



WATER AND SEWER EXPANSION AUTHORITY
FINANCE COMMITTEE MEETING MINUTES

Date: July 12, 2006
Time: 1:30 p.m.
Location: City Hall, Committee Room A

Attending Members:
Al Sinclair, Chair
Susan Rudd

Chair Sinclair called the meeting to order / quorum determined.

New Project Presentations:

Beauclerc Bay Apartments (water)

➤ 9047 San Jose Blvd

Mr. Sinclair could not recommend an approval to proceed with a water project for Beauclerc Bay Apartments for several reasons:

1. The property currently has a 1st mortgage with a \$2 million line of credit. The balance is still over \$2 million.
2. The 2nd mortgage would follow the 1st mortgage. If something happened to cause the \$2 million line of credit to default, the WSEA would not receive payments.
3. The value of the property and the 2004 tax return shows total assets of over \$1 million, total liability of \$2 million, and capital worth of -\$900,000.
4. The City of Jacksonville and/or JEA has already loaned the apartment complex \$77,000 for sewer tap fees.

Mr. Sinclair stated that there is not enough credibility to justify risking \$176,000 on a 2nd loan. Mr. Odom asked if there was anything the property could do to have the project approved. Mr. Sinclair explained that if the apartments could present collateral, they may be eligible for approval of the loan. A representative from the Beauclerc Bay Apartments explained that the payments have been made towards the 1st loan. With more updated financial statements and an appraisal by a reputable, commercial appraiser, Mr. Sinclair would be willing to take another look at the project. It was deferred until next month.

Shakir Economy Motel (water)

➤ 7992 New Kings Road

In addition to the previously approved sewer project, Mr. Shakir would also like to tap into the water for his motel. He would need to borrow \$20,000 to connect to water. Mr. Sinclair reviewed the loan application from May 2005. He was impressed by the cash flow and net income after 2005 in addition to adding 11 new rooms and not using them due to not having proper sewage facilities. He recommends approving \$20,000 for Mr. Shakir.

Request for Public Comment:

None.

Meeting Adjourned