BONNIE CONE CLASSICAL ACADEMY

FACILITIES COMMITTEE MEETING MINUTES

Meeting Date: 1 May 2018

Meeting Location: University City Partners; Charlotte, NC

Approval: FINAL - BOARD APPROVED

Recorded By: Brian Lisk

1. ATTENDANCE

Name	Title	Organization	Present
Marty McCarthy	Board Chairman	BCCA	Yes
William Mills, III	Treasurer	BCCA	Yes
Brian Lisk	Secretary	BCCA	Yes
Judy Russo	Board Member	BCCA	No
Stephanie Newbrough	Board Member	BCCA	No
Byron Grimmett	Board Member	BCCA	Yes
Brian Puckett	Board Member	BCCA	Yes
Gregg Sinders	Board Member	BCCA	Yes

2. MEETING START

Meeting Schedule Start: 16.00
Meeting Actual Start: 16.09
Meeting Scribe: Brian Lisk

3. AGENDA

1. Schoolhouse Development - Chip Harp, VP Southeast: Presentation to Solicit Loan for Facility

- **Presentation to Solicit Loan Application for Facility – Schoolhouse Development - Chip Harp, VP Southeast**
    - Offers experience and expertise unparalleled to any other organization involved with charter school facilities development
        - Is NOT a general contractor
        - Is a developer; brings all components needed from start to finish under one roof
        - There is no individual liability incurred by any BCCA Board of Trustee Member
    - Budget
        - Based on school needs
        - What BCCA can afford
            - Determined together
            - Adjustments accordingly
    - Three Partners
        1. Corey Brand
        2. Scott Brand
        3. Glenn Way

- Combined sixty-five years of real estate development, mostly in pioneering charter school facility development
- Schoolhouse Development has a track record of success in North Carolina working with Ascend Leadership Academy, Sanford, NC <https://www.ascendleadershipacademy.org/facility>

- Discussion
  - Chip notes that Schoolhouse Development has never done a ground lease development project before; while the organization is not against working with BCCA under these constrictions, the rates of finance are higher due to the added risk
  - Marty notes that if we were to sign with Schoolhouse Development, that entity takes all risk upfront, which is why these types of projects are expensive
  - Chip indicates that preliminary figures are based around developing the school in two phases over a six-year time frame; after six years, Schoolhouse Development would seek to take-out its finances by issuing a bond
  - Gregg notes there is a sizable piece of property near Steele Creek Church's Eastfield Road property
  - Gregg asks about the sources of financing
    - Chip notes that the sources of total financing are 25% Schoolhouse Development & 75% financial institutions (banks)
  - Gregg asks about the timeframe for the design-build process
    - Chip states that the entire project can be completed in twelve months
  - Greg asks if it is possible to implement the take-out process faster than six years
    - Chip states it is possible
      - Schoolhouse Development requires 12-18 months of financing
      - After that timeframe, BCCA can issue the bond and end the relationship with Schoolhouse Development
  - Greg asks for hard figures
    - Pleased with the financing timeframe commitment
    - Believes rates are too high
      - Chip states, "I don't want to be the cheapest because I believe the services we provide offer value over price alone."
  - Chip states, "We (Schoolhouse Development) have never not funded a project."

4. MEETING END

Meeting Schedule End: 17.00

Meeting Actual End: 17.07

5. POST MEETING ACTION ITEMS

Action	Assigned To	Deadline
Receive Final Prospectus	Chip Harp	4 May 2018
Meeting with Steele Creek Church Elders	Marty McCarthy	6 May 2018

6. NEXT MEETING

Next Meeting: Board of Trustees Monthly Meeting; 1 May 2018 – University City Partners Living Room; Charlotte, NC