

**MINUTES OF THE
CAPITAL TRUST AUTHORITY, INC.**

The 8th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, April 6, 2023 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), Deborah Roche (Assistant Secretary), Burt Snooks (Board Member), Tom Naile (Board Member), Christy Larkins (Board Member), and Bobby Potomski (Board Member). Also attending was Denis McKinnon (Executive Director), Connie Beargie (Office Administrator), and Samantha Abell (City Manager). Attending via telephone/conference communication was Kareem Spratling (Bond Counsel), Brooke Gonzalez (Bond Counsel).

AGENDA ITEM:

Approval of Minutes: 3/7/2023

DISCUSSION:

No discussion

MOTION/ACTION:

Tom Naile made a motion to approve the 3/7/23 minutes as presented. Deborah Roche seconded the motion. Vote for approval was 8-0.

AGENDA ITEM:

Inducement Resolution 05-23 – Imagine School at West Pasco

DISCUSSION:

Imagine School at West Pasco is a proposed approximately 74,000 square feet, two story educational facility to accommodate approximately 1100 students in grades K-8 and located in Port Richey, Florida. The bonds are to be issued on parity with Imagine School at Land O' Lakes, which is a high performing charter school located approximately 14 miles away.

Bobby Potomski asked if the non- investment grade rating is normal within the CTA and Authority portfolio. Denis McKinnon responded that we most often issue non investment grade rated bonds. However, our policy is to issue non investment grade rated bonds in \$100,0000

denominations and \$5,000 thereafter in order to market the bonds to accredited investors and qualified institutional buyers only.

Bob Cleveland asked who receives the development fee and the management fee. Denis McKinnon replied that both fees go to the borrower.

Chris Kemp asked about the structure of the owner. Denis McKinnon replied that Imagine Schools Non Profit, Inc. is a 501(c)(3) doing business as Imagine School at West Pasco, LLC and is the sole member of the LLC.

MOTION/ACTION:

Gary Michaels made a motion to approve Resolution 04-23 as presented. Bobby Potomski seconded. Vote for approval was 8-0.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

Denis McKinnon presented the updated pipeline report.

Denis McKinnon reported that several assisted living facilities have not recovered from post COVID-19 vacancies and are still performing poorly. Christy Larkins asked if this negatively impacts CTA and/or the Authority. Denis McKinnon replied that it could create a headline risk if local news chooses to report CTA's involvement in the project; other than that, it impacts the budgeted issuer fees that would need to be written off as bad debt.

Chris Kemp asked if there any Work Force Housing projects in the pipeline. Denis McKinnon stated the Authority is second choice for work force housing projects due to the local government funding they typically receive.

Christy Larkins asked if there has been any fee restructuring on the new projects. Denis replied that he has not had any issues with the fees.

MOTION/ACTION:

No motion required.

AGENDA ITEM:

Building Hope Impact Summit Sponsorship Request

DISCUSSION:

Denis McKinnon stated he received a sponsorship opportunity from a Florida based Charter School Financial Advisory firm to participate in the Building Hope 2nd annual Impact Summit & Awards event to be held in Miami on May 2nd – May 4th 2023. Denis stated his recommendation to the board would be for a \$10,000 donation. This would be considered a business development opportunity from the Authority, using unallocated reserves. The Authority does not have a budget for charitable giving at this time, however, this will be addressed during the next fiscal year budget workshop.

Deborah Roche asked if we could specify where the funds are allocated. Denis McKinnon replied that this is an event related sponsorship. However, it is possible to sponsor other school leaders to attend the event.

MOTION/ACTION:

Bob Cleveland made a motion to approve a one-time \$10,000 business development donation to benefit the Building Hope 2nd Annual Impact Summit & Awards. Deborah Roche seconded. Vote for approval was 8-0

No other formal business of the board was taken and the meeting adjourned at approximately 10:00 am.

Minutes submitted by:  Connie Beargie, Office Administrator

Approved by:  Chris Kemp, Chairman

