BONNIE CONE CLASSICAL ACADEMY

SPECIAL MEETING MINUTES

Meeting Date: 16 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	No
Brian Lisk	Secretary	BCCA	Yes
Judy Russo	Board Member	BCCA	Yes
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: 17.00
Meeting Actual Start: 17.10
Meeting Scribe: Brian Lisk

3. AGENDA

1. Discussion of Emailed Agenda/Follow Up to Actions from 1 May Monthly Meeting

- **Analysis of Land**

1.1 Steele Creek Church

- Marty's meeting with Steele Creek Church (SCC) Elders regarding an option to either sell five acres of church-owned land or to land lease under favorable BCCA terms was received well; this option is viable
- Pros
  - Prime location near major housing developments, I-485, I-77, US 21 (Statesville Road), NC 115 (Old Statesville Road) and important NE Mecklenburg County/SW Cabarrus County roads
  - Marty has developed a positive relationship with neighbors/tenants; could sell school property back to SCC
  - Lower land expense - more funds to the facility
  - Use church facility for school needs temporarily &/or long-term
- Cons
  - Size of land hinders future development
  - Slope/lay of land may increase the costs of development
  - Heavy wooded area may hinder development opportunities
  - City of Charlotte Zoning - ???

1.2 Eastfield & Asbury Chapel Rds

- Gregg's meeting with Lee Teague regarding an option to purchase twenty-four acres of land at the intersection of Eastfield & Asbury Chapel Roads with an asking price of $800,000 was received well; this option is viable
- Pros
  - Prime location near major housing developments, I-485, I-77, US 21 (Statesville Road), NC 115 (Old Statesville Road), and important NE Mecklenburg County/SW Cabarrus County roads
  - Free-hold/greater independence
  - Motivated sellers
  - Size of property provides greater expansion
  - Two homes could generate income to BCCA as rentals
  - City of Huntersville Zoning - ???
- Cons
  - Utility easement could limit types of land development
  - Higher land costs; less funds to the facility
  - May require more expense to NCDOT, etc for improvements before development starts - less $$$ towards facility
  - Two homes on property not feasible for school operations; no facility in place for use, even if temporary

• Update on Social Media/facebook Presence

- Brian L. gave an update on Social Media/facebook
  - Numerous attempts last academic term (Fall 2017) were made to regain control of the BCA/BCCA facebook page - was unsuccessful; did not move forward with regaining control due to the delay in opening
  - Gregg reported that he recently began to follow the BCA/BCCA facebook page and connected with Mr. Reg Gabriel, a previous BCA/BCCA Board member who indicated he (Reg) does have limited access to the facebook page
  - Request was made for Marty to make the introduction between Reg & Brian L. with further inquiry

• Presentation to Solicit Loan Application for Facility – BC Construction Group (BCCG) - Paul Lemley, Executive VP; Timothy Lemoine, Director of Development Services

- Offers experience and expertise unparalleled to any other organization involved with charter school facilities development, specifically in the State of North Carolina
  - Has been in this business for twelve years
  - Has an office in Raleigh; developed strong relationships with the essential components on the municipal/county/state levels

- Is a developer; brings all components needed from start to finish to minimize change orders and the ability to guarantee a competitive maximum price early in the process
- There is no individual liability incurred by any BCCA Board of Trustee Member
- Always two challenges to these types of projects
    1. Economics
    2. Speed
        - Positioned well to optimize both challenges
            - takes three+ months to get the various government approvals & ready the site
            - takes seven months to build a quality facility
            - fourteen months is sweet spot for favorable outcome
        - Compression = greater usage of loan funds
            - to maximize both economics & speed, the project needs to get to underwriting ASAP

o Budget / Financing
- Based on school needs
- What BCCA can afford
    - Determined together
    - Adjustments accordingly
- BCCA is NOT borrowing money for a real estate project; this is a government contract project, which needs a facility to honor its government contract
    - As a stand alone real estate project no one would consider issuing a loan
- Current negotiations for financing costs are in the range of 6-8.2%

o Highmark School Development <http://www.highmarkschools.com>
- To date has constructed eighty-four schools with a track record of success in the Carolinas constructing nine schools in NC (Bradford Prep in Mecklenburg Co) and two schools in SC (Riverwalk Academy in York Co)
- Has indicated a strong interest in completing this project with a local developer also showing strong interest in the project in tandem with Highmark
- Company is exclusively focused on school development

o Discussion
- Paul asks, “What is your biggest obstacle?”
- Marty answers, “Getting started.”
- Paul & Tim discuss how BCCG will be there from start to finish in assisting the Board throughout the upcoming preparation year

- Gregg asks, “How do you approach project management?”
- Tim discusses how the process works
    - Director of Development Services (Tim)
    - Director of Construction (Michael McCarthy)
    - full-time Site Supervisor
    - Project Manager
- Paul notes the importance of getting the entire funding for the project up-front; Board does NOT want to be in the predicament where development is held up due to waiting on checks
    - BCCG will ensure all monies are available before moving forward
- Gregg asks if it is possible to implement the take-out process faster than six years
    - Paul states it is possible

- **Board Discussion - Comparison Between Schoolhouse Development (SHD) & BCCG**
    - Bryon starts discussion by stating he was more impressed with BCCG over SHD
        - Appeared more knowledgable concerning the how to’s of construction
    - Gregg notes that SHD brought in the sales/banker, whereas BCCG brought in the builders; may not be an apples to apples comparison on the presentation
    - Brian P. notes Chip’s (SHD) constant contact to sign a contract with BCCA; has passed the interest line and appears desperate
        - Board consensus is BCCG has more knowledge of the NC market over SHD
    - Brian L. notes that SHD wants to enhance its presence in NC in order to increase market share; is not opposed to giving SHD that opportunity to enter NC market, but believes that if BCCA is their big break, BCCA should get rock bottom financing/costs as a “reward” for taking a chance with an organization who has not proven themselves in the NC market
    - Gregg notes that if BCCG can obtain 6% interest rate financing, there’s no contest on which organization would get BCCA business; no other organization has got remotely close to that level of financing
    - Marty & Gregg note that TeamCFA is not in the position to do facility development; this does not impact the opportunity of a CMO agreement
    - Gregg notes BCCA is in a strong position; having two good organizations compete for our business puts the Board in the driver’s seat - net positive

2. New Business

- **Input from Contracted Realtor**
    - MOTION

- As BCCA Contracted Realtor Mr. Lee Teague will provide his expert opinion Re: the two parcels of land & the two facility development companies
  - Made by Marty McCarthy
  - Seconded by Gregg Sinders
    - Discussion - none
    - Motion passes unanimous

3. Previous Minutes

- MOTION
  - Board accepts Draft Minutes sent via email for both meetings held 1 May 2018 with the noted edits reflected on the Final Minutes document submitted before the next meeting
    - Made by Brian Lisk
    - Seconded by Marty McCarthy
      - Discussion - none
      - Motion passes unanimous

4. MEETING END

Meeting Schedule End: 18.00

Meeting Actual End: 19.25

5. POST MEETING ACTION ITEMS

Action	Assigned To	Deadline
Establish a hard & fast timeline	BCCA Board	23 May 2018
Decide which company will run the school development project	BCCA Board	23 May 2018
Legal Review of CMO Agreement	William Mills	
Sign CMO Agreement	BCCA Board	
Seek Charter Amendment from CSAB	BCCA Board	
Communicate with Reg Gabriel to Obtain facebook Control	Brian Lisk	23 May 2018
Provide BCCA Logo to BCCA Board	Brian Lisk	23 May 2018

6. NEXT MEETING

Next Meeting: Board of Trustees Special Meeting; 23 May 2018; 17.00 – University City Partners Living Room; Charlotte, NC