

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

The 18th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, January 18, 2024 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Christy Larkins (Board Member), Mayor Cherry Fitch (Board Member), Burt Snooks (Board Member), Harry Wilder (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), Samantha Abell (City Manager) and special guest Dwight Berg (Public Economics, Inc. Financial Advisor).

AGENDA ITEM:

Capital Trust Authority Minutes from 12/7/2023

DISCUSSION:

No discussion.

MOTION/ACTION:

Christy Larkins made a motion to approve the minutes as presented. Harry Wilder seconded. Vote for approval was 5-0.

AGENDA ITEM:

Award Resolution 01-24 – KIPP Miami

DISCUSSION:

Denis McKinnon introduced special guest Dwight Berg from Public Economics. Mr. Berg is serving as financial advisor to the borrower.

Denis McKinnon described KIPP Miami as a successful charter school operator serving 280 schools in 20 states. The purpose of the proposed bonds is to refinance the existing debt of the KIPP Miami North Campus which opened in 2022. The project includes a 3 story, 110,000 square foot facility with 90 classrooms, a gymnasium, cafeteria and offices.

Chris Kemp asked who owns the ground lease. Dwight Berg replied that the ground lease is owned by Miami Dade Community College. The property is located very close to the campus

and they have a 65-year lease. Kareem Spratling stated the offering documents include a detailed description of the leasehold interest.

Denis McKinnon stated we are also working on the KIPP South Miami Campus, which should be ready for inducement in approximately three to four months.

Mayor Cherry Fitch asked how the large wait list is managed. Dwight Berg replied that the second facility will double the ability to serve the student population, resulting in a significant, however, temporary dip to the wait list. Students are assigned to either the north or south campus that fits their commute and/or their parents work, with busing to areas within a 1-2 mile radius.

Harry Wilder asked who are the people behind the KIPP Foundation. Denis McKinnon replied that he is not familiar with the board members. The KIPP Foundation operates 280 different schools with no overlapping board members. Kareem Spratling stated the website, KIPP.org, lists the local KIPP Miami Board of Directors with Jeb Bush as Secretary, along with approximately 14 other board members, 2 of which were nominated in December 2023.

Mayor Cherry Fitch asked if college prep or vocational tech classes are currently being offered. Denis McKinnon replied that KIPP supports all college prep and career opportunities.

Harry Wilder asked about the difference between the sources & uses provided in the packet and the number provided in the PNC presentation. Denis McKinnon replied that the presentation was created prior to the final submission for underwriting.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve Resolution 01-24 as presented. Christy Larkins seconded. Vote for approval was 5-0.

AGENDA ITEM:

Inducement Resolution 02-24 – Team Success, a School of Excellence

DISCUSSION:

Team Success, A school of Excellence, operates two charter school facilities in Manatee County, Florida. In 2020 and 2022, Capital Trust Agency issued the bonds for the South Campus, which is scheduled to open in the Fall of 2024. The purpose of this financing is to purchase the North Campus facility. The North Campus currently serves approximately 1300 students in grades K-12 and constantly receives “A” or “B” ratings.

Kareem Spratling stated his is proud of this school as they are the #1 performing school in Manatee County.

Chris Kemp asked if the debt service coverage includes both schools. Denis McKinnon replied that the 2x debt service is just the North Campus. Kareem Spratling stated the new financing will be issued on parity.

Christy Larkins asked if the South Campus is open for registration, yet. Kareem replied that he is not sure, but very likely it is open.

Harry Wilder asked if there are any questions from the previous financing that still needs to be addressed. Denis McKinnon stated he reviewed the previous financing documents and found no outstanding questions to be answered.

MOTION/ACTION:

Harry Wilder made a motion to approve Resolution 02-24 as presented. Burt Snooks seconded. Vote for approval was 5-0.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

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

MOTION/ACTION:

No Action Required.

NEW BUSINESS:

Authority Bond Validation

DISCUSSION:

Denis McKinnon stated it is time to begin our second bond validation process for the Authority, in the amount of \$1 billion, and to expect a sizable invoice from our legal counsel. Denis McKinnon stated BMO's first invoice from 2022 was larger because it incorporated the

validation and start-up costs of the Authority. This second round of validated bonds will be far less expensive.

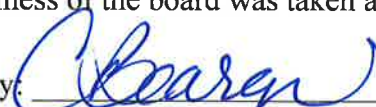
Christy Larkins asked for more information on the bond validation proceedings. Kareem Spratling stated the bonds are ratified through a special provision of law called a Bond Validation in which a circuit court of law validates and protects the bonds from appeal or legal challenge, unless the bonds are somehow violated, which BMO would never allow.


Chris Kemp asked if the validated bonds have an expiration date. Kareem replied no, they do not expire, however, based on the Authority's current pipeline, we are fast approaching the dollar limit of our current round of validated bonds.

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, Office Administrator

Approved by:  Chris Kemp, Chairman