

MINUTES OF MEETING
LAKE EMMA
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Lake Emma Community Development District was held Friday, March 25, 2020 at 10:00 a.m. at Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida.

Present and constituting a quorum were:

Adam Morgan	Chairman
Tony Iorio	Vice Chairman
Doug Beasley	Assistant Secretary
Garison Clemens	Assistant Secretary
Daniel Hieronimus	Assistant Secretary

Also present were:

George Flint	District Manager
Tucker Mackie	District Counsel
Nicole Stalder	Interim District Engineer
Emma Gregory	Hopping Green & Sams
Steve Sanford	Bond Counsel
Phil Gildan	Developer's Counsel
Dustin McGlinchey	Lennar Homes

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. There were all five members participating constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no members of the public present to provide comment.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oaths of Office to Newly Elected Supervisors

Mr. Flint stated he had received all oaths of office from all five Board members elected during the Landowner election.

B. Consideration of Resolution 2020-24 Canvassing and Certifying the Results of Landowners' Election

Mr. Flint stated the Board is required within 90 days of the establishment of the District to hold a Landowners' Election which took place on February 28, 2020. Mr. Iorio and Mr. Beasley both received 270 votes for a four year term. Mr. Clemens, Mr. Morgan, and Mr. Hieronimus received 260 votes for a two-year term.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, Resolution 2020-24 Canvassing and Certifying the Results of the Landowner's Election, was approved.

C. Election of Officers

Mr. Flint stated that the Board had previously elected Officers but they had a Landowner's Election since the Organizational meeting, so they are required to elect Officers again.

D. Consideration of Resolution 2020-25 Electing Officers

Mr. Flint stated this can be handled as one motion or we can take each seat individually. The Board chose to do one motion electing Mr. Morgan as Chairman, Mr. Iorio as Vice-Chairman, Mr. Beasley, Mr. Clemens, and Mr. Hieronimus as Assistant Secretaries, Mr. Flint as Secretary, and Mr. Lovera as Treasurer.

On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, Resolution 2020-25 Electing Officers with Mr. Morgan as Chairman, Mr. Iorio as Vice Chairman, Mr. Beasley, Mr. Clemens, Mr. Hieronimus as Assistant Secretaries, Mr. Flint as Secretary, and Mr. Lovera as Treasurer, was approved.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the February 7, 2020 Organizational Meeting and Acceptance of Minutes of February 28, 2020 Landowners' Meeting

Mr. Flint presented the minutes of the February 7, 2020 Board meeting and the February 28, 2020 landowners' meeting. He asked for any questions, changes, or comments on the minutes. The Board had no changes to the minutes.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, Approval of the Minutes of the February 7, 2020 Board of Supervisors Organizational Meeting and the February 28, 2020 Landowner’s Meeting, was approved.

FIFTH ORDER OF BUSINESS

Ranking of Proposals for District Engineering Services and Selection of District Engineer

Mr. Flint stated at the last meeting the Board hired Dewberry as the Interim Engineer and authorized them to issue and RFQ under the CC&A requirements for Engineering Services. One response was received from Dewberry. Mr. Flint noted they could accept the proposal or rebid the engineering services. Mr. Iorio moved to accept the proposal from Dewberry.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, Ranking of Proposals for District Engineering Services and Selecting the District Engineer as Dewberry, was approved.

SIXTH ORDER OF BUSINESS

Public Hearings

Mr. Flint asked for a motion to open the Public Hearings.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, Opening the Public Hearings, was approved.

A. Rules of Procedure

i. Consideration of Resolution 2020-26 Adopting the District’s Rules of Procedure

Mr. Flint stated that the Board had seen the version of this resolution at the Organizational Meeting when they were authorized to advertise the public hearings. Ms. Mackie noted that these are revised and have been re-circulated and this version incorporates all of the additional changes, and sets forth the procedures the District will follow with respect to several larger topics. The topics included holding of meetings, advertisements, rulemaking, and competitive purchase. Mr. Flint noted for the record that no members of the public were present to provide comment or testimony.

On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, Resolution 2020-26 Adopting the District's Rules of Procedures, was approved.

B. Uniform Method of Collection

i. Consideration of Resolution 2020-27 Expressing the District's Intent to Utilize the Uniform Method of Collection

Mr. Flint stated that Chapter 197 authorizes the District to use the tax bill as the collection method for the operating and maintenance and debt service assessments. A public hearing process to express the intent to use this method is required. Mr. Flint noted that no members of the public were present to provide comment.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, Resolution 2020-27 Expressing the District's Intent to Utilize the Uniform Method of Collection, was approved.

C. Fiscal Year 2020 Budget

i. Consideration of Resolution 2020-28 Adopting the Fiscal Year 2020 Budget and Relating to the Annual Appropriations

Mr. Flint stated the Board previously approved a proposed budget and set March 25, 2020 as the date, place and time for the public hearing for its final consideration. The budget contemplates that it would be funded under a Developer Funding Agreement between Lennar and the CDD. The Board had no changes to the budget.

On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, Resolution 2020-28 Adopting the Fiscal Year 2020 Budget and Relating of the Annual Appropriations, was approved.

Mr. Flint asked for a motion to close the Public Hearings.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, Closing the Public Hearing, was approved.

SEVENTH ORDER OF BUSINESS

Financing Matters

A. Consideration of Engineer's Report

Mr. Flint noted that the report was prepared by Dewberry as the Interim District Engineer, and now as the District Engineer. Ms. Mackie noted that what the Board needed to approve today was the preliminary drafts of both the Engineer's Report included in the agenda package and the

Master Assessment Methodology Report. It should be noted that Dewberry's report goes through the entirety of the CIP for the entire District. The sum total in the exhibit was a total of \$35,000,175. The Assessment process that is being kicked off today is only levying a Master Assessment over Phases 1 and 2. Of the \$35 million, roughly \$14.2 million is associated with the Phase 1 and Phase 2 costs. The only land that will be subject to the lien at the end of the 170 process beginning today, and will end with the Public Hearing to be scheduled, the only lands subject to the lien are the liens owned by Lennar, the Landowner within Phases 1 and 2.

Mr. Stalder noted the report is for the entirety of the community and includes all Phases. It is the Master Report that includes a breakdown of the lot sizes per phase as well as how many units are in each of those Phases. It details what is included within the Master Project, including the infrastructure which is the onsite public roadways, the water, and sanitary distribution and collection systems, off-site roadway improvements as well as off-site utility improvement, the master stormwater management, landscaping and hardscaping, electrical conduit systems. In several different tables it lists who will own and maintain the items at the end. The stormwater portion is broken out in a separate table as they are located per phase. The exhibits include overall plans, the utilities layout, storm water layout, off-site improvements, and the legal descriptions of the entire property as provided. The costs are for the Master Project which includes all six phases and the 15 % contingency on all six of those phases.

Mr. Flint asked for any questions. Mr. Iorio asked on the off-site, being that there are some improvements for the total project that are going to be part of future maintenance which FDOT, should that be noted in the proposal only to the maintenance entity. Ms. Stalder stated she had never included off-sites in the ownership and maintenance. Ms. Mackie stated she did not see where it was a separate category. Ms. Stalder asked Mr. Iorio to clarify that parts were FDOT. Mr. Iorio stated that when improvements get done on that intersection at Lake Emma and US-19, there will be portions that will be Lake County on Lake Emma, and as it transitions into improvements for the FDOT portions they will be within the state rights. He wanted to make sure that it was understood, that US-19 is state road not a county road. The only county road they were talking about there would be the Lake Emma roadway. Ms. Mackie stated suggested that Ms. Stalder include FDOT in Table 3.

B. Consideration of Master Assessment Methodology Report

Mr. Flint stated that yesterday they emailed out a version of the Master Assessment Methodology for Assessment Area 1, which is comprised of Phase 1 and Phase 2. These are the lands that are owned by Lennar. Mr. Flint noted that they are only proposing that a lien be placed on a portion of the project, the portion that Lennar currently owns. Page 9, Table 1 is the Development Program as indicated in the Engineer's Report. It's a combination of single family 40', 50', 60' and 70' product types totaling 425 total units, or 421 equivalent residential units with assigned ERU factors to each one of those single family product types. Table 2, they take the proposed infrastructure costs for Phase 1 and Phase 2, including off-site improvements, which totals \$14,233,787. Table 3 is the bond sizing. If the District was to fund 100% of the identified \$14 million in improvements, they included very conservative estimates as far as capitalized interest, the debt service reserve requirements, etc. That would result in a bond sizing of \$17,490,000. Table 4 shows the allocation of benefit by product type. They are taking the improvement costs, the identified ERU factors, and product type and identifying the benefit that each product type would receive if funding all, \$14,000,000. Table 5 shows the par debt per product type. Table 6 shows the annual assessments per product type if they were to fund 100%. The per unit amounts are likely going to come down when they actually issue bonds. The bond issuance would be driven by a target debt service assessment amount that would bring down the par debt to whatever would be generated by the target assessment per unit amount. Mr. Flint noted that we are doing this to give the Board maximum flexibility when they actually go to issue. Table 7 is the preliminary assessment roll. They have attached is the legal description for the Phase 1 and Phase 2 properties Exhibit 'A'. The Board had no questions on the report.

C. Consideration of Resolution 2020-29 Declaring Special Assessments

Ms. Mackie stated that this Resolution is prescribed by Chapter 170 and is the process by which the District is declaring its intent to levy an assessment following a public hearing on the same. It attaches the Engineer's Report and the Assessment Methodology Report. The version included within the agenda package has blanks in paragraph 3 and 4, which will be filled in with the amounts in the Engineer's Report and then in Mr. Flint's report. They were looking for a motion to approve, she noted this just declares the District's intent and does not formally levy and assessment today. The next resolution will set the Public Hearing and at the conclusion of that process they will formally levy the assessment.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, the Resolution 2020-29 Declaring Special Assessments, was approved.

D. Consideration of Resolution 2020-30 Setting a Public Hearing for Special Assessments

Mr. Flint stated Resolution 2020-30 will set the Public Hearing. Mr. Flint recommended the 4th Wednesday at 10:00 a.m. on May 27, 2020. Mr. Iorio asked about the coordination with their Legal Counsel to make sure this time coordinates with other Districts they are managing to help with convenience and for expenditures.

On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, Resolution 2020-30 Setting a Public Hearing for Special Assessments on Wednesday, May 27, 2020 at 10:00 a.m., was approved.

E. Consideration of Bond Resolution 2020-33 - ADDED

Mr. Flint stated this resolution authorizes the initiation and the bond validation process. Mr. Sanford, with Greenberg Traurig, noted that under Florida law any special assessment bonds that the District issues that has a term of more than five years has to be validated before the Circuit Court. In order to get into court and validate the bonds, the District has to authorize the bonds. This is the resolution that does that. It's the first resolution of two resolutions that the Board will need to adopt to issue the bonds. Since the Engineer's Report covered both of the infrastructure for Phases 1 and 2 as well as the remaining District, this resolution authorizes up to \$50 million of special assessment bonds to be issued in multiple series. The plan is to issue the first series, which is Phases 1 and 2. This resolution authorizes these bonds, to finance the public infrastructure not only for Phases 1 and 2, but for the whole District. It describes the public infrastructure that was enumerated in the Engineer's Report. In addition, there is certain documents that are needed to issue the bonds. One is a Master Trust Indenture, that is the document between the District and the Trustee. In this case, pursuant to this resolution, US Bank is going to be the Bond Trustee. That Master Trust Indenture governs all series of bonds and provides for the rights and remedies and security for the bond holders. The other exhibit to this resolution is a supplemental indenture, and that is also between the District and the Trustee. Every series of bonds will have their own supplemental indenture specific to that particular bond issue. It will have interest rates, the various maturities, the redemption provisions, etc. and it's all blank at this point because they have not

gotten close to issuing any series of bonds. Those two exhibits, plus the resolution, are some of the exhibits that Ms. Mackie is going to need to get into court and validate the bonds. Lastly, this resolution authorizes that action to be taken, to actually commence the validation proceedings. The Board had no questions on the resolution.

On MOTION by Mr. Morgan, seconded by Mr. Beasley, with all in favor, the Bond Resolution 2020-33 Initiating the Bond Validation Process, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2020-31 Adopting the Annual Meeting Schedule for Fiscal Year 2020

Mr. Flint stated this had been deferred this item from the Organizational agenda so that Lennar had an opportunity to provide input on the meeting date. Mr. Flint recommended the 4th Wednesday each month as an established meeting date.

On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, Resolution 2020-31 Adopting the Annual Meeting Schedule for Fiscal Year 2020 as the 4th Wednesday of each month at 10:00 AM at the Cooper Memorial Library, was approved.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2020-32 Designating the Location of the Local District Records Office

Mr. Flint stated he wasn't sure they had the address for that established at this time, so he requested this be deferred to the next agenda. Mr. Flint noted if Lennar had a construction office set up on-site, they could look at using that.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Mackie thanked to those physically present in their cars given the Executive Order issued by the Governor that eases the restrictions on the Sunshine Law. She thanked Mr. Flint and his team for working in the background to determine the best way to provide public access to meetings now that the Board can attend remotely. Their physical location won't be required on a going forward basis. They will be posting a different type of notice that provides for that public access. They can continue to meet separate and apart from one another until hopefully the situation

resolves itself. She noted that they will be working, now that the Board has authorized us to pursue validation proceedings, with getting a complaint together and filing that with the court. As a caveat, courts in different jurisdictions are dealing with this separately. Some aren't calendaring any hearings while some are already moving to remote hearing capability as well. It will be in flux as the court system gets its hands around the situation.

B. Engineer

Mr. Stalder had nothing additional to report.

C. District Manager's Report

i. Balance Sheet and Income Statement

Mr. Flint noted that that the unaudited financials were in the agenda, but no action is required. The Board had no questions.

ii. Ratification of Funding Requests #2 - #3

Mr. Flint noted that ratification of Funding Request #2 and #3. These are transmitted to Lennar under the Developer funding agreement. Funding Request #2 is for District Counsel services. Funding Request #3 is for the State Special District annual fee, District Management, and District Counsel services.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, the Funding Request #2 and # 3, was ratified.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELTH ORDER OF BUSINESS

Supervisor's Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, the meeting was adjourned at 10:37a.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman