

**MINUTES OF MEETING
FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT**

Multiple Public Hearings and a Regular Meeting of the Fallschase Community Development District's Board of Supervisors were held on Wednesday, February 7, 2018 at 1:00 p.m., at 2810 Remington Green Circle, Tallahassee, Florida 32308.

Present at the meeting were:

Richard Yates	Chair
Rick Singletary	Vice Chair
Jeff Phipps	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Edward N. Bass	District Engineer
Ken van Assenderp	District Counsel
Max Beverly	Developer
Chase Williams	Developer's Counsel
Lonnie Mann	Public

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 1:03 p.m. Supervisors Yates, Singletary and Phipps were present, in person. Supervisors Penson and Lamb were not present.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Lonnie Mann, a member of the public, stated that he was in attendance to encourage the Board to be cognizant of ecological resources on the property. Three sites were determined potentially eligible for a national register. One is the well-preserved mound; most mounds that age have been plundered and dug up and, although that one is not totally pristine, it is in very good condition. The previous owner planned to keep a perimeter around the mound and make it accessible to the public. There were a couple of other important sites, if the Board had any interest in pursuing a dialogue about those resources, including one down by

the lake and one along the ridge overlooking the lake, which has intact archaeological features. At one point, it was recommended that there be a trail or a picnic area. As the District moves on breaking ground, he would like to be helpful to the Board regarding preservation and/or mitigation of those sites, when the District files the plan with the County. Mr. Mann would appreciate the Board giving him a contact that he can deal with in the future.

*****Mr. Bass arrived to the meeting at 1:06 p.m.*****

Mr. Bass provided his business card to Mr. Mann. He thought the mound was previously called the "Indian Burial Mound" but it was determined not to be a true burial mound rather, it was more of a debris pile, although it was Indian-related. Mr. Mann stated it was an Indian Ceremonial Mound. Mr. Bass stated that it would be preserved. He believed it requires a minimum 25' off-set from the perimeter of the mound. It would go forward as a preservation feature. He was also aware of the other two and thought the District had in excess of the amount required by the agreement.

Mr. Beverly thought that Mr. Mann would be pleased with the outcome of what would be done and he anticipated that there would be a very favorable response to the Developer's plans.

THIRD ORDER OF BUSINESS

Public Hearing Confirming the Intent of the District to Use the Uniform Method of Levy, Collection and Enforcement of Non-Ad Valorem Assessments as Authorized by Section 197.3632, Florida Statutes; Expressing the Need for the Assessment, Imposition and Levy of Non-Ad Valorem Assessments and Setting Forth the Legal Description of the Real Property Within the District's Jurisdictional Boundaries that May or Shall Be Subject to the Assess, Impose and levy of District Non-Ad Valorem Assessments; Providing for Severability; Providing for Conflict and Providing for an Effective Date

A. Affidavit/Proof of Publication

Mr. Wrathell presented the proof of publication for today's Public Hearings.

B. Consideration of Resolution 2018-05, Expressing its Intent of the District to Use the Uniform Method of Levying, Collecting and Enforcing Non-Ad Valorem Assessments Which May Be Assessed, Imposed and Levied By the Fallschase Community Development District in Accordance With Section 197.3632, Florida Statutes; Providing a Severability Clause; and Providing an Effective Date

Mr. Wrathell presented Resolution 2018-05. This Resolution allows the District to utilize the services of the Property Appraiser and Tax Collector and have the ability to put the assessments on the tax bill.

On MOTION by Mr. Singletary and seconded by Mr. Phipps, with all in favor, the Public Hearing was opened.

Mr. Wrathell asked for public input and briefly explained the process of placing assessments on the tax bill.

No members of the public spoke.

Mr. van Assenderp stated that, by doing what Mr. Wrathell explained, the Board is also looking after the current and future property. By using the Uniform Method, there would not be an automatic foreclosure of property; property owners have a right to keep their property, even if they are delinquent or if it is platted improperly. They have at least two years to pay their taxes and, if not paid, the Tax Certificate purchaser pays the delinquent assessment. Eventually, the owner would lose the property, if it is never paid. The Uniform Method means that there is no open and shut case of foreclosure; it takes a while and gives property owners time to cure their delinquency and retain ownership. It is highly efficient, as Mr. Wrathell said, but does not apply to the debt on the land before it is platted, which would be subject to a foreclosure.

On MOTION by Mr. Singletary and seconded by Mr. Phipps, with all in favor, the Public Hearing was closed.

Mr. Wrathell read the title of Resolution 2018-05 into the record.

On MOTION by Mr. Phipps and seconded by Mr. Singletary, with all in favor, Resolution 2018-05, Expressing its Intent of the District to Use the Uniform Method of Levying, Collecting and Enforcing Non-Ad Valorem Assessments Which May Be Assessed, Imposed and Levied By the Fallschase Community Development District in Accordance With Section 197.3632, Florida Statutes; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition, Assessment and Levy of Special Assessments Relating to the Financing and Securing of Certain Public Improvements

Mr. Wrathell stated that this was related to the process, under Chapters 170 and 190, Florida Statutes, and marrying in Chapter 197, as described. Now that the Master Methodology was presented and advertising for the public hearings was done, an assessment public hearing would be conducted. This would set the maximum amount of bond debt, per unit type, and the maximum annual debt assessment.

- ***Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property.***

This item was presented following Item 4D.

- ***Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on the basis of justice and right.***

This item was presented following Item 4D.

A. Affidavit/Proof of Publication

Mr. Wrathell presented the proof of publication for today's Public Hearing.

B. Mailed Notice to Property Owner(s)

Mr. Wrathell stated that the Notice to Property Owners was mailed, via Certified Mail. The Notice advised them of today's assessment public hearing and included a copy of the Engineer's Report and Methodology.

C. Amended and Restated Engineer's Report on District Improvements and Estimated Probably Construction Cost, as Accepted by the Board of Supervisors on December 6, 2017 (for informational purposes)

Mr. Wrathell stated that the Engineer's Report and the Methodology were exhibits to the Mailed Notice.

Mr. Bass presented the Amended and Restated Engineer's Report and explained that the Report was broken into four phases. In addition to those phases, there were other fees and expenses regarding common areas and improvements, application and permitting fees, on-site engineering and design, off-site engineering design and the reports for the CDD. The all inclusive total of costs was estimated at \$43,683,876.76.

The following questions were asked and answered:

Mr. Wrathell: And that includes, so we got roads, water and sewer, stormwater management and other miscellaneous type costs included in that?

Mr. Bass: That is correct.

Mr. Wrathell: Which are all public in nature?

Mr. Bass: Yes, sir. That is correct.

Mr. Wrathell stated that these Reports were previously approved and were included in the agenda for informational purposes.

Mr. Wrathell: Ken, I think your Resolution, actually, after we conclude this public hearing, actually, in the verbiage provides for the adoption of the Reports, any way, with the Resolution itself, so we don't need to take any additional action on these Reports, at this moment?

Mr. van Assenderp: You mean on the Engineer's Report and the Methodology?

Mr. Wrathell: Correct.

Mr. van Assenderp: And I think the record will reflect that was already voted on at the last meeting?

Mr. Wrathell: Yes, sir.

D. Updated Master Special Assessment Methodology Report, as Determined and Approved by the Board of Supervisors on December 6, 2017 (for informational purposes)

Mr. Wrathell stated that the Updated Master Methodology Report was presented at the December meeting and was approved. The Tables, on Page 12, were the preliminary assessment roll. As described before, Mr. Bass outlined \$43,683,876.76 in improvements. The Master Assessment Methodologies assumed that 100% of the improvements would be financed with bonds. In reality, with this property, multiple tranches of bonds will be issued. With that, typically, no more than 50% of debt will be placed on a lot, in comparison to the finished lot value of that lot. This number shows up to a maximum of up to \$157,115,000 in par amount of bonds that can be issued, which is significantly more than the amount validated. The plan was for 873 residential units but additional units could be added. Common area improvements will be treated as a benefit equal to all property owners. Depending on the location of the project, the interest rates will probably be 5.25% to 5.50% in today's market but subject to change, as proceeding towards issuing bonds. The debt service reserve and the capitalized interest were assumed for two years on this modeling; however, when issuing the bonds a lot has to do with timing, etc. These are all things that will be determined closer towards issuing bonds. When structuring for the first series of bonds, a Supplemental Methodology Report will be presented, which will match exactly what Mr. Reagan devises, from an Underwriting perspective as to how much will actually be issued in bonds and how much the debt assessment will be on a per unit basis, in the annual debt assessment. The Equivalent Residential Unit (ERU) has different benefit factors based on the different categories of improvements.

In response to Mr. Singletary's question, Mr. Wrathell replied that the bonds are 30-year, maturity bonds. For the purpose of today's assessment hearing, a cap is being set for the maximum amount of bonds, per unit. There is flexibility such that the Landowner/Developer will want to look at the possibility of issuing short-term bonds, in conjunction with the long-term maturity bonds. This type of Methodology gives the capability and flexibility to do that.

Mr. van Assenderp stated that the maximum unit assessment will be \$46,000, with a corresponding annual payment. He thought Mr. Wrathell was saying that, assuming there is no A-2 or B Bond, just the present one, historically and in current reference, the numbers are half this amount.

Mr. Wrathell stated that a 35' lot would more than likely have a \$700 annual debt assessment, taking out pay-off bonds and what the end-user would pay.

- ***Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property.***

******This item was presented out of order.******

On MOTION by Mr. Singletary and seconded by Mr. Phipps, with all in favor, the Public Hearing was opened.

No affected property owners spoke.

On MOTION by Mr. Singletary and seconded by Mr. Phipps, with all in favor, the Public Hearing was closed.

Mr. van Assenderp posed and Mr. Wrathell responded to the following questions:

Mr. van Assenderp: There are no customers her yet. There are no "purchasers" of the land from the Landowner or Developer. They will come, hopefully, so those things become successful. In your work doing the Methodology, did you consider the interest of the future Landowners and do you think this is fair to them?

Mr. Wrathell: Yes. The basis of the whole entire Assessment Methodology and Eddie's Capital Improvement Plan (CIP) is we would not be able to build the 873 units that are planned out here without the CIP, as the District Engineer has outlined. And, obviously, with that, the assessments, if indeed the District went to issue bonds to finance a portion or all of this infrastructure that they would basically benefit from the provision of this infrastructure; otherwise, we could not put this development and make it happen, as planned.

- ***Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.***

******This item was presented out of order.******

Mr. Wrathell stated that the Methodology, presents a fair and reasonable apportionment, in that there is some degree of discretion in the context of how the Methodology is applied and how the benefit allocation is provided. It is based upon fairly allocating the benefit to different classes of property owners. He asked if the Board wished to consider any adjustments to the assessments or Methodology, as presented. There were no changes.

- E. **Consideration of Resolution 2018-06, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Imposing, Assessing and Levying Special Assessments on Property Specially Benefited, and Apportioned Peculiar to the Properties in a Fair and Reasonable Manner, By Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments By the Methods Provided for by Chapter 190, Florida Statutes, and as applicable Chapters 170 and 197, Florida Statutes, and as applicable Chapters 170 and 197, Florida Statutes; Confirming the District’s Intention to Issue Special Assessment Revenue Bonds; Making Provisions for Transfers of Real Property to Governmental Bodies as applicable; Providing for the Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date**

Mr. Wrathell presented Resolution 2018-06 and read the title into the record.

On MOTION by Mr. Phipps and seconded by Mr. Singletary, with all in favor, Resolution 2018-06, Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Imposing, Assessing and Levying Special Assessments on Property Specially Benefited, and Apportioned Peculiar to the Properties in a Fair and Reasonable Manner, By Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments By the Methods Provided for by Chapter 190, Florida Statutes, and as applicable Chapters 170 and 197, Florida Statutes, and as applicable Chapters 170 and 197, Florida Statutes; Confirming the District’s Intention to Issue Special Assessment Revenue Bonds; Making Provisions for Transfers of Real Property to Governmental Bodies as applicable; Providing for the Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of December 31, 2017

Mr. Wrathell presented the Unaudited Financial Statements as of December 31, 2017. The activities in the General Fund were still relatively limited.

On MOTION by Mr. Phipps and seconded by Mr. Singletary, with all in favor, the Unaudited Financial Statements as of December 31, 2017, were approved.

SIXTH ORDER OF BUSINESS

Approval of December 6, 2017 Regular Meeting Minutes

Mr. Wrathell presented the December 6, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections. Mr. van Assenderp read the Minutes for the purposes of having specific verbiage in the record. Mr. van Assenderp stated that Mr. Wrathell’s Staff did a great job.

On MOTION by Mr. Phipps and seconded by Mr. Singletary, with all in favor, the December 6, 2017 Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. van Assenderp noted difficulty reaching Counsel who runs the Extraction Petition, through the County, but Mr. Williams made sure he was paid. He hoped to have a report at the next meeting, once the Petition has been processed and the commercial property contracted out.

B. Engineer

There being nothing further to report, the next item followed.

C. Manager

i. NEXT MEETING DATE: March 7, 2018 at 1:00 P.M.

Mr. Wrathell stated that the next meeting will be on March 7, 2018 at 1:00 p.m., at this location; however, the meeting may not be needed. He would advise the Board, accordingly.

Discussion ensued regarding the next few meetings, dates, what must occur at the next few meetings regarding the bonds, financing and presenting the proposed Fiscal Year 2019 budget.

NINTH ORDER OF BUSINESS

**Audience Comments/Supervisors
Requests**

There being no audience comments or Supervisors' requests, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Phipps and seconded by Mr. Yates, with all in favor, the meeting adjourned at 1:49 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair