



A CALLED MEETING  
GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

March 18, 2009

The Georgia Higher Education Facilities Authority (the “Authority”) held a called board meeting on March 18, 2009 at 1:00 p.m. in the offices of the Georgia State Financing and Investment Commission, 270 Washington Street, Suite 2141, Atlanta, Georgia. Members Ben Tarbutton, III (Chair of the Authority), Gary Bishop and Celeste Osborn were present in person and members Dick Anderson and Mary Flanders participated in the meeting via conference call. The Authority’s Secretary and Treasurer, Diana Pope, was also present. Others participating in the meeting were as follows: Susan Ridley, Lee McElhannon, Angela Jackson, Diana Pope and Holly Green with the Financing and Investment Division of the Georgia State Financing and Investment Commission (“GSFIC”); Linda Daniels, Marty Nance, Ron Reed and Regina Travis with the Board of Regents and Hal Gibson with Hal Gibson Companies.

Call to Order and Approval of Minutes

The meeting was called to order at approximately 1:05 p.m. by Chair Ben Tarbutton. Mr. Tarbutton stated that the first item on the agenda was to approve the minutes from the December 18, 2008 Authority meeting. Mr. Anderson made a motion to approve the minutes, and Mary Flanders seconded the motion and stated that a revision to the minutes was necessary in order to correct a misspelled word on page three of the

minutes. Mr. Tarbutton noted the need for the correction; a vote was taken and the motion to approve the minutes from the December 18, 2008 Authority meeting passed unanimously.

Presentation by the Board of Regents of Project Applications for Authority Bond Issuance

Mr. Tarbutton asked Marty Nance to present the Authority members with a description of the projects that the Board of Regents will be seeking to have financed in the Authority's next revenue bond sale.

Mr. Nance began by asking Linda Daniels if she had anything she would like to share with the Authority members. Ms. Daniels stated that she was pleased with the progress of the projects that were financed in the Authority's first bond sale and that the Board of Regents appreciates the opportunity to present this next round of projects for the Authority's consideration in the next bond sale. Mr. Nance then asked that the Authority members turn their attention to the schedule on page two of the presentation (previously distributed to Authority members) so that he could provide details regarding the timeline for the proposed financing of the next round of projects. Mr. Nance stated that the projects that the Authority will be asked to approve for financing were approved by the Board of Regents at its November 10, 2008 meeting. The Board of Regents is now seeking the Authority's approval of the plan of financing and then the Authority will need to receive GSFIC approval to incur up to \$110,000,000 (one hundred ten million dollars) in debt. Ms. Ridley added that the Authority would need to meet in order to approve the pricing parameters and other specifics of the bond sale and then GSFIC would need to approve the pricing parameters as well. Mr. Nance stated that, assuming all approvals are obtained, the Board of Regents would approve the ground leases and rental agreements

associated with the projects at its June 10<sup>th</sup> meeting. Mr. Nance then stated that the pricing of the bonds is anticipated to occur on July 13 and that the Authority would be asked to approve the pricing of the bonds on July 15. Mr. Nance concluded by stating that the schedule anticipates the bond closing to occur on July 22 and 23<sup>rd</sup>.

Mr. Nance then provided a brief description of each project that the Board of Regents is seeking for the Authority to finance. Mr. Nance began by stating that Bainbridge College has experienced tremendous growth in its enrollment and is seeking to build an 80,000 (eighty thousand) square foot campus center in order to support its larger student population. Mr. Nance stated that the project cost of the campus center was \$18,000,000 (eighteen million dollars) and that the debt service payments would be supported with student fees and auxiliary revenue. Mr. Nance stated that the Board of Regents and the Bainbridge College students have already approved the student fees. Mr. Nance concluded by stating that while the debt coverage ratio is 1.00%, the college does have additional dining revenue which they would be able to use in order to develop a reserve fund.

Mr. Nance then stated that the Columbus State University recreation center project was anticipated to cost \$29,000,000 (twenty nine million dollars) and that the debt service payments would be supported with student fees. Mr. Nance stated that the Columbus State University student fees will be presented for the Board of Regents' approval at its April meeting. Mr. Tarbutton added that the student fees have already been approved at the campus level.

Mr. Nance stated that the recreation center will be located on what is now currently a parking lot. Ms. Flanders inquired as to where the parking would be

relocated; Mr. Nance stated that a new parking deck has been built nearby in anticipation of the new recreation center. Mr. Nance concluded by stating that the coverage ratio for the financing is 1.07%.

Mr. Nance then discussed the Southern Polytechnic State University student housing and dining hall project. Mr. Nance stated that the University is seeking the financing necessary to construct 600 (six hundred) beds for suite style housing and 120 (one hundred twenty) special interest beds, as well as a 16,500 square foot dining hall. Mr. Nance further stated that the project costs total \$42,000,000 (forty two million dollars) and that the debt service payments would be supported with housing and dining revenues. Mr. Nance added that the debt coverage ratio is 1.05% and explained that the college maintains a very good reserve totaling \$100,000,000 (one hundred million dollars). Mr. Nance concluded by stating that the parking facilities for these new facilities were financed using funds obtained through the Authority's first bond sale.

Mr. Tarbutton asked if the Authority members had any questions about Mr. Nance's presentation. Ms. Flanders asked for more specifics regarding the special interest housing at Southern Polytechnic University. Ms. Daniels explained that students in Greek organizations and international groups will rent the housing from the university.

Mr. Tarbutton then commented on the tremendous increase in enrollment that the colleges and universities that comprise the Board of Regents are experiencing, particularly at the schools that are seeking project financing from the Authority.

Ms. Osborn then asked what would happen if all beds in the special interest homes at the Southern Polytechnic State University could not be filled. Mr. Nance stated that if a special interest house was not filled to capacity, the university would be able to

place other students there in order to maximize the use of the space. Ms. Daniels understood Ms. Osborn's concern that if all beds weren't filled, that there could be an issue with the revenue stream. Ms. Daniels then stated that the special interest groups also pay a fee to rent the houses from the university, and therefore the university receives rental payments from both the students and from the special interest groups themselves.

Mr. Tarbutton then asked for a motion for preliminary approval of the plan of financing in accordance with the parameters stated in the resolution. Ms. Osborn made the motion; Mr. Anderson seconded the motion. A vote was taken and the motion passed unanimously.

Mr. Tarbutton then asked Susan Ridley to present the resolution seeking to amend a previous Authority resolution regarding Authority issuances of declaration of intent. Ms. Ridley explained that this resolution was more of a housekeeping matter in order to add Ms. Ridley as an individual authorized to issue a declaration of intent on behalf of the Authority. Currently, Diana Pope, the Authority's Secretary and Treasurer, is the only individual authorized to issue declarations of intent on behalf of the Authority. Ms. Ridley explained that the declaration of intent process allows the Board of Regents' campuses and universities to proceed with projects at their own risk and seek reimbursement for eligible expenses incurred prior to the issuance of Authority bonds. A motion was made by Dick Anderson to approve the resolution; Gary Bishop seconded the motion. A vote was taken and the motion passed unanimously.

Mr. Tarbutton then asked Mr. Nance to provide an update on the progress of the Board of Regents projects which were financed with the proceeds of the 2008 GHEFA Bonds. Mr. Nance began by stating that Hal Gibson has served as the program manager

for each project. Mr. Nance stated that the Dalton State College parking deck project has been moving along at a very rapid pace and is anticipated to be completed by March 10, 2010. Mr. Nance stated that the student center at Darton State College is moving along at a rapid pace and is expected to be completed a year from now. Mr. Nance stated that the Fort Valley State University stadium is 20% (twenty percent) complete and is expected to be completed by July 9, 2009. The student center at Fort Valley State University is 5% (five percent) complete and is expected to be completed by January 22, 2010. Mr. Nance then stated that the Gainesville State College parking deck is 36% (thirty six percent) complete and is anticipated to be completed by July 19, 2009. Mr. Nance stated that the bookstore and theatre being constructed at Georgia College and State University is 18% complete and is expected to be completed by December 15, 2009. Mr. Nance stated that the student housing project at Georgia State University is almost 50% (fifty percent) complete and that it is critical for the project to be completed by July 31, 2009. Mr. Nance was confident that the project would be completed on time. Mr. Nance concluded by stating that the parking deck construction at Southern Polytechnic University is 26% (twenty six percent) complete and is expected to be finished in October of 2009.

Mr. Tarbutton then asked if the Authority members had any questions. Ms. Flanders commented that it was unique for there to be one project manager to manage all of the projects and asked how Mr. Gibson was chosen. Ms. Daniels explained that the Board of Regents decided to bundle all projects into one request for quotes in order to achieve economies of scale. Mr. Reed and Mr. Nance mentioned that the Board of Regents received over twenty (20) bids on the request for quotes and that it is very typical to have one program manager supervise projects in excess of \$100,000,000 (one hundred

million dollars). Mr. Nance further added that the Board of Regents anticipates acquiring two project managers for the upcoming projects seeking Authority financing.

Mr. Tarbutton asked if any Authority member had any other business to discuss. The members did not have any additional business to discuss and the meeting was adjourned at approximately 1:37 p.m.

---

Ben Tarbutton, III  
Chair

---

Diana Pope  
Secretary and Treasurer