

Central State Hospital Local  
Redevelopment Authority  
The Grove Event Center  
March 13, 2019

The Central State Hospital Local Redevelopment Authority met in regular session on Wednesday, March 13, 2019 5:00 PM in The Grove Event Center.

Chairwoman, Ms. Fuller called the meeting to order at 5:00pm and made opening remarks.

Members present were Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden and Mr. Pittman. Dr. Nelson and Mr. Grant attended by conference call. Mr. Vaughn was absent.

Mr. Couch stated he checked with Council and was informed that it was legal for Dr. Nelson and Mr. Grant to attend and participate in CSHLRA Board Meeting by conference call. Mr. Couch went on to inform the Board that each member can attend by conference call twice a year under special circumstances. Mr. Couch informed Board Members Mr. Vaughn is in Alabama and would not be able to attend meeting by conference call.

Mr. Couch stated there is only one action item on the agenda and asked Chairwoman, Ms. Fuller, to amend the agenda to include an additional action item regarding the BOE school system and the land conveyance of property through CSHLRA to the BOE. Mr. Couch stated state property asked that Mr. Couch complete a resolution on CSHLRA behalf, and have it signed.

Mr. Couch moved forward to item A, Discussion on Byline USDA B&I Loan Commitment for GIFC/CSHLRA, LLC Parham Kitchen Project, stating the documents reflect exactly what was initially proposed. Mr. Couch asked Board to note that the document provided is an offer for a line of credit for the GIFC/CSHLRA. Mr. Couch noted the only owner of the GIFC/CSHLRA, LLC is the Authority stating we, the Authority, established this corporation six months ago for the project and it is in good standing with the Secretary of State. Mr. Couch stated the packet has been reviewed by Attorney Jordan and Mr. Wilson who found an error in the commitment portion of the document. Mr. Couch informed the Board he is asking permission to execute the documents to get the process started. Mr. Couch stated the anticipated closing date is forty-five days from the date Byline receives completed documents with a \$10,000 check. Mr. Couch explained the highlights of the Byline Bank Agreement noting the financing piece, the commitment and obligations of each party. Mr. Couch noted the building improvements are quoted at \$9.142 million and the contingency is only 5% of the project, the monitoring fee will be paid to the bank, we will have financial accountability and will need to have someone help with this process. Mr. Wright plans to help the Authority find a suitable accountant as well as construction. Mr. Couch stated Cold Storage Manufacturers will not be paid in advance, however, there will be a draw schedule as well as a list of tasks, which will allow them to draw down based on what is being accomplished.

Mr. Couch stated Machinery & Equipment is noted in the equity injection section at the price of \$1.2 million dollars which is the responsibility of FSP excluding the HPP. Mr. Couch noted equipment is exclusively things that Mr. Bizzarro will need such as stoves, dish washers and baking stations. HPP will not be included in the machinery and equipment budget. Mr. Couch stated with everything pledged the total value of the project will be \$13,654,810.

Mr. Couch noted that the interest rate is simply banker's language and has been reviewed by Attorney Jordan and noted that the information noted is standard language. Mr. Couch moved to payments stating payments were structured as part of the lease for FSP, CSHLRA is pledging real estate and FSP will pay the bill. P&I will be waived for twelve months which will save FSP a considerable amount of money. Mr. Couch noted this means meaning FSP will not start making P&I payments until month 13. Mr. Couch went on to note at this time he does not have the projective payments.

Ms. Fuller asked if Mr. Couch meant P&I starts after 12 months. Mr. Couch responded, correct.

When the loan closes, USDA only, there is a \$100,000 bank fee which is part of the USDA distribution and a \$180,000 USDA guarantee, which is standard. The fees are not paid unless the loan closes. This is the error Mr. Wilson caught and we contacted Byline and have since received a memorandum from Byline stating they will exclude this from the closing.

Mr. Couch moved to page 2 briefly discussing penalty repayment buyout of which is not relevant to CSHLRA because FSP partners is under a lease agreement. Mr. Couch stated he projects a buy out the project, and he supports FSP if they choose to do so. Mr. Couch stated if he had to guess he would project a buyout around year 12 but notes after year 10 FSP will be required to pay a 1% penalty which Mr. Bizzarro is aware of and is okay with terms.

Mr. Walden asked if after the buyout will FSP own the building. Mr Couch responded yes, FSP will buy out the loan and CSHLRA will transfer the building. FSP will then own the building and be responsible for taxes.

Mr. Couch moved to Financial Reporting stating CSHLRA will report all information required as a state entity.

Mr. Couch moved to Other Conditions, stating Corporate Documentation refers to CSHLRA because we are the borrowers, but please keep in mind, we will be the sole owners of the LLC. Mr. Couch stated we will provide documents required from CSHLRA and Byline's as well as showing certifications and receipts. Mr. Couch noted it is important to keep the fixed assets list separate. Mr. Couch noted that the fixed asset portion is comprised of the building, land and equipment. Mr. Couch noted due diligence and background checks searches have been completed on all that apply. 90% of process has been completed.

Third Party reports, the appraisal has been completed and on file with Byline which established the value of the building. Mr. Couch noted that a phase one was recently updated and stated it was submitted to Byline with satisfactory response.

Mr. Couch moved to page 3, Item 11, under heading Title Work/ Real Estate Specific Conditions stating, he has asked to complete this task locally with Waddell & Associates. Mr. Couch informed Board that Waddell & Associates have completed all title work for the Authority to date and may be able to act as title agent and not closing agent. Mr. Couch noted the survey is complete. Mr. Couch went on to note the survey was completed as a part of the original phase one with the city some time ago. Mr. Couch stated we will be required to open an escrow account with Byline and the construction money will be deposited into this account.

Mr. Couch moved to the Third-Party Agreement stating the lease between GIFC/CSHLRA, LLC and FSP of Georgia has been reviewed by both parties, as well as Byline Bank. Mr. Couch noted that Attorney Jordan helped draft the document and has been working on it for almost nine months. Mr. Couch noted the Authority will be the land owner and will attach a collateral for rents. FSP will provide a guarantee on the lease no later than 15 days prior to closing. Mr. Couch noted Financial Specific Conditions will be in effect after the construction is complete which is part of the reason the Authority is asking for interest only so the interest reserve can build. Mr. Couch moved to Equity Conditions stating the conditions were all laid out and explained on page one.

Mr. Walden asked where the shipped equipment is being stored? Mr. Couch responded in the Kitchen's warehouse.

Dr. Ferguson asked if it is secure? Mr. Couch responded, yes, stating we have good patrol from City and County officers now.

Mr. Couch moved to Construction Projects items seventeen through forty-four, stating the Authority has sent documents to Cold Storage Manufacturing to review and sign off noting the main requirement to have a Georgia architect to sign off on all work. Mr. Couch noted Mr. Chad agreed with no changes and has been provided all the architectural renderings and drawings and informed there will be a preclosing inspection. All drawings will be supervised through the title company which will be a Byline monitoring agency and Mr. Wright will act on behalf of the Authority. Mr. Couch stated Chad still projects seven to eight months from start to finish of construction. Mr. Couch noted the document provided is not the closing packet, however, the closing packet must be reviewed and approved by USDA.

Mr. Couch moved to page five stating 1.5 million dollars of the total project cost will be unguaranteed exposure money most likely by Byline's holding company. Mr. Couch stated because there is a 60/60 match on the project Byline will move the risk to another

institution, they are currently in discussions with two companies out of Atlanta. Mr. Couch noted \$10,000 will be required when sending documentation off at the expense of the Authority. Mr. Couch stated this amount includes appraisals and phase one surveys which have already been completed and paid for. Mr. Couch feels the funds will eventually make their way back to the Authority.

Mr. Rowe stated he does not have any questions but only wanted to state that this project is a great opportunity for the community. Mr. Rowe provided positive feedback and stated he was in favor of moving the project forward. Mr. Rowe submitted a motion to authorize the Executive Director to execute the offer of credit to Byline Bank.

Mr. Rowe 1<sup>st</sup> motion

Dr. Ferguson 2<sup>nd</sup> Motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Pittman, Dr. Nelson, and Mr. Grant

Mr. Walden asked after the 45-day closing, when does the binding of the agreement occur? Mr. Couch stated the best estimate is from the date the documents are received by Byline it will be forty-five days.

Councilmen Craig provided positive feedback and stated he urged the board members to vote in favor of moving forward with process.

Councilwoman Walden provided positive feedback and encouraged the Board to vote of behalf of moving forward as well.

Ms. Fuller stated on behalf of the board she is overjoyed of the steps taken to move forward for the community.

Mr. Couch stated he will overnight the packet with the requested funds

Mr. Couch asked Ms. Fuller for a motion to amend the agenda. Ms. Fuller accepted the motion.

Mr. Rowe 1<sup>st</sup> motion

Dr. Ferguson 2<sup>nd</sup> Motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Pittman, Dr. Nelson, and Mr. Grant

Mr. Couch moved to added item, Resolution authorizing the Executive Director of the CSHLRA to act in behalf of the authority regarding sales of properties. Mr. Couch stated Dr. Price has moved to obtain land on Highway 49 and the Bypass. Mr. Couch noted the school district's money will be utilized and wired to the State Properties Commission. Mr. Couch expressed the need to travel to Atlanta to complete a simultaneous closing, meaning the Authority will close first with the State Property Commissions then in turn convey property to the school district. Mr. Couch noted the total value of the transaction has changed slightly from 1.280 million dollars to 1.283,900 which will account for the appraisal which the state paid for and must recoup losses. Mr. Couch noted Post 33 will relocate to the Wilkes Building on CSH Campus and are required to occupy no later than July 1<sup>st</sup> and their stay will last between 18 to 24 months while their new building is being built on Carl Vinson Road. Mr. Couch reiterated to Board Members, the document he provided is a legal document and it allows him to act on the behalf of the CSHLRA in the transaction.

Dr. Ferguson 1<sup>st</sup> motion

Mr. Walden 2<sup>nd</sup> Motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Pittman, Dr. Nelson, and Mr. Grant

Comm. Hall stated he feels this project will be a great advancement to Milledgeville and Georgia over all. Comm. Hall stated he never imagined this project would be a huge deal and thanks the Board for all they've done and looks forward to the opening of the GIFC.

Ms. Fuller adjourned meeting asking for a motion at 6:09PM

Mr. Walden 1<sup>st</sup> motion

Dr. Stephens 2<sup>nd</sup> Motion

On aye: Ms. Fuller, Mr. Rowe, Dr. Ferguson, Dr. Martinez, Dr. Stephens, Mr. Walden, Mr. Pittman, Dr. Nelson, and Mr. Grant