

Bond Case Briefs

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BOND VALIDATION . - GEORGIA

Long v. Development Authority of Fulton County

Court of Appeals of Georgia - October 30, 2019 - S.E.2d - 2019 WL 5588765

County district attorney filed petitions for the validation of three revenue bonds authorized for issuance by county development authority.

After granting motion to intervene and denying intervenor's motion for a continuance, the Superior Court entered final orders validating the bonds for all three portions of the project. Intervenor appealed.

The Court of Appeals consolidated appeals and held that:

- Petitions substantially complied with statutory requirement to set forth the purpose for which the bonds were to be issued;
- Hotel portion of project was properly evaluated under catchall provision of statute identifying projects that development authorities can finance, rather than under provision governing hotels constructed in connection with and adjacent to convention, sports, or trade show facilities;
- Office portion of project was properly evaluated under catchall provision of statute;
- Retail portion of project was properly evaluated under catchall provision of statute;
- Leasehold valuation methodology set out in memoranda of agreement between development authority, county board of assessors, and companies, was appropriate; and
- Trial court did not abuse its discretion in denying intervenor's motion for a continuance of bond validation hearing to allow for discovery.

Petitions for validation of three revenue bonds authorized for issuance by county development authority substantially complied with statutory requirement to set forth the purpose for which the bonds were to be issued; each of the petitions stated that the bond proceeds were to be used to acquire, construct, and equip land, improvements, and related building fixtures and building equipment in county, to be leased to specific company for use as a mixed-use commercial facility and an economic development project.

Hotel portion of project for which attorney general filed petition for validation of revenue bond authorized for issuance by county development authority was properly evaluated under catchall provision of statute identifying projects that development authorities can finance, rather than under provision governing hotels constructed in connection with and adjacent to convention, sports, or trade show facilities; there was no evidence of a meeting room or any other convention facility being constructed with and adjacent to proposed hotel, but rather, adjacent space at issue was an outdoor area that would be free and open to the public, that would serve as a gathering space for the community, that could be rented for events in the evening, and that would help generate traffic at the mall.

Trial court properly evaluated office portion of project for which attorney general filed petition for validation of revenue bond authorized for issuance by county development authority under catchall provision of statute identifying projects that development authorities can finance; although there

existed another provision specific to office projects, catchall provision also expressly authorized office projects, construing both provisions together, development authority had the power to proceed with an office project under either provision, and development authority expressly determined that it was proceeding under catchall provision, that project would be for the public good and general welfare of the county and state, and that project would be in furtherance of the public purposes.

Trial court properly evaluated retail portion of project for which attorney general filed petition for validation of revenue bond authorized for issuance by county development authority under catchall provision of statute identifying projects that development authorities can finance.

Leasehold valuation methodology set out in memoranda of agreement between county development authority, county board of assessors, and companies, was appropriate, for purposes of project for which attorney general filed petition for validation of revenue bond authorized for issuance by development authority; memoranda merely provided a formula utilized by the board for valuing the leasehold interests, and such methodology was not arbitrary or unreasonable.