

Minutes of the
Leon County Educational Facilities Authority Quarterly Meeting
11:30 am Tuesday, May 15, 2018

In attendance were Authority Chairman Tom Proctor, Authority Members Ramsay Sims, Gary Huff, Billy Hilaman, Grace Fletcher and Authority General Counsel Terry Madigan.

Bob Kellam, Authority Executive Director, called shortly before the meeting to advise that he had a family emergency and would be unable to attend.

The meeting came to order at 11:30 a.m. with a discussion about recent communications with RJ Reed, an individual who had expressed interest in developing the vacant equity lots at Heritage Grove. Mr. Reed had previously spoken with Bob Kellam and had most recently contacted Billy Hilaman, who referred him to Terry Madigan as legal counsel for the Authority. Terry advised that he had had an extensive discussion with Mr. Reed, explaining to him the eligibility requirements and other considerations of acquiring and developing student affinity group housing at Heritage Grove. Terry stated that he told Mr. Reed that the Authority may be open to further discussing possibilities with him, however, he could not give Mr. Reed any advice as to how he should proceed with his particular plans, but that he did direct him to other information sources.

Authority General Counsel Terry Madigan gave an update on the status of the settlement agreement resolving the Heritage Grove litigation. While agreement in principle to the settlement was reached a few weeks after the end of the two-day mediation in February 2018, the precise wording of the terms of the written agreement have been in negotiation for almost 2 months. Terry advised that terms hopefully would be finalized by the end of the month and that after all signatures were procured, it would be another 30 days before all settlement proceeds were collected. It was also reported that the temporary repair work on the bricks and gables at Heritage Grove, had been substantially completed.

Chairman Proctor brought up a discussion of the Authority Executive Director, and the requirements and expectations of the position. The circumstances which originally brought Executive Director Bob Kellam into that position, and the Authority's appreciation that he was able to step in at the very critical time when he did, were noted. It was discussed that Bob has been experiencing some personal challenges which were limiting his ability to carry out his Executive Director duties, and had spoken with Chairman Proctor about the concerns raised and also the fact that, given the anticipated future challenges at Heritage Grove, that the Executive Director was going to need to become more active in matters pertaining to the financial restructuring and construction repair, areas of expertise beyond that which Bob was comfortable in taking on. A motion was made by Authority Member Ramsay Sims to authorize Chairman Proctor to solicit potential candidates for the position of Executive Director. The motion passed unanimously.

Discussion was had, led by Chairman Proctor, of the current status of the Southgate negotiations with Emet Capital and the recent proposed changes in structure from a property purchase to a bond purchase. Progress was reported as going well and more promising than past Southgate acquisition proposals. The issue of Southgate residents being composed of a majority of Tallahassee Community College students was noted as again being a potential point of concern.

Chairman Proctor then led a review of the history of the Authority and of Heritage Grove and Southgate and his view as to the principles and appropriateness of Authority ownership of properties and the focus of Authority activities moving forward. Authority Member Billy Hilaman shared his background perspective on the role of the Authority, particularly as to its purpose and history in connection with the Heritage Grove development. General discussion was had by those in attendance as to the future objectives of the Authority.

Bennett Miller and Kris Dunn of the Dunn & Miller Law Firm, previously retained to represent the Authority in the Sigma Phi Epsilon case (General Counsel Terry Madigan having removed himself from involvement due to his past association with Sigma Phi Epsilon and the potential for conflict) arrived at the meeting as it was about to adjourn and gave a brief update on the status of the litigation and the potential settlement offer (Offer of Judgment/Proposal for Settlement) which had been made to the Authority. Consensus of the Authority members still present was that settlement discussions should continue to be engaged in, but there was no approval for the recent proposal.

The meeting adjourned at 1:13 p.m.