

**STATE TRANSPORTATION BOARD OF GEORGIA
MINUTES**

**Georgia Department of Transportation
600 West Peachtree Street
Atlanta, Georgia 30308**

**May 21, 2015
9:00 a.m.**

BOARD MEMBERS IN ATTENDANCE:

Don Grantham, Chairman
Emily Dunn, Vice Chair
Robert L. Brown, Jr., Secretary
Ann Purcell
Johnny Floyd
Sam Wellborn
Mark Burkhalter – *via telephone*
Rudy Bowen
Jamie Boswell
Jeff Lewis
Dana Lemon
Roger Williams

BOARD MEMBERS ABSENT:

Stacey Key

DOT STAFF IN ATTENDANCE:

Russell McMurry, Commissioner
Todd Long, Deputy Commissioner
Angela Whitworth, Treasurer
Meg Pirkle, Chief Engineer
Matt Cline, General Counsel

Chairman Don Grantham called the meeting to order at 9:00 a.m. A moment of silence was observed in honor of fallen member Jay Shaw and the many contributions he made to Georgia. Jeff Lewis gave the invocation.

Commissioner Russell McMurry introduced Jay Roberts as Governor Nathan Deal's nominee to fill the role of Planning Director. Chairman Grantham welcomed Mr. Roberts on behalf of the Board and the Department.

Chairman Grantham asked for a motion to approve the minutes from the April 2015 meetings. Johnny Floyd made a motion to approve the minutes from the April 2015 meetings, seconded by Roger Williams and unanimously approved.*

Genetha Rice-Singleton, Assistant Director P3/Program Delivery, presented the projects proposed for the June 2015 Letting for approval. Mike Dover, TIA Administrator, presented the TIA projects proposed for the June 2015 Letting. Chairman Grantham asked for a motion to approve. Sam Wellborn made a motion to approve the projects proposed for the June 2015 Letting, seconded by Ann Purcell and unanimously approved.*

Cindy VanDyke, State Transportation Planning Administrator, presented the revisions to the Construction Work Program encompassing work related to the bridge bond package to be presented at the June Board meeting for approval.

Commissioner Russell McMurry gave the monthly Department report, including state fund collections; total employment figure for the month ending April 2015; major projects opened to traffic; project and staff awards; an update on the Palmetto Pipeline; the newly launched *Drive Alert. Arrive Alive.* safety campaign; and Department preparations in anticipation of new funds from HB170.

Chairman Grantham asked for a motion to approve the following resolution. Ann Purcell made a motion to approve the following resolution, seconded by Jeff Lewis and unanimously approved.

RESOLUTION OF THE STATE TRANSPORTATION BOARD

- I. **WHEREAS**, the Department of Transportation (the "Department") was created as a department of the State of Georgia (the "State") in accordance with O.C.G.A. §§ 32-2-1 and 32-2-2;
- II. **WHEREAS FURTHER**, the State Transportation Board (the "Board") is charged with the general control and supervision of the Department, including, but not limited to, the approval of all long-range plans and programs of the Department, in accordance with O.C.G.A. § 32-2-21;
- III. **WHEREAS FURTHER**, pursuant to Article VII, Section IV of the Constitution of the State of Georgia (the "Georgia Constitution"), the State may finance certain capital needs directly through the issuance of general obligation debt;
- IV. **WHEREAS FURTHER**, pursuant to Article VII, Section IV, Paragraph VII(a) of the Georgia Constitution, and the "Georgia State Financing and Investment Commission Act", O.C.G.A. §§ 50-17-20 through 50-17-30 (the "Commission Act"), the Georgia State Financing and Investment Commission (the "Commission") is the agency and instrumentality of the State charged with issuing debt of the State and ensuring the proper application, as provided by law, of the proceeds of such debt to the purposes for which the debt is incurred;
- V. **WHEREAS FURTHER**, Article VII, Section IV, Paragraph I (c) of the Georgia Constitution, and the Commission Act provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter "General Obligation Debt") may be incurred to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of those State authorities which were created and activated prior to November 8, 1960;
- VI. **WHEREAS FURTHER**, as set forth in **ATTACHMENT 1** attached hereto and incorporated herein, the General Assembly has passed and the Governor has signed various appropriations acts authorizing amounts from state general funds to be appropriated for the purpose of financing certain capital projects through the issuance of General Obligation Debt, and such appropriations are more fully set forth in such **ATTACHMENT 1**;
- VII. **WHEREAS FURTHER**, with respect to the appropriations set forth in **ATTACHMENT 1** hereto, the State previously has issued General Obligation Debt as indicated and there remains the General Obligation Debt Available, as more fully set forth in **ATTACHMENT 1** hereto;

VIII. WHEREAS FURTHER, the Board finds an immediate need for the aggregate principal amount of \$111,465,000 of the General Obligation Debt Available as set forth in **ATTACHMENT 1** hereto for the purpose of financing some or all of the projects and facilities associated with the appropriations set forth in **ATTACHMENT 1** hereto (the "Projects");

IX. WHEREAS FURTHER, the Board therefore desires to request the issuance of \$111,465,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto (the "General Obligation Bonds"), for the purpose of financing some or all of the Projects;

X. WHEREAS FURTHER, the Board is aware that the Projects (other than the "Private Use Projects", as defined below) shall be completed with proceeds derived from the sale of the General Obligation Bonds with the intent that interest on such General Obligation Bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") (such General Obligation Bonds being referred to as the "Tax-Exempt Bonds");

XI. WHEREAS FURTHER, the Board is aware of the provisions and requirements of the Code and the regulations issued thereunder respecting arbitrage bonds and private activity bonds, and is aware that the Projects must proceed with due diligence and be timely completed following receipt of the proceeds derived from the sale of the General Obligation Bonds (the "Bond Proceeds");

XII. WHEREAS FURTHER, as used in this Resolution, the term:

A. "Private Use Projects" shall mean the projects and facilities associated with those appropriations, as set forth in **ATTACHMENT 1** hereto, which are designated as "**FEDERALLY TAXABLE**"; may give rise to "private business use" within the meaning of Section 141(b)(1) of the Code;

B. "Private Use Bonds" shall mean the federally taxable General Obligation Bonds applicable to the Private Use Projects;

C. "Private Business Use Proceeds" shall mean that portion of the Bond Proceeds derived from the sale of the Private Use Bonds;

D. "Tax-Exempt Projects" shall mean the Projects, excluding the Private Use Projects, financed with the proceeds of the Tax-Exempt Bonds;

E. "Tax-Exempt Proceeds" shall mean the Bond Proceeds derived from the sale of the Tax-Exempt Bonds;

XIII. WHEREAS FURTHER, the Board intends to use all or a portion of the Private Business Use Proceeds for certain purposes which may give rise to "private business use", as defined by Section 141 of the Code and thus is requesting that the Private Use Bonds be issued as federally taxable bonds,

NOW, THEREFORE, BE IT RESOLVED BY THE STATE TRANSPORTATION BOARD THAT:

SECTION 1.

The Board hereby approves and authorizes the Projects.

SECTION 2.

The Board hereby requests the Georgia State Financing and Investment Commission to undertake to issue \$111,465,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto, for the purpose of financing some or all of the Projects.

SECTION 3.

The Board hereby determines and agrees that:

- (a) the final plans for the Tax-Exempt Projects are sufficiently complete such that substantial binding obligations to a third party or parties (as defined in the regulations issued under the Code), involving the expenditure of at least five percent (5%) of the Tax-Exempt Proceeds herein requested, to commence or acquire the Tax-Exempt Projects will be incurred within six (6) months after the issuance of such Tax-Exempt Bonds;
- (b) eighty-five percent (85%) of the Tax-Exempt Proceeds herein requested will be expended within three (3) years after the issuance of such Tax-Exempt Bonds;
- (c) the Tax-Exempt Proceeds herein requested, and anticipated investment proceeds (net of interest on such Tax-Exempt Bonds during the estimated period of construction), will not exceed the amount necessary for the governmental purposes of financing the Tax-Exempt Projects;
- (d) during the time the Tax-Exempt Bonds herein requested are outstanding, the Department will not take, or omit to take, any action which would cause such Tax-Exempt Bonds to be deemed private activity bonds or arbitrage bonds under the Code;
- (e) the Department will not use the Tax-Exempt Proceeds herein requested, or the Tax-Exempt Projects financed with such Tax-Exempt Proceeds, for any non-governmental purpose, or any purpose that would give rise to private business use within the meaning of the Code, except for those specific instances in which the Department has previously consulted with the Commission;
- (f) the term of the Tax-Exempt Bonds related to the Tax-Exempt Projects will not be longer than 120% of the reasonably expected economic life of the Tax-Exempt Projects financed thereunder;
- (g) no Tax-Exempt Proceeds herein requested will be used for reimbursement of any Tax-Exempt Project expenditures which were made before the anticipated delivery date of such Tax-Exempt Bonds, except in situations where, prior to any such expenditure, the Department has obtained a declaration of "Official Intent" (as defined by the Code) from the Commission, or the Department has been otherwise advised in writing by the Commission that such reimbursement will be permitted, it being the intention of the Department to comply in all respects with Section 1.150-2 of the regulations under the Code;
- (h) all of the expenditures of the Tax-Exempt Proceeds for the Tax-Exempt Projects will constitute capital expenditures (as defined in Section 1.150-1(b) of the regulations under the Code);

(i) with respect to the Tax-Exempt Projects, all of the Tax-Exempt Proceeds will be allocated to Tax-Exempt Project expenditures no later than the earlier of: (i) eighteen (18) months after the date such Tax-Exempt Project is placed in service, or (ii) five (5) years after the issuance of such Tax-Exempt Bonds; any unallocated Tax-Exempt Proceeds remaining after the earlier of such dates shall be transferred to the Commission and used to redeem outstanding tax-exempt General Obligation Debt of the applicable issue.

SECTION 4.

The Board hereby determines and agrees that with respect to any Department project previously financed with proceeds of General Obligation Debt issued by the State with the intent that (i) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code or (ii) such bonds at the time of their issuance were designated by the State as Build America Bonds under Section 54AA of the Code (a "Prior Bond Project"), and where any Prior Bond Project bonds remain outstanding (including any refunding bonds), the Board certifies that such Prior Bond Project is not now being used for any private business use within the meaning of pertinent provisions of the Code, except for those specific instances in which the Department has identified to the Commission such use of the Prior Bond Project(s) and (a) provision was made so as to retire, redeem or defease any and all then-remaining outstanding bonds for the Prior Bond Project(s) concurrent with such use or (b) the Commission has determined that the aforementioned retirement, redemption or defeasance is not required to maintain the tax-exempt or Build America Bond status of such bonds.

SECTION 5.

The Commissioner of Transportation, the Chairman of the Board, the Secretary of the Board, and their valid delegates each are hereby authorized and directed to execute any instruments and take whatever action which may be necessary in connection with the issuance of the General Obligation Bonds by the Commission, including, but not limited to, the preparation and execution of answers in connection with any legal proceeding as to the validity of any action by the Board with respect to the issuance of the General Obligation Bonds by the Commission. The Attorney General or any Assistant Attorney General of the State are authorized to execute Acknowledgment of Service and Waiver of Process in such legal proceedings.

SECTION 6.

All attachments, exhibits and schedules attached hereto or referenced in this Resolution are hereby incorporated herein and made a part hereof.

ATTACHMENT 1

**DEPARTMENT OF TRANSPORTATION
APPROPRIATIONS**

Pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Assembly has passed and the Governor has signed various appropriations acts set forth in this Attachment 1, so as to make certain appropriations to the State of Georgia General Obligation Debt Sinking Fund for the purpose of financing certain capital projects through the issuance of General Obligation Debt.

H.B. 76, State Fiscal Year 2015-2016:

The General Appropriations Act for the State Fiscal Year 2015-2016 (Ga. L. 2015, Volume One, Appendix, commencing at p. 1 of 251, Act No. ____, 2015 Regular Session, H.B. 76) pending signature by the Governor.

H.B.	Bond	Appropriation	General Obligation Debt Authorized	General Obligation Debt Previously Issued	General Obligation Debt Available	General Obligation Debt Requested
76	355.661	From State General Funds, \$399,324 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$4,665,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	\$4,665,000	\$0	\$4,665,000	\$4,665,000
76	355.662	From State General Funds, \$208,840 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,300,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	2,300,000	0	2,300,000	2,300,000
76	355.663	From State General Funds, \$8,560,000 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$100,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	100,000,000	0	100,000,000	100,000,000
76	355.664	From State General Funds, \$408,600 is specifically appropriated for the purpose of financing projects and facilities for the Department of Transportation by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$4,500,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	4,500,000	0	4,500,000	4,500,000
Total			\$111,465,000	\$0	\$111,465,000	\$111,465,000

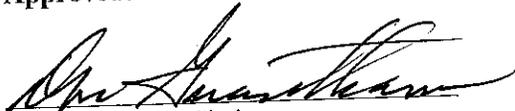
Ann Purcell gave a report from the Finance Committee.* Ms. Purcell recommended the approval of the sale of the bond package as presented to the full Board, seconded by Sam Wellborn and the motion carried.

Jeff Lewis gave a report from the Program Delivery Committee.* There was no action taken at the meeting.

Johnny Floyd gave a report from the Legislative Committee.* There was no action taken at the meeting.

There being no further business, Chairman Grantham adjourned the meeting at 10:09 a.m.

Approved:


Don Grantham, Chairman

Respectfully submitted:


Robert L. Brown, Jr., Secretary

**Denotes documentation in file.*