

MINUTES OF MEETING

*Babcock Ranch Community
Independent Special District
Board of Supervisors Meeting
Thursday, October 22, 2015 at 1:00 p.m.*

Present and constituting a quorum:

Mike Acosta	Board Member	
Theresa Jurca	Board Member	
Elizabeth Andres	Board Member	
Gary Nelson	Board Member	(via phone)
Bill Vander May	Board Member	(via phone)

Also present were:

Hank Fishkind	Fishkind & Associates	
Alyssa Wilson	Hopping Green & Sams	
John Broderick	Kitson & Partners	
Tom Danahy	Kitson & Partners	
Jonathan Johnson	Hopping Green & Sams	(via phone)
Erica Woods	Kitson & Partners	(via phone)
Andy Tilton	Johnson Engineering, Inc.	(via phone)
Matt Smith	Lee County Liaison	(via phone)

FIRST ORDER OF BUSINESS

Call to Order

The meeting was called to order at 1:00 p.m. and Dr. Fishkind proceeded with roll call. Board Members Mike Acosta, Theresa Jurca, and Elizabeth Andres were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Business Matters

Public Comment Period

There were no questions or comments from members of the public.

**Consideration of the Minutes of the
September 22, 2015 Board of
Supervisors Meeting**

The Board reviewed the minutes of the September 22, 2015 Board of Supervisors Meeting. Mr. Acosta gave Dr. Fishkind corrections. There were no other edits.

On MOTION by Ms. Andres, seconded by Mr. Acosta, with all in favor, the Board approved the minutes of the September 22, 2015 Board of Supervisors Meeting, as amended.

Mr. Nelson and Mr. Vander May joined the meeting via phone.

**Consideration of
Preliminary Engineer's
Report**

Mr. Tilton explained the Engineer's report. The report outlines the proposed development. Mr. Tilton stated that it outlines items that the District is helping to finance through the bonds. He noted that the exhibits show the areas that the work will occur as well as some of the features. He noted there is a minor correction within the text on the table on page 2 and some on exhibit 2 which are considered Scrivener's errors and it will not change in any way the amount of money that the District would be funding through the bonds. Dr. Fishkind stated that this is part of the foundation for a resolution that he hopes the Board would consider to begin the assessment process. Dr. Fishkind stated that Mr. Tilton took the estimated land use plan and then determined the amount of infrastructure necessary. Dr. Fishkind brought the Board's attention to attachment 1. This indicates the total cost of the project at \$53,690,000.00 in order to be able to infuse the first Phase in Area 1 with enough infrastructure to support the development program. A portion of that in the amount of \$17,783,777.00 will be funded by the District and the remaining portion by the Developer.

**Consideration of Master
Assessment Methodology**

Dr. Fishkind stated that the purpose of this report is to demonstrate that if the District were to issue bonds to generate \$17,800,000.00, would that create a special benefit to the properties? The Board has to find that that the infusion of the infrastructure at this cost would cause an increase in value, use, or enjoyment. Since use and enjoyment are a little fuzzy, let's stick to value. Dr. Fishkind said he believes the report demonstrates that there is an increase in value. The second thing that the report has to do is to give the District a method by which they can allocate the debt equitably amongst the benefitting parcels in proportion to the benefits that they receive. Those are the requirements under Florida Law. He noted that on Page 4 of 14 is Table 1 which is the land use plan for Area 1 that was also used by the Engineer. This is what the Developer has indicated to the District that it would like to build and is subject to change. Based on this, Mr. Tilton estimated the Capital Improvement Program which is \$17,800,000.00 and approximately the

balance for the Developer to pay. Dr. Fishkind explained that in order to generate a construction fund of \$17,800,000.00 the District would have to issue approximately \$25,000,000.00 in bonds. Dr. Fishkind walked the Board through Table 2 on Page 7 of 14. He stated that the current value of the land according to the property assessor is \$2,489 per acre. Dr. Fishkind said that each of the different land use types that are expected to be developed on the property have different densities and intensities. For example, a single 50ft wide house on an alley loaded house has approximately 4.5 units per acre and approximately 6 townhouses per acre, 12 condominiums, and 8,712 square ft of retail. The Developer has reviewed these. Dr. Fishkind said the \$25,000,000.00 in infrastructure will be allocated in a Methodology that he will describe to the different properties and different amounts depending upon the benefit they will receive. For example, the 4.5 units of houses would be allocated approximately \$95,000.00 per acre worth of infrastructure. Dr. Fishkind explained how there is a significant net increase in value. Dr. Fishkind explained the Tables 2-8 on Pages 8-13 to the Board. Table 2 shows the categories of the costs and Table 3 shows the estimated size of the bonds for Area 1 of the District. Table 4 on Page 10 of the Methodology explained the allocation method for the roads, water management/drainage, and all other infrastructure. Table 5 is the debt allocation to benefiting properties for road improvements. Table 6 allocates the debt to benefiting properties for water management/drainage. Table 7 is the debt allocation to benefiting properties for other facilities. Table 8 is the total debt allocation to benefiting properties for all facilities and shows divisions amongst all of the units. Dr. Fishkind said that hopefully what the Board is doing today is making a finding that there is special benefit and dividing up the cost based on the methodology and the costs will not exceed these amounts per unit. Dr. Fishkind said that the methodology is flexible enough to accommodate the inevitable changes. Dr. Fishkind explained that until there is actual platting and selling they will not know precisely what the debt is or even where it is within the roughly 600 acres. He suggested putting the debt on all of the property on a per acre basis and as the platting occurs then they will really know where the 118 single family 50 foot lots are. They will get a tax id number and an acreage amount and then the District can assign the debt. As they are doing that, what should happen is the debt that has been assigned to the platted properties is higher than the debt per acre and we will be refining the debt per acre to a debt per land use. In theory, the debt per acre that is unplatted for the remaining acres should have the debt go down. So once we issue the Bonds, we will take the bond amount and divide it by the number of acres which gets us the ceiling amount. That amount will not be allowed to increase as the platting occurs. What we want it to do is to go down. So we will check at 25% platting, 50% platting, 75% platting to make sure that the debt per acre of the remaining unplatted acres is going down. It is a tremendous protection for the Board as governors and the bond holders. That is what the True Up test is designed to do. Dr. Fishkind then explained Table 12 which is the Tax Roll for the Series 2015 Bonds.

**Consideration of Resolution
2016-01, Declaring Special
Assessments**

Dr. Fishkind explained that the exhibits to Resolution 2016-01 are the Engineer's Report and the Assessment Methodology Report that was just discussed. Dr. Fishkind noted that on Page 2 of the Resolution they would fill in the blanks of Section 3 with the total estimated cost of the improvements which is \$17,783,777.00 from the Engineer's Report and Section 4 with the amount of \$25,000,000.00 from the Methodology for the estimated costs and financing- related costs, capitalized interest, debt service reserve and contingency. Ms. Wilson explained that with this Resolution, the District would be starting the process, declaring that that they are going to impose the assessments for these projects, how much the assessments are going to defray in debt and how they will be apportioned as is detailed in the Methodology. The Resolution also states that the District will keep records on file for the public to inspect and the assessments will be collected for no more than 30 years. The Resolution authorizes staff to publish the various notices and resolutions in the newspaper. The Resolution is in fairly standard form as required by Chapter 170 and Chapter 2007-306. The Board is not approving these documents in final form but just setting the cap on what the District will impose and continue to work on these documents and revise the process over the next 30 days. Dr. Fishkind stated that this is a two step process. Step one is what we are doing today. There were no questions or comments from the Board or staff. Dr. Fishkind requested a motion to approve Resolution 2016-01.

On MOTION by Mr. Acosta, seconded by Ms. Andres, with all in favor, the Board approved Resolution 2016-01, Declaring Special Assessments.

**Consideration of Resolution
2016-02, Resolution Setting
Public Hearing on Special
Assessments**

Dr. Fishkind stated that Resolution 2016-02 sets the public hearing and that the District needs to have a minimum of 30 days of published notice. He suggested that the soonest time the District could hold the hearing would be on or about November 24, 2015. The Board agreed that holding the public hearing during the Thanksgiving week would not be the most beneficial. It was suggested the first week of December might be best.

On MOTION by Mr. Acosta, seconded by Ms. Andres, with all in favor, the Board approved Resolution 2016-02, setting Tuesday, December 1, 2015 at 1:00 p.m. as the Public Hearing on Special Assessments.

Ratification of Funding Request 92

The Board reviewed Funding Request 92, which had already been approved by the Chair and funded.

On MOTION by Ms. Andres, seconded by Mr. Acosta, with all in favor, the Board ratified Funding Request 92.

Statement of District Financial Position

The financial statements were reviewed by the Board. There were no questions or comments and there was no action needed at this time.

THIRD ORDER OF BUSINESS

Other Business

Staff Reports

Attorney- Ms. Wilson stated that District Counsel has an update on the boundary amendment process. Both Lee and Charlotte County Commissions have entered their lack of objection as required and both Lee and Charlotte County Delegations have approved the bill. The next steps are to provide for public notice and provide the economic impact statement and the bill in Tallahassee. She said that the District Attorney is working on those matters now.

Engineer- No Report

Manager- Dr. Fishkind stated that they would like to continue the meeting until October 29, 2015. The Underwriters want to have the Board consider a Delegation Resolution to delegate to the chairman the ability to approve the use of the offering statement on your behalf which is the document the Board is required to issue by law to solicit investors in the District's bonds.

FOURTH ORDER OF BUSINESS

Audience Comments and Supervisors Requests

There were no questions or comments from the Board or the audience.


FIFTH ORDER OF BUSINESS

Adjournment

There were no further questions or comments. Dr. Fishkind requested a motion to continue the meeting until October 29, 2015 at 2:00 p.m.

On MOTION by Ms. Andres, seconded by Mr. Acosta, with all in favor, the October 22, 2015 Board of Supervisors Meeting of the Babcock Ranch Community Independent Special District was continued until October 29, 2015 at 2:00 p.m.


Secretary/Assistant Secretary


Chairman