

MINUTES OF MEETING
STOREY PARK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Storey Park Community Development District was held on Thursday, March 28, 2019 at 4:00 p.m. at the Offices of GMS-CF, LLC, 135 W. Central Blvd, Suite 320, Orlando, Florida.

Present and constituting a quorum were:

Rob Bonin	Chairman
Karen Morgan	Vice Chair
Lane Register	Assistant Secretary
Ben Kraljev	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
Alan Scheerer	Field Manager
Christina Baxter	District Engineer by phone
Michelle Barr	Lennar by phone

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll. A quorum was present.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Appointment of Individual to Fulfill the Board Vacancy with a Term Ending November 2020

Mr. Flint: Are there any nominations at this time to fill the vacancy?

Mr. Register: Not at this time.

Mr. Flint: We will defer this item to the next meeting.

Ms. Barr: Why don't we appoint Susan Kane.

Mr. Register: Michelle, have you talked to Susan about that?

Ms. Barr: She said to appoint her to anywhere she's needed.

Mr. Register: Do we need a fifth Board Member?

Mr. d'Adesky: It's helpful, you may need it for a quorum.

Mr. Register: Sure, I'll nominate Susan Kane.

On MOTION by Mr. Register seconded by Ms. Morgan with all in favor appointing Susan Kane to fill the unexpired term ending in November 2020, was approved.

B. Administration of Oath to Newly Appointed Supervisor

Mr. Flint: She is not present so we will give her the Oath at the next meeting.

C. Consideration of Resolution 2019-01 Electing Assistant Secretary

Mr. Flint: Do you want to appoint her as an Assistant Secretary like her predecessor?

Mr. Register: Yes.

Mr. Flint: We need a motion to approve Resolution 2019-01.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor appointing Susan Kane as Assistant Secretary as effective in the adoption of Resolution 2019-01 was approved.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the February 28, 2019 Meeting

Mr. Flint: We have the minutes from the February 28, 2019 meetings. Does the Board have any comments? If not, we need a motion to approve the minutes.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor the Minutes of the February 28, 2019 Meeting were approved, as presented.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-02 Authorizing District Staff to Commence Work Related to a Special Assessment Bond Issuance and Related Matters

Mr. d'Adesky: Resolution 2019-02 authorizes District Staff to commence work on the 2019 Special Assessment Bonds for Assessment Area 3. This allows staff permission to move forward and authorize us to do all of the work that we already did and will do in the future. Also, if we need to go back to court, we need a validation to do that so we would ask that the Board approve the resolution.

Mr. Flint: Are there any questions?

Mr. Register: No.

Mr. Flint: We need a motion to approve it.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor Resolution 2019-02 Authorizing District Staff to Commence Work Related to a Special Assessment Bond Issuance and Related Matters was adopted.

FIFTH ORDER OF BUSINESS

Financing Matters

A. Consideration of Engineer's Report

Mr. Flint: For purposes of starting the process for the Assessment Area 3 bond issue, we are utilizing Revision 5 of the Engineer's Report dated December 7, 2017. They will eventually be updating this, but it includes the projected costs of the infrastructure as well as the Development Plan within this report. We believe its adequate for purposes of initiating the process. Do you want to have the Board approve it?

Mr. d'Adesky: No, it's all included within Resolution 2019-03. Christy, for the record verify that you do not believe that the cost of the infrastructure would in any way exceed the cost listed in your Engineer's Report dated December 7, 2018.

Ms. Baxter: No.

Mr. d'Adesky: Okay, thank you. I meant December 7, 2017.

Mr. Flint: It was 2017 for the Series 2018 bonds. If you look at Exhibit 13, in the back of the report, it shows the project infrastructure cost for Assessment Area 3 as \$6,107,650. Exhibit 11 shows that Assessment Area 3 is comprised of Areas 5, 6 and 7 on the map, which is color coded. You can see areas that comprise a total of 1039.45 acres and projected 205 single family homes. No action needs to be taken.

B. Consideration of Master Assessment Methodology

Mr. Flint: We provided the Board with a revised report, which includes comments that we just received from Bond Counsel. It's still subject to some comment and change so we would ask that it be considered in substantial form. If you look at Table 1 in the back report, this is the proposed development program comprised of 40-foot, 50-foot and 60-foot lots totaling 205 units. The total equivalent resident users (ERUs) is 201. These were the same factors that were used for Assessment Areas 1 and 2. Table 2 is the Development Plan that is taken from the

Engineer's Report. That is the \$6,107,650 in projected development costs. Table 3 is the bond sizing, which takes the projected construction costs, including a Debt Service Reserve of one year's max annual debt, Capitalized Interest (CI) of 24 months, Underwriter's discount of 4%, projected cost of issuance (COI) and a contingency for a par amount of \$8.2 million. We are assuming an interest rate of 5.5% and 30-year amortization period. These are all conservative for purposes of going through the master assessment process. It is anticipated that when the bonds are actually priced, it will be less than what's here. Typically for the master, you want to fund everything you can with conservative projections and then when you come in and price, you are going to link it to a per unit assessment amount that, in this case, we are going to match the other annual per unit assessments that are already in place. Table 5 shows the par debt per unit and Table 6 shows the net and gross annual assessments per unit. This is the Master Methodology so these per unit amounts are higher than what is anticipated to ultimately be collected. Table 7 is the Preliminary Assessment Roll, based on the legal descriptions for the areas that comprise 139 acres, which are attached. This is for Assessment Area 3. It includes 139 acres and 205 units. We have to go through a master assessment process for each assessment area in Storey Park. We didn't do an overall one so we are going through a master process using conservative numbers. Then when the Underwriter processes it, it will tie the per unit amounts that are targeted for those homes.

Mr. Register: He informed you that 5.5% was a conservative number on the interest rate?

Mr. Flint: Even with the 5.5%, the par debt per unit is twice as much as what we anticipate we are actually going to be issuing. So, it's in excess of \$30,000 and its going to be closer to \$14,000 or \$15,000 per unit.

Mr. Register: Why is it so conservative?

Mr. d'Adesky: Because we can only bring it down. We can't bring it up when we are setting assessments. We can finalize a lower amount, but we can't go higher.

Mr. Register: At what point is the per home monthly payment at the end of the day being communicated to residents?

Mr. Flint: What is being communicated right now is going to be what the current Assessment Areas 1 and 2 per unit amounts are.

Mr. Register: We would just carry it forward.

Mr. Flint: Right. What happens is we must have a public hearing and do a mailed notice. Lennar is the owner of all of the land within this assessment area so Lennar is going to get a letter telling them of the date, place and time of the public hearing. Then we levy assessments based on the master and when the Underwriter prices, we issue a supplemental methodology. The supplemental methodology ties to what the targeted per unit amounts are.

Mr. Register: Okay.

Mr. Flint: This is just giving ultimate flexibility. If the market changes in any way, the Board has the ability to work under that.

Mr. Kraljev: Could you explain how we have a subset in Area 2? I'm just curious. These don't necessarily link to our phasing plans. Christy, could you answer that?

Mr. Flint: He's looking at Exhibit 11 and wondering about why Phase L3 was broken out into two pieces. It looks like Area 3 bleeds into Phase L1. Christy, is there any linkage between the CDD area versus the plan?

Ms. Baxter: The areas were based on a concept plan that was very different than what Phase L looks like today.

Mr. Kraljev: Okay, so that would explain it. Phases L3 and L4 are correct. So, the reason why is he had a different concept plan that had changes. Okay. Thank you.

Ms. Baxter: You're welcome.

Mr. Flint: You have different things going on in this one exhibit. You have these color-coded areas, Areas 3 and 4 and then you have the assessment areas.

Mr. Kraljev: Right.

C. Consideration of Resolution 2019-03 Declaring Special Assessments

Mr. d'Adesky: This is the standard declaration resolution, declaring the assessments on this property as required by Statute. It takes the Engineer's Report and approves and adopts it as amended from time-to-time. This one will have an amendment. It approves the Master Assessment Methodology that was just reviewed and may be amended, stating that benefits accrue to the property in proportion to the benefit as allocated in the Master Assessment Methodology. It provides for a notice to be mailed to the landowner and for authorization of the next resolution, which will set the actual date and time of the hearing. George, for the record, what is the exact amount being defrayed?

Mr. Flint: \$8.2 million, which is the par amount.

Mr. d'Adesky: There is a blank in the resolution, which will be filled in with \$8.2 million under Item 6.

Mr. Flint: Are there any questions on the resolution? If not, we need a motion to approve it.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor Resolution 2019-03 Declaring Special Assessments was adopted.

D. Consideration of Resolution 2019-04 Setting Public Hearing for Assessments

Mr. d'Adesky: The next resolution is 2019-04, which sets the date and time of the public hearing and providing for advertising of the notice. Right now, we have to decide on the date and time.

Mr. Flint: There is a 30-day mailed notice that needs to go out. Unfortunately, we meet on the fourth Thursday, which doesn't give us enough time to schedule the public hearing on the next meeting date, which is April 25th. I think Lennar wants to move fairly quickly issuing the bonds so we will need to have the public hearing on a day other than your regular meeting, probably towards the end of the week of May 6 or May 13. That would be the best time.

Mr. Register: Let's do it the week of the 6th.

Mr. Flint: What about Friday, May 10?

Mr. Register: What time?

Mr. Flint: Whatever time works for you.

Mr. Kraljev: I'm flexible on that day.

Ms. Morgan: I'm good.

Mr. Flint: Any preference?

Mr. Register: I prefer to meet earlier.

Ms. Morgan: Definitely earlier.

Mr. Kraljev: We have our Friday meeting from 8:00 a.m. to 10:00 a.m. so, can we do it at 11:00 a.m.

Mr. Register: Here?

Mr. Flint: We can have it here or at your office.

Mr. Register: Do we have to meet in the county?

Mr. d'Adesky: It has to be in Orange County. You could have it in your office, but there is the chance that someone shows up.

Mr. Register: We have a room big enough to make that happen.

Mr. Flint: Do you want to get a mailed notice?

Mr. Register: Yes, please.

Mr. Flint: You can roll from your other meeting into this one.

Mr. d'Adesky: We will revise the resolution to include Lennar's address.

Mr. Flint: So the public hearing will be May 10, 2019 at 11:00 a.m. at Lennar's office.

Mr. d'Adesky: I would ask for a motion to adopt the resolution as amended.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor, Resolution 2019-04 Setting the Public Hearing for Assessments for May 10, 2019, at 11:00 a.m., at the offices of Lennar Homes, 6750 Forum Drive, Suite 310, Orlando, FL 32821 was adopted.

Mr. Register: Will you send out an invite?

Mr. Flint: Yes.

SIXTH ORDER OF BUSINESS

Consideration of Transferring Stormwater System to Storey Park CDD

Mr. Flint: We received a letter from the South Florida Water Management District (SFWMD) asking for the Storey Park Parcel L, Phase 2 (L2) to be transferred to the operating entity, which is the CDD. There's a form to do that. I don't know if Christy had a chance to look at that and get the form prepared.

Ms. Baxter: Yes. They are in process. I think we were working on the transfers and they are awaiting signature by Moss Park Properties. The ones we have actively are in the process for transfer. If L2 is not in the paperwork, we will get that started. I am not 100% sure if Parcel L2 was in the paperwork.

Mr. d'Adesky: Christy, they reached out to me and I just need to make sure the District acquired both of those ponds before this is finalized.

Mr. Flint: It needs to be deeded.

Mr. d'Adesky: Deeded over to us. I'm not sure whether or not that happened.

Mr. Register: I don't know.

Ms. Baxter: I don't think they have.

Mr. d'Adesky: I informed their counsel so they are on notice.

Mr. Flint: If something happens between now and the next meeting, the Chairman can always execute the transfer and then we can have it ratified. That's typically how we handle it. I don't think you need to take any action on that.

SEVENTH ORDER OF BUSINESS
EIGHTH ORDER OF BUSINESS

Ratification of Series 2015 Requisition #6
Ratification of Series 2018 Requisition #2

Mr. Flint: We have Requisition #6 for the Series 2015 bonds. It's for the construction accounting. We also have Requisition #2 for the Series 2018 bonds. I think we are waiting on requisitions from the District Engineer to close out both of those construction accounts. We don't have those yet, but once they are prepared the Chairman can execute them and we can have them ratified to pay out the balance of those two accounts. The other thing we need to do is the District Engineer needs to certify those projects complete so we can close out the projects and the Trustee can close the construction accounts.

Mr. d'Adesky: That also ends any of Lennar's obligations for those projects.

Mr. Flint: The requisitions are in your agenda so we need a motion to ratify these requisitions.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor the Series 2015 Requisition #6 and Series 2018 Requisition #2, were ratified.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Is there anything else from the attorney?

Mr. d'Adesky: No, we will be working on the bonds and getting the conveyances cleaned up as needed.

B. Engineer

Mr. Flint: Christy, do you have anything else?

Ms. Baxter: No. I think we covered it all.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have the Check Register in your agenda package for the General Fund for February 21, 2019 through March 21, 2019 totaling \$40,137.84. Are there any questions? If not, I would ask for a motion for approval.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor the Check Register as stated above was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: You also have the Unaudited Financial Statements through February 28, 2019. If you have any questions we can discuss those, otherwise, no action is required.

iii. Presentation of Arbitrage Rebate Calculation Report

Mr. Flint: We have the Arbitrage Rebate Calculation Report. This is something we are required to do through the Internal Revenue Code every five years to make sure we are not earning more interest than we are paying, which has not been an issue. We found the cost of doing it annually is the same as doing it every five years. So, you are going to enter into an agreement with Grau & Associates to perform this annually. You can see that we have a negative rebate requirement of \$325,173, which is good. A negative means we are not making money off of the bonds. Are there any questions on the report? If not, we need a motion to accept it.

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor the final Arbitrage Rebate Calculation Report for the Series 2015 Special Assessment Bonds was accepted.

TENTH ORDER OF BUSINESS

Supervisor's Request

Mr. Flint: Are there any Supervisor requests?

Mr. Scheerer: I have a question. I received a text message an hour or so ago from a resident of Storey Park wanting to know if there was ever any consideration to install lighting at the quad park so it could be open later. I told her as far as I know there was never a plan to install lighting. She asked me if I would ask.

Mr. Register: There is street lighting out there. We installed firefly lighting, which we spent quite a bit of money on. That's something we can take a look at. I would have to go back and see if the original landscape plans called for any electrical.

Mr. Kraljev: What's in the park area?

Mr. Scheerer: Open green space.

Mr. Kraljev: With shelters?

Mr. Scheerer: Yes.

Ms. Morgan: It has benches.

Mr. Scheerer: They have some kids that would like to play soccer, I guess.

Mr. Register: We are looking at some products for another project right now that we could do as a cost benefit to retrofit this one.

Mr. Kraljev: I haven't been there at night to look at the firefly tree.

Mr. Register: There was never a plan to put lighting in there so if it's a request, we could consider it, but I couldn't begin to speculate on that.

Mr. Kraljev: When in doubt, there are no lights in parks.

Mr. d'Adesky: Do you want that activity in the parks after hours? It's a liability issue.

Mr. Scheerer: That's the conversation I had with her.

Mr. Register: It causes more problems than the benefits.

Ms. Morgan: Exactly.

Mr. d'Adesky: You are going to be getting texts about people playing in the park at 10:00 p.m.

Ms. Morgan: That's true.

Mr. Scheerer: You have to figure out who manages the lights and what happens if they don't go off. You will have people up all night.

Mr. Register: That's the concern with some of these projects. We could retrofit them with minimal costs, but there's the maintenance to consider.

Mr. Scheerer: I explained that to her, but I told her that I would bring it before the Board. I will let her know at this time that it's not something being considered, but it could be looked at in the future, if everyone is okay with that.

Mr. Flint: That sounds like a good answer.

Mr. Scheerer: Okay. Thank you.

Mr. Flint: No members of the public are present to provide comment. Are there any other Supervisor's requests? If not, I would entertain a motion to adjourn.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Register seconded by Mr. Kraljev with all in favor the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman