

## **SPECIAL CALLED MEETING SPLOST**

The Spalding County Board of Commissioners held this Special Called Meeting in Room 108 in the Courthouse Annex, Monday, June 9, 2008 beginning at 9:00 o'clock a.m. with Chairman Edward Goss, Jr. presiding and Commissioners Eddie Freeman, Gwen Flowers-Taylor, Johnie McDaniel and David Phillips present. Also present were County Manager William P. Wilson, Jr., Assistant to the County Manager Paul Van Haute, Administrative Services Director Jinna L. Garrison, Floyd Newton and Allison Strueber from the law firm of King and Spalding, acting as bond counsel, and Executive Secretary Teresa Watson.

### **I. OPENING (CALL TO ORDER) – Chairman Edward Goss, Jr.**

### **II. NEW BUSINESS**

#### **A. Discuss projects to be included on a September 16, 2008 bond referendum for SPLOST.**

Mr. Wilson advised that SPLOST collections are estimated at \$53-55 million for a 72-month period, based on a zero percent growth factor. Projects submitted to the County include: \$25 million for the Development Authority; \$8.5 million for Griffin Technical College; \$20 million for Parks and Recreation; \$12,183,000 for the City of Griffin for prioritized projects; \$475,605 for the City of Orchard Hill, and \$100,000 for the City of Sunny Side. Funding for the projects identified in the Comprehensive Transportation Plan also need to be considered at some point.

Commissioners cited their preferences on individual polling:

Commissioner Freeman favors Griffin Technical College and transportation issues. He suggested they perhaps look at the City's request and critique the entire SPLOST project list carefully.

Commissioner Flowers-Taylor inquired and Mr. Wilson advised he had researched per Commissioner Flowers-Taylor's previous request and found the Development Authority agreed they could proceed with \$15 million in bonding with the remainder pay-as-you-go. This method will save about \$1 million in interest on the issuance of bonds. Her first priority is money for sewer expansion on north side, specifically on the North Hill Street corridor and this SPLOST will be the only funding mechanism for several years – and her desire would be to be \$2 million set aside. There are also 60 miles or so of dirt roads and she wants to pave some with a priority for connectivity requirements to help alleviate traffic congestion and open access. She favors funding \$8.5 million for Griffin Technical College. As for the Development Authority, she has real concerns for funding their entire request but rather would like to bond only the amount necessary to get land and to require money awarded them through SPLOST be on a pay-as-you-go basis. Commissioner Flowers-Taylor also thinks \$500,000 for cost overruns for 800 MHz should be allocated so as not to take out of the general fund. For Parks, the main project is a viable senior center to her, and all requested funds need to be allocated in that direction. Eligibility for the \$500,000 CDBG grant next year is also a possibility. She also wants to allocate money to Parks and Recreation for a senior bus that can be used in other departments as well. As for the City of Griffin, they have many road projects and sidewalks and she felt as though their request is high. Nothing is going to the LCI Corridor study, and she understands the Development Authority will need \$5 million for the necessary sewer capacity expansion. If any funds remain, she would like to see Orchard Hill and Sunny Side be awarded their requests because they have waited patiently for things they even wanted in the last SPLOST but they stepped aside for the 3-project SPLOST list in 2005.

Commissioner Phillips favors funding the Orchard Hill request, as well, but felt that with regard to the Crouch property development costs for the Development Authority, numbers seem very high. He agreed Sunny Side needs their requests funded, and he felt a bus for seniors that has a bathroom would be appropriate and could be leased to other entities. Perhaps a refurbished bus or a lease/purchase arrangement for a new bus could be achieved. He was unsure about annexation of this new industrial park should it be funded and developed and he worried about the general economic climate of the County.

Commissioner McDaniel noted he did not envision a six-year SPLOST passing and would like to throttle back to a four- or five-year SPLOST with the two major priorities being Griffin Technical College and the Development Authority. Some discussion followed regarding estimated collections per year and the prospect of developing something less than a six-year SPLOST which would not require the execution of intergovernmental agreements.

Even in the event of something less than a six-year SPLOST, it was noted by bond counsel that proceeds must be split based on population with cities on projects we cannot agree are countywide.

Chairman Goss supports funding the Development Authority to buy the land only, Griffin Technical College on a pay-as-you-go basis, sewer to the north side, and paving roads (District 4 has 39 miles unimproved roads, District 1 has 1, District 2 has about 1 mile, District 3 has about 1 mile, and District 5 has 20 miles of unimproved roads). Some do not want their roads paved.

With regard to the Development Authority, Commissioner Freeman favors \$25 million with \$15 bonding and pay-as-you-go for the remainder.

Mr. Wilson noted they could front load bonds and pay in arrears, paying interest the first year and principal in successive years. There will be \$5.5 million available per year for pay-as-you-go projects. Griffin Technical College is fine with pay as you go, as they have not even selected an architect yet and the project's funding need will develop more slowly than others. The County has collected almost all of the money for UGA and by July will have all monies for them. This Development Authority project will take probably two or more years to fully develop, with payout March 1, 2015. The total debt service is \$17,375,000 and \$2,375,000 is interest.

Commissioner Phillips agrees it is a good use of the Big Shanty property, and Chairman Goss was excited about the prospect of getting jobs, particularly with the several companies that have shut down in recent months. He wondered if they would be wise, though, to develop land in a certain way without knowing what any given prospect would want. It is a shame to see the NACOM and Five Rubber buildings not being used, noted Commissioner McDaniel, but Commissioner Freeman, who serves on the Development Authority, noted that new prospects normally did not want to go into an older building that did not suite their needs. The amount of \$15 million is not designed to develop the entire tract certainly and the County could provide the remainder on a pay-as-you-go basis. Commissioner Freeman stated that foreign investors, particularly, who bring in vast money and jobs, want new facilities.

Mayor Hollberg noted that the City of Griffin's projects were mostly infrastructure in nature. Their total request is \$12 million, and they prioritized needs. Signal upgrades are their first priority to integrate city street signals with the state route system for better flow. The State is currently upgrading 23 signals on state routes with new intermodal system.

Discussion followed on the proposed bus for senior citizens and funding mechanisms for same, which included listing on SPLOST, purchasing a refurbished vehicle and/or financing through our established lease pool to fund the bus, which should run between \$80,000 and \$150,000. The Senior Center which will be funded through a lease/purchase arrangement for \$4.2 million plans for financing about \$2 million over 20 years and selling other properties – the existing Senior Center on Memorial Drive and the existing Parks and Recreation headquarters on Camp Northern to assist with the remainder, as well as any CDBG grants available. Debt service will come out of general fund.

The current SPLOST should exceed and can apply to cost overruns for 800 MHz or any of the other two projects on the 2005 SPLOST referendum, namely the UGA Student Learning Center and Senior Center.

Mayor Hollberg wanted to see the City be able to annex the new industrial park if placed on a six-year SPLOST. The intergovernmental agreement between the County and Griffin could possibly be contingent on such annexation. Commissioner Flowers-Taylor stated she doesn't like being held hostage. She supported funding their projects at \$10 million if they execute an intergovernmental agreement. Paving is important to her, and as for the Development Authority, she was not in favor of borrowing but knows it needs to be done; however, they can borrow enough for the land purchase only with another \$7 million for development and not put on the total of \$25 million on the SPLOST.

Commissioner Freeman did not believe any sewer projects should be on a SPLOST project list and stated they should approach Minerva for assistance in this area.

Commissioner Phillips agreed the Development Authority is a priority but he wants to ensure they can't use the funding for anything else and have only \$15 million bonded. His grand total for the Development Authority is \$20,000,000; Griffin Technical College, \$8.5 million; Sunny Side and Orchard Hill as requested; and for the City of Griffin, he likes the idea of funding the infrastructure work needed and recommended \$10 million. He would love to see sewer expansion in the northern area but realizes the County can't do everything and agreed that issue could better be handled in discussions with Minerva/Sun City. However, he would be agreeable if they want to put in into the project list.

Chairman Goss said that in his travels around the County, the radio system taking so long to develop arises in SPLOST conversations, and he wanted to lay blame where it truly lies, at the feet of the study committee. It is their fault that the project has been so delayed and folks understand once you point out the facts.

Chairman Freeman agreed with Chairman Goss that folks understand things take time. He favors funding Griffin Technical College at \$8.5 million. He wanted, however, to hold out for \$25 million for

the Development Authority. He agreed with allocating \$10 million to the City of Griffin, as well as funding the Orchard Hill and Sunny Side requests in their entirety. He noted that sewer on the north side, in his opinion, would be a detriment to getting the SPLOST passed since others in the County need it as well and don't receive assistance. He felt Sun City and/or Minerva could address this problem in other ways. Commissioner Freeman favors six years for the SPLOST duration.

Commissioner McDaniel said he was trying to get figures together but still thinks six years would be a hard sell in getting SPLOST passed. Discussion followed on yearly estimates and years necessary for projects. He favored: \$20 million to Development Authority; \$8.5 to Griffin Technical College; \$4.6 to the City of Griffin for their priority one project; Orchard Hill and Sunny Side requests in their entirety; and the bus for seniors. These total still more than a four-year SPLOST will collect, which is what he would like to see, at \$36.5 million with the interest on the bonding. With regard to paving, he doesn't recommend listing specific roads.

Mr. Wilson noted there are GEFA loans, TADs and other options that could be utilized for sewer on the north side. Commissioner Flowers-Taylor agreed but noted the County must show there are projects ongoing in order to get grant monies which is problematic. Sewer will be needed along the North Hill corridor, an area targeted for much growth and development already. Much discussion followed.

Chairman Goss noted that he favored: \$15 million for the Development Authority; \$8.5 million for Griffin Technical College; \$2 million for sewer expansion in the northern corridor area; and paving. More discussion followed.

The only consensus appeared to be for \$20 million to the Development Authority (\$15 bonded); \$8.5 million for Griffin Technical College; Sunny Side at \$100,000; Orchard Hill at \$475,605 and \$10 million for the City of Griffin.

More discussion was held on the estimated collections less administrative costs to determine what will be realistically available. The \$3 million in interest and bond issuance leaves about \$50 million for distribution, and with \$15 million bonded, that realistic number becomes \$35 million. Then, after allocating \$8.5 million to Griffin Technical College, that leaves only \$26,500,000 to be split between Cities of Griffin, Orchard Hill and Sunny Side and for paving.

Finally, Mr. Wilson summarized that a general consensus approved: Development Authority at \$20,000,000; Sunny Side at \$100,000; Orchard Hill at \$475,605; Griffin Technical College at \$8.5 million; \$150,000 for the bus; leaving a total of about \$20,775,395 after bond issuance and administrative costs. If \$10 million is allocated to the City of Griffin, that leaves only \$10,775,395 for County infrastructure projects including transportation. TADs should help redevelopment on North Hill corridor and the City will move forward with their LCI projects along that thoroughfare, as well.

Commissioner McDaniel wanted to remind commissioners that they should be focusing on the projects that will afford the most benefit to the most people. He did not feel that paving was a good use of this SPLOST money.

**III. ADJOURNMENT**

*Commissioners Phillips and McDaniel moved and seconded to adjourn at 11:51 a.m. Motion carried unanimously.*

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Chairman

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County Clerk

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