

**MINUTES OF MEETING
FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Fallschase Community Development District held a Public Hearing and Regular Meeting on August 30, 2021 at 11:00 a.m., at 2810 Remington Green Circle, Tallahassee, Florida 32308.

Present at the meeting were:

Richard Yates	Chair
Rick Singletary	Vice Chair
William Lamb	Assistant Secretary
Lewis Singletary	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Craig Wrathell (via telephone)	Wrathell, Hunt and Associates, LLC (WHA)
Jamie Sanchez	Wrathell, Hunt and Associates, LLC (WHA)
Michal Szymonowicz (via telephone)	Wrathell, Hunt and Associates, LLC (WHA)
Ken van Assenderp (via telephone)	District Counsel
Roger Wynn	District Engineer
Eddie Bass	District Engineer
Fred Harris (via telephone)	Greenberg Traurig, P.A.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 11:02 a.m. Supervisors Yates, Rick Singletary, Lamb and Lewis Singletary were present in person. Supervisor Phipps was not present.

SECOND ORDER OF BUSINESS

Public Comments

There were no public comments.

- **Presentation/Consideration of Amended and Restated Engineer's Report on District Improvements and Estimated Probable Construction Cost**

This item, previously the Seventh Order of Business was presented out of order.

Mr. Wynn stated the Engineer’s Report covers what is casually known as the Fallschase Residential and summarized the development project as follows:

- The total area of the CDD is 375 acres.
- Phases I, II and III are currently under construction and have been annexed into the City; Staff is in the process of performing as-built surveys and recording plats.
- Phases IV, V and VI are currently in the permitting stage with Leon County; it is anticipated that Phases IV, V and VI will also be annexed.
- In addition to the six phases and the multi-family projects, an undeveloped and currently unplanned area on the east side of the property will likely be built out to accommodate 411 single-family units.
- The total cost of improvements for all phases, excluding the multi-family projects, is \$45 million, as outlined on Page 11.
- The “Lot Distribution and Phasing” Table, on Page 8, is also notable.

The following question was asked and answered:

Mr. van Assenderp: Would you confirm for the Board that, near the very end of your Report, you indicated you made many monitorings of the construction materials and construction procedures and found that they comport with the purpose of the District and the requirement.

Mr. Wynn: That’s correct.

Discussion ensued regarding the completed as-builts, project completion time frames, the review and inspection processes by Engineering Staff and the City, plat recordation, etc.

Mr. Wynn recapped that there is an ongoing inspection process and a final inspection process, which has not yet occurred; once the as-builts are reviewed, they would be submitted to the City, with the Compliance Report, and an environmental inspector from the City would conduct the final inspection.

On MOTION by Mr. Rick Singletary and seconded by Mr. Lamb, with all in favor, the Amended and Restated Engineer’s Report on District Improvements and Estimated Probable Construction Cost, was approved.

- **Presentation/Consideration of Amended and Restated Master Special Assessment Methodology Report**

This item, previously the Eighth Order of Business, was presented out of order.

Mr. Szymonowicz presented the Master Special Assessment Methodology Report dated August 30, 2021 and highlighted the following:

- The Report is an amendment and restatement of the prior Master Methodology Reports. It was updated to conform to the changes in the Development Plan, as well as the updated Engineer's Report dated August 29, 2021 that was previously presented by Mr. Wynn.
- The Report takes exactly the same approach as the prior Reports and apportions the benefit of the public infrastructure improvements to the different land uses that are now projected to be developed in the CDD and specifically singles out the multi-family homes.
- Although the multi-family project, within what is referred to as Phase IA, will cost roughly a total of \$43,790, the multi-family units that are slated to be developed will enjoy additional benefits as a result of the infrastructure that will be built in other Phases, specifically Phases I through VI, and there will be an additional benefit of \$1,516,876 that will be accruing to the multi-family uses.
- Mr. Szymonowicz segregated the benefits of the capital infrastructure program (CIP) that are accruing to the multi-family uses and subtracted it out from the cost estimates of the balance of the CIP that is accruing to the benefit of the single-family uses and derived what proportion of the total CIP should therefore be considered to be benefiting the single-family versus multi-family uses in the exact same proportion apportioned to the principal amounts of the bonds as well as annual debt service to the different unit types.
- The calculations represented in Table 7, on Page 16, showed the bond allocations of the different unit types in the CDD.
- In terms of dollar value, the infrastructure that benefits the multi-family uses is significantly less than that which benefits the single family uses, as outlined in the Engineer's Report.

Mr. Szymonowicz gave a detailed explanation of Appendix Tables 1 through 7, on Pages 13 through 16 of the Report.

Asked about the bond assessment allocation per unit and the annual bond assessment payment per unit for the 40' single-family product type, Mr. Szymonowicz stated \$42,426.06 is for each 30' lot's principal portion of the bond and \$3,138.86 is the annual assessment that would be required to pay the \$42,426.06 within the 30-year repayment period on the bonds.

Mr. Wrathell stated it was important to mention that the Master Methodology shows a financing model of the Engineer's CIP, which sets the maximum par amount of bonds and maximum annual debt assessment for each of the product types; however, when the bonds are issued, the debt assessment will be significantly lower than what is reflected in the Report because Management will coordinate with the Bond Underwriters to structure the final sizing of the bonds and a Supplemental Special Assessment Methodology Report would be produced and utilized to market the bonds. The Supplemental Special Assessment Methodology would be presented at an upcoming meeting prior to being used for marketing purposes and would be followed by a final Supplemental Methodology Report that will represent the final parameters of the bonds. The intent of the Report is to define the special and peculiar benefit the property owners will receive, related to the CIP, and it would not be possible to build the development without putting the infrastructure in place and the Developer will execute a Completion Agreement with the CDD to privately fund the balance of the CIP.

Asked about the timing, Ms. Cerbone stated that the Underwriter, Mr. Bill Reagan, provided the following timeline, depending on the Board's approval of the updated Engineer's and Master Methodology Reports today:

- Week of September 30, 2021: Drafts of the Master and Supplemental Trust Indenture, bond resolutions and other documents would be sent by the Underwriter.
- Week of October 1, 2021: Staff would prepare a draft offering document.
- Week of October 11, 2021: Board meeting to approve the documents and Preliminary Off Limited Offering Memorandum (PLOM).
- End of October: Schedule an additional Board meeting.
- Week of November 15, 2021: Schedule the bond closing.

Mr. Wrathell stated the timeline was a likely summary and the Underwriters would coordinate with Mr. Yates to assemble due diligence items, which can be time-consuming.

Mr. van Assenderp made the following points:

- Mr. Szymonowicz and Mr. Wynn submitted excellent Reports.
- Additional taxes would be imposed by the County and the City.
- The debt assessment is a special assessment that will be reduced substantially and is based on the special apportionment of benefits to the property.

- The law states that once infrastructure, including roads, water and sewer, drainage etc., is in place, it serves as a special benefit, which flows to all of the properties in the CDD.
- The Board should acknowledge that every property within the jurisdiction of the CDD receives a list of special benefits, namely, added use of the property, added enjoyment of the property, increased property values, marketability and decreased insurance premiums that the property would not otherwise have because it would still be raw property and those improvements are needed before homes can be constructed.
- The law states the apportionment of the special benefits, followed by the translation of the special benefit to the dollar amount allocated per parcel of property, all the special assessments that the Tax Collector will collect and that it will be sent to pay the bond investors.
- Article 4, Section 10 of the Constitution of Florida states that homeowners can lose their properties if they fail to pay a tax or a special assessment and the Tax Collector may sell tax certificates to recoup losses.

On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with all in favor, the Amended and Restated Master Special Assessment Methodology Report, dated August 30, 2021, was approved.

▪ **Update: Bond Financing**

- **Consider Engagement of GT Law as Bond Counsel**

This item, previously the Ninth Order of Business, was presented out of order.

Mr. Harris presented the revised Greenberg Traurig proposal letter to serve as Bond Counsel and highlighted the following:

- This is a short-form Engagement Agreement.
- Greenberg Traurig served as Bond Counsel in the previous financing.
- The fee has been adjusted accordingly for the Series 2021 financing.
- Greenberg Traurig will provide all the Supplemental Indentures, opinions, etc.

On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with all in favor, engagement of Greenberg Traurig P.A., to serve as Bond Counsel, and the Engagement Agreement, was approved.

**FALLSCHASE CDD
THIRD ORDER OF BUSINESS**

August 30, 2021

Presentation of Audited Financial Statements for Fiscal Year Ended September 30, 2020, Prepared by Lanigan & Associates, P.C.

Ms. Cerbone presented the Audited Financial Statements for Fiscal Year Ended September 30, 2020 and noted the pertinent information. There were no findings, recommendations, deficiencies on internal control or instances of non-compliance; it was a clean audit.

Mr. van Assenderp stated a few technical changes would be made to the subsequent Audit, per the preparers of the Audit.

Asked for a clarification of the Audited Report, Ms. Cerbone stated it is a financial view of the CDD, as of September 30, 2020. The State of Florida requires CDDs to have an external party examine the financial transactions that have occurred within the CDD.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2021-05, Hereby Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2020

Ms. Cerbone presented Resolution 2021-05.

On MOTION by Mr. Yates and seconded by Mr. Lewis Singletary, with all in favor, Resolution 2021-05, Hereby Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2020, was adopted.

FIFTH ORDER OF BUSINESS

Public Hearing on Adoption of Fiscal Year 2021/2022 Budget

A. Proof/Affidavit of Publication

The affidavit of publication was included for informational purposes.

B. Consideration of Resolution 2021-06, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022; Authorizing Budget Amendments; and Providing an Effective Date

Ms. Cerbone reviewed the proposed Fiscal Year 2022 budget and stated no changes were made since the last meeting.

Mr. van Assenderp stated, when the bonds are issued, not only must Bond Counsel render an opinion on taxes, securities and related matters but District Counsel must also render an opinion on the CDD's behalf, confirming that all the proper steps were taken by CDD Staff and the processes met all legal requirements. The fees would be declaration of facts paid out of the bond proceeds.

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

No members of the public spoke.

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

Ms. Cerbone presented Resolution 2021-06 and read the title.

On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with all in favor, Resolution 2021-06, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Landowners' Funding Agreement

Ms. Cerbone presented the Landowners' Funding Agreement between the CDD and Red Hills Property Holdings LLC and 2nd Elevated Development, LLC.

On MOTION by Mr. Rick Singletary and seconded by Mr. Lamb, with all in favor, the Landowners' Funding Agreement, was approved.

**FALLSCHASE CDD
SEVENTH ORDER OF BUSINESS**

August 30, 2021

Presentation/Consideration of Amended and Restated Engineer's Report on District Improvements and Estimated Probable Construction Cost

This item was presented following the Second Order of Business.

EIGHTH ORDER OF BUSINESS

Presentation/Consideration of Amended and Restated Master Special Assessment Methodology Report

This item was presented following the Second Order of Business.

NINTH ORDER OF BUSINESS

Update: Bond Financing

- **Consider Engagement of GT Law as Bond Counsel**

This item was presented following the Second Order of Business.

TENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of July 31, 2021

Ms. Cerbone presented the Unaudited Financial Statements as of July 31, 2021

On MOTION by Mr. Lewis Singletary and seconded by Mr. Rick Singletary, with all in favor, the Unaudited Financial Statements as of July 31, 2021, were accepted.

ELEVENTH ORDER OF BUSINESS

Approval of June 7, 2021 Regular Meeting Minutes

Ms. Cerbone presented the June 7, 2021 Regular Meeting Minutes. District Counsel previously submitted changes to Management. Mr. van Assenderp reviewed the two items that needed to be changed.

On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with all in favor, the June 7, 2021 Regular Meeting Minutes, as amended to incorporate edits previously submitted to Management, were approved.

Staff Reports

A. **Attorney: *van Assenderp Law***

There was nothing further to report.

B. **Engineer: *Moore Bass Consulting, Inc.***

There was nothing further to report.

C. **Manager: *Wrathell, Hunt and Associates, LLC***

- **NEXT MEETING DATE: October 4, 2021 at 11:00 A.M.**
 - **Consider Change of Meeting Time to 10:00 A.M.**

Ms. Cerbone asked if the Board was amenable to changing the meeting time to 10:00 a.m. The Board agreed to 10:30 a.m.

On MOTION by Mr. Lewis Singletary and seconded by Mr. Rick Singletary, with all in favor, changing the meeting time from 11:00 a.m., to 10:30 a.m., was approved.

Mr. van Assenderp stated that Mr. Wynn and Mr. Szymonowicz have been assisting District Counsel to modify a legal description in a petition to contract the boundary of the CDD for transmission to the County.

○ **QUORUM CHECK**

The next meeting would be held on October 4, 2021 at 10:30 a.m., unless rescheduled or cancelled.

THIRTEENTH ORDER OF BUSINESS

Audience Comments/Supervisors Requests

There were no audience comments or Supervisors' requests.

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Lamb and seconded by Mr. Lewis Singletary, with all in favor, the meeting adjourned at 12:15 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair