

LCEFA Meeting Minutes
January 20, 2022
Zoom Meeting

Members Present – Chairman Ramsay Sims; Vice Chairman Todd Sperry; Rica Calhoun; Richard Givens; Tom Proctor

Also in attendance were Assistant Executive Director Michael Kramer; Executive Director Fran Gilbert; Joseph Brown, Kutak Rock LLP – Tallahassee.

The meeting was called to order by Chairman Ramsay Sims at 3:03 pm.

Approval of Minutes

Motion by Todd Sperry, seconded by Tom Proctor to approve the minutes of the September 23, 2021 meeting as distributed to the members. Motion passed unanimously.

Heritage Grove

Leasing

Mr. Kramer noted that Heritage Grove's leasing is currently at around 50% with the residents being a mix of fraternity members and non-fraternity member students. Board asked if that occupancy was based on all beds at HG not just the currently available bed, Mr. Kramer confirmed with Asset that the occupancy rate was for all beds.

Receiver & Remediation Update

Mr. Kramer reported that the exterior demo is complete and that unit interiors will receive new furniture, flooring, lighting, appliances, cabinets, and bathroom fixtures while several of the former Chapter House meeting spaces will be repurposed into a new leasing office, study rooms, fitness centers, and student lounge. Emet expects that two completely renovated buildings will be delivered by May 1, 2022 with approximately one building delivered per month thereafter through full completion of the renovation campaign projected in Q1 2023.

CAM Advisory Committee

Mr. Kramer reported that the CAM Advisory Committee will be meeting the first week of February. LCEFA is not required to attend this meeting and has not been asked to attend, but if that changes, he will let the Board know.

Southgate

Leasing

Mr. Kramer reported that Southgate's leasing is currently at 87%. This is 9%-10% lower than is historical, but is up 5% from Fall Semester.

Financials

There were no questions on the previously shared financials for Southgate.

Kitchen Work

A fully executed agreement is expected this week. The construction schedule runs through August 2022 so the bulk of the work will occur over the summer with some work starting soon to prepare the shaft assembly.

Litigation Update

Both Federal lawsuits have been dismissed. Costs associated with these lawsuits were primarily covered by the policy with Indian Harbor which was not renewed. Attorneys for one of the plaintiffs (Corinti) have now filed at the state circuit court level. Indian Harbor will be providing coverage for this case in the same arrangement as the original Federal cases. Mr. Kramer noted that the expenses associated with defending the property manager, Asset,

and funded by the Indian Harbor Policy, were reducing the cap under that same policy. A motion to dismiss the state circuit court lawsuit has been filed.

Audit Status

Mr. Kramer reported that the audit is on schedule to meet the targeted deadline of March 31, 2022. He noted that during the audit review the auditors reported that a couple of construction workers at Heritage Grove were living in two of the units; and that Southgate Resident Assistants (RAs) received a deeply discounted room rate as part of their compensation. Mr. Kramer confirmed with Asset and Emet that they were previously aware of these arrangements and that they are customary.

New Business

Chair Sims reminded the Board that under the previously executed Settlement Agreement with ACA, LCEFA has an "put" date of October 2022 regarding Heritage Grove. The obligations under the Settlement Agreement have been assumed by EMET when the bonds were acquired. He reported that Emet has requested that LCEFA defer that put date. He noted that he's not really sure if LCEFA would entertain doing that unless we could get obtain similar exit timing for Southgate. Chair Sims asked the Board to consider extending the Heritage Grove "put" for if LCEFA could get an end certain date with Southgate to exit both entities at the same time. He noted there was nothing to be determined at this time as no formal request had been made, but did want the Board to think about this as we expect something in the relatively near future.

Adjournment

Meeting adjourned at 3:26 pm.