

## MINUTES

### LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY

September 7, 2011

The Leon County Educational Facilities Authority met Thursday, September 7 2011 at 11:00 a.m. in the SouthGate Campus Centre retail area, Tallahassee, Fl. pursuant to public notice.

Authority Members Present: Billy Hilaman, Joe Weil, Craig Fletcher; Liz Maryanski and. Lynn Tipton. Bob Kellam arrived and Randy Guemple joined [ via phone] after the meeting was in progress.

Authority Members Absent: None

Others in Attendance: Calvin Ogburn; Terry Madigan.

The meeting was called to order at 1100 a.m. by Vice-Chair Liz Maryanski.

Election of the officers for the year, 2011-2012, was discussed by the membership. The earlier action on October 14, 2010, at which time Liz Maryanski was to become Chairman and Randy Guemple was to be Vice-Chairman, is not going to work due to conflicts. Liz Maryanski proposed as a motion that members remove her from consideration at this time and that Billy Hilaman be nominated as Chairman and Randy Guemple as Chairman Elect, seconded by Joe Weil for the term October 1, 2011 to Sep 30, 2012. All members were in favor.

Liz Maryanski then led the discussion of the various topics to be considered for the joint meeting with the Leon County Commission. It was agreed that the topics as listed would be developed and brought back to the general membership per the schedule as outlined by the Executive Director.

Joe Weil then discussed the need for a strategic plan for the Authority. He cited several examples that have been developed by other not for profit organizations. After discussion it was agreed that he and the Executive Director would work on this and report to the Authority.

A brief recap of the history of SouthGate was presented by Terry Madigan who emphasized that SouthGate was begun by a private developer who urged the BCC to create the Authority for the explicit purpose of issuing tax exempt bonds for Southgate.. Only after the bankruptcy of the original developer was it agreed by all parties that the Authority would assume a management role.

(11:35 Randy Guemple joined the meeting via phone)

Joe Weil discussed the huge student apartment inventory which is now vacant and suggested that the Authority redirect their mission to concentrate more of their time looking at these vacant complexes with a goal of having them productive once again.

A motion was made by Craig Fletcher, seconded by Billy Hilaman, that the BCC report, as discussed, would be developed. All were in favor.

The negotiation between the "B" bond holder representative, Tom Johnson, and the Authority was then discussed. It was the opinion of Craig Fletcher that it is foolish to continue to negotiate a sales price since the property has assorted problems; however, he acknowledged the benefits of the approach of getting the most money possible. He does advocate selling the property. Billy Hilaman urged the Authority to consider a scale where the Authority will share in the profits of the "B" bond holders. Joe Weil expressed concern that the "B" bond holders are attempting to trap us into a lower dollar if we make a counter offer. He also wishes that a severance pay clause be inserted to protect the local staff. Randy Guemple (via phone) emphasized that the property is showing a good cash flow and he does not feel forced to sell at any price. In his opinion the Authority rightfully should be properly compensated for the sale and urged the Authority to maintain their position of \$1.3 million dollars. Lynn Tipton agreed with this statement.

(11:50 a.m. Bob Kellam arrived)

Craig Fletcher once again expressed his objection to the Authority considering paying any expenses up front on a potential sale. There ensued general discussion about slightly reducing the offer or establishing a percentage amount of the sales price for the Authority, but no decision was made. Joe Weil urged again to sell as gracefully and quickly as possible. Randy Guemple again expressed his opinion that the Authority should be setting the terms of the sale and should not wish to negotiate. In response to questions, Terry Madigan said that in his opinion the "B" bond holders have no legal grounds to sue the Authority on this issue. Bob Kellam said that in his opinion the "B" bond holders are trying to back out on their contract and that by selling we will be doing them a favor. Liz Maryanski urged the Authority to consider the scholarship program we have established and to negotiate on the 1.3 million dollars. Bob Kellam urged the Authority to make a counter offer to see if it can be determined the amount that the "B" bond holders are willing to sell for. There was a motion by Craig Fletcher that we make a counter offer of \$300,000 plus a severance package for staff. Billy Hilaman offered a friendly amendment to increase that amount to \$350,000 plus 5% after all expenses and no ERA funds would be used for costs. It was Randy Guemple's opinion that negotiating is not in the best interest of the Authority and that the numbers proposed by the EFA are real and justifiable numbers. A substitute motion was then made by Randy Guemple that our negotiations remain as before and that should it be necessary to pay compensation because of a staff lay-off, the Authority would pay that. This motion was seconded by Lynn Tipton and the vote was 6 in favor, with Joe Weil opposed.

There being no further business, the meeting was adjourned at 2:06 p.m.

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Liz Maryanski, Vice Chair.  
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Minutes  
September 7, 2011

Page 3

Calvin P. Ogburn, Executive Director