

August 31, 2023

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The Henry County Board of Commissioners held a Called Joint Meeting with the Building and Facilities Authority *in person* on Thursday, August 31, 2023, at 4:00 p.m., at the Henry County Administration Building (Community Room), 140 Henry Parkway, McDonough GA. HenryTV also streamed this live online at its website, as well as Charter/Spectrum Channel 180 and Facebook Live.

Carlotta Harrell, Chair
Johnny Wilson, District 1 Commissioner (**Via Telephone**)
Neat Robinson, District 2 Commissioner
Dee Anglyn, III, District 3 Commissioner
Vivian Thomas, District 4 Commissioner
Kevin J. Lewis, Vice Chair/District 5 Commissioner

Building and Facilities Authority: Don Mason, Richard Sylvia, Chris Williams, David Curry, George Patterson, and Kenyatta Bush

Also in attendance: Cheri Hobson-Matthews, County Manager; Nancy Rowan, County Attorney; Stephanie Braun, County Clerk, Henry County and Jasmin Head, Deputy County Clerk, Henry County

HENRY COUNTY CODE OF CONDUCT

(Sec. 2-2-128: Conduct during public meetings)

PLEDGE OF ALLEGIANCE

The Pledge was recited.

CALL TO ORDER

Carlotta Harrell, Chair, called the Joint Meeting with the Building and Facilities Authority and the Henry County Board of Commissioners for Thursday, August 31, 2023, at 4:00 p.m. to order.

INTRODUCTION OF BUILDING & FACILITIES AUTHORITY BOARD MEMBERS

Stephanie Braun, County Clerk extended introductions to the Board of Commissioners and the general public, presenting the six newly appointed members of the Authority. Chris Williams was appointed by Chair Harrell, Don Mason (District 1), Richard Sylvia (District 2), David Curry (District 3), George Patterson (District 4), and Kenyatta Bush (District 5).

PRESENTATIONS

- **Legislative Presentation regarding Building and Facilities Authority**

Nancy Rowan, County Attorney presented a brief overview of House Bill 781 which established the Building and Facilities Authority. The purpose of the Henry County Building and Facilities Authority shall be to acquire, equip, maintain, and operate projects for use by Henry County or municipality or other political subdivision within Henry County. **Ms. Rowan** explained one member is appointed by the Chair of the Board of Commissioners. The other five members are appointed from each District Commissioner from his/her respective District, and members shall serve for two years. When the Building and Facilities Authority Board elects/appoints positions, the Chairperson shall be elected by majority vote by the members

of the Authority. The Vice Chairperson shall be elected by majority vote by the members of the Authority. Also, the Secretary-Treasurer of the Authority shall be appointed by the Authority. This person does not have to be a member of the Board. **Ms. Rowan** explained there are several powers that the Building and Facilities Authority has, such as the power to sue and be sued, and to execute contracts, trusts, leases, rental agreements, and other instruments in furtherance of projects. They can also improve, extend, add to, reconstruct, renovate, or remodel any project. Additionally, they can appoint and select agents, engineers, architects, attorneys, fiscal agents, accountants, and employees. The Authority can prescribe rules and regulations for the operation of and exercise police powers over the projects managed or operated by the Authority. They can also accept loans and grants of money materials or property of any kind from the U.S. government, federal agency, State of Georgia, or state agency. They have the Authority to sell, lease, exchange, transfer, assign, pledge, mortgage, dispose of, or grant real or personal property. Furthermore, they can borrow money for any corporate purposes and issue revenue bonds. **Ms. Rowan** stated the Authority has the same immunity and exemption from liability for torts and negligence as the State of Georgia. Officers, agents, and employees of the Authority have the same immunity and exemption from liability for torts and negligence as the State of Georgia in the performance of their duties. The Authority may be sued by private corporations on any contractual obligation of the Authority.

- **Roles and Responsibilities**

Benjamin Brooks, Bond Counsel with Smith, Gamble and Russell Law Firm, stated the duties and responsibilities. Sources of duties and responsibilities include the Georgia Constitution, General Law, authorizing legislation, and bylaws. Each member will need to complete at least eight hours of training within the first 12 months of the director's or member's appointment to the development authority. As a member of the Authority, everyone is subject to the Conflict-of-Interest Rule (O.C.G.A 45-10-3). As a board member, never take any official action about any matter under circumstances in which he knows or should know that he has a direct or indirect monetary interest in the subject matter of such matter or the outcome of such official action. Mr. Brooks suggested seeking counsel to represent the Authority on internal matters and all other matters that come before the Authority. The Authority is subjected to the Open Meetings Act (O.C.G.A 20-14-1(a)(3)(A)). There are several different meetings; regular meetings, special called meetings, and emergency meetings.

Mr. Brooks explained that under Georgia law, an Authority, County, or City can only borrow money in certain authorized and specific ways. The Authority borrowing methods are general obligation, SPLOST general obligation debt, lease-purchase, revenue bonds, and authority and similar revenue bonds. The Authority has the right to issue revenue bonds for various purposes. Under Georgia's Revenue Bond Law, the Authority could issue revenue bonds for any of the following projects: transportation terminals and facilities, water, sewer, and solid waste systems, libraries, sports, amusement and exhibition facilities, public parking facilities, mass transit facilities, gas systems, jails, and related facilities. Revenue bonds must be payable solely from revenues of facilities permitted to be financed and not backed by taxing power. The Authority has the right to issue revenue bonds and enter into a contract with the county, which sometimes creates a contract revenue bond. Where the bonds are issued by the Authority but then there is an agreement between the County and the Authority, where the County agrees to back the bonds and provide the credit support for those bonds.

Mr. Brooks spoke briefly on how an Authority was created. The Building and Facilities Authority was created by local law, which is applicable only in Henry County. This Authority only has the right to do business in Henry County. The Authority can undertake "projects" which can be for "land, buildings, structures, sanitary and surface water sewers, stormwater management projects, historic preservation projects, and other public property determined by the Authority to be desirable for the efficient operation of any department, board, office, commission, or agency of Henry County, any municipality or other

political subdivision within Henry County, or of the State of Georgia, in the performance of its governmental, proprietary and administrative functions. The Authority can only issue revenue bonds which are payable from the revenues from the project being financed. Bonds issued by the Henry County Building and Facilities Authority do not constitute a debt of Henry County or any other political body. Bond documents may include some or all of the following: Bond Resolution/Indenture, Intergovernmental Contract, Bond Purchase Agreement, Offering/Disclosure Documents, and Tax Certificate. Under Georgia law, all revenue bonds issued by the Henry County Board and Building Facilities Authority must be validated before issuance. Legal action must be filed with the Superior Court of Henry County. A hearing has to be set and two weeks' notice published in the legal organ; Citizens of Henry County have the statutory right to intervene, once the validation order issued by the Court is final, the legality of bonds and security for the bonds is conclusively established.

- **Financial Presentation**

Courtney Rogers of Davenport & Company, LLC is the financial advisor for Henry County approached to give a presentation on the finances.

Mr. Rogers explained Davenport's role to the County is to advise the County when they need to go to market to borrow money, set up the capital improvement plan, and financial policies, and how to interact with the bond rating agencies. The Davenport Company, in its capacity as Financial Advisor, has assisted multiple municipalities in Georgia in the creation of Authorities. Mr. Rogers explained that bond Rating Agencies look at an intergovernmental contract as a full faith and credit obligation under Georgia Law. Consequently, they rate any bond supported by this type of contract as they would a general obligation bond equal to the Issuer Rating. Any intergovernmental contract revenue bond issued would be considered equal to any other contract-backed debt issued by the County or that has County General Fund backing. The County limits the issuance of all tax-supported debt, which includes any General Obligation, Intergovernmental Agreement, SPLOST, and Long-Term Lease Obligations, to no more than 1.75% of the Total Taxable Full Value of the County. Another policy is the debt service as a percentage of the budget, which includes General Obligations, Intergovernmental Agreement, and Long-Term Lease obligations, but excludes SPLOST debt. Debt service should not exceed 12% of the Operating Expenditures and Debt Service of the General Fund.

Mr. Rogers outlined that there are various factors to consider when determining the appropriate method of sale for bonds, and no single factor determines the method. The key characteristics of Public Market financing include receiving credit ratings from Credit Rating Agencies, selling bonds based on the ratings, preparing a public offering document, selling bonds to the investing public by underwriters at prevailing interest rates, and tailoring the repayment structure to meet cash flow needs. The market for publicly sold bonds generally expects a non-call period during which bonds cannot be paid early.

Mr. Rogers presented the fourteen steps of a Public Bond Sale, which include evaluating financing scenarios, finalizing financing scenarios, drafting a Plan of Finance, obtaining approval from the County Board, distributing a draft of the financing schedule, preparing the Preliminary Official Statement and Bond Resolution, adopting the Bond Resolution and beginning the validation process, conducting validation hearings, drafting a Credit Presentation, meeting with Rating Agencies, receiving ratings, conducting the bond sale, and finally, ratifying bond sale results and approving the final bond resolution.

Mr. Rogers explained that the bond funding timeline consists of two phases, with Phase one covering the first two years of PFA Bond Funded Projects, and Phase two financing covering the next few years of PFA Bond and funded projects. Finalizing the County's Capital Improvement Plan is a crucial step, along with determining the funding sources for each Capital Project and understanding which projects need

financing through the Building and Facilities Authority. Both the Board of Commissioners and Facilities Authority will adopt a parameters resolution.

Chair Harrell asked the new Authority members to forward and introduce themselves and the six Authority members came forward and gave a summary of their background and expressed their gratitude for being able to serve on the Authority.

Chair Harrell removed the elections of the officers from the agenda, as it is not required by legislation for the votes to take place that day. The Authority will be able to select officers when they have their first meeting. **Chair Harrell** asked if any of the board members had any questions regarding the presentation and if the county manager had anything to say to the new Authority. **County Manager Hobson-Matthews** approached and stated that the new Authority needs to move at a quicker pace because they have identified projects. She encouraged the Authority to schedule a meeting as soon as possible, and her office can assist with providing space and setting a time for presenting capital projects the county needs to move forward on. She also mentioned coordinating with the financial advisors and bond counsel for these discussions.

10-MINUTE RECESS WAS TAKEN

County Attorney

TEFRA Resolution, re: Fairview Terrace Project (*Presenter: Nancy Rowan, County Attorney*)
(*Exhibit 1*)

County Attorney Nancy Rowan presented the TEFRA Resolution regarding the Fairview Terrace Project. In 2021, the Henry County Development Authority issued bonds for the Fairview Terrace project, consisting of 154 multi-family rental housing developments in Ellenwood, Georgia, developed by KCG company. KCG is seeking tax-exempt bond allocation through the Georgia Department of Community Affairs (DCA). To do so, they need the approval of the Board of Commissioners to permit the Housing Authority of the City of Milledgeville to issue bonds in Henry County. This action does not obligate the County in any way.

Carla Burke from KCG presented the Fairview Terrace Project, which is seeking supplemental Multifamily Housing Tax Exempt Bonds from the Georgia Department of Community Affairs (DCA) for the project to continue to qualify for private equity in the form of low-income housing tax credits. DCA requires that, due to a lack of tax-exempt bond allocation availability, the Housing Authority of the City of Milledgeville serve as the issuer for bonds for \$3,362,467. We are requesting the Board of Commissioners consent to the issuance of these bonds by Milledgeville and approve a TEFRA hearing held by Milledgeville. The project includes 154 units, targeting populations eligible to rent at 60% AMI or less, with two commercial spaces leased out for businesses. There will be a clubhouse and other facilities. **Chair Harrell asked** Ms. Rowan “Does this obligate the County in any way?” **Ms. Rowan** responded by saying “No, the County is not obligated in any way. The County is not taking a position regarding the bonds, and the resolution is stating that the city of Milledgeville can issue the bonds in Henry County.”

Commissioner Robinson stated that she just wanted to make sure the County was not responsible for anything and that this took place in 2021 before her time. As long as the County is not on the hook for anything, then she has no questions.

Commissioner Anglyn asked when the project was approved. **Ms. Burke** responded it was approved for zoning in June of 2020. **Commissioner Anglyn** asked if they could address what a private activity bond is for the people who do not know what it means. Attorney Allison Dryer, a partner with

Holland and Knight, serves as Bond Council on the original transaction. **Ms. Dryer** stated a private activity bond is tax tax-exempt bond done by a private entity -- not by a government. The private entity comes in and receives the benefits of tax-exempt financing for a public-purpose project such as providing workforce housing, hospitals, and nonprofits. The source of repayment from this debt is the revenues from the property solely, there are no governmental obligations on this debt.

There being no questions or comments from the Board, **Commissioner Robinson** moved to approve; **Commissioner Thomas** seconded the motion. Motion carried (6-0-0).

Resolution #23-248

CONSENT AGENDA-SPLOST

Cheri Hobson-Matthews, County Manager, read the Consent Agenda as follows:

- A. Resolution of the Board of Commissioners approving a Supplemental Agreement for Moffatt & Nichol in the amount of \$152,985.00 on the design of SR81 Widening (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 2*)
Resolution #23-249
- B. Resolution approving Condemnation for Parcel 1, McDonough Christian Church (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 3*)
Resolution #23-250
- C. Resolution approving Condemnation for Parcel 4, RPAI McDonough Henry Town, LLC (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 4*)
Resolution #23-251
- D. Resolution approving Condemnation for Parcel 10, Mt. Olive Baptist Church of Stockbridge (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 5*)
Resolution #23-252
- E. Resolution approving Condemnation for Parcel 19, IKRK Holdings, LLLP (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 7*)
Resolution #23-253
- F. Resolution approving Condemnation for Parcel 21, BHMZ, LLC (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 8*)
Resolution #23-254
- G. Resolution approving Condemnation for Parcel 22, Hudson Bridge Crossing, LLC (*Presenter: Roque Romero-Muniz, Cluster Lead/Public Works*)(*Exhibit 9*)
Resolution #23-255

Chair Harrell inquired about parcel 10, Mt. Olive Baptist Church of Stockbridge, Georgia.

Roque Romero-Muniz, Cluster Leader came forward to state that we do have an agreement on parcel 10, but we have not been able to close because of the lenders. They are trying to get all of the right of way completed by October 16, 2023, to meet the GDOT deadline.

Vice-Chair Lewis moved to approve the Consent Agenda; **Commissioner Thomas** seconded the motion. Motion carried (6-0-0).

EXECUTIVE SESSION

Chair Harrell called for an Executive Session regarding property acquisition. **Commissioner Anglyn** made a motion to convene into Executive Session; **Commissioner Robinson** seconded the motion. Motion carried (6-0-0). *(5:26 p.m.)*

RECONVENE FROM EXECUTIVE SESSION

Commissioner Robinson made a motion to reconvene into Public Session *(5:38 p.m.)*; **Vice Chair Lewis** seconded the motion. Motion carried (5-0-1) *(Commissioner Wilson was not present)*

AFFIDAVIT & RESOLUTION

Commissioner Anglyn made a motion to approve the Affidavit & Resolution pertaining to Executive Session; **Commissioner Robinson** seconded. Motion carried (5-0-1). *(Commissioner Wilson was not present).*

ADJOURNMENT

There being no further business to come before the Henry County Board of Commissioners at this time **Chair Harrell** adjourned the meeting. *The meeting adjourned at 5:40 p.m.*

Stephanie Braun, County Clerk

Carlotta Harrell, Chair