

**MINUTES OF MEETING  
HUNTER'S RIDGE OAKS  
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

A Public Hearing and Regular Meeting of the Board of Supervisors of the Hunter's Ridge Oaks Community Development District No. 1 were held on Friday, September 1, 2017 at 4:00 p.m., at the Flagler County Public Library, Meeting Room, 2500 Palm Coast Parkway NW, Palm Coast, Florida 32137.

**Present at the meeting were:**

Kim Buck	Chair
Joe Brinson	Assistant Secretary
Wayne Griffin	Assistant Secretary
Sydney Booker ( <i>via telephone</i> )	Assistant Secretary

**Also present were:**

Howard McGaffney	District Manager
Craig Wrathell ( <i>via telephone</i> )	District Manager
Kim Booker ( <i>via telephone</i> )	District Counsel

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. McGaffney called the meeting to order at 4:24 p.m. Supervisors Buck, Brinson and Wayne Griffin were present, in person. Supervisor Booker was attending, via telephone. Supervisor Tonya Griffin was not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2017-19,  
Amending Resolution 2017-18,  
Rescheduling the Date, Time and Place of  
the Public Hearing for Consideration of  
the Budget and Non-Ad Valorem  
Assessments for Fiscal Year 2018**

Mr. McGaffney presented Resolution 2017-19. This Resolution amended Resolution 2017-18, which was previously adopted setting the date and time for the Public Hearing.

**On MOTION by Mr. Wayne Griffin and seconded by Ms. Buck, with all in favor, Resolution 2017-19, Amending Resolution 2017-18, Rescheduling the Date, Time and Place of the Public Hearing for Consideration of the Budget and Non-Ad Valorem Assessments for Fiscal Year 2018, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Public Hearing to Hear Comments and Objections on Adoption of Fiscal Year 2017/2018 Budget**

**A. Affidavit of Publication**

Mr. McGaffney presented the affidavit of publication for today's Public Hearing and Regular Meeting.

**B. Consideration of Resolution 2017-20, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018; Authorizing Budget Amendments; and Providing an Effective Date**

Mr. McGaffney presented Resolution 2017-20. There were no other changes since the July 2017 meeting.

**\*\*\*Mr. McGaffney opened the Public Hearing.\*\*\***

No members of the public spoke.

**\*\*\*Mr. McGaffney closed the Public Hearing.\*\*\***

**On MOTION by Ms. Buck and seconded by Mr. Brinson, with all in favor, Resolution 2017-20, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-21, Adopting the Annual Meeting Schedule for Fiscal Year 2017/2018**

Mr. McGaffney presented Resolution 2017-21.

Mr. Wrathell stated that an Assessment Public Hearing would be held, shortly. In approximately 45 days from today, an Assessment Public Hearing would be required. The next meeting was scheduled for December; therefore, the date for the Assessment Public Hearing would likely be selected later in the meeting. This item was deferred to later in the meeting.

**SIXTH ORDER OF BUSINESS**

**Consideration of Bond Counsel  
Engagement Letter (*Akerman LLP*)**

Mr. Wrathell gave an overview of the Bond Counsel Engagement Letter. It was the Landowners' intent to validate bonds for future issuance. It was important to engage Bond Counsel, who would ultimately file the Validation Complaint, in Circuit Court, and appear on the District's behalf. The fee was \$10,000, which would be paid once the District validated bonds. There would be up to \$1,000 in associated reimbursable costs. When the District successfully moved forward to issue bonds, the fee would be \$41,000, per bond issuance. The \$41,000 fee was reasonable by industry standards. Bond Counsel would provide a tax-exempt bond opinion, which was extremely important. When underwriting marketed and sold the bonds, it would be tax-exempt to the investors, which is what helped to obtain a competitive interest rate. Bond Counsel had a key role in the bond issuance process.

**On MOTION by Ms. Buck and seconded by Mr. Griffin, with all in favor, engagement of Akerman LLP as Bond Counsel, was approved.**

**SEVENTH ORDER OF BUSINESS**

**Consideration of Engineer's Report,  
*updated July 31, 2017***

Ms. Buck stated that the Engineer's Report was not much different than the one previously presented but it contained more detail.

Ms. Buck stated that the master plan was compared with the **Development of Regional Impact (DRI)**, to a product type. The DRI referenced multi-family and single-family in the terms of low, medium and high density and had not been analyzed as single-family detached, villas, apartments and townhomes. While working with a realtor, who came up with a realistic split of single-family detached homes, villas would be detached homes but a very small

footprint; similar to a zero-lot-line type of unit, such as townhomes, apartments and condominiums. Office/retail/commercial remained as one entity and described as such, in terms of square footage and light industrial. Areas for amenities were identified for recreational stormwater ponds, roadways and open space; however, recreational amenities had not been included as a budget item,. That was excluded from the budget, since it was anticipated that those recreational facilities were for private use and should not be included as part of the District. The breakdown for the lot configuration was estimated as follows:

Single Family Lot:

- 368 lots, 50 ft. wide with a minimum square footage of 1,250 SF
- 100 lots, 60 ft. wide with a minimum square footage of 1,250 SF
- 150 lots, 75 ft. wide with a minimum square footage of 2,000 SF

Villas:

- 532 lots, 45 ft. wide with a minimum square footage of 1,000 SF

Townhomes:

- 50 townhome units, 35 ft. wide lots with a minimum square footage of 850 SF
- 50 townhome units, 35 ft. wide lots with a minimum square footage of 1,000 SF
- 50 townhome units, 35 ft. wide lots with a minimum square footage of 1,250 SF

Apartments:

- 146 apartment units at a minimum square footage of 700 SF
- 100 apartment units at a minimum square footage of 850 SF
- 80 apartment units at a minimum square footage of 950 SF
- (All total, the apartments would occupy approximately 45 acres)

The 700 square foot (SF) apartments presented an opportunity in an affordable range. Public safety had to be considered and sites were identified for “fire protection/emergency medical services”. There were 1,626 residential units, 361,520 square feet for mixed use and 208,732 of light industrial space. Each category was reviewed and the infrastructure costs were split into Master Infrastructure Improvements (MII) and Neighborhood Infrastructure Improvements (NII). The MII would be the loop roads that served all of the developments. The major infrastructure, stormwater management facilities and utilities required for expansion and extension of utility lines from the City of Ormond Beach, would serve the entire development. The NII were for the individual residential development lots, including utility service to residential parcels, internal local roadways, landscaping/hardscape, irrigation, electric and street

lights; basically everything outside of the building lots. Everything was included within easements.

Ms. Buck stated that the projected estimated project costs for the MII, were \$22,788,709 and the NII were \$26,501,561.

Mr. Wrathell stated that there were slight modifications to the Engineer's Report which was updated July 31, 2017.

**On MOTION by Mr. Griffin and seconded by Mr. Brinson, with all in favor, the Engineer's Report, updated July 31, 2017, was approved.**

**EIGHTH ORDER OF BUSINESS**

**Consideration of Master Special Assessment Methodology Report, dated July 31, 2017**

Mr. Wrathell presented the Master Special Methodology Report, dated July 31, 2017. The most recent Engineer's Report was approved and the next step of the process would be the Master Special Assessment Methodology Report (Methodology). In preparing the Methodology, it was assumed that 100% of the improvements in the Capital Improvement Plan (CIP) would be financed as, when marketing and selling bonds in today's environment, the District would not be in a position to fund 100% of the improvements. Property owners would receive a benefit equal to or greater than the actual CIP, as outlined by the District Engineer. Between the District issuing bonds and the Developer funding the balance of the improvements, privately, this would take property currently undevelopable, to a large Master Planned Community. The Methodology stated that, if 100% of the improvements were financed, property owners would benefit from the improvements and there would be a financing structure to finance those improvements. The legal test, in Florida, was to determine if property owners would receive special benefits, with regard to the CIP, versus the general benefits in a neighboring property, which it would. Adjacent communities would benefit too in that there would be new roads and other general benefits but this project could not be possible without financing the CIP. Development of the CDD would be by the US Capital Alliance, LLC (the "Developer"), or its affiliates. The current Development Plan envisioned approximately 1,626 residential units, 208,732 SF of Light Industrial and 361,520 SF of office/retail/mixed-use commercial. Regarding the Methodology, it was fully understood that, as market conditions changed, the product may change; therefore, the

Methodology stated, "the current plan, as it is exists today". This project would take approximately 10 to 15 years to develop. The Methodology reflected that \$22,788,709 would be for the MII and 80% of that would benefit the residential, which equated to \$18,230,967.20. The remaining 20% amounted to \$4,557,741.80, which benefited the commercial uses in the District. The NII, would serve and provide benefit to the residential land uses only. The components of the CIP, MII and NII totaled approximately \$49,290,270. It was assumed that, if the entire \$49,290,270 was financed for capital improvements, up to approximately \$64,250,000 would be issued in Special Assessment Bonds. The financing structure would be amortized in 30 annual installments following a 24-month capitalized interest period. The amount to file for bond validation was very close to the \$64,250,000 which bond counsel would be filing for later. "Special and Peculiar Benefits" resulting from each improvement, were for single category improvements. Those benefits were real and ascertainable but not yet capable of being calculated and assessed, in terms of numerical value; however, such benefits were more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land. Overall, the added use of the property would improve dramatically, in the context that the property could be developed. In adding \$49,290,270 in improvements, property values would probably exceed its estimate, if the project was successful. A True-Up Agreement would be executed, as required, to protect the District and the bondholders. As development occurred, the number of residential units allowed in the Development and the amount of commercial square footage would be assigned as Equivalent Residential Units (ERUs) and Equivalent Assessment Units (EAUs), respectively. On a per unit basis, the benefitted property, as outlined in the CIP, would be assessed to pay the bond debt associated with those units. If fewer units were developed, for any reason, the True-Up Agreement would be the mechanism to protect from the loss of debt carrying capacity or the loss of units. Mr. Wrathell presented an overview of the Tables and reiterated the terms therein. Table 9 combined the MII and NII for the purpose of the annual assessment apportionment. From an actual perspective, for marketing purposes, initial assessments for the residential 50' lots would be approximately \$750 annually, rather than the \$3,216.49 as reflected on Table 9 but could be more, going forward, if there were additional bond issuances, etc. Exhibit "A" described the legal description of the land and an assessment in the amount of \$64,250,000 would be allocated to that land.

**On MOTION by Mr. Brinson and seconded by Ms. Buck, with all in favor, the Master Special Assessment Methodology Report, dated July 31, 2017, was approved.**

**NINTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-22, Designating a Date, Time, and Location of a Public Hearing Regarding the District's Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing; and Providing for an Effective Date**

Mr. Wrathell presented Resolution 2017-22. This Resolution memorializes the District's intent to utilize the services of the Property Appraiser and Tax Collector. Advertisements would be run for the Public Hearing, for which funding was already been received.

**On MOTION by Mr. Griffin and seconded by Ms. Buck, with all in favor, Resolution 2017-22, Designating Thursday, October 12, 2017 at 3:00 p.m., at this location, for a Public Hearing Regarding the District's Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing; and Providing for an Effective Date, was adopted.**

**TENTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-23, Declaring Special Assessments Relating to the Proposed Issuance of Special Assessment Bonds, Series 2017; Indicating the Location, Nature and Issuance of Special Assessment Bonds, Series 2017; Indicating the Location, Nature and Estimated Total Cost of Those Improvements Whose Cost is to be Defrayed by the Special Assessments; Providing the Portion of the Estimated Total Cost of the Improvements to be Defrayed by the Special Assessments; Providing the Manner in Which Such Special Assessments Shall be Made; Providing**

When Such Special Assessments Shall be Made; Designating Lands Upon Which the Special Assessments Shall be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of this Resolution; and Providing for an Effective Date

Mr. Wrathell presented Resolution 2017-23. This Resolution declares the special assessments related to the proposed issuance of the described bonds. The Resolution stated that the bonds were for Series 2017 but would be inclusive of 2018 and beyond and the Resolution would have to deal with that.

**On MOTION by Ms. Buck and seconded by Mr. Griffin, with all in favor, Resolution 2017-23, Declaring Special Assessments Relating to the Proposed Issuance of Special Assessment Bonds, Series 2017; Indicating the Location, Nature and Issuance of Special Assessment Bonds, Series 2017; Indicating the Location, Nature and Estimated Total Cost of Those Improvements Whose Cost is to be Defrayed by the Special Assessments; Providing the Portion of the Estimated Total Cost of the Improvements to be Defrayed by the Special Assessments; Providing the Manner in Which Such Special Assessments Shall be Made; Providing When Such Special Assessments Shall be Made; Designating Lands Upon Which the Special Assessments Shall be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of this Resolution; and Providing for an Effective Date, was adopted.**

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-24, Setting a Public Hearing for the Purpose of Hearing Public Comment on Assessing, Imposing and Levying Non Ad Valorem Assessments (Relating to Special Assessment Bonds, Series 2017 Bonds) on Certain Property Within the District in Accordance With Chapters 170, 189 And 197, Florida Statutes Providing that Such District Non Ad Valorem Assessments (Including Benefit Special Assessments, Maintenance Special Assessments and Special Assessment Authorized By Chapter 189 and Also By Chapter 170,**



**Florida Statutes) Constitute a Lien on the Property From the Date of Imposition Until Paid Coequal With the Lien of State, County, Municipal and School Board Taxes; and Providing for an Effective Date**

Mr. Wrathell presented Resolution 2017-24. The following change was made:

Change "189" to "190"

**On MOTION by Ms. Buck and seconded by Mr. Brinson, with all in favor, Resolution 2017-24, Setting a Public Hearing for Thursday, October 12, 2017 at 3:00 p.m., at this location, for the Purpose of Hearing Public Comment on Assessing, Imposing and Levying Non Ad Valorem Assessments (Relating to Special Assessment Bonds, Series 2017 Bonds) on Certain Property Within the District in Accordance With Chapters 170, 189 And 197, Florida Statutes Providing that Such District Non Ad Valorem Assessments (Including Benefit Special Assessments, Maintenance Special Assessments and Special Assessment Authorized By Chapter 189 and Also By Chapter 170, Florida Statutes) Constitute a Lien on the Property From the Date of Imposition Until Paid Coequal With the Lien of State, County, Municipal and School Board Taxes; and Providing for an Effective Date, as amended changing "189" to "190", was adopted.**

**TWELFTH ORDER OF BUSINESS**

**Consideration of Resolution 2017-25, Authorizing the Issuance of Bonds, Approving the Form of Indenture, and Authorizing Commencement of Validation Proceedings**

Mr. Wrathell presented Resolution 2017-25. This Resolution authorized the issuance of a not-to-exceed principal amount of \$65,250,000 for the Special Assessment Revenue Bond, for the purpose of financing for construction and acquisition, by the District, of the public improvement by the community facilities, as permitted by the provisions of the Florida Statute, Chapter 190. This Resolution also authorized a form of a Master Trust Indenture, approving and appointing a Trustee which would be US Bank. The Master Trust Indenture would be addressed when the issuance of bonds was about to commence.

**On MOTION by Ms. Buck and seconded by Mr. Brinson, with all in favor, Resolution 2017-25, Authorizing the Issuance of Bonds, Approving the Form of Indenture, and Authorizing Commencement of Validation Proceedings, was adopted.**

**THIRTEENTH ORDER OF BUSINESS**

**Consideration of Hunter's Ridge Homeowners' Association, Inc., Infrastructure Maintenance Agreement (*deferred from June 9, 2017 Special Meeting*)**

This item was deferred.

**On MOTION by Ms. Griffin and seconded by Ms. Buck, with all in favor, consideration of Hunter's Ridge Homeowners' Association, Inc., Infrastructure Maintenance Agreement (*deferred from June 9, 2017 Special Meeting*), was deferred.**

**FOURTEENTH ORDER OF BUSINESS**

**Consideration of US Capital Alliance Right of Way, Pond and Roadway Improvements Development Acquisition Agreement (*deferred from June 9, 2017 Special Meeting*)**

This item was deferred.

**On MOTION by Ms. Griffin and seconded by Ms. Buck, with all in favor, consideration of US Capital Alliance Right of Way, Pond and Roadway Improvements Development Acquisition Agreement (*deferred from June 9, 2017 Special Meeting*), was approved.**

**FIFTEENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of July 31, 2017**

Mr. McGaffney presented the Unaudited Financial Statements as of July 31, 2017. Assessment revenue collections were at 32% and expenditures were at 38%.

**On MOTION by Mr. Brinson and seconded by Ms. Buck, with all in favor, the Unaudited Financial Statements as of July 31, 2017, were approved.**

**SIXTEENTH ORDER OF BUSINESS**

**Approval of June 9, 2017 Special Meeting Minutes**

Mr. McGaffney presented the June 9, 2017 Special Meeting Minutes and asked for any additions, deletions or corrections.

**On MOTION by Mr. Griffin and seconded by Mr. Brinson, with all in favor, the June 9, 2017 Special Meeting Minutes, were approved.**

**SEVENTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

There being no report, the next item followed.

**B. District Engineer**

There being no report, the next item followed.

**C. District Manager**

There being no report, the next item followed.

**EIGHTEENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

There being no Board Members' comments or requests, the next item followed.

**NINETEENTH ORDER OF BUSINESS**

**Audience Comments**

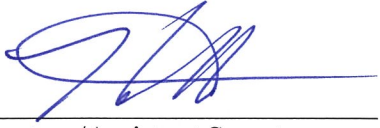
There being no members of the audience present, the next item followed.

**TWENTIETH ORDER OF BUSINESS**

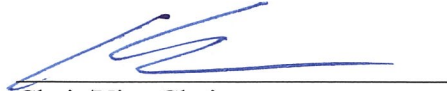
**Adjournment**

There being no further business to discuss, the meeting adjourned.

**On MOTION by Mr. Griffin and seconded by Mr. Brinson, with all in favor, the meeting adjourned at 5:23 p.m.**



Secretary/Assistant Secretary



Chair/Vice Chair