

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

The 22nd meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, May 9, 2024 at 9:00 a.m.

The following Board Members were present: Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), Christy Larkins (Board Member), Burt Snooks (Board Member), Mayor Cherry Fitch (Board Member), Harry Wilder (Board Member). Also attending was Denis McKinnon (Executive Director), Samantha Abell (City Manager) and Connie Beargie (Office Administrator). Attending via teleconference was Kareem Spratling (BMO Bond Counsel), and Brooke Gonzalez (BMO Bond Counsel)

AGENDA ITEM:

Capital Trust Authority Minutes from 3/21/2024

DISCUSSION:

No discussion.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve the minutes as presented. Bob Cleveland seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 15-24 – Babcock Neighborhood Schools

DISCUSSION:

Babcock Neighborhood School is an existing charter school located in a planned development community in Charlotte County, Florida. The purpose of the bonds is to finance the construction of a new building with 36 additional classrooms, labs, assembly areas, administrative offices and a music and arts building. Denis McKinnon stated this will be the third time Babcock has come to CTA for their financing. The first time was in 2018 and the second in 2021; both projects are performing well.

Denis McKinnon stated the school is 100% solar dependent with solar farms located within the community and is the only public school available in the community.

Burt Snooks asked who the responsible party would be if the income stream is interrupted due to a power outage. Denis replied that a workout or forbearance agreement would be put into place prior to a default of the entire project. The school must carry adequate insurance for the replacement cost of the building.

Harry Wilder asked what happens when the term of the Charter School Contract ends. Denis McKinnon replied that the school initially applies a 5-, 10- or 15-year term. When the charter school approaches the end of its contract, there must be very good reason for the charter to not be renewed.

Gary Michaels mentioned the board packet was very thorough.

MOTION/ACTION:

Christy Larkins made a motion to approve Resolution 15-24 as presented. Harry Wilder seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 16-24 – Summit Academy Charter School

DISCUSSION:

Summit Academy is an existing charter school located in Coral Springs, Florida. The school opened in 2019 and consists of approximately 472 students. The purpose of the bonds is to finance the acquisition of the currently leased 30,660 square foot building on approximately 1.57 acres, including all fixtures, furniture, and equipment, accommodating approximately 662 students in grades K-8.

Bob Cleveland commented that this financing seems cheaper than typical lease to purchase facilities. Denis McKinnon replied that the owner of the property is a now defunct church with no need for the building and wishes to liquidate at appraised value.

Mayor Cherry Fitch asked why the school went from an A school to a C school. Denis McKinnon replied they opened their doors in 2019 with no grades, then the pandemic hit so they are playing catch up and transitioning to progression-based learning.

MOTION/ACTION:

Burt Snooks made a motion to approve Resolution 16-24 as presented. Bob Cleveland seconded. Vote for approval was 6-0.

AGENDA ITEM:

Inducement Resolution 17-24 – Central Florida Preparatory School

DISCUSSION:

Central Florida Preparatory School is an existing private school located in Apopka, Florida. The private, independent college preparatory school serves students in grades K-12 and a Montessori Pre-K for 2–5-year-old children. The facilities consist of 35 classrooms, STEM labs, a culinary kitchen, an agriculture garden and a student lounge accommodating 600 students. Tuition is \$11,000 per year.

Denis McKinnon stated that the board may remember Education RE who submitted an application to purchase the facilities and lease it back to the school at a discounted lease rate. Central Prep has decided to purchase the facilities outright and construct a new gymnasium with locker rooms, and additional classrooms.

Bob Cleveland asked what was the original inducement amount with EducationRE. Kareem Spratling replied it was 30 million.

Bob Cleveland stated that he understands EducationRE is a non-profit who helps schools but asked why more schools do not finance their projects themselves. Kareem Spratling replied that most do not have the financial ability to run the bond structure themselves and when they do, even in this case, it takes a bit of handholding.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve Resolution 17-24 as presented. Christy Larkins seconded. Vote for approval was 6-0.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

Denis McKinnon stated the pipeline report is consistently growing; however, he would like to see more diversity in the types of applications.

Burt Snooks asked if the current interest rate environment is affecting the applications. Denis replied, no, the charter school facilities still need financing.

MOTION/ACTION:

No Action Required.

AGENDA ITEM:

Financials as of FYE 3/31/2024

DISCUSSION:

Gary Michels commented that the 3/31/24 financials look strong,

Gary Michaels asked what is included in the Business Development line item. Dens McKinnon replied that it is used for the Building Hope Summit Sponsorship.

MOTION/ACTION:

No Action Required.

No other formal business of the board was taken and the meeting adjourned at approximately 9:55am.

Minutes submitted by:  Connie Beargie, Office Administrator

Approved by:  Gary Michaels, Vice Chairman