Minutes

Texas Bond Review Board

Planning Session

Friday, April 9, 2010, 10:30 a.m.

Capitol Extension, Room E2.028

1400 N. Congress Avenue

Austin, Texas

The Texas Bond Review Board convened a planning session at 10:30 a.m., Friday, April 9, 2010 in the Capitol Extension, Room E2.028 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Don Green, Alternate for Lieutenant Governor David Dewhurst; Kenneth Besserman, Alternate for Comptroller Susan Combs; and Andrew Blifford, Alternate for Speaker Joe Strauss. Also in attendance were Tom Griess with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, Executive Director of the Bond Review Board, called the meeting to order at 10:38 a.m. 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.

1. **Recommended changes to Title 34 Texas Administrative Code, Part 9, Chapter 181, Rule section 181.9**

Bob Kline stated that Bond Finance Office staff is seeking authority in the called Board meeting to post the recommended changes in the Texas Register for the 30-day comment period.

1. **Texas Private Activity Bond Surface Transportation (PABST) Corporation Senior Lien Revenue Bonds (LBJ Infrastructure Group LLC – IH-635 Managed Lanes Project) Series 2010**

Representatives present were: James Bass, Chief Financial Officer, TxDOT; John Munoz, Deputy Division Director, TxDOT; Carol Polumbo, McCall, Parkhurst & Horton, Bond Counsel to PABST Corporation.; Alejandro Veramendi, Cintra Infraestructuras, S.A.U.; and Carlos Vgarte, Cintra Infraestructuras, S.A.U.

Bob Kline stated that PABST is seeking approval to issue its Senior Lien Revenue Bonds, Series 2010 in a maximum par and total proceeds amount of $700,000,000 including premiums, if any. The total cost for the project is estimated to be $2,821,733,000. In addition to the private activity bond (PAB) funding, the project will be financed with: 1) a springing-lien, subordinated loan pursuant to the federal Transportation Infrastructure Finance and Innovation Act; 2) public funds contribution from the State Highway Fund; 3) an equity contribution from LBJ Infrastructure Group LLC (LBJ); and 4) toll revenues generated during construction.

State law, including Subchapters A-C of Chapter 431 of the Texas Transportation Code authorizes PABST to issue the conduit debt. PABST approved the issuance of the PABs on March 4, 2010 and granted final approval and related documentation for the transaction on April 7, 2010.

On September 1, 2009 the Legislative Budget Board approved the expenditure of appropriations to enter into the CDA for the Project pursuant to Riders 40 and 43, Limitation on Expenditures for Contracts in the TxDOT bill pattern in Article VII of the GAA for the 2008-09 biennium (Riders 37 and 40, respectively in Article VII for the 2010-11 biennium).

1. **Public Comment**

There were no public comments.

1. **Adjourn**

There being no further business the meeting adjourned at 10:45 a.m.