

441.630 Contents of agreement between authority and local government -- Limits of authority's financial participation in projects.

If the authority deems it suitable, feasible, necessary, or expedient that any project or projects be financed or refinanced and constructed by the authority, the authority may make one (1) or more written agreements in which the parties may include provisions as to any of the following:

- (1) Identify the project to be financed by the authority, setting forth specifications and design of the facilities to be constructed, reconstructed, improved, or repaired, and any other information which is deemed necessary and proper for the development of the project;
- (2) Set forth what portions, if any, of the cost of the project have been or shall thereafter be contributed by the authority from the funds and other resources available to it during the then current biennium and not previously obligated. The authority's contribution from its funds, excluding rentals received under leases made by the authority and any contribution, grant, or gift made to the authority by a local government, person, or entity other than the state, for the use and benefit of the project, shall not exceed ninety percent (90%) of the cost;
- (3) Set forth agreements for planning, design, acquisition of property, soliciting construction bids, awarding construction contracts, issuing of work orders, and other steps necessary or incidental to the construction of the project, and authorizing and selling bonds for the project;
- (4) Agree that upon completion of the project the lessee will continuously pay all of the cost of repairing, maintaining, and operating the project;
- (5) Agree that upon the happening of stated events and the performance of stated conditions not inconsistent with law, the authority shall convey the project to the lessee;
- (6) Set forth the terms and provisions of lease or proposed conveyance to be entered into by and between the authority and any local government, including the requirement that all new jail construction projects receiving any authority funding shall provide an agreed upon number of beds for state prisoners at a rate set by the commissioner of the Department of Corrections but which in no case shall be less than seventy-five percent (75%) of the actual daily cost of maintaining a prisoner;
- (7) Agree that upon determination of the amount of bonds to be issued by the authority for the project and the interest rate or rates the bonds are to bear, and prior to the delivery of any bonds to the purchaser, the rental to be paid during the term of the lease and each term for which the lease may be renewed shall be established according to a method of computation set forth in the proposed lease, and that the authority and lessee, each by authorized persons, shall execute the lease and file the original or a signed counterpart in the office of the authority, and the Secretary of State of the Commonwealth;
- (8) Agree to establish any method of interim financing by the authority during the construction of any project, with borrowed funds from any bank, trust company, or banking institution, the funds to be amortized from money obtained through the sale

of revenue bonds before, during, or at completion of the construction of such project or projects; and

- (9) Agree to establish guidelines for the construction, reconstruction, improvement, or repair of projects determined by the authority to qualify for grants from the authority.

Effective: July 14, 1992

History: Amended 1992 Ky. Acts ch. 211, sec. 129, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 497, sec. 16, effective July 13, 1990. -- Amended 1984 Ky. Acts ch. 415, sec. 7, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 235, sec. 6, effective July 15, 1982.