

## MINUTES

### LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY

July 28, 2010

The Leon County Educational Facilities Authority met Thursday, July 28, 2010 at noon at Heritage Grove Complex Office, Ocala Rd, Tallahassee, FL pursuant to public notice.

Authority Members Present: Bob Kellam, Billy Hilaman, Randy Guemple, Joe Weil and Liz Maryanski.

Authority Members Absent: Henry Lewis, Craig Fletcher.

Others in Attendance: Calvin Ogburn; Terry Madigan; Coastal Properties VP Ray Allen and Heritage Grove Manager Tom Kadel.

The meeting was called to order at 12:21 by Chairman Kellam.

The minutes of July 15, 2010 were approved with a motion by Billy Hilaman, seconded by Randy Guemple. All were in favor.

Committee Chair Bill Hilaman discussed in broad terms the Heritage Grove budget for year seven (October 1, 2010 to September 30, 2011.) He said that despite many of the expenses being "fixed cost" there had been a savings made in maintenance, insurance and other areas. He suggested that due to the severe budget restrictions, that the operational costs and revenue should be revisited sometime during the fiscal year. In answer to a question as to the competitiveness of the Heritage Grove rental rates, it was discussed that by far the most competition is from surrounding complexes rather than FSU on campus housing. Ray Allen then discussed new property that would be competing with Heritage Grove. An example is Campus Walk, an Erwin Jackson property off West Tennessee and the Grand Mark Apartments at Tennessee and Brevard St, which is only 90% leased at this time. Billy Hilaman then discussed the plan to utilize some scholarship funds to prevent possible vacancies later in the fiscal year.

It was reported that at the current time, 83% of Heritage Grove is pre-leased to fraternity members. A discussion was then held on how the fraternity rush activities are conducted. Ray Allen then presented a budget summary review (a copy on file). He said that it is his observation that this year typical students are slower in leasing, opting to stay home, doubling up with other students, and moving to multi-family units. He further said that the Tallahassee population is decreasing overall. Currently, Heritage Grove is housing approximately 30 to 40 residents who are recipients of the Florida Pre-Paid Housing Program.

The rental rate for next year continues to be \$480 per bedroom per month for a 12 month lease. In answer to several questions, he said that operating expenses had been trimmed by almost 3%. The debt coverage ratio will be one to one, which will require a

waiver from the insurer, ACA Financial Corp. For the past several years a waiver has been requested and approved.

Ray Allen and Tom Kadel then discussed the revenue and expenses as shown in the proposed budget. The "CAM" fees were discussed and several questions were raised and answered pertaining to these fees. Of the total "CAM" fees, the Authority is responsible for 68% and the equity properties 32%. Joe Weil then distributed a comparison sheet of past cost and revenue as compared to the current budget. Discussion was held and questions answered.

Terry Madigan informed the Authority that he is considering applying for the position as legal counsel for Innovation Park. Should he be selected, this would not affect his relationship with the EFA.

(1:45 p.m. Liz Maryanski leaves)

Additional discussion was held pertaining to the proposed budget which then resulted in a motion made by Randy Guemple, seconded by Billy Hilaman to approve the operating budget for Heritage Grove for year 2010-11. All were in favor.

The meeting was promptly adjourned at 2:25 p.m. by Chairman Kellam due to his having another engagement...

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Robert E. Kellam, Chairman

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Calvin P. Ogburn, Executive Director