

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

The 16th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, November 16, 2023 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Gary Michaels (Vice-Chairman), Burt Snooks (Board Member), Christy Larkins (Board Member), Mayor Cherry Fitch (Board Member), and Bobby Potomski (Board Member). Also attending was Denis McKinnon (Executive Director), and Connie Beargie (Office Administrator). Attending via teleconference was Kareem Spratling (BMO Bond Counsel), Brooke Gonzalez (BMO Bond Counsel) and special guest Robert Ryan (First Tryon Advisors).

AGENDA ITEM:

Capital Trust Authority Minutes from 10/26/2023

DISCUSSION:

No discussion.

MOTION/ACTION:

Gary Michaels made a motion to approve the minutes as presented. Christy Larkins seconded. Vote for approval was 6-0.

AGENDA ITEM:

Award Resolution 19-23 – Creative Learning Academy

DISCUSSION:

Creative Learning Academy is a private school located in Pensacola, Florida. The proposed financing is for the construction of a two story 14,000 square foot building to be located on 3.8 acres of property already owned by the school. The new building will accommodate approximately 130 students in grades 5-8.

Denis McKinnon introduced Robert Ryan, III, Financial Analyst with First Tryon Advisors.

Denis McKinnon stated this will be a private placement with Renasant Bank. Denis stated the TEFRA approval will be through the Governors office, rather than local government.

Mayor Cherry Fitch stated CLA has always had a great reputation and is pleased to see them growing. Christy Larkins said she feels good about this project.

Burt Snooks asked if the cost per student is increasing. Robert Ryan replied that it is increasing with added hiring expenses and additional pre-k and daycare expenses.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve Resolution 19-23 as presented. Christy Larkins seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 20-23 – IDEA Public Schools

DISCUSSION:

IDEA Public Schools is a 501c3 non-profit serving schools in Florida, Louisiana, Texas and Ohio. IDEA has 143 schools serving more than 84,000 students. IDEA has four schools in Florida with more than 3000 students in grades K-12. IDEA Victory and IDEA Hope are located in Tampa, IDEA River Bluff and IDEA Bassett are both located in Jacksonville.

Denis McKinnon stated he met the project asset managers during the Florida Charter School Conference in October. Denis further stated the underwriter will be Morgan Stanley and noted this is the Authority's first opportunity to work with this group.

Gary Michaels asked if we have more recent financials than the 6/30/2022 financials provided. Denis McKinnon replied that we will have 6/30/2023 prior to the final resolution.

Burt Snooks asked if the Florida schools have bad debt expenses. Denis replied no, the Florida schools are separate legal entities and do not carry any of the bad debt reported by the whole enterprise.

Mayor Cherry Fitch stated the Florida school facilities look good. Mayor Fitch asked about the grade gap in the projections. Denis McKinnon replied that the grades are filled as the K-3 programs graduate and move up into grades 4-6 and so on.

Gary Michaels asked for more history on the schools and the updated financials prior to the final award resolution.

Bobby Potomski asked if the Authority has the opportunity to issue bonds outside of Florida. Denis replied that the Authority is a national issuer and he is constantly reminding our business partners of the extended footprint. CTA has outstanding bonds in OH, AL, GA, TX, MI, WI, SC and TN.

Kareem Spratling brought to the Board's attention the revised Resolution which includes added vacant land for future growth opportunities.

Chris Kemp asked about the difference between the outstanding debt and the amount of the proposed bonds. Kareem Spratling it is needed to create flexibility, however, the final bonds will match up.

MOTION/ACTION:

Christy Larkins made a motion to approve Resolution 20-23 with the following information to be provided prior to consideration of the final award resolution: 2023 Audit, detailed Sources & Uses, additional background/history of the parent organization. Gary Michaels seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 21-23 – Mohawk Valley Materials

DISCUSSION:

Mohawk Valley Materials is seeking tax exempt private activity bonds in order to purchase an existing solid waste company located in DeFuniak Springs, Florida. The financing will include all mineral rights such as clay, red sand, topsoil, white sand, and other mineral reserves.

Denis McKinnon stated we will apply for a Private Activity Bond allocation in January 2024 and expect to close sometime in March 2024. Kareem Spratling commented that waste management bonds are a common type of bond issuance.

Burt Snooks asked if this will require an extra layer of TEFRA approval from the Governor's office. Denis replied that the Division of Bond Finance will rely upon the opinion letter from Bond Counsel.

Bobby Potomski asked if Walton County is in favor of this purchase. Denis replied that according to Samantha Abell, they are in favor of this project.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve Resolution 21-23 as presented. Bobby Potomski seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 22-23 – AcadeMir Math and Science

DISCUSSION:

AcadeMir Charter Schools is an existing 501c3 non-profit located in Miami, Florida. CTA has issued three of their projects on various campuses and are performing well. The purpose of the bonds is to finance the acquisition the leased facilities and of modular classrooms and expand enrollment by approximately 125 students. There are currently over 200 students on the wait list.

Denis McKinnon stated the two schools included in this financing will be cross-collateralized and the bonds issued on parity.

Chris Kemp stated the organization structure appears to be stable.

MOTION/ACTION:

Gary Michaels made a motion to approve Resolution 22-23 as presented. Christy Larkins seconded. Vote for approval was 6-0.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

Denis McKinnon provided a brief overview of current and potential projects:

Denis stated the Heritage Park TEFRA was not approved.

Denis stated the Kids Community Charter School is on hold due to new financing terms and will transition to private bank financing in the next 3-4 weeks.

Denis McKinnon stated that, unfortunately, due to rising interest rates, the EducationRE project will be soon be removed from the pipeline.

MOTION/ACTION:

No Action Required.

No other formal business of the board was taken and the meeting adjourned at approximately 9:50am.

Minutes submitted by: Connie Beargie Connie Beargie, Office Administrator

Approved by: Chris Kemp Chris Kemp, Chairman

