

## MINUTES

### LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY

December 11, 2008

The Leon County Educational Facilities Authority met Thursday, December 11, 2008 in the ballroom at SouthGate Campus Center, 675 W. Jefferson St. pursuant to public notice.

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

Authority Members Absent: Bill Hilaman

Others in Attendance: Calvin Ogburn; Terry Madigan; Bob Powell; Kathy Broecker, USBank; Bill Black, Van Kampen Funds; Jamie Thomas, Jason Fort, Julie Bonnin, Randal Husmann and Ken Mills, SouthGate Campus Centre.

Chairman Kellam called the meeting to order at 11:12 a.m.

The minutes of the meeting of October 8, 2008 were approved with a motion by Liz Maryanski, seconded by Randy Guemple, and all were in favor.

**CREATE, Inc.** – The Chairman reviewed the status of the CREATE, Inc. application to the Authority. He said that the expiration date of November 30, 2008 (as stated in Reverend Holmes letter) has passed therefore this application is no longer valid. After discussion, a motion by Craig Fletcher that should this application be resubmitted to the Authority, it would be treated as a totally new project and would be subject to a revised fee schedule. It was agreed that Liz Maryanski, Randy Guemple and Calvin Ogburn would serve as a committee for the revised schedule without further board action. The motion as seconded by Liz Maryanski and all were in favor.

**Defeasement of Part of Heritage Grove Property** – Terry Madigan reported that he had several conversations with Financial Advisor, Hugh Tanner, had met several times with Randy Guemple and Calvin Ogburn as well as the FSU Legal Department. As a result of these meetings he has now prepared a notice to be published and circulated announcing that the Authority would take proposals for purchase of selected parcels of the Heritage Grove property. A minimal cost for the subject property has been determined by Hugh Tanner to be \$2,913, 385 plus assorted costs and fees. Terry Madigan reminded the Authority that in accordance with the bond issue, the Authority is required to take the higher of either this cost or the appraised fair market value as determined by a certified market appraiser. The notice is to be published in the FSU View, Tallahassee Democrat and circulated to various Greek organizations. Potential purchasers must attend a mandatory meeting on January 8, 2009, be prepared to make an initial deposit by January 31, 2009 and be willing to enter into a binding contract by April 1, 2009.

*(Henry Lewis arrived.)*

Upon Dr. Lewis's arrival, the Chairman briefly reviewed various actions pertaining to CREATE. At Henry Lewis's suggestion, Terry Madigan is to write Rev. Holmes on behalf of the Authority and advise him that the application period for CREATE has expired and that a new application be submitted, it will be subject to the revised fees.

**University Courtyard** – Terry Madigan reported that “Muni Mae” has entered into a contract to sell this property. He has been informed that FAMU has released all claims on this property upon payment of certain fees and expenses. It is his recommendation that the Authority as well approve this sale subject to payment of past due issuer's fees and expenses. Anne Peery strongly recommended that the story be told about this project inasmuch as the project continues to be fully operational, housing FAMU students, the property is an improvement in the Southside area and the property continues to pay appropriate taxes. An agreement to sign this release was made by Anne Peery, seconded by Randy Guemple and all were in favor.

**Scholarships** – The scholarships for 2009 were discussed by the Authority. It was agreed that at our next meeting, January 14, 2009, selected students would be invited to receive scholarships on behalf of their respective schools. It was further agreed that this meeting would be hosted by Henry Lewis at FAMU.

**Audit for FY Ending 9-30-08** – Auditor Bob Powell presented the audit which once again had no significant findings. He expressed concern that the cash flow at SouthGate is becoming an increasing problem. Discussion was held. He cautioned Authority members that the audit report, due to auditing standards, does not fully report the financial status of the individual projects. He further said that the required fixed charged ratio as stated in the bond documents is not a reasonable requirement and should be addressed by the parties concerned. After further discussion he further suggested that the interest on the SouthGate “B” bonds would cease to be accrued inasmuch as this is an unrealistic expectation of that property. The audit was approved with a motion by Liz Maryanski, seconded by Craig Fletcher and that the audit is distributed as required.

*(12:03 p.m. to 12:42 p.m. – Break for Lunch)*

**SouthGate** – Asset Campus representative, Julie Bonnin distributed the SouthGate Campus Plan dated December 2008. She then reported that occupancy is at a critical state. The rate is currently at 55%. The property must be marketed earlier than in past years and direct mail should be out in January 09. After discussion, it was recommended by the management company that there be a slight reduction in rate for the year 09-10 to be more competitive with the FSU campus. The proposed rate schedule was circulated. Anne Peery urged the management company to establish written benchmarks for the coming year and provide adjustments to these benchmarks as the year progresses. It is her desire that the Authority periodic.....review these benchmarks and adjustments to them and compare them to the goals for the year that the management company has established.

*(1:25 p.m. – Liz Maryanski left the meeting)*

Jamie Thomas reported that “shadow market” consisting of individual duplexes and fourplexes and typically owned by individuals as opposed to apartment companies, has increase markedly in the last several years. It is his feeling that this shadow market now houses some 15% of the off campus students.

*(1:50 p.m. – Henry Lewis left the meeting)*

After discussion and when questioned, Randy Husmann said that he thought that a 70% (364 beds) occupancy is a reasonable target for the coming year. Kathy Broecker said that in her opinion it is imperative that the management company establish reasonable benchmarks which can be reported upon during the year. Without objection the proposed rates were approved by the Authority.

The marketing strategy annual operating budget was then discussed. It was agreed that the printing of brochures and flyers could proceed as budgeted and that this topic would be set for review and discussion at the January 14 meeting. It was also agreed that the proposed benchmarks would be reviewed at the January meeting. It was Chairman Kellam’s desire that a comparison and a goal of 85% occupancy be established and used as one of the benchmarks for comparison.

There being no further business, the meeting was adjourned at 3:04 pomp...

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Robert E. Kellam, Chairman

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Calvin P. Ogburn, Executive Director