

MINUTES

LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY

April 8, 2010

The Leon County Educational Facilities Authority met Thursday, April 8, 2010 at noon in the Ballroom at SouthGate Campus Centre, 675 W. Jefferson St., Tallahassee, FL pursuant to public notice.

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

Authority Members Absent: Craig Fletcher

Others in Attendance: Calvin Ogburn; Terry Madigan; "A" Bond Holders Representative, Bill Black; Southgate Manager Ken Mills; Coastal Property Manager (Heritage Grove) Ray Allen and Tom Kadel.

The meeting was called to order at 12:10 by Chairman Kellam. The minutes of January 14, 2010 and the minutes of October 15, 2009 were approved with a motion by Bill Hilaman, seconded by Randy Guemple. All were in favor.

The Heritage Grove report was made by Bill Hilaman and Ray Allen. They said they had met with representatives of FSU's Athletic Department to investigate the possibilities of housing student athletes. No recommendation had been made and no decision has been recommended.

Ray Allen distributed a multi-page handout summarizing Heritage Grove activities (this handout is on file). Ray Allen and Tom Kadel reported on the progress of the recently lighted volleyball court, cooking grill and other games. The management company has been hosting pizza parties for each of the resident fraternities. It was reported that Heritage Grove is among the leaders of the pre-leased student complexes for 2010. Ray Allen also reported that he is seeing more of a trend in students living at home this year. He said that the good news is that there are no large new properties coming on line this fall, however, many properties which are in receivership are being rented at below market rates. Ray Allen and Tom Kadel also reported on the FSU Housing Fair which was held last week. A new fraternity, Phi Sigma Kappa, has agreed to lease at Heritage Grove. The managers anticipate some 46 leases from this group. This will bring a total of 20 active fraternities on the property. Also, it was reported that the web site has been updated, there is a new Heritage Grove brochure available and that there is the ability to lease-up, sign up and pay on line 24 hours a day. It is projected that rents will remain level throughout the community in the upcoming school year.

The major future concern continues to be that debt service coverage requirements will increase faster than rents. In response to a question from Anne Peery, Ray Allen said that he would review the insurance requirements with the property's insurance broker and report back at a later meeting.

The SouthGate report was presented by Manager Ken Mills and Director of Leasing Michael Defeudis. They said that SouthGate was approaching a 40% pre-leased occupancy for the fall of 2010 (compared with 5% at this time last year). They also reported that the TCC parents have commented favorable on the FSU/TCC/SouthGate connection. The property is experiencing approximately a 60% lease conversion rate. Randy Guemple said that he and the Director were continuing to monitor closely the day to day cash issue problem. It is his opinion that in future years (and in future budgets) it is mandatory that more money is retained for operation and capital expenditures.

Long term goals were discussed and it was agreed that Randy Guemple and the Director would continue to work with Bill Black and utilize financial advisor, Bill Reagan, as necessary to develop a long term plan which may lead to a refinancing of the property. It was agreed that it is mandatory to have sufficient proceeds to upgrade the property.

Henry Lewis presented the Scholarship Report. He gave a brief, historical overview of this program. He said that the \$60,000 in the scholarship fund for 2010 is now available to distribution. Anne Peery led the discussion on a possible modification to the scholarship program that would require scholarship recipients to live at one of these properties. After discussion it was agreed that Henry Lewis was to research the possibility of matching these funds and discuss with the Board of County Commissioners the fact that we intend to fund scholarships this year.

Chairman Kellam announced that the annual report for 2009 was complete and that he was in the process of revising the cover letter.

There being no further business, the meeting was adjourned at 2:30 p.m.

Robert E. Kellam, Chairman

Calvin P. Ogburn, Executive Director