

56.590 Construction, financing by state of public buildings and improvements in capital city -- Methods of financing -- Title to real estate.

- (1) When the cabinet finds that the general welfare of the State Capitol and its environs and the public purposes of the Commonwealth would be promoted by the construction of buildings and improvements on land owned by the Commonwealth in the vicinity of and complimentary to the Capital Plaza in the capital city, it may, in addition to any other methods prescribed by law, authorize the construction of such buildings and improvements as provided in this section.
- (2) The costs of constructing buildings and improvements determined to be needed by the cabinet under this section may be paid in whole or in part (a) out of funds specifically appropriated for the construction of such buildings and improvements, or (b) out of funds derived or which may be derived from the issuance and sale of revenue bonds as authorized by this chapter or by KRS Chapter 58, or (c) by private capital under a conveyance and leaseback agreement as authorized by this section, or (d) by any combination of said methods.
- (3) When the cabinet authorizes the construction of buildings and improvements under this section, the costs of which are proposed to be financed wholly by private capital under a conveyance and leaseback agreement, or partly by private capital in combination with any other method authorized by subsection (2) of this section, the cabinet, acting for and on behalf of the Commonwealth, may convey the fee simple or any lesser interest in, including air rights above, any land owned by the Commonwealth in the vicinity of the Capital Plaza to any person, corporation, or partnership, to which such land or any interest therein has been or will be leased, subject to a written agreement by such person, corporation, or partnership to construct such buildings and improvements thereon and to reconvey such land to the Commonwealth subject to a mortgage placed on the land or interest therein by the person, corporation or partnership, for the purpose of securing private financing of all or a part of the costs of construction of such buildings and improvements, and for the leaseback to such person, corporation or partnership of such land, buildings and improvements. Any mortgage placed on the land under this subsection shall not constitute a general obligation or debt of the Commonwealth but the Commonwealth may, in the event of default, redeem the mortgage if it so elects.
- (4) The cabinet may divide any building or improvement project authorized under this section into two (2) or more parts or units for purposes of financing the costs of construction of each such part or unit and may agree that the Commonwealth's interest in any part or unit of such project conveyed to any person, corporation or partnership, and reconveyed to the Commonwealth subject to a mortgage as authorized by subsection (3) of this section may be subordinate and inferior to such mortgage, provided, however, that such mortgage shall not constitute a general obligation or debt of the Commonwealth, and the Commonwealth may, in the event of default, redeem the mortgage if it so elects.
- (5) Any agreements made under this section shall be made only with the written consent of the State Property and Buildings Commission and shall be signed in the name of the Commonwealth by the secretary of the Finance and Administration

Cabinet and the Governor and shall be lodged for record in the office of the Secretary of State.

Effective: June 17, 1978

History: Created 1978 Ky. Acts ch. 120, sec. 1, effective June 17, 1978.