



Dear Greene County Citizens:

It is with great pleasure that we recently announced that we have been successful in selling the bonds for the development of the permanent facility for Lake Oconee Academy (LOA). We are also excited that the bonds were sold at an interest rate well below the interest rate predicted in the original approved budget. With this reduced interest rate, the annual payment for the bonds will be reduced by approximately \$319,000 per year. Over the 20-year life of the bonds, this reduction equates to an estimated \$6.4 million dollar savings for the taxpayers of Greene County.

It's no secret that there has been some controversy surrounding the sale of these bonds and the development of the charter school. I'd like to take this opportunity to dispel some of the misinformation that has been disseminated through conversations, newspaper articles and email correspondence. While this misinformation may not be purposeful, it is the result of individuals not seeking out information from those prepared to offer an accurate and up-to-date account of the project. The two individuals who have been organizing this effort have been invited to meet with either our legal counsel, the CEO of LOA, a knowledgeable parent or the President of Reynolds Plantation-Reynolds Landing in order to understand the facts surrounding this school. ***They have declined all of these invitations.*** Please understand that we had to wait to communicate this information until after the bond validation proceeding because we cannot publicly comment on matters currently before a court.

In an attempt to be as accurate as possible, I have received input from the three attorneys from law firms working on this matter: King and Spalding, Harben-Hartley & Hawkins and Blasingame, Burch, Garrard & Ashley. This group includes noted experts in bond financing, Georgia school law, real estate, and appellate law. As many of you know, two individuals did appear at the recent Superior Court hearing on the validation of the bonds. These individuals did not request to be, and were not recognized by the court as official "Parties to the Proceeding." You can only intervene or appeal a court ruling if you file an official pleading in the matter. Public comment was allowed, however. One individual complained about the process of the Charter, but asserted no legal arguments relevant to the issues being considered at the hearing. As a result, he made no "appealable" arguments.

The other individual commented the Greene County Development Authority lacks the ability to issue bonds to build the Lake Oconee Academy. He stated the Development Authority can only issue bonds for the purposes noted in the original enacting legislation from 1962, which does not include a public school. However, the following facts void this position:

- The powers of the Greene County Development Authority (as well as Development Authorities across the state) were significantly expanded over 25 years ago by the Georgia General Assembly to include the type of project being built.
- Lake Oconee Academy, Inc., while being supported by the Greene County School System, is in fact a non-profit corporation. There are numerous examples across the State of Georgia of Development Authority bonds being used to build a wide range of facilities, including schools for non-profit organizations.

Any appeal must first include an appeal on standing – the ability to be able to appeal – to the Georgia Court of Appeals. Any arguments on the merits would then have to be brought in a separate appeal to the Georgia Supreme Court. No new matters can be brought up on appeal except those presented at the hearing. We believe strongly they would lose on the merits mentioned above. The legal costs of appealing to the Georgia Court of Appeals and the Georgia Supreme Court can run into hundreds of thousands of dollars.

In order to provide you with accurate and pertinent information, we submit to you the following:

1. **Reason for the School** – Over the past 20 years, many families have moved out of Greene County to pursue other educational options for their children. Obviously this is an unhealthy trend for any community. In an attempt to give families school choice, while also promoting cultural and economic development within the community, we engaged in the process to establish a public charter school in Greene County. Lake Oconee Academy, in only its second year of operation, is already creating and maintaining a reason for young families to relocate to or stay in Greene County. Families are choosing to educate their children in the Greene County Public School System at LOA rather than leave our county for nearby Morgan or Oconee counties, or choosing private school alternatives. These young families have become part of the fabric of life not only in the school and the neighborhoods they live in, but also in our churches, businesses and other social and civic activities. This entire effort has been about these young families and more importantly their children. The creation of a public charter school in Greene County has been designed around the model of a private-public partnership to help make our Greene County School System better, thus increasing opportunities for all individuals in our local area.
2. **Enrollment To Date** – All of the students from the three attendance zones who applied to LOA for the 2008-2009 school year by the enrollment deadline were accepted. LOA is currently made up of an approximately even number of students from each of the three attendance zones.

Current applications for the upcoming 2009-2010 school year show the interest in attending LOA remains high. These applications show that 88% of our students are applying from schools other than the existing Greene County Schools. This confirms we are not shifting students from one school to another. We are in fact adding *incremental students* to the total population of children attending Greene County Schools, which has always been a critical part of our vision

3. **Public Process** – This school and *its funding sources* were first presented in open meetings at the Greene County School Board in September 2006, when the original petition for the charter school was submitted. The petition has been a matter of public record and available for anyone to read in its entirety since that time. Over the course of the past two years, LOA has been on the Greene County Board of Education meeting agenda and discussed at public meetings in December 2006, May 2007, July 2007, and, most recently, three times in December 2008. The charter petition was also reviewed at several public meetings held by the Georgia Department of Education in 2007 (both at the State Charter School Committee meetings as well as full State School Board meetings). Meetings have been held by the Greene County Development Authority and the Board of Commissioners. All of these meetings were posted in exact compliance with the laws that govern public meeting notices in Georgia.
  
4. **Funding Sources** – The funding language for LOA has not been modified since the charter petition was prepared, submitted into public record and approved more than two years ago. The language in the charter states clearly and specifically that the following items would be funded by the Greene County School District (GCSD):
  - Capital/Lease Funds For the Building
  - Equipment and Furniture
  - Operational Funds

The “Capital/Lease Funds” portion of the properly approved Charter specifically stated that a facility will be built on Carey Station Road, and that the funding, design, and construction would be coordinated by Reynolds Plantation. In the original LOA charter petition, approved in 2006 and amended and approved again in 2007, Reynolds, LOA and the Greene County School System agreed to negotiate in good faith a Lease-Back Agreement by the Greene County School District for the facility. *Note that this language was printed as a cover page article in the Lake Oconee News on May 17, 2007.* In other words, this is *not* “new” news as some would lead you to believe. Reynolds was to build the school, but it was always to be paid for by the Greene County School System.

After further exploration of funding options, it was determined a far *more economical* plan would be to issue tax-exempt bonds. Financial experts estimated that this one change would reduce the costs to Greene County taxpayers by somewhere between \$5,000,000 and \$10,000,000 because of the difference in commercial interest rates available to a private party as opposed to a tax exempt bond rate secured by a school system. Furthermore, this plan would ultimately allow the Greene County School System to own the building rather than have the school system encumbered with a never-ending lease which could be renegotiated every 10 years. These clear and specific advantages were outlined by Superintendent Dr. Barbara Pulliam in a regularly scheduled public meeting held on December 11, 2008.

The Greene County Development Authority (GCDA) will hire Linger Longer Development Company as project manager for this project. Linger Longer has agreed to *donate their time* for these services and *will not be charging a development fee*, which would normally range between 2% to 6% of the cost of the project. This donation will save the taxpayers \$330,000 to \$1,000,000,

depending on the fee structure used. As project manager, Linger Longer will handle the entire construction process for the Development Authority in strict compliance with the Georgia Public Works Act required for any public building. Under this arrangement, neither the GCDA nor the GCSD has any responsibility for extra costs to administer the building process. The GCSD also has ***no risk for construction overages***. Lake Oconee Academy and Linger Longer have been obligated in the bond documents to absorb any overages incurred. The GCSD will receive a turn-key project at a self-contracted price.

5. **Cost of School** – As discussed at recent public meetings, the cost estimates used in the recently approved bond offering are projected to include ample facilities for students through the 8<sup>th</sup> grade (the current school is Pre-K to 2<sup>nd</sup> grade). This is based on forecasts of enrollment through the year 2014. This transaction includes sufficient land to add additional buildings to house the permanent middle school. All discussions among the parties have consistently anticipated the need for more land and additional facilities in the future when additional grades are added. This strategy allows the facilities to be phased in as needed and for additional experience to be gained with enrollment and other market conditions prior to committing to any additional facilities. The actual costs for the current buildings are in line with reviewed current cost data and with actual comparisons of similar schools.

For 2009, the bond payment is included in the amount of the bond; therefore, taxes for 2009 will not be impacted in any way by this project. For 2010, Linger Longer Development Company (Reynolds Plantation/Reynolds Landing) is donating the two bond payments totaling approximately \$1 million, again delaying any tax impact to Greene County citizens. Beginning in 2011, the Greene County School System will be responsible for making bond payments. With the bonds now having been sold, we know the impact of this bond issuance is less than 1 mil as projected in earlier presentations. To put it in perspective, ***if it were a 1 mil increase***, this would equate to a \$40 increase in your taxes per every \$100,000 of ***assessed value*** per year. As an example:

- Example 1: \$100,000 property = \$40 per year
- Example 2: \$500,000 property = \$200 per year.

There is a possibility that a future ELOST, which we expect to be voted on in 2011, could further reduce the property tax impact to the residents of Greene County.

6. **Use of Existing School Space** – It was stated in the original petition submitted and approved in 2006 that a facility was anticipated to be built on Carey Station Road. Using the existing unoccupied Greene County school facilities precludes LOA from operating at its optimum potential because of the limits of the Greene County building design to meet the instructional program. This issue was covered specifically in a regularly scheduled public meeting of the Board of Education by Dr. Otho Tucker, CEO of Lake Oconee Academy, on Monday, December 8, 2008. A copy of that presentation is a matter of public record.

7. **Timing of Building Project** – The timing of the project has not been modified since the original petition was approved. LOA negotiated with Lakeside Church to house the school temporarily while the permanent campus was designed and constructed. Lee Ross, the Pastor at Lakeside, and the entire Leadership Team there have been great friends and partners to ensure the early success of LOA. As the school grows and adds additional grade(s) per year, the plan has always been to have a permanent facility available to educate the children of Greene County in a well designed learning environment appropriate to the approved plan and curriculum of LOA.
8. **Due Diligence** – The Greene County Board of Education, Superintendent Dr. Pulliam, and her staff have worked diligently to help make sure what was being done was fair and beneficial to the Greene County School District and the taxpayers of Greene County. The project structure has always been to have the school designed and built by LOA and Linger Longer. Linger Longer, as an experienced developer, has done extensive due diligence. Included in the ongoing due diligence:
- A final survey of the 23.5 acres was completed in December 2008. A legal description of this site was included with the Intergovernmental Agreement and the Memorandum of Understanding.
  - Soil tests performed by GEO-Hydro Engineers confirming the suitability of the site.
  - Land sales comparisons in the *immediate* area of Carey Station Road were reviewed for value and show that the actual agreed upon sales price is at or below market. The comparable sales, which are public record range from \$50,000 per acre to over \$100,000 per acre. (Note that at closing approximately one \$1,000,000 of the sales price is being placed in an escrow account by Linger Longer to pay all bond payments in 2010; therefore the first bond payment by Greene County will not be due until 2011).
  - Both a registered architect and a qualified general contractor have been providing detailed cost estimates of the project as the plans have been developed.
  - The 2008 Annual School Construction Report from School Planning and Management Magazine was referenced for costs.
  - The cost of schools in other Georgia school systems was reviewed.
  - A DNR Floodplain Determination which concluded that the site is not in a flood plain was performed.
  - Department Of Transportation notification was completed.
  - Greene County Zoning and Building Inspection Report was completed.
  - Phase I Environmental Site Assessment was completed.
  - Report of Risk Hazard Analysis was completed.
  - Flow Test Data for Fire Protection was completed.
  - Linger Longer and LOA are obligated to cover any cost overages that are incurred.

9. **School Performance To Date** – At this point, a fair question would be, “How has LOA performed so far?” Using the nationally recognized “Iowa Test of Basic Skills (ITBS) Percentile Rank of Average Scale Score: National School Norms,” LOA’s first class scored as follows:

- Reading 95<sup>th</sup> percentile
- Language 99<sup>th</sup> percentile
- Math 97<sup>th</sup> percentile
- Core Total 99<sup>th</sup> percentile
- AYP Passed
- 2008 Bronze Award for Highest Percentage of Students Meeting and Exceeding Standards. LOA was one of only 33 schools in Georgia to receive this award from the Governor’s Office of Student Achievement

We are very excited about the opportunities this new public school has created for Greene County. From the beginning, we have encouraged anyone with questions to perform his or her own due diligence instead of relying on second-hand information, as oftentimes those sources are not reliable or accurate. Go to the source, ask the people involved with the project, and we suggest you don’t rely on the rumor mill. The reason that we are involved in LOA or any other Greene County School effort is because we care about providing a quality education for the children in our area and creating a complete community for the betterment of all of our citizens.

In conclusion, we’d like to thank the Greene County School Board, Dr. Pulliam, her staff, our LOA parents, the LOA Board, the LOA Faculty and the countless volunteers who have helped make this dream a reality.

Sincerely,



Michael J. Kelly  
Chairman  
Lake Oconee Academy