

MINUTES OF
LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY

January 24, 2008

The Leon County Educational Facilities Authority met Thursday, January 24, 2008 in the dining room on the 6th floor of the University Club, Florida State University at 12 Noon pursuant to public notice.

Authority Members Present: Bob Kellam, Liz Maryanski, Bill Hilaman, Craig Fletcher, Henry Lewis, Anne Peery and Randy Guemple.

Authority Members Absent:

Others in Attendance: Calvin Ogburn, Terry Madigan, Chris Cayer, Kathy Broecker, Bob Reid, Bond Counsel, Jamie Thomas, Ken Mills and Chris Hull. As the meeting progressed, a host of others joined the group.

Chairman Kellam called the meeting to order at 12:22 p.m... The minutes of November 20, 2007 were approved without comment with a motion by Craig Fletcher, seconded by Liz Maryanski. All were in favor.

Chairman Kellam recognized Kathy Broecker, Vice President USBanks and is the Trustee for the SouthGate bond issue. She reported on the informative tour which Jamie Thomas provided earlier in the day. In addition to revisiting SouthGate and seeing Heritage Grove and the Round Holiday Inn, she toured the University Courtyard project. She said that recently USBank had been named trustee of the University Courtyard project and she was appreciative of the information which the Authority could give her on this project. She also said that the SouthGate project appeared in good shape and seemed to be performing properly, however the low occupancy is a continuing concern.

Local banker, Skip Smith, who represents the ATO fraternity at Heritage Grove once again requested formalization of the extension of the deadline of construction activities at the ATO lot. After a brief discussion it was agreed by the members that this item would be deferred and that the Chairman would call a special meeting to address this in the near future, since it appears the Authority will be having several called meetings soon.

(At this time the Authority took a break and in anticipation of a large number of people now joining the meeting, everyone moved to the 5th floor which had been previously posted.)

The chairman reconvened the meeting at 12:27 p.m. and introduced the head table. There were approximately 50 supporters of the "CREATE" project including the sponsors of the project who joined the meeting.

(Henry Lewis arrived.)

Auditor Chris Cayer presented the audit report for FY ending 9/07. After a brief discussion and with a motion by Anne Peery, seconded by Randy Guemple, the audit report was accepted. *(A copy of this audit is available in the official records.)*

The Chairman called on Financial Advisor David Moore of the PFM Group to review his final report on the "CREATE" proposed project. After his report and discussion by membership, a motion was made by Henry Lewis, seconded by Liz Maryanski, that the Moore report be approved. Chairman Kellam recused himself from voting; citing a possible conflict since "CREATE" is planning to use the Culpepper Construction Co. where his wife is employed.

At the request of Craig Fletcher, the Chairman and the Financial Advisor gave a synopsis of converting the round Holiday Inn into a residence hall. In response to questions from several of the Authority members, David Moore reported that the projected break-even for this project would be at 70% occupancy, the rental rate would be \$1000 a month including meals with 334 occupied beds. He was questioned by Hilaman as to the validity of these numbers. The Authority was assured that these numbers would make a viable project.

Craig Fletcher questioned the proposed rental rate, since it appears it higher than local comparable rates. David Moore responded that according to the feasibility study done by the Danter Company, the proposed rates are sustainable; however, he cautioned the Authority members that he was not the author of this report. Chairman Kellam then restated the intent of the motion. A "yes" vote will indicate approval of the project and authorize the staff to request a TEFRA hearing by the Leon County Commission. However a "no" vote could conceivably allow the project to go forward without the Authority's blessing and without being a tax exempt issue. Bill Hilaman again expressed concern as to the rental rate and the occupancy percentage. Chairman Kellam responded that it was unknown as to the extent of the participating churches in securing residents.

Craig Fletcher commented that in his experience college students are usually tight on money and there are at least three other student complexes in dire financial straights at this time. Furthermore he is concerned that two universities may require that students live on campus. Randy Guemple questioned the proposed rent and the "comparability rating" used by the "CREATE" consultant.

Henry Lewis thanked David Moore for his comprehensive report, including ascertaining the ability of the sponsor to be successful on the project. He said that he is satisfied that the Authority has fulfilled its statutory obligation. He further queried Bob Reid on the wording on the bond documents and was assured that the wording was standard on this type transaction. Bill Hilaman emphasized that this is a stand alone project with no financial obligations to any entity other than this project. Anne Peery thanked the people who have work diligently on this project and called for the question. The motion was approved 6-0.

Reverend Holmes thanked the Authority and its staff for their work on this project

There being no further business, the meeting was adjourned at 1:30 p.m...

Robert E. Kellam, Chairman

Calvin P. Ogburn, Executive Director