

# Investing in Georgia

## Economic Development Newsletter



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

- An economic-impact study linking the use of tax-exempt municipal bonds to the development of our nation's infrastructure and, ultimately, to the creation of jobs.
- Good news about Georgia's national ranking as a center of innovation
- An interesting perspective on the politics of immigration reform.

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

**Georgia Launches High-Speed Rail Project.** The Georgia DOT, frequently criticized as too focused on highways, has launched an ambitious plan for a high-speed rail linking Atlanta and Charlotte. According to press reports, the DOT and the Federal Railroad Administration held three "scoping" meetings during early June, using an open-house style in order to show attendees the routes and high-speed technologies being considered in the project's beginning stages. [More »](#)

**Rule G-17 One Year Later.** In the spring of 2012, the Securities and Exchange Commission approved the release of MSRB Notice 2012-25, which provided interpretive guidance on how SEC Rule G-17 applied to underwriters of municipal securities transactions. Under the "fair dealing" provisions of Rule G-17, the MSRB Notice imposes code of conduct and disclosure requirements on underwriters working with governmental issuers. As many of our issuer clients have experienced, the expanded Rule G-17 has raised many questions that issuers have not faced on prior issues of municipal bonds. [More »](#)

### In The News

**Bonds and Jobs Go Hand in Glove.** It is no secret that tax reform is one of the key areas of focus for our national political leadership, and that tax revenue increases are one important element of that discussion. In particular, "lost revenues" resulting from the tax-exempt status of interest on municipal bonds

### June 2013

#### By the numbers

**2.5%**

S&P 500 loss on June 20, 2013, the worst single day of trading since 11/9/11.

**11**

Number of double-digit total return percentage losses by the S&P 500 in the last 87 years. 3 of those have occurred in the last 12 years.

**9.6%**

Average total return per year, over the last 50 years, following a down year for the S&P 500

**\$973 Billion**

Estimated U.S. deficit for fiscal year 2013, or \$2.67 billion of debt created per day, based on tax revenues of \$2.712 trillion and outlays of \$3.685 trillion.

**9.3 million**

Number of jobs in America supported by the aviation industry, or 1 out of every 15 jobs.

**\$2,533**

Maximum monthly retirement benefit paid by Social Security to an individual retiring in

has been targeted in many studies. In the light of those developments, a study released this month by the U.S. Conference of Mayors contains some particularly relevant new data. [More »](#)

**Georgia Gets High Marks for Innovation.** According to the fourth annual "Enterprising States" report (produced by the Washington-based U.S. Chamber of Commerce), Maryland, Colorado and Virginia are the three states most supportive of innovation. The report ranked Massachusetts and Texas in the fifth and sixth positions, while Georgia and Florida were ranked ninth and tenth respectively. The Entrepreneur.com study evaluated the states on five aspects of policy including exports and international trade, entrepreneurship and innovation, business climate, talent pipeline and infrastructure. [More »](#)

**On the Politics of Immigration Reform.** With all the coverage given to the Senate's work on the immigration bill, we thought you might be interested in these insights into the politics of immigration reform, provided by former Maryland Governor Robert L. Ehrlich, who is now with King & Spalding: "The media loves to attach political labels to often complex issues. Such monikers allow the press to create and define highly charged terms ("pro-life"; "pro-choice"; "pro-gun"; "anti-gun", etc.). The exercise is also useful for keeping score, and there is nothing the press likes more than keeping track of who's ahead and who's not. [More »](#)

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### Looking Ahead

**Back to the Future: Bank Loans Funding Muni Projects.** Direct bank loans have become increasingly popular in the muni market since 2009 as an alternative to publicly offered bond issues. Bank loans can be structured with fixed or variable rates and do not need credit enhancement. As a result, many issuers have been using direct bank loans to replace debt with expiring letters of credit. The result, of course, is increasing scrutiny to assure that both issuers and investors are properly protected. [More »](#)

**Gearing Up!** If the greater metropolitan Atlanta area doesn't continue to flourish in the coming years, it won't be for lack of organized efforts! An Atlanta Business Chronicle report on Area Chambers of Commerce and Economic Development Agencies listed some 55 different agencies that are participating in economic development and business support roles! See the listing in the June 14-20, 2013 edition of the Business Chronicle.

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### About King & Spalding

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2013 at the full retirement age of 66.

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**\$490,830**

Cost, in inflation adjusted dollars, to a higher-income family (greater than \$102,870 of income) to raise a child born in 2011 for the first 17 years of the child's life (excluding college)

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**587,878**

Square miles of the State of Alaska, more than twice the size of Texas, the #2 state.

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**2**

Number of consecutive NBA championships and NBA Finals MVP awards for 28-year old LeBron James, who has also won four regular season league MVP awards.



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