

## **MINUTES OF MEETING**

*Babcock Ranch Community  
Independent Special District  
Continued Board of Supervisors Meeting  
Thursday, December 15, 2015 at 1:00 p.m.*

Present and constituting a quorum:

|                  |              |
|------------------|--------------|
| Gary Nelson      | Board Member |
| Theresa Jurca    | Board Member |
| Elizabeth Andres | Board Member |

Also present were:

|                  |                                       |
|------------------|---------------------------------------|
| Hank Fishkind    | Fishkind & Associates                 |
| Alyssa Wilson    | Hopping Green & Sams                  |
| Jonathan Johnson | Hopping Green & Sams                  |
| Camille Evans    | Greenberg Traurig                     |
| Jim Audette      | US Bank                               |
| John Broderick   | Kitson & Partners                     |
| Andy Tilton      | Johnson Engineering, Inc. (via phone) |
| Matt Smith       | Lee County Liaison (via phone)        |
| Jennifer Walden  | Fishkind & Associates (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 Gary Nelson, 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 Supplemental Assessment Report**

Dr. Fishkind explained that this meeting was continued to allow for the sale of the Bonds. At the prior meeting the Board authorized Resolution 2016-04 which delegated authority to do all the things necessary to market the sale of the Bonds. The Bonds were marketed on December 8, 2015. Dr. Fishkind explained that the Bonds were sold on very favorable

terms and conditions. The average coupon rate was 5.1% which is unprecedented for a new District. Dr. Fishkind said that they will now want to look at the Supplemental Assessment Report that would reflect the actual Bond Issue. He mentioned that in the Engineer's Report the Bonds were initially sized at \$25,000,000.00. When the District went out into the market place, they sold fewer bonds than that but the Landowner committed to make a significant increase in their contribution allowing the District to issue fewer Bonds.

Dr. Fishkind walked the Board through the Supplemental Assessment Report. He explained that the projected land use plan has not changed and there is also no change in the Capital Improvement Plan. He said that the District initially thought that they would issue \$25,000,000.00 worth of Bonds. Table 3 was the Master Assessment Methodology Results that the Board approved. The Board approved the Methodology which is the formulas by which the District would allocate debt. The debt would be allocated first by acreage and then refine that debt to be debt by land use. Under the Master report, the District thought that they would issue \$25,000,000.00 in Bonds to get \$17,800,000.00 in proceeds to build the District's portion of the project and the Landowner was also going to contribute the balance. As the District was going out into the market, the Landowner stepped forward to commit to provide additional funding because the landowner wanted the assessment levels to be a little lower. Instead of issuing \$25,000,000.00 worth of Bonds, the District issued \$19,955,000.00 worth of Bonds. So there was \$5,000,000.00 in savings that the District didn't have to issue in Bonds. But, the benefits remain the same because the Capital Improvement Plan has not changed. Dr. Fishkind stated that the District will generate \$16,800,000.00 in proceeds. In return for their contribution, the Developer wants to have credits applied to different types of land uses so that the District's assessments do not become an obstacle to the marketing of the property, which would not be in anyone's best interest. Dr. Fishkind explained that Table 4 depicts the adjusted assessment levels after credits. He used the Master Methodology formulas that were previously approved to allocate \$19,555,000.00 worth of debt. The first column is the original debt per unit. The next column reflects the credits that the Landowner wishes to use. The third column is the adjusted debt per unit. And the final column is the estimated annual assessments before the gross up. The Board will be asked to approve the information in Table 4 because that is what the District will apply under the adjusted debt per unit. Table 5 depicts how it will all add up. Dr. Fishkind explained Table 5 to the Board. He said that the true up test remains the same, except now, the numerator is different. Instead of having \$25,000,000.00 in the numerator, now there is \$19,555,000.00 in the numerator. But, that becomes the true up test threshold, so debt per acre will not be allowed to increase above that amount, as the platting process occurs. Dr. Fishkind asked for any questions concerning the Supplemental Assessment Report that now matches the Bond transaction that the District is going to enter into. There were none.

**Consideration of Resolution  
2016-05, Supplemental  
Assessment Resolution-  
Series 2015 Bonds**

Dr. Fishkind explained that this is the Resolution that would approve the actual Bond issue, the Supplemental Assessment Report, ratify the Engineer's Report that was previously approved, and it speaks to the true up test. The next Resolution is going to be an updated Acquisition Agreement with the Landowner so that the District knows they are going to have the other \$5,000,000.00 to make sure that they have enough money for the Capital Improvement Plan. Dr. Fishkind stated that right now, they are going to talk about considering the approval of the 2015 Bond issue and the associated documents. Mr. Johnson stated that the various exhibits are close to the final sale numbers.. He asked to make sure that Exhibit C gets attached to the executed Resolution. He said that this is the final step and is one of the final conditions to closing the Bonds. He asked for questions and recommended approval of Resolution 2016-05. There were no questions or comments.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor, the Board approved Resolution 2016-05, Supplemental Assessment Resolution- Series 2015 Bonds.

**Consideration of Resolution  
2016-06, Acquisition  
Agreement between the  
District & Babcock  
Property Holdings, LLC**

Dr. Fishkind explained that this Resolution says that the Developer is going to come forward with the additional monies the District needs to make the Capital Improvement Plan completely funded. He also pointed out to the Board that, in the "whereas" clause, there is a reference to the \$19,000,000 and the reference, on section 3, page 2 of that Resolution, to \$5,045,000.00 or greater. The Landowner is committing to provide that so not only does the District have the credits but they also want to make sure that they have the money to complete the Capital Improvement Plan. This is the document that enforces that. There were no questions or comments. Dr. Fishkind requested a motion to approve Resolution 2016-06.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor, the Board approved Resolution 2016-06, Acquisition Agreement between the District and Babcock Property Holdings, LLC.

**Consideration of  
Professional Services  
Supplemental Agreement**

**No. 2 for Mitigation Area C-  
Phase 2**

The Board reviewed the professional Services Supplemental Agreement. Mr. Johnson stated, for the record, that this will be recast as a Work Authorization under the Master Engineer Agreement. However, the terms and conditions of the dollars are the same. Mr. Johnson asked that the Board approve it, subject to the understanding that the final version will look a little different. Dr. Fishkind requested a motion to approve the Work Authorization for Area C.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor, the Board approved the Work Authorization for Area C, subject to the understanding that the final version may look a little different.

**Ratification of Funding  
Request 95**

The Board reviewed Funding Request 95, which had already been approved by the Chair and funded.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor, the Board ratified Funding Request 95.

**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-** Mr. Johnson provided the final negotiated version of the agreement with People's Gas, which is a division of Tampa Electric. This is the Franchise Agreement that the District has been working on for some time. This goes hand in hand with the Development Agreement that Babcock Property Holdings, LLC has been negotiating with Lock Step. The Developer

Agreement which the District is not a party to, provides for TECO to be the exclusive gas provider for the community. This is an agreement by which TECO is agreeing to remit to the District the franchise fee which is 6% of the gross revenues, less certain adjustments associated with the revenue they obtain from the project, over time. Mr. Johnson stated that the District does have other covenants and conditions in the agreement relating to maintenance of the property, repairs of the system, and how construction work will proceed and who is responsible for what happens when pipes have to be dug up, etc. There are also some provisions for the District to have the ability to check their accounts and records to make sure that what they are reporting to the District as their revenues match what is in their documents. And they have the ability to obtain from the District information about the District's development plans, when the District has streets in, when neighborhoods are in, so they can come in and provide that service. Mr. Johnson stated that it is an important and valuable revenue stream for the District down the road. It is not committed to this Bond issue that was done today so how and when the District uses these monies is something that will be determined going forward. There are some provisions, in the document, dealing with assignment. Mr. Johnson stated that they might have heard some news press about People's Gas being acquired by another company and there are also some provisions dealing with insurance and indemnification. Mr. Johnson wants the Board to have the opportunity to read it and review it. He suggested continuing this meeting to consider taking action on this. The monies relating to this that the District would collect are currently undesignated. A discussion took place about the date to continue this meeting. The meeting was requested to be continued to Monday December 21, 2015 at 11:00 a.m.

**Engineer-** No Report

**Manager-** The next meeting is scheduled for January 28, 2016.

#### **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 December 21, 2015 at 11:00 a.m.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor,  
the Continued December 15, 2015 Board of Supervisors Meeting of the  
Babcock Ranch Community Independent Special District was continued  
until December 21, 2015 at 11:00 a.m.

  
Secretary/Assistant Secretary

  
Chairman