

Investing in Georgia

Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find:

- A report on the volume of private activity bond issuances in the United States generally and in the State of Georgia
- News regarding efforts to spur manufacturing activities, including proposed federal legislation to relax rules with respect to IDB financing and the National Network for Manufacturing Innovation
- Commentary on the financial status of the Highway Trust Fund, which supports our nation's infrastructure

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby
King & Spalding Economic Development Practice Group

Recent Developments

Private Activity Bond Volume Cap: Analysis and Trends. A [report](#) of the Council of Development Finance Agencies (CDFA) released in July, 2014, provides analysis of the use of private activity bond volume cap data. Private activity bonds are revenue (rather than tax)-backed bonds that are issued by state or local authorities for the purpose of financing private projects, such as small manufacturing facilities. If the type of project is eligible for low interest rate tax-exempt financing, they are often subject to the federally-mandated volume cap. In 2013, the volume cap for each state was equal to the greater of \$95 per capita or \$291,875,000. Each state may sub-allocate its volume cap among agencies, municipalities, or private activity bond categories as it chooses. [More »](#)

Experts Weigh In On Developments With U.S. Manufacturing Hubs. On July 9, the Brookings Institution held a conference entitled "Regional Manufacturing Hubs: A Path to Innovation," which discussed recent manufacturing policies and their impact on U.S. innovation and job creation. Brookings Trustee and Taco Incorporated CEO John White moderated the event, which included keynote remarks from Jason Miller, Special Assistant to the President for Manufacturing Policy, and panelists from M-7 technologies, America Makes, GlobalFoundries, and UI Labs. [More »](#)

August 2014

By the numbers

\$525 Billion

Projected national deficit for fiscal year 2014 (ending 9/30), which would represent the smallest national deficit since fiscal year 2008.

94%

Percentage of the 4.83 million hires nationwide during the month of June that were in the private sector. Only 6% were in the public sector.

41%

Student loan borrowers who will miss at least one payment within the first five years of beginning their loan repayment.

613,650

Americans who currently have their Social Security retirement benefits sent abroad each month because these retirees live outside the United States.

In The News

Deal announces \$39.7 million in community development awards. On August 19, Gov. Nathan Deal announced that 82 Georgia communities will receive a total of \$39.7 million in assistance to grow their local economies. The U.S. Department of Housing and Urban Development (HUD) awarded the funding to Georgia's Community Development Block Grant (CDBG) program, which is administered by the Department of Community Affairs (DCA). [More »](#)

Standard & Poor's Cracks Down On Direct Loan Transparency. A recent report in The Bond Buyer indicates that municipal investors and analysts welcome the heat that Standard & Poor's is putting on governmental issuers to disclose their direct loan exposure. The need for more transparency has become a top concern for market participants as the use of direct loans (rather than publicly-offered bonds) has boomed in 2014, totaling \$117.45 billion for states and political subdivisions overseen by the FDIC in the first quarter, the most the FDIC has ever reported.. [More »](#)

Looking Ahead

Modernizing American Manufacturing Bonds Act ("MAMBA") is Introduced. On August 1, Congressman Randy Hultgren (R-IL) and Congressman Richard Neal (D-MA) introduced the Modernizing American Manufacturing Bonds Act of 2014, H.R. 5319. [More »](#)

Highways, Taxes, and Partisanship: The Next Crisis. The Highway Trust Fund is almost empty; it is running on fumes. Without congressional action before the August recess, the fund that has been essential since the 1950s to maintain the nation's transportation infrastructure would have become insolvent and gone bankrupt. An estimated 700,000 people might have lost their jobs before Labor Day, and critical infrastructure projects would have closed down. There are currently over 100,000 road projects funded by the fund. Lawmakers struggled for months to come up with a funding source for the \$10.8 billion transportation bill that they passed during a short session in July before the August Recess. Regrettably, the issue reflects once again how partisan and seemingly unresolvable the politics of Washington have become. [More »](#)

About King & Spalding

Celebrating 125 years of service, King & Spalding is an international law firm with more than 800 lawyers in Abu Dhabi, Atlanta, Austin, Charlotte, Dubai, Frankfurt, Geneva, Houston, London, Moscow, New York, Paris, Riyadh (affiliated office), San Francisco, Silicon Valley and Washington, D.C. The firm represents half of the *Fortune* 100 and, according to a *Corporate Counsel* survey in August 2009, ranks fifth in its total number of representations of those companies. For additional information, visit www.kslaw.com.

This e-mail and any attachments are not intended to be and should not be relied upon as legal advice. In some jurisdictions, this may be considered "Attorney Advertising." Should you no longer wish to receive [or you know someone who would like to receive] e-mails from King & Spalding's Economic Development Practice Group, please contact Ann Vance at avance@kslaw.com.

© 2014 King & Spalding

34%

Americans who, according to a survey, indicated that they have foregone some form of medical care in the prior twelve months (e.g., medication, surgery, therapy) because they could not afford to pay for the product or service.

\$5.34 million

The amount that a 2014 decedent may pass on to his/her heirs under current federal estate tax law on a tax-free basis. The exemption was \$1.0 million in 2003.

2.61%

The yield on the 10-year note issued by the Italian government as of 8/15/14, down from 7.02% as of 12/31/11.

74

Number of Major League Baseball players who struck out at least 100 times in 2013, including one player (Chris Carter of the Houston Astros) who struck out 212 times. Babe Ruth never struck out 100 times or more in a single season.



Contact

Bill Holby

+1 404 572 4663

bholby@kslaw.com