

MINUTES OF MEETING
CHAMPIONSGATE COMMUNITY DEVELOPMENT DISTRICT

The continued meeting of August 11, 2014 of the Board of Supervisors of the ChampionsGate Community Development District was reconvened Wednesday, September 3, 2014 at 2:00 p.m. at the offices of RIDA Development, 8390 ChampionsGate Boulevard, Suite 104, ChampionsGate, Florida.

Present and constituting a quorum were:

Ron Root	Chairman by telephone
Phillip Montalvo	Assistant Secretary
John Lambert	Assistant Secretary
Larry Arseniadis	Assistant Secretary by telephone
Darin Tennyson	Assistant Secretary

Also present were:

George Flint	District Manager
Scott Clark	District Counsel
Mark Vincutonis	District Engineer
Yvonne Shouey	On-Site Manager
Marc Reicher	RIDA Development
Carlos Della Rosa	Lennar Homes

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comment Period

There not being any, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oath of Office to Newly Appointed Board Member

Mr. Flint stated I have already sworn in Mr. Tennyson prior to the meeting so that he could constitute a physical quorum for purposes of the Board meeting today.

B. Consideration of Resolution 2014-07 Electing Officers

Mr. Flint stated typically when you appoint someone to a vacant position you consider either election of officers or just the particular office that the newly appointed person would occupy. There is a resolution in your agenda that would elect officers. You can choose to keep the same officers you previously had and make Mr. Tennyson an Assistant Secretary, as I believe his predecessor was or you can consider a slate of officers.

On MOTION by Mr. Montalvo seconded by Mr. Lambert with all in favor Resolution 2014-07 was approved with the current slate of officers and Mr. Tennyson added as an Assistant Secretary.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2014-08 Authorizing a Petition to Amend the Boundaries of the District

Mr. Flint stated the next item is the reason we continued the previous meeting and that is to consider Resolution 2014-08, which authorizes the filing of a petition to amend the boundaries of the District. We had this item on the agenda at the last meeting and representatives of Lennar are here to answer any questions. The next step is to consider the resolution, which District Counsel had prepared.

Mr. Clark stated in your package there is a resolution and draft of the petition was sent out although it may have been missing an attachment. That is essentially the package that it takes to get the ball rolling on this. The Lennar folks kindly got me the rest of the information that we needed to complete the resolution and the petition right after the last meeting. The purpose of this meeting is for the Board to decide whether it wants to move forward with this action and that will be done by adopting the resolution, which authorizes the Board to sponsor a petition to the county commission. The petition is to add the acreage that is described there, the 17.91 acres and that will add some units, which we discussed at the last meeting, which will have the following affect. It will do nothing whatsoever to the debt service assessments for everyone else within the CDD will remain the same. The O&M if we keep the budget where it is now will be spread across a greater number of units because they will take units and add to the O&M so that extent adding the units is a benefit to the rest of the owners of property within the District because it potentially lowers the O&M or if in the future the Board decides that it needs to do other things, raise the reserves, whatever the case may be that may create an opportunity to

increase your overall budget without raising the O&M assessments for the existing owners of land.

Mr. Flint stated on that particular point the current Phase 1 parcel is assessed on an acreage basis because it is unplatted and we are imposing \$73,610 of O&M on the Phase 1 parcel annually for O&M. That is what the budget is currently based on. If the units in Phase 1, which there are 223 units if you did not expand the boundaries it would be a wash at \$305 a unit, which is the current townhome it would generate \$68,000. If you add the additional 152 units in Phase 2, Phase 1 and 2 will generate \$114,000 based on the current assessment level. You can see that by annexing in if you kept the per unit assessment the same there is no additional anticipated cost, you are going to be generating additional revenue. You are not going to know until the balance of the unplatted property is platted how it ultimately is going to shake out because if the remaining unplatted are less dense than what was originally planned there may need to be adjustment. If you look at the current assessment levels and the number of units it is going to generate additional revenue for the District, which as Scott mentioned either gives you the option to build up additional reserves or potentially lower assessments in the future. This won't impact Fiscal Year 2015 that budget has already been adopted the petition hasn't been approved so at this point we wouldn't make any amendments.

Mr. Reicher asked when it is all settled in and matured it would generate about \$35,000 in payments?

Mr. Flint responded no it is the difference between \$73,000 and \$114,000. The benefit to Lennar in doing this is that they can spread that Phase 1 debt over more units and bring their per unit assessment down, which I think we discussed at the last meeting. It also provides when they are selling product in Phase 1 and Phase 2 they have a level playing field, they don't have an issue where part of the product is in the District and part is outside the District.

Mr. Lambert stated the \$73,000 will never be lower than that.

Ms. Shouey responded right.

Mr. Flint stated until everything is ultimately platted I don't know what it is going to be but if you look at current assessment levels it is going to generate more.

Mr. Reicher stated it could be less than that if you didn't let the other part in and they fully develop Phase 1 it would be \$67,000.

Mr. Flint stated it might be higher because it would have to offset the \$73,000.

Mr. Montalvo stated the new units that will be put in Phase 1 will pay the same assessment as the rest of the properties of that same like category.

Mr. Flint stated on the O&M and that is \$305 per unit, which is what a townhome pays.

Mr. Montalvo stated some of those units going in there are not townhomes. How is that going to work?

Mr. Flint responded to the extent they are not townhomes and they are significantly different than what a townhome impact would be and we have identified it in the methodology they may pay a different assessment but it has to be consistent throughout the District.

Mr. Montalvo stated I'm trying to figure out in real terms if your numbers are based on \$305, which is an assessment for a townhome but only half for example of the units being built are townhomes and the rest are condos. How will that change if any?

Mr. Clark stated I'm not looking at the table and maybe George is but a condo more often than not come in the same as townhomes, they are the same product mix so you will have condo/townhome and then single family would be different.

Mr. Montalvo stated there are no single families in here.

Ms. Shouey stated Bella Trae is all the same they pay \$466 for everything no matter what type it is, condo, villa, whatever.

Mr. Montalvo asked why is this \$305? This is what I was asked by several people at Bella Trae. If they come into the District will they be paying the same as we are or are they going to be paying less?

Mr. Flint stated to the extent on the O&M it is the same product type they are going to be paying the same assessment the debt is different.

Mr. Clark stated what happens with the debt normally and it is the same as what will happen with the Lennar piece, the debt assessments are done once in time and maintenance is done every year. At a point in time you somewhat freeze the debt on parcels, you plat a property you assign the debt to different parcels and you can change that but you don't have to and typically it gets hard to start moving the debt around after different people own pieces of property. I think in BellaTrae's case if they had X dollars of debt and I'm just going to use some numbers, they had X dollars of debt and it assumed 400 units and they decide to build 300 units then their debt per unit goes up because they still have to pay it they can't throw it off on other

properties. Lennar is kind of looking to do the reverse of that they have X dollars of debt and now they are going to expand and put more units in to cover that debt.

Mr. Montalvo stated what I'm hearing is that none of the proposed units or the type of development there will create a different fee structure on the O&M than currently exists.

Mr. Flint stated right in Bella Trae you pay \$305 per unit and in Phase 1 and Phase 2 of the Vistas they are going to pay \$305 per unit O&M. Now the debt is going to be different.

Mr. Montalvo stated I just want to be clear step by step. O&M for the Lennar units will be \$305 per unit just like it is for Bella Trae. Everything that is planned in that community will qualify them for the \$305.

Mr. Flint stated that is correct.

Mr. Montalvo asked on the debt side how will that differ if at all from what is being presently assessed to Bella Trae?

Mr. Flint stated it looks like it would be \$383 per unit and Bella Trae is paying more than that but there is nothing you can do about that. It was originally imposed on an acreage basis and then it is allocated on a per unit basis.

Mr. Montalvo stated I'm trying to figure out how we arrived at the \$382.

Mr. Flint responded it is the amount of debt that was placed on Parcel 6, which is \$143,587 on an annual basis and that divided by 375 equals \$382.90. The amount of debt that has to be paid annually and retired from Parcel 6 is the \$143,587.

Mr. Montalvo stated that parcel had a predetermined assessment for the debt service.

Mr. Flint stated in 1998 when the bonds were issued.

Mr. Montalvo stated up until now the debt has been retired based on that parcel being undeveloped.

Mr. Flint stated they paid \$143,587.

Mr. Reicher stated RIDA was paying it until we transferred the land to Lennar in 2012 then Lennar has been paying it since.

Mr. Montalvo stated basically Lennar assumed RIDA's position in terms of debt service for that portion.

Mr. Reicher responded yes.

Mr. Montalvo stated they will then continue to pay into the future, just like RIDA would had the land just sat there then the bonds would be retired in due course just like it was originally

planned. The fact that this \$382 is just because that section of land was determined (statement ended).

Mr. Flint stated a fixed number of dollars based on an acreage basis.

Mr. Clark stated other things could happen. For instance if Lennar had said we don't want debt or we don't want that much debt and as part of the transaction they paid it down by \$200,000 then that could also cause a difference between what the balance they are paying and other things.

Mr. Montalvo stated they could prepay some of the debt.

Mr. Clark stated just an example of what can happen so there are really several things that can happen in a community that can cause the debt service for one parcel to be different than the debt service for another parcel. That doesn't mean someone is being treated unfairly.

Mr. Montalvo stated I'm not suggesting that I'm trying to understand the mechanics of it because people have been asking me and I need to go back with layman's terms and explain how this is going to work. In dealing with this real life scenario we have we took care of the O&M part and I understand that and it is going to be \$305 because it is the same type of units we have. The only different number that is being assessed currently for Bella Trae residents the \$382 versus the \$658 is because that parcel that Lennar bought that is now being brought in RIDA was paying that amount of money and they are dividing whatever number of units that come up and it comes out to \$382 per unit. Am I explaining that correctly?

Mr. Lambert asked was that an acreage calculation?

Mr. Flint responded the debt assigned to that parcel was based on acreage it was \$143,587 and that divided by 375 is \$382.90.

Mr. Montalvo stated if there is a big benefit to be derived by that, which could be the case then that is fine but I want to make sure the assessments for the units in Lennar there is an explanation I can articulate in layman's terms so if I am asked I can say RIDA was paying \$143,587 on Phase 1 and that amount has been moved over to Lennar's table to pay and they are going to chop it up any way they deem appropriate based on the number of units they are going to build. Is that correct? Scott talked about prepaying and that is an option and in practical terms what impact would that have?

Mr. Flint responded it wouldn't have any impact on anybody else. They could prepay the debt on their property if they chose to do that.

Mr. Reicher stated when we sold to Publix we paid the A Bonds off. The bondholders don't care if they get paid back early, they like that. The way the District is set up is a parcel by parcel opportunity and when you plat you have the option of doing it as well because BP paid at closing, Chili's paid off at closing, McDonald's paid off at closing.

Mr. Flint stated typically commercial properties want to do that.

Mr. Montalvo stated in this case Lennar had that option but chose not to exercise it and simply passed it on.

Mr. Flint stated they statutorily have that option they can do it at any time they want. It would take the debt assessment off the 375 units but it won't affect you.

Mr. Clark stated we like to see people putting units on it because it then goes on the tax roll and we are pretty sure we are going to be paid because there is a mortgagee who is not going to let it go to tax certificate sale.

Mr. Lambert asked as each of the units are built and there are 10 units built are those 10 units actually going to be paying the \$305 and that is going to reduce the other portion of the \$73,000?

Mr. Flint responded if they don't plat it all at one time as it is platted it is assigned to those units and the balance of the unplatted would pay the difference. We annex it in and Phase 1 is platted and it is \$305 times 223 would be paid in Phase 1 and then \$46,000 may be direct billed to Phase 2 depending on the timing of the platting.

Mr. Montalvo stated let me understand this. In Phase 1 the 223 units are going to ultimately be paying \$305 but that only goes into the coffers as the units are being built so who pays the difference between what was being received before?

Mr. Flint stated what is unplatted is direct billed and what is platted goes on the tax roll so it becomes a timing issue.

Mr. Reicher stated Lennar.

Mr. Montalvo stated that was my question so Lennar pays. Lennar is on the hook for what has not been sold until these are disposed of.

Mr. Flint stated right.

On MOTION by Mr. Montalvo seconded by Mr. Lambert with all in favor Resolution 2014-08 a resolution authorizing filing of a petition with the Osceola County Commission to modify boundaries of ChampionsGate Community Development District was approved.

Mr. Clark stated that completes the action we are considering. We will proceed with filing the petition and keep you informed of the progress.

Mr. Reicher asked how long does that process take?

Mr. Clark responded it goes to staff and my experience is that they have gotten better over time. We did one of these in 2001 and it was not something they were accustomed to and was probably a six month process but I'm optimistic it will be quicker than that.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer

There not being any, the next item followed.

C. Manager

Mr. Flint stated we did get a withdrawal of candidacy from Mr. Tennyson prior to him being sworn in so he did withdraw his candidacy for the seat through the supervisor of elections office.

SIXTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Next Meeting Date

On MOTION by Mr. Root seconded by Mr. Montalvo with all in favor the meeting adjourned at 3:32 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman