

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

The 15th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, October 26, 2023 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Bob Cleveland (Secretary), Burt Snooks (Board Member), Christy Larkins (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 Richard Moreno (Building Hope Services, LLC).

**AGENDA ITEM:**

Capital Trust Authority Minutes from 10/17/2023

**DISCUSSION:**

No discussion.

**MOTION/ACTION:**

**Bob Cleveland made a motion to approve the minutes as presented. Burt Snooks seconded. Vote for approval was 5-0.**

**AGENDA ITEM:**

Inducement Resolution 16-23 – 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 stated the City of Pensacola is in favor of the project and it is likely Mayor Reeves will approve the TEFRA.

Denis McKinnon stated that since this is a private school, grades are not available for review. However, the biggest metric for private schools is demand. Charter school grades are important because there is the risk of the charter being revoked if scores are not high enough

regardless of the school's popularity. However, since there are no outside regulators for private schools, a school with poor academic results can theoretically stay in business so long as families keep paying.

Now, academic scores for private schools are an important component of demand by families. Good outcomes for test scores like the SAT and college admissions for high schools are important considerations. For any given private school, however, there is not good data available to compare them.

Denis McKinnon stated this will be a private placement with Renasant Bank.

Bobby Potomski asked if CTA has financed other local projects. Deni McKinnon replied we have issued bonds for the Holly Navarre Water System and Liza Jackson Prep School in Ft Walton Beach, Florida. Denis stated we have also issued New Market Tax Credits for the Community Maritime Park in Pensacola.

Chris Kemp asked if updated financial projections will be forthcoming. Denis McKinnon stated he would find out when they will be available.

Christy Larkins asked if the school offers discounted tuition or scholarships and what percentage of students receive it? Denis stated he would find out prior to final authorization.

**MOTION/ACTION:**

**Bobby Potomski made a motion to approve Resolution 16-23 as presented. Christy Larkins seconded. Vote for approval was 5-0.**

**AGENDA ITEM:**

Inducement Resolution 17-23 – KIPP Miami

**DISCUSSION:**

Kipp (Knowledge is Power Program) South Florida Educational Facilities, Inc. is a two-phase financing project. Phase 1 is to refinance existing debt that was used to finance the construction of a 110,000 square foot charter school facility located in Miami, Florida and known as KIPP Miami North Campus and accommodating approximately 1900 students in grades K-12. Phase 2 is the proposed construction of a 106,500 square foot charter school facility to be known as KIPP Miami Liberty City Campus and accommodating up to 1832 students in grades K-8.

Bob Cleveland asked if there are any risk of taxable bonds on this project. Kareem Spratling stated the original bonds were structured with PNC to be taken out with tax exempt bonds.

Chris Kemp asked if this financing will include a single investor. Denis stated that is a possibility. No investor has been identified yet to purchase the bonds; however, the normal denomination and investor restrictions will apply.

**MOTION/ACTION:**

**Bob Cleveland made a motion to approve Resolution 17-23 as presented. Bobby Potomski seconded. Vote for approval was 5-0.**

**AGENDA ITEM:**

Award Resolution 18-23 – Global Outreach Charter Academy (GOCA)

**DISCUSSION:**

Denis McKinnon introduced Richard Moreno, who is serving as a financial advisor to the borrower on this project. Denis stated that Richard has brought many charter school projects to CTA in recent years. Richard gave a brief over view of the project and addressed the new grading system and testing system.

Denis McKinnon stated that GOCA has been successfully operating in Florida since 2008. This project, GOCA Intercoastal, has been open since 2022 and currently has over 300 students. Proceeds of the bonds will primarily be used to finance the K-8 athletic fields.

Christy Larkins asked if this is the first time this organization has approached CTA for its bond issue. Denis replied yes, however, we missed other opportunities to work together due to the time we spent in transition from the Agency to the Authority.

Chris Kemp asked if the lease structure is included in the Master Trust Indenture. Kareem Spratling responded that each school in the GOCA portfolio is included in the Master Trust Indenture and all are guaranteed under the agreement.

Bob Cleveland asked if Outreach Education, LLC is included in the 501(c)3. Richard Moreno replied that they are related entities and allows for multiple campuses. Bob Cleveland asked if any part of the related entities is for profit. Richard replied, no.

**MOTION/ACTION:**

**Bob Cleveland made a motion to approve Resolution 18-23 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.

No other formal business of the board was taken and the meeting adjourned at approximately 9:40am.

Minutes submitted by:  Connie Beargie, Office Administrator

Approved by:  Chris Kemp, Chairman