320,820,561		\$44,982,592		\$365,803,154
Average Life (years):	13.62		2.897		11.753

Method of Sale: Negotiated
 Bond Counsel: Kutak Rock LLP
 Underwriter: Citigroup
 Underwriters' Counsel: Stites & Harbison PLLC
 Trustee: TBD
 Financial Advisor: Office of Financial Management

Based off cashflows as of 7/20/2022
Preliminary Subject to Change

EXHIBIT A
THE PROJECT

The Cabinet will lease all of the property, economic development projects or community development projects, as described below, to the extent proceeds of the Bonds are used to pay the costs thereof (portions of which costs have been paid with proceeds of Commission bonds previously issued or may be paid from the proceeds of Commission bonds to be issued in the future).

Agency	Project Title	Amount
<u>2010-12</u>		
Local Government	Flood Control - State Match	\$1,000
Economic Development-Financial Incentives	Economic Development Bonds	1,048,768
Economic Development-Financial Incentives	KEDFA	22,050,000.0
<u>2012-14</u>		
Environmental Protection	Maxey Flats Cap	1,618,129
Finance-Facilities & Supp Svcs	Statewide Microwave Network (KEWS) Maintenance	219,857
Behavioral Health	Electrical System Upgrade at Western - Design	330,069
<u>2014-16</u>		
Veterans' Affairs	Construct Fourth State Veterans' Nursing Home - Additional	620,769
Economic Development	High Tech Construction/Investment Pool - 2014-2016	2,250,000
Finance and Admin-General Admin	Next Generation Kentucky Information Highway	3,356,661
Finance and Admin-General Admin	Business-One Stop Portal - Phase II	2,444
Public Health	Radiation Monitoring Equipment	566,895
Eastern Ky University	Construct Science Building – Phase II & III	561,591
Ky State University	Replace Boilers and Repair Aging Distribution Lines	344,238
Morehead State University	Renovate/Expand Student Services Facility	212,574
KCTCS	Construct Advanced Manufacturing Facility - Georgetown	130,868
State Fair Board	Ky International Convention Center Renovation and Expansion	1,015,632
State Fair Board	Freedom Hall Sewer Line Replacement	705,022
Ky Center for the Arts	Roof Replacement	495,856
Parks	Upgrade Guest Accommodations	171,229
Murray State University	Construct New Breathitt Veterinary Center	1,284,542
University of Louisville	Construct Belknap Classroom/Academic Building	611,106
Western Ky University	Renovate Science Campus – Phase IV	102,749
<u>2016-18</u>		
Economic Development	Economic Development Bond Program - 2016-2018	7,000,000
Economic Development	High-Tech Construction/Investment Pool - 2016-2018	7,000,000
Economic Development	Kentucky Economic Development Finance Authority Loan Pool - 2016-2018	7,000,000
Education and Workforce-Gen Admin & Program Support	Workforce Development Construction Pool	8,908,433

Dept of Education-Operations & Support Services	Kentucky School for the Blind Howser Hall Renovation	40,424
Dept of Education-Operations & Support Services	Kentucky School for the Deaf New Elementary Building	117,072
Dept of Education-Operations & Support Services	Kentucky School for the Deaf McDaniel/Scoggin Education Building	20,195
Finance-General Administration	Business One-Stop Portal-Phase III	6,992,462
Facilities and Support Services	Maintenance Pool 2016-2018	125,178
Facilities and Support Services	Upgrade L&N Building	665,989
Facilities and Support Services	HVAC Replacement-CHR Building	646,777
Behavioral Health, Developmental and Intellectual Disabilities	Western State Hospital-Electrical Upgrade-Phase I	104,559
Corrections-Adult Institutions	Kentucky Correctional Institution for Women-Sewer Plant/Lines	2,403,487
Parks	Maintenance Pool 2016-2018	21,165
State Fair Board	Kentucky Exposition Center Roof Repair	3,768,887
<u>2018</u>		
Ky Infrastructure Authority	KIA Fund A Federally Assisted Wastewater Program 2018-2020	1,099,545
Education and Workforce Development-KET	FCC Transmitter Repack 2018-2020	535,466
Environmental Protection	State-Owned Dam Repair - 2018-2020	320,303
Facilities and Support Services	Maintenance Pool - 2018-2020	627,473
Facilities and Support Services	L&N Building Security and Structural Repairs	2,751,906
Facilities and Support Services	Upgrade Capitol Mechanical and Electrical System, Phase I	3,887,036
Facilities and Support Services	Emergency Generator Replacement COT/CHR	777,246
Health & Family Services-BHDID	Electrical & Telecommunications Upgrade-Western State Hospital, Phase II	3,410,000
Health & Family Services-BHDID	HVAC System Replacement – Hazelwood	3,711,996
Health & Family Services-BHDID	Renovate/Replace Cottages - Oakwood, Phase I	3,544,966
Justice Cabinet-Corrections-Adult Institutions	Maintenance Pool - 2018-2020	14,250
Justice Cabinet-Corrections-Adult Institutions	Demolish and Repair Tower Ky State Reformatory	3,450,294
Justice Cabinet-Corrections-Adult Institutions	Replace Perimeter Fence, Kentucky State Reformatory	214,807
Justice Cabinet - State Police	Two-Way Radio System Replacement, Phase I	65,255,259
Military Affairs	Armory Modernization Pool - 2018-2020	49,866
Parks	Maintenance Pool - 2018-2020	312,710
State Fair Board	Kentucky International Convention Center East Roof Replacement	525,716
State Fair Board	Maintenance Pool - 2018-2020	82,336
Revenue	Integrated Tax System	79,736,390
Finance - COT	Legacy System Replacement	7,657,965
KYTC	Kentucky Aviation Economic Development Fund	2,973,366
University of Kentucky	HealthCare Disparities Initiative	7,969,584
<u>2019</u>		
Economic Development	Economic Development Bond Bool	25,000,000
Parks	Hospitality Upgrades Pool	562,035
Parks	Life Safety System Upgrade and ADA Improvements Pool	1,427,200

Parks	Utilities and Communications Cabling Infrastructure Rep Pool	8,990,601
Parks	Lodge Roof Replacement and Repairs Pool	11,383,016
Parks	Waste Water Treatment and Infrastructure Upgrades Pool	20,100,000
<u>2020-2021</u>		
EKU	Purchase Aviation Maintenance Technician/Pilot Training Equipment	5,000,000
EKU	Construct Aviation/Aerospace Instructional Facility	3,016,000
Attorney General	Technology Upgrades	2,000,000
Veterans' Affairs	Construct Bowling Green Veterans Center	10,500,000
Ky Infrastructure Authority	Fund A-Federally Assisted Wastewater Program	8,172,000
Ky Infrastructure Authority	Fund F-Drinking Water Revolving Loan Program	8,222,000
Finance & Administration	Maintenance Pool	10,000,000
Finance & Administration	Capitol Campus Upgrade	22,000,000
Finance & Administration	Air Handler Replacement and Repair-Central Lab	2,201,000
Finance & Administration	Elevator Upgrades - Phase I	2,000,000
Corrections	Repair/Replace Roofs - Eastern KY Correctional Complex	6,531,000
Corrections	Install Emergency Generators-Luther Lockett & Green River	5,700,000
Corrections	Maintenance Pool	10,000,000
CHFS-Behavioral Health	Western State Hospital - Electrical Upgrade - Phase III	3,493,000
CHFS-Behavioral Health	Oakwood Renovate/Replace Cottages - Phase II	8,000,000
CHFS-Behavioral Health	Oakwood Replace, Upgrade and Enhance Emergency Generators	1,825,000
State Fair Board	Prestonia Grounds and Infrastructure Improvements	4,000,000
State Fair Board	Maintenance Pool	3,000,000
Parks	Wastewater Treatment Upgrades Pool	10,000,000
Parks	Maintenance Pool	10,000,000
Environmental Protection	State-Owned Dam Repair Pool	7,000,000
Education	State Schools Roof Replacement Pool	3,272,000
Education	State Schools HVAC Pool	10,000,000
Education	School Safety Facilities Upgrade	18,200,000
Health and Family Services	Maintenance Pool	10,000,000
Economic Development	Economic Development Bond Program	2,500,000
Economic Development	High-Tech Construction/Investment Pool	2,500,000
Economic Development	Ky Economic Development Finance Authority Loan Pool	2,500,000
Heritage Council	Records Digitization	1,000,000
Local Government	Flood Control – state match for Federal Funds	6,000,000
Finance & Administration	Fourth Floor Capitol Renovation	5,000,000
Corrections	Design Relocation of Corrections Medical Facility	10,100,000
Corrections	Design of the Expansion of Little Sandy Correctional Complex	8,000,000
Kentucky State University	Roof Repair and Replacement Pool	5,000,000
University of Kentucky	Sanders-Brown Center on Aging	14,000,000
<u>2022</u>		
EKU	Renovate Alumni Coliseum	31,350,000
EKU	Construct New Model Laboratory School	90,000,000
EKU	Assset Preservation Pool	54,806,000

Kentucky State University	Asset Preservation Pool	16,078,000
Morehead St University	Construct Science & Engineering Building	98,000,000
Morehead St University	Asset Preservation Pool	35,222,000
Murray St University	Construct School of Nursing & Health Professional Bldg	45,500,000
Murray St University	Asset Preservation Pool	47,176,000
Northern KY University	Expand Hermann Science Center	79,900,000
Northern KY University	Asset Preservation Pool	46,794,000
University of Kentucky	Construct Health Education Building	250,000,000
University of Kentucky	Asset Preservation Pool	154,196,000
University of Louisville	Speed School Addition	65,000,000
University of Louisville	Asset Preservation Pool	81,886,000
Western KY University	Construct New Gordon Ford College of Business	74,400,000
Western KY University	Asset Preservation Pool	68,080,000
KCTCS	Renovate Occupational Tech Ph 1-Elizabethtown CTC	16,500,000
KCTCS	Expand Leitchfield Campus-Elizabethtown CTC	9,000,000
KCTCS	Construct Student/Classroom-Bluegrass CTC Newtown	52,200,000
KCTCS	Asset Preservation Pool	179,262,000
Council on Postsecondary Education	Research Endowment Trust Fund	30,000,000
Council on Postsecondary Education	Comprehensive University Excellence Trust Fund	10,000,000
Kentucky Infrastructure Authority	Fund A-Federally Assisted Wastewater Program	13,047,000
Kentucky Infrastructure Authority	Fund F-Drinking Water Revolving Loan Program	13,671,000
Kentucky Infrastructure Authority	Fund B-Infrastructure Revolving Loan Program	25,000,000
Military Affairs	Construct Readiness Center Somerset	4,227,000
Local Government	Flood Control Matching Fund	12,000,000
School Facilities Construction Commission	Offers of Assistance	58,000,000
Economic Development	Economic Development Bond Program	10,000,000
Economic Development	High-Tech Construction/Investment Pool	10,000,000
Economic Development	Ky Economic Development Finance Authority Loan Pool	10,000,000
KY Dpt of Education	State Schools Safety and Security Pool	3,100,000
KY Dpt of Education	State Schools Dormitory and Cottage Renovation	7,000,000
KY Dpt of Education	Construct Leadership Training Center Classrooms	6,000,000
Environment Protection	State-Owned Dam Repair	8,000,000
Environment Protection	Southern Wood Treatment Site	5,604,000
Controller	eMARS Upgrade	14,000,000
Facilities	Historic Properties Deferred Maintenance	5,000,000
Facilities	HVAC Replacement/Rebuild-Variou	7,400,000
Facilities	L&N Building Exterior Upgrade	6,500,000
Facilities	CHR-Escalators Replacement/Elevator Upgrades	7,500,000
Facilities	Capitol Campus Renovation	260,000,000
Behavioral Health	Oakwood-Renovate/Replace Cottages, Phase III	9,998,000
Behavioral Health	Western State Nursing Facility-Renovations	6,336,000
Income Support	Kentucky Child Support Enforcement System (KASES III)	11,220,000
Community Based Services	The Workers Information System (TWIST) Modernization	9,497,000
Criminal Justice Training	New Indoor Firing Range	28,536,000
Corrections	Relocate Medical Services/CPTU from the Reformatory	171,126,000

Corrections	Little Sandy Correctional Complex-Expansion	106,340,000
State Police	Post 7 (Richmond) & 10 (Harlan) Construction	8,456,000
State Police	KSP Emergency Radio System Replacement-Phase III	80,909,000
State Police	KEWS Fiberglass Shelter Replacement	5,307,000
Parks	State Parks Improvement	150,000,000
Horse Park	Renovate International Museum of the Horse	4,000,000
Fair Board	State Fair Board Property Improvements	180,000,000
Fair Board	Maintenance Pool	20,000,000
Transportation Cabinet	Barkley Regional Airport Improvement Projects Pool	5,300,000
Transportation Cabinet	Mt. Sterling/Montgomery Co Airport Improvement Pool	8,000,000
Transportation Cabinet	Bardstown/Nelson Co Airport Improvement Pool	7,700,000
	Unallocated Bond Proceeds from SPBC 124	(150,000,000)
	Unallocated Bond Proceeds from SPBC 126	(100,000,000)
	Grand Total	\$3,163,741,961

Preliminary New Bond Issue Report

Issue: **The Turnpike Authority of Kentucky**
Economic Development Road Revenue Bonds (Revitalization Projects) 2022 Series B with a principal amount not to exceed \$50,000,000

Purpose of Issue: The 2022 Series B Bonds will be issued for \$50 million of New Money Road Fund supported projects authorized by House Bill 3 of the 2010 Extraordinary Session of the General Assembly, and pay associated costs of issuance.

Proposed Date of Sale: September 28, 2022
Proposed Date of Delivery: October 20, 2022

Ratings:
Moody's TBD
Kroll TBD

	<u>New Money</u> 2022 Series B
<u>Sources:</u>	
Par amount of bonds:	\$43,575,000
Premium:	6,728,515
Total Sources:	<hr/> \$50,303,515

<u>Uses:</u>	
Project Fund Deposit:	\$50,000,000
Costs of Issuance:	303,515
Total Uses:	<hr/> \$50,303,515

All-in True Interest Cost: 3.526%
Final Maturity Date: 7/1/2042
Average Annual Debt Service: \$3,634,171.0
Total Debt Service: \$71,583,072.9
Average Life (years): 12.855

Method of Sale: Negotiated
Bond Counsel: Dinsmore & Shohl, LLP
Underwriter: JP Morgan
Underwriters' Counsel: Stites and Harbison
Trustee: The Bank of New York Mellon Trust Company
Financial Advisor: Office of Financial Management

Preliminary cashflows as of 8/4/2022
Preliminary Subject to Change

BOND DEBT SERVICE

The Turnpike Authority of Kentucky
 Economic Development Road Revenue Bonds
 2022 Series B
 Preliminary
 Rates as of August 4, 2022

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2023			1,519,072.92	1,519,072.92
07/01/2024			2,178,750.00	2,178,750.00
07/01/2025			2,178,750.00	2,178,750.00
07/01/2026	1,685,000	5.000%	2,178,750.00	3,863,750.00
07/01/2027	1,770,000	5.000%	2,094,500.00	3,864,500.00
07/01/2028	1,860,000	5.000%	2,006,000.00	3,866,000.00
07/01/2029	1,950,000	5.000%	1,913,000.00	3,863,000.00
07/01/2030	2,050,000	5.000%	1,815,500.00	3,865,500.00
07/01/2031	2,155,000	5.000%	1,713,000.00	3,868,000.00
07/01/2032	2,260,000	5.000%	1,605,250.00	3,865,250.00
07/01/2033	2,375,000	5.000%	1,492,250.00	3,867,250.00
07/01/2034	2,490,000	5.000%	1,373,500.00	3,863,500.00
07/01/2035	2,615,000	5.000%	1,249,000.00	3,864,000.00
07/01/2036	2,745,000	5.000%	1,118,250.00	3,863,250.00
07/01/2037	2,885,000	5.000%	981,000.00	3,866,000.00
07/01/2038	3,030,000	5.000%	836,750.00	3,866,750.00
07/01/2039	3,180,000	5.000%	685,250.00	3,865,250.00
07/01/2040	3,340,000	5.000%	526,250.00	3,866,250.00
07/01/2041	3,505,000	5.000%	359,250.00	3,864,250.00
07/01/2042	3,680,000	5.000%	184,000.00	3,864,000.00
	43,575,000		28,008,072.92	71,583,072.92