Minutes

Texas Bond Review Board

Planning Session

Tuesday, January 14, 2014, 10:00 a.m.

Capitol Extension, Room E2.026

1400 N. Congress Ave.

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a planning session at 10:00 a.m., Tuesday, January 14, 2014 in the Capitol Extension Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Hasan Mack, Alternate for Lieutenant Governor David Dewhurst; Kenneth Besserman, Alternate for Comptroller Susan Combs and Andrew Blifford, Alternate for Speaker Joe Straus. Also in attendance were Stephanie Leibe with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, Executive Director, called the meeting to order at 10:03am. He announced that this was a planning meeting of Board staff to receive and discuss information relative to the applications before the Board. No votes would be taken. A quorum was present**.**

1. **Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes, Series 2008 (Texas Parks and Wildlife Department and Texas Military Department)**

Representatives were: John Hernandez, Deputy Director, TPFA; Pamela Scivicque, Business Manager, TPFA; John Barton, Senior Bond Analyst, TPFA; Richard McMonagle, Division Director, Infrastructure Division, TPWD; Joseph Molis, Branch Manager, Administration and Finance, Infrastructure Division, TPWD; Col. Tracy Norris, Director, Construction and Facility Management Office, TMD; Pam Darden, Chief Financial Officer, TMD; Amanda Hafer, Deputy Chief Financial Officer, TMD.

TPFA is seeking approval to issue CP notes under the 2008 Program to finance capital expenses related to deferred maintenance projects for the Texas Parks and Wildlife Department (TPWD) and the Texas Military Department (TMD), formerly known as the Texas Adjutant General’s Department, in a total amount of $13,500,000 plus the costs of issuance and related administrative costs, if any. TPFA currently plans to issue $11,000,000 for TPWD and $2,500,000 for TMD. Legislative Budget Board (LBB) approval for the TPWD was received on October 21, 2013. TMD submitted its request for LBB approval on November 4, 2013 and expects to receive approval by the January 23, 2014 Board Meeting.

1. **Texas Public Finance Authority Charter School Finance Corporation Education Revenue Bonds (Universal Academy Charter School), Series 2013A, Taxable Series 2013B and Taxable Series 2013Q (Qualified School Construction Bonds)**

This application has been withdrawn**.**

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Decatur-Angle Apartments) Series 2014**

Representatives present were: Teresa Morales, Multifamily Division Manager, TDHCA; Elizabeth Bowes, Bond Counsel, Bracewell & Giuliani; Barton Withrow, Financial Advisor, George K. Baum & Co.; Debra Guerrero, Vice President, NRP Group; Jason Archiega, Development Project Manager, NRP Group.

TDHCA submitted an application to issue its Multifamily Housing Revenue Bonds (Decatur-Angle Apartments) Series 2014 in a maximum par and total proceeds amount of $23,000,000 including premiums if any. The total cost for the project is estimated to be $39,846,470 to be funded from a combination of sources including proceeds of tax-exempt bonds, housing tax credits and a HOME loan from the City of Fort Worth.

The proceeds of the bonds will be used for the acquisition and construction of a 302-unit multifamily residential rental development to be known as The Decatur-Angle Apartments (Decatur or the Property) that will be located at approximately the northeast corner of Old Decatur Road and Angle Ave. in Fort Worth, TX. Of the 302 total residential units, 16 units will be rent and income restricted at 50% of the Area Median Family Income (AMFI) to meet the requirements of the HOME funding from the City of Fort Worth, and the remaining 286 units will be rent and income-restricted at 60% AMFI.

The bonds will be issued pursuant to Chapter 1371 and Chapter 2306 of the Texas Government Code.

The Private Activity Bond (PAB) reservation was issued to TDHCA on November 14, 2013 and expires on April 13, 2014.

The Borrower expects to receive a 100% tax abatement under Chapter 394 of the Texas Local Government Code. The Borrower has received a pre-determination letter of eligibility from the Tarrant Appraisal District and expects to receive notice of full tax exemption upon completion of the project.

The TDHCA Board approved the inducement resolution at the September 12, 2013 Board meeting. The TDHCA Board is expected to approve a final resolution adopting the bond issuance at its meeting at 9:00am on January 23, 2014, the day of the BRB Board meeting.

1. **EXEMPT – Grand Parkway Transportation Corporation Grand Parkway System Toll Revenue Refunding Obligations (in one or more Series of Bonds, Notes or other Obligations)**

Representative present was: Benjamin Asher, Innovative Financing/Debt Management Officer, TXDOT.

TXDOT provided a brief overview of the structure of financing for the Obligations.

1. **Presentation on Database Initiative**

Representatives present were: Hiram Kuykendall, Chief Technology Officer, MicroAssist;

Joachim Strenk, VP of Business Development, MicroAssist.

MicroAssist provided a summary overview of the database initiative project. The statement of work is currently being completed.

1. **Public Comment**

There were no public comments.

1. **Date for Next Board Meeting**

The next Board Meeting is scheduled for 10 am, Thursday, January 23, 2014 in the Capitol Extension Room E2.026.

1. **Items for Future Agendas**

An updated list detailing future bond transactions was handed out.

1. **Report from the Executive Director**

* Staff commenced work on the Debt Affordability Study publication and expects to have a draft to the Board Alternates by February 7, 2014.
* Staff will be posting FY 2013 local data to the website later this week.
* Work on the Local Annual Report will begin soon and will include Certificates of Obligations going back to 2003.
* Rob gave a brief update on the 2013 Private Activity Bond Program.

1. **Adjourn**

There being no further business to discuss, the planning session adjourned at 10:55am.