

LCEFAMeeting Minutes
July 9, 2021
1st Floor Board Room
Capital City Trust Company Building
304 E. Tennessee Street (Corner of Tennessee and Calhoun)

Members Present – Chairman Ramsay Sims; Vice Chairman Todd Sperry; Tom Proctor; Curt Bender; Dixie Daimwood (on phone).

Also in attendance were Assistant Executive Director Michael Kramer; Executive Director Fran Gilbert

The meeting was called to order by Chairman Ramsay Sims at 9:03 am.

Approval of Minutes

Motion by Todd Sperry, seconded by Tom Proctor to approve the minutes of the April 14, 2021 meeting as distributed to the members. Motion passed unanimously.

Financial Disclosure Forms

Chair Ramsay reminded members 2020 Financial Disclosure Forms were due July 1 and if any member had not yet submitted their form to do so right away.

Southgate

Mr. Kramer reported that Southgate’s pre-leasing figure for the Fall is currently at 65%. This is the lowest it has been in 10 years. Several factors could be affecting the pre-leasing figure including the reluctance of students/parents to rent double occupancy rooms due to COVID concerns; the space may be considered outdated in comparison to other options.

The Board reviewed Southgate’s financials.

Mr. Kramer reported that the kitchen work at Southgate is on-going, and the majority of the kitchen work will be completed this Fall. The cost of the work is estimated to exceed \$500,000.

The two class action lawsuits brought against the property management company, Asset Living, and the LCEFA are ongoing. Both regard requests for refunds of room and board fees associated with FSU’s decision to move to a virtual classroom model when Covid-2019 cases increased in the US. Legal Counsel has been retained, Insurance carriers have been notified, and the cases are proceeding through the courts.

Heritage Grove

Chair Sims reported that LCEFA had received correspondence regarding the acceleration and redemption of the outstanding Heritage Grove bonds. This correspondence was included in the Board Materials that had been distributed. Chair Sims said Paul Siegel with EMET Capital had let him know that EMET was moving forward to acquire 100% of Heritage Grove bonds from ACA and will be closing in the immediate future. Chair Sims noted that LCEFA had no involvement with ACH or EMET or in putting Heritage Grove assets on the market. Ms. Daimwood questioned if the LCEFA should object to the transaction in some way in case FSU had any objection / concerns about the pending bond sale. Mr. Kramer informed the group that he could request formal feedback from FSU representatives if the Board desired. He also communicated that LCEFA counsel clarified that our approval for the acceleration of the bonds was not required. Mr. Kramer noted that the pending bond sale is not expected to have an impact on the Settlement Agreement that was executed in 2019.

Based on the understanding of the transaction as communicated with LCEFA, there was no action for the Board to take or approve. LCEFA continues to deal directly with the equity lots.

Mr. Kramer reported that LCEFA's attorney, Brian Crumbaker, is no longer with Hopping Green & Sams. Jason Merritt is LCEFA's current attorney.

Mr. Kramer noted that Heritage Grove's occupancy is currently pre-leasing at 38%, which is better than this time last year.

New Business

Curt Bender inquired about a property owned by TCC that might benefit from LCEFA's help. Discussion followed in regards to the LCEFA charter, property ownership, etc. and Mr. Bender agreed to get additional information so the Board could consider if such a project could work via the LCEFA.

Adjournment

Meeting was adjourned at 10:01 am.