**MINUTES OF THE**

**CAPITAL TRUST AGENCY, INC.**

The 216th meeting of the Capital Trust Agency, Inc., Gulf Breeze, Florida, was held at the Capital Trust Agency office at 315 Fairpoint Drive, Gulf Breeze, Florida and on Thursday, September 30, 2021 at 8:00 a.m.

The following Board Members were present: Burt Snooks (Chairman), Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), and Tom Naile (Board Member). Also attending was Denis McKinnon (Executive Director), Michael Stebbins (Counsel) and Samantha Abell (City Manager). Attending via Zoom conference was Kareem Spratling (Bond Counsel) and via telephone: Phil Guistolise (Trinity Partners). Special guest present was Guy Burgoon (Emerging Markets Group).

**AGENDA ITEM:**

Approval of Minutes: 9/20/2021

**DISCUSSION:**

Bob Cleveland requested the motion for Agenda Item: Antares of Ormond Beach – Bond Counsel Fee be re-stated as No Action Taken in place of No Action Required as the board was not asked or required to take action.

**MOTION/ACTION:**

**Tom Naile made a motion to approve the minutes of the 9/20/2021 meeting with a correction to the motion for the Antares of Ormond Beach agenda item to read: No Action Taken. Bob Cleveland seconded the motion. Vote for approval was 4-0.**

**AGENDA ITEM:**

Officer Elections for FYE 9/30/2022

**DISCUSSION:**

Denis stated the end of the fiscal year marks the time frame for CTA’s annual officer election selections and is requesting nominations or a motion to keep the current officers in place for fiscal year ending 9/30/2022. Current officers include: Burt Snooks (Chairman), Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), and Chris Kemp (Assistant Secretary).

**MOTION/ACTION:**

**Tom Naile made a motion to approve the current officers for the next fiscal year ending 9/30/2022. Bob Cleveland seconded the motion. Vote for approval was 4-0.**

**AGENDA ITEM:**

Inducement Resolution 18-21 – Legends Academy

**DISCUSSION:**

Legends Academy is an existing charter school founded in 2001 and located in Orlando’s Urban Core. Legends Academy is a STEM school serving students in grades K-8.

Denis McKinnon handed out the 6/30/2021 financial statements for immediate review. Denis stated that he would get the final debt service coverage information prior to the final resolution.

Bob Cleveland asked for clarification of the pension fund. Kareem Spratling stated charter schools are eligible for state funded pension plans and would follow up on this question in order to provide additional information on the school’s pension plan.

Gray Michaels asked for clarification of the 2021 audit as compared to the 2020 audit showing different numbers for 2020. Denis stated he would follow up during final approval.

Bob Cleveland asked for background information showing the school’s ability to substantiate additional debt. Bob Cleveland also asked about growth projections for the school. Denis stated he would follow up during final approval.

**MOTION/ACTION:**

**Bob Cleveland made a motion to approve Resolution #18-21 as presented. Tom Naile seconded the motion. Vote for approval was 4-0.**

**AGENDA ITEM:**

Inducement Resolution 19-21 – Imagine Schools at North Manatee

**DISCUSSION:**

Imagine School at North Manatee, located in Palmetto, Florida, has requested a second financing for the purpose of constructing a 20,000 square foot gym, 8 additional classrooms, and installation of an artificial turf football/soccer field.

Denis McKinnon stated that the first issue closed in June of this year and although it would have been cheaper to wrap all under one issue, the school’s financial advisors were not ready and wanted to be in a better financial position before taking on the additional financing. Denis stated that the current year income statement shows a loss due to the rent and debt service, however, next year the $1.1 million lease will be gone.

**MOTION/ACTION:**

**Bob Cleveland made a motion to approve Resolution # 19-21 as presented. Gary Michaels seconded the motion. Vote for approval was 4-0.**

**AGENDA ITEM:**

Award Resolution 20-21 – College Park

**DISCUSSION:**

College Park Towers is an affordable housing facility dedicated to senior citizens in the Miami-Dade area. The purpose of this financing is to acquire and rehab the 210-unit complex.

Denis McKinnon stated that this will be a two-year financing and Moody’s will provide a aaa rating for the bonds. Additionally, after two years, an FHA loan will be used to refinance the outstanding bonds.

Phil Guistolise (Trinity Partners) stated this will be the third time we have worked with the Sturges Company as underwriter for this type of financing.

Bob Cleveland asked if it is normal and customary to have a not-for-profit buyer with less than 1% ownership and a limited partner with 99.99% ownership. Phil stated that this is normal and within the LIHTC guidelines. Kareem Spratling stated that CTA will receive a legal opinion and bond validation on the bonds.

Phil Guistolise explained the limited partner in this case is Wells Fargo Bank and they are motivated by the 4% tax credits that are paid out over 10 years, the CRA credits, and the depreciation. The developer in these projects sign a note for a maximum 18% development fee and sign a guarantee of no default in the first 15 years of the project. The FHA loan is also a guarantee of no default. Phil further stated that in this case, there is a special need as it is located in a Qualified Census Tract location and qualifies the project to receive an additional credit of 130% annually.

Kareem Spratling stated he has a LIHTC workbook that he will share with the group to explain the structure of the transaction.

Denis McKinnon stated the CTA origination and issuer fees have been adjusted according to the short term of the bonds.

**MOTION/ACTION:**

**Gary Michaels made a motion to approve Resolution #20-21 as presented. Tom Naile seconded the motion. Vote for approval was 4-0.**

**AGENDA ITEM:**

Homeownership Initiative – Guy Burgoon (Emerging Markets Group)

**DISCUSSION:**

Denis McKinnon introduced and welcomed Guy Burgoon from Emerging Markets Group. Denis provided an overview of the homeownership and down payment assistance program developed by Guy Burgoon and presented to the CTA board for further development consideration. Denis stated the goal today is to determine if the board would like to pursue this program and to authorize the development of the program. At this time, there is no monetary request being made to the board for consideration.

Gary Michaels asked where the modular homes are built. Guy Burgoon replied that they are built by Deer Valley Homes out of Birmingham, Alabama. Gary Michaels also requested resumes of the various program partners.

Bob Cleveland asked where the vacant lots are located in New Orleans and are we worried about flood zones.

Samantha Abell stated pursuing this program has low monetary risk to build out more details and if it exceeds reasonable projections, then ok to fold. Samantha further suggested a pilot year with a slow start up to gauge the success of the program.

Bob Cleveland asked about development costs from the captive insurance company. Guy Burgoon stated the captive is fine with starting small and administrative fees will be paid through the program.

**MOTION/ACTION:**

**Tom Naile made a motion to proceed with the discovery phase of the homeownership program and report back to the board with project partners in place, prior to any expenditures at this time. Bob Cleveland seconded the motion. Vote for approval was 4-0.**

No other formal business of the board was taken and the meeting adjourned at approximately 9:10 pm.

Minutes submitted by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Connie Beargie, Office Administrator

Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Burt Snooks, Chairman