Minutes

Texas Bond Review Board

Planning Session

Tuesday, January 12, 2016, 10:00 a.m.

Capitol Extension, Room E2.030

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 12, 2016 in the Capitol Extension, Room E2.030 in Austin, Texas. Present were Ky Ash, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, Alternate for Lieutenant Governor Dan Patrick; Andrew Blifford, Alternate for Speaker Joe Straus; and Piper Montemayor, Alternate for Comptroller Glenn Hegar. Also in attendance were Leslie Brock with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Ky Ash, as Chair, called the meeting to order at 10:03 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. A quorum was present.

1. **Texas Southern University Revenue Financing System Bonds, Series 2016**

The timing for this transaction is indefinite.

1. **Texas Transportation Commission Toll Revenue Converting Note (IH 35E Managed Lanes Project)**

Representatives present were: Benjamin Asher, Innovative Financing/Debt Management Officer/Interim CFO, TXDOT; Jennifer Wright, Debt Program Manager, TXDOT; Greg Salinas, Bond Counsel, McCall, Parkhurst and Horton.

The Texas Transportation Commission is seeking approval to issue its Texas Transportation Commission Toll Revenue Converting Note (IH 35E Managed Lanes Project) (Note) in a total maximum par and total proceeds amount of $285,000,000 including premiums, if any.

Proceeds of the Note will be used to: 1) finance a portion of the costs and construction and development of the IH35E improvements, and 2) pay costs of issuance of the Note.

The Note will be issued under Subchapter C, Chapter 228 of the Texas Transportation Code and Chapter 1371 of the Texas Government Code.

In Minute Order 113398, dated December 13, 2012, the Commission adopted a resolution authorizing a managed lanes toll project on IH 35 from I-635 to US 380.

In Minute Order 113744, dated October 31, 2013, the Commission adopted a resolution authorizing a Commission Representative to execute the TIFIA Loan Agreement.

In Minute Order 114424, dated November 19, 2015, the Commission again adopted a resolution authorizing a Commission Representative to execute the TIFIA Loan Agreement.

The Note will be issued by Texas Transportation Corporation and shall be a limited obligation of the TTC payable solely from a lien on, pledge of and security interest in the Trust Estate. The Toll Revenue Converting Note (IH 35 Managed Lanes Project) shall not constitute a general obligation of the state and neither the full faith and credit nor the taxing power of the state is pledged to the payment of the principal of, premium, if any, or interest on any of these securities.

The estimated cost of issuance is $1,672,000 or $5.87 per bond.

Benjamin Asher and Jennifer Wright discussed the transaction and answered questions from the Board. In addition, Greg Salinas answered questions from the Board.

1. **EXEMPT – Texas Veterans’ Land Board State of Texas Veterans Bonds, Series 2016**

This application was approved on the Exempt track on Thursday, January 7, 2016.

1. **Public Comment**

There was no public comment.

1. **Date for Next Board Meeting**

The next Board Meeting is scheduled for Thursday, January 21, 2016 at 10:00 a.m. in the Capitol Extension Room E2.026.

1. **Items for Future Agendas**

Board members received an updated list of future agenda items.

1. **Report from the Executive Director**
* The database upgrade project continues to move along. Staff has converted about 95% of the local data and is starting to convert the state data.
* Local government processing is continuing as expected. Staff plans to close out the local debt outstanding as of February 28, 2016.
* Staff will have a draft of the Debt Affordability Study to the Board on February 5, 2016
* Rob Latsha spoke about the increased number of applications received during the first four months of Fiscal 2016 in the Private Activity Bond program.

1. **Adjourn**

There being no further business, the planning sessionwas adjourned at 10:24 a.m.