

**MINUTES OF MEETING
EAST NASSAU
STEWARDSHIP DISTRICT**

The Board of Supervisors of the East Nassau Stewardship District held a regular meeting on Monday, August 16, 2018, at 10:00 a.m., in the Nassau Room (T0126), Building 30, at Florida State College, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097.

Present at the meeting were:

Mike Hahaj	Chair
Dan Roach	Vice Chair
Bob Rhodes	Assistant Secretary
Max Hord	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Jonathan Johnson	District Counsel
Zach Brecht	District Engineer
Justin Stankiewicz	Nassau County Office of Management and Budget Director

FIRST ORDER OF BUSINESS

Call to Order

Mr. Wrathell called the meeting to order at 10:04 a.m.

SECOND ORDER OF BUSINESS

Roll Call

Supervisors Hahaj, Roach, Rhodes and Hord were present, in person. Supervisor Fancher was not present.

THIRD ORDER OF BUSINESS

Chairman's Opening Remarks

Mr. Hahaj stated that today's meeting will consist of public hearings, along with public comments at the beginning and end. He proposed to expand the agenda to include a discussion of a letter from Mr. Pat Edwards to the agenda following the Eighth Order of Business.

FOURTH ORDER OF BUSINESS

Public Comments *(limited to 3 minutes per person)*

Mr. Justin Stankiewicz, Nassau County Office of Management and Budget Director of the Nassau County Board of County Commissioners (BOCC), stated that his representation at today's meeting is to oppose any ENSD Board motion on bond issuance until the ENSD Board and the BOCC can resolve their differences involving funding for public parks. He recalled that, at a previous meeting, the ENSD Board amended its bond documents by \$1.1 million in relation to a private school and the YMCA. The BOCC is requesting the same type of adjustment to Phase 1, for the \$500,000 placeholder that the ENSD has for public recreation. In the Central Planning Area of the Master Plan, the ENSD has \$10 million earmarked, which was comprised without County input and the County would like to know what comprises the \$10 million. Mr. Stankiewicz stated that he is prepared to answer any questions that the Board may have regarding the ENSD Chair's response letter to Mr. Edwards, when it comes up for discussion, and invited the ENSD Board to a BOCC meeting; meetings are held every second and fourth Monday and the third Wednesday of the month. He stated that the whole point of 1075 was the hope that it would help for partial financing for public recreation. He referred to Mr. Charles Adams' presentation at the last meeting, where he spoke of \$10 million but Mr. Stankiewicz wants it to be clear that, at that time, public comments were closed; it was after he spoke but also, the initiative the County has, on its own, put in a public recreation. The BOCC welcomes the opportunity to work with the Landowner to program a public recreation project on 20 acres planned for Phase 1 or Phase 2. The need for public recreation in Nassau County is great, as its ball fields are packed and at capacity. This is a great opportunity for the two entities to get the financing in place and continue with the bond process to fund the expansion of public recreation facilities in Nassau County.

FIFTH ORDER OF BUSINESS

Affidavit of Publication

Mr. Wrathell presented the affidavits of publications for today's Public Hearings.

SIXTH ORDER OF BUSINESS

Public Hearing to hear Comments and Objections on Adoption of Fiscal Year 2018/2019 Budget

A. Consideration of Resolution 2018-16, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date

Mr. Wrathell presented Resolution 2018-16. He reviewed the proposed Fiscal Year 2019 budget and the projected Fiscal Year 2019 assessments. On Page 1, he called attention to the "Assessment levy: gross", at \$2,491, and the "Assessments off-roll", at \$162,108, which are billed directly to the Master Developer. The on-roll assessments include properties sold to other entities held by the Master Developer.

Mr. Johnson stated that the Trust Indenture component and what the Supplemental Indenture will reflect is that bondholders want platted properties collected on the tax roll. There is a robust market for tax certificates in the event that an individual property owner does not pay their bill but there is a much less robust market for tax certificates on large bulk, unplatted properties and, as Mr. Wrathell referenced, there is a much quicker avenue to foreclosure, in the event of non-payment by a bulk landowner, which is why the Indentures will request that those not be collected on-roll, which is why the attempt is to mirror the Operations and Maintenance (O&M), up front, to the anticipated debt.

Mr. Wrathell continued reviewing the budget line items.

In response to a Board Member's question regarding the timing of the collection of off-roll assessments, Mr. Johnson stated that, as reflected in Resolution 2018-07, 50% is due in December and the balance is due in February and May. The Board Member asked if the proposed budget was flexible, to the extent the ENSD has expenditures that may be in excess of the budget but under on others. Mr. Wrathell stated that, as long as the ENSD does not exceed the overall adopted budget, there was nothing to worry about. In the event that the ENSD exceeds the total expenditure, a budget amendment could be made during the course of the year. In response to Mr. Roach's question, Mr. Wrathell stated if an expense is going to be incurred that is not consistent with the budget, it would be brought before the Board for discussion. In response to another Board Member's question regarding the parcels, Mr. Johnson stated that all parcels, once platted, would go on the roll and it is, essentially, the development status of the property as opposed to the ownership that will determine whether it is on-roll or off-roll.

Mr. Roach questioned the footnotes on Page 4 of the Special Revenue Fund Budget. Mr. Wrathell stated that either language that reads, "These items become applicable when the District acquires the improvements." could be added or the footnotes could be removed. The consensus was to remove the footnotes on Page 4. A Board Member asked if unexpended funds are carried over into the following year. Mr. Wrathell replied affirmatively, in the context that the funds would be utilized as reserves or rolled forward to offset assessments in the subsequent year. In response to a question regarding how one determines on-roll versus off-roll in terms of commercial square footage. Mr. Wrathell stated that Management receives a roll from the property appraiser with different platted properties and will coordinate with the Chair to confirm the product type that will go with the platted lots and once Management receives that confirmation that is what will ultimately be placed on the tax bill. Discussion ensued regarding the tax rolls, platted lots, commercial square footage, and bond issuance.

*****Mr. Wrathell opened the public hearing.*****

No members of the public spoke.

*****Mr. Wrathell closed the public hearing.*****

On MOTION by Mr. Rhodes and seconded by Mr. Roach, with all in favor, Resolution 2018-16, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

SEVENTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Imposition of Assessments to Fund Fiscal Year 2018/19 Budget

A. Consideration of Resolution 2018-17, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Mr. Wrathell presented Resolution 2018-17 and read the title.

*****Mr. Wrathell opened the public hearing.*****

Mr. Stankiewicz reminded the ENSD Board that the ENSD levies these assessments but that does not prohibit the County from levying additional assessments. The County has drafted an Ordinance to create a Municipal Service Taxing Unit (MSTU) over the District's 24,000 acres, to provide public recreation facilities and maintenance. Mr. Rhodes asked if the MSTU assessment was an ad valorem assessment. Mr. Stankiewicz stated that the MSTU is ad valorem based and a Municipal Service Benefit Unit (MSBU) is a non-ad valorem assessment generally for a special service provided to a parcel of land and is per parcel. Mr. Rhodes asked if the MSTU assessment amount had been discussed. Mr. Stankiewicz replied no; the amount would be subject to annual levy by the BOCC. The Ordinance will not be completed in time for the tax bill for Fiscal Year 2019 but it will be eligible to be levied for Fiscal Year 2020, if the BOCC passes it. Mr. Wrathell stated that the positive is that, if ENSD residents ask the ENSD about the MSTU assessment, the ENSD Board can refer them to the County. Mr. Rhodes asked if the MSTU reflects an ongoing planning process that the County is currently engaged in or if it will precede the County's planning process. Mr. Stankiewicz stated that he could not answer that right now; the intent of what they are heading for and where they are today are two different things. When the Civic Facility Study (CFS) is completed, it will be one of the funding sources that will be identified by the ENSD's Consultant for the public recreation part. Mr. Rhodes noted that he had not heard about the MSTU. Mr. Stankiewicz stated that is why the BOCC encourages the ENSD Board and Landowners to meet with the BOCC. Mr. Rhodes asked if the County would hold hearings related to the MSTU. Mr. Stankiewicz replied affirmatively. Mr. Rhodes stated that he was trying to find out if this really what is driving the County and BOCC, given the CFS that Mr. Stankiewicz referenced is ongoing and the County was invited to participate in that and he was sure there would be some interaction; this seemed like a "cart before the horse" approach by the County. Mr. Stankiewicz stated when the County set out to do the CFS, it was done based on the premise and understanding that there would be multiple funding sources and that the Landowner did that as a "blank check"; that is was not the County's intent. He alleged that ENSD District Counsel stated that the Developer could pay for it, on two occasions but this is what it is intended for. Mr. Stankiewicz stated that Mr. Adams mentioned the agreement that the County wants signed, which stated that the Landowner would be responsible for at least some amount, which is when things broke off and why the CFS is now just being done by ENSD Staff, on the Landowner's side. Mr. Rhodes stated that the

point is, whether an impact fee or MSTU, it ought to be driven by some type of planning study, which is what he does not understand about the County's approach. Mr. Stankiewicz stated that the MSTU will not be on the Fiscal Year 2019 tax bills, as the Ordinance will not be passed in time but, after the Ordinance is passed and the land is developed, the County will act and react on the Ordinance. Mr. Stankiewicz asked if that made sense. Mr. Rhodes stated that it makes sense other than the fact that they are trying to figure this out, comprehensively; in good faith, the CFS is going forward and will identify needs and potential funding sources, as well as the fair shares of the Landowner, based on needs, and what the ENSD could pick up as part of that and the County's share. Mr. Stankiewicz stated that the CFS is proceeding but it is based on the Landowner, with the County having zero input. Mr. Wrathell stated that any MSTU, MSBU, those types of entities or taxing structures would not be associated directly with the ENSD and would not be part of the ENSD assessments.

*****Mr. Wrathell closed the public hearing.*****

In response to a Board Member's question regarding the assessment roll, Mr. Wrathell confirmed that the on-roll assessment would list more detail with any changes that occur between now and September 15.

On MOTION by Mr. Hahaj and seconded by Mr. Hord, with all in favor, Resolution 2018-17, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2018/2019; Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2018-18, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors for Fiscal Year 2018/2019 of the District and Providing for an Effective Date

Mr. Wrathell presented Resolution 2018-18. The meeting schedule would remain the same as the previous year with meetings held every third Thursday at 10:00 a.m., with the exception of Landowners' Meeting, which will be held on Tuesday, November 6, 2018.

On MOTION by Mr. Roach and seconded by Mr. Rhodes, with all in favor, Resolution 2018-18, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors for Fiscal Year 2018/2019 of the District and Providing for an Effective Date, was adopted.

▪ **Discussion: August 15, 2018 Letter from Mr. Pat Edwards**

******This item was an addition to the agenda.******

Mr. Hahaj stated that District Counsel previously circulated a copy of the letter, which was in response to the letter that was sent to Chairman Edwards, of the BOCC. He expressed his overall disappointment that the BOCC gave no consideration to move towards a joint meeting in the way that was discussed and recommended, which he felt would be more conducive to a productive conversation.

Mr. Rhodes stated that Mr. Stankiewicz has, many times, alluded that County Staff had no input on the ENSD's Engineer's Report and related planning documents and asked for the ENSD's position with respect to County input on the Engineer's Report and setting of special assessments.

Mr. Johnson stated the ENSD Board had its organizational meeting in August 2017 and, at that first, lengthy meeting, began the process of reviewing and setting for public hearing the Engineer's Report and the Assessment Methodology. Immediately after that, ENSD Staff received notice from the BOCC expressing displeasure for not having advance review of that so, when the ENSD Board met in September, which would have been the scheduled Public Hearing, the Public Hearing was continued until late October to give the County an opportunity to review the documents and provide input. Between the ENSD's September and October meetings, two meetings occurred between ENSD Staff, Landowner representatives and County Staff. Mr. Johnson stated that, at the one meeting he attended, the County Attorney and then County Manager were present and England Thims & Miller (ETM) went into great detail about the assumptions and algorithms by which those recreation components, how they were

calculated and how the numbers both in the CPA and Wildlight Phase 1 were arrived at and how it tied into the Growth Management approvals that were in place for DSAP #1. At the October ENSD meeting, the ENSD Board further continued the Public Hearing to December to give the County additional time. In December, the ENSD Board terminated the assessment and Public Hearing process, on the understanding that the Landowner was continuing to have conversations with the County. The ENSD Board met again in December and recommenced the process of setting those documents for hearing and ETM presented revised Reports that incorporated some comments received from the County; although, not all of the County's wholesale changes were incorporated but the County's input was taken into consideration, which was discussed in December. In December, the ENSD Board set the Public Hearing for early February and, based on objections received from Mr. Mullin, the Public Hearing was continued to later February, which is when those Public Hearings finally occurred, and various County Staff Members, including Mr. Stankiewicz, attended and testified against the proposed assessment lien. Mr. Johnson stated, from his perspective, there have been a number of opportunities, including meetings and other conversations.

Mr. Hahaj believed that, in late January, as the Engineer's Report was being brought forth, another meeting occurred with County Staff to receive comments, which were subsequently incorporated. Mr. Rhodes summarized that there were plenty of opportunities for input by the BOCC and there is just a disagreement as to the substance. Mr. Johnson agreed. Mr. Rhodes stated that he thought the conversation at the last meeting was very productive, with Mr. Stankiewicz, on behalf of the County, and he would not want the BOCC Chairman to think that Mr. Stankiewicz was denied the opportunity to provide the desired input, because Mr. Stankiewicz did have the opportunity and the ENSD Board listened and interacted with Mr. Stankiewicz. Mr. Rhodes felt that Mr. Edwards' letter suggests otherwise and he felt that regarding the process, if the ENSD responds to Mr. Edwards' letter, all of the opportunities where the ENSD Staff and ENSD Board have had interaction with the County Representatives. There has been a lot of talk and discussion and, although there may be disagreements about the substance, the process has been very open and has not been limited and restricted. Mr. Rhodes felt that this was important because the ENSD had those conversations and he thought the ENSD and County were on a positive trajectory, from the conversation with Mr. Stankiewicz and he realized that many of Mr. Stankiewicz's comments

were his own and not on behalf of the County. Mr. Rhodes believed that the ENSD's letter tried to build on that.

Discussion ensued regarding the meetings, the Landowner, the County and the need for a facilitator to hold a productive conversation, noticing requirements if more than one ENSD Board Member attends a BOCC meeting. Mr. Rhodes hoped that the BOCC did not feel disrespected by the ENSD Chair's suggestion to facilitate the conversation among elected officials, appointed officials with a fiduciary duty and the Landowner, who is a public company that equally has a fiduciary duty to shareholders. He asked Mr. Stankiewicz to convey to the BOCC that no disrespect was intended by the suggestion of a facilitator.

Mr. Hahaj referred to his August 9, 2018 letter to BOCC Chairman Edwards and noted the following about Chairman Edwards' August 15, 2018 response letter:

- First Paragraph: He appreciated Mr. Edwards' comment that there was no need to send correspondence via Certified Mail.
- Second and Third Paragraphs: Mr. Edward gave the history of the County, Landowner and Raydient.
- Fourth Paragraph: The BOCC contended that the ENSD Board refused to attend a meeting, and the important distinction that the ENSD Board is not refusing but, rather, is suggesting a different construct. The BOCC's concerns about the Engineering and Consultant Reports were already touched on, regarding the process and Mr. Johnson went over the timeline. There was not much more to discuss.
- Fifth Paragraph: Discusses the BOCC's trip to Tallahassee and legislation. He stated that it should be clear to the BOCC that the District was, in no way instructed or involved in any legislation in Tallahassee; therefore, he did not see the relevance in bringing that up. The paragraph further discusses the intent of Stewardship District legislation and the BOCC potentially filing an amendment.
- Paragraph Seven: Discusses that the BOCC retained Counsel to address the ENSCPA documents. It also sets forth the BOCC's opinion that the District "has not met the intent of the legislation nor the commitments", which is concerning because the ENSD Board is operating within compliance with the Act approved by the Florida Congress and Legislature, which is very important because the letter sets forth and suggests that the ENSD Board is not, which is a serious allegation.

- As far as an amendment, potentially being filed or brought forth by the County, there is a process for that to occur and, although he was unsure what it involves, he wanted to ensure that, in the spirit of operating within the current legislation, the ENSD Board has an ability to communicate what that is.
- To the extent needed, whether it is via conversation by District Counsel, an ENSD representative or himself, the ENSD should engage with the local delegation, as needed, be it Mr. Byrd or Mr. Bean, to ensure that they understand and receive the facts from the ENSD.

A Board Member referred to Paragraph 8, which stated that “Facilitators have never been utilized in any public meeting and would inhibit the public’s rights and participation.”, and stated that the ENSD Board would be willing to allow the public to speak, as the ENSD Board would not want to inhibit anyone’s rights to participation. Mr. Roach noted that he served for eight years on the St. Johns River Water Management District (SJRWMD) and facilitators were used at several meetings and the meeting facilitator posed no obstruction to public input.

On MOTION by Mr. Rhodes and seconded by Mr. Roach, with all in favor, authorizing the Chair or appropriate District representatives, at the request of the Chair, to interact with the local legislative delegation on matters relating to the District legislation and to draw upon resources, as necessary, was approved.

In response to Mr. Rhodes’ question regarding the County’s retention of Nabors, Giblin and Nickerson, PA (NGN) and what NGN would be doing, Mr. Stankiewicz stated that NGN is retained to provide third party legal advice to the BOCC. Mr. Rhodes asked for further explanation. Mr. Stankiewicz stated that there was an opinion of the Raydient/Rayonier Legal Staff about who and what the County Attorney can rule on, given his prior employment arrangements with Rogers Towers and, to give the BOCC the cover that it needs, the BOCC has retained a third party legal counsel to assist in not only that matter but also in legal matters of what the County revenues or actions can be. Mr. Rhodes asked if NGN would also counsel the BOCC on possible changes in the legislation. Mr. Stankiewicz stated that the August 15, 2018 letter from Chairman Edwards was approved at the BOCC meeting yesterday.

Regarding the concerns Mr. Hahaj raised earlier about Chairman Edwards' August 15 letter, Mr. Stankiewicz stated that, in the October 6, 2017 meeting that he attended with other County officials, the takeaway was that ETM was willing to meet with County Staff, along with planners and people from Raydient, who would program the parks and obtain cost estimates, which never happened, and the BOCC never heard anything past that so he felt that it was not a fair "recall" event for Mr. Hahaj to say that the County had ample opportunity. Mr. Stankiewicz stated that a document could be provided to the ENSD Board or be released to the media. Also, as to Mr. Rhodes' comment regarding a special round table, he would present that to the BOCC and felt that the BOCC would be open to a location outside of the dais of the BOCC but the BOCC's issue is that they feel they do not need a facilitator. He asked Mr. Hahaj if the ENSD thought the BOCC would act unruly without a facilitator, as he believes the topic of the agenda would be "Public Recreation Funding" and anything else that the ENSD might want to add. Since the BOCC is offering the ENSD Board a joint agenda, he did not understand the need for a facilitator. Regarding the Tallahassee legislation, Mr. Stankiewicz agreed that it did not originate from the ENSD but noted that Rayonier's lobbyists were in Tallahassee and ENSD's District Counsel's partner was in Tallahassee representing Rayonier in legislation that tried to change legislation. The BOCC included the letter it sent to Mr. Bean and Mr. Byrd in the last meeting packet forwarded to the ENSD Board, which made it very clear that it planned a legislative delegation and the ENSD Board is also free to meet with its delegation, through a public meeting process. Mr. Stankiewicz stated that NGN is considered a third party asset to the BOCC to help them in this continued disagreement.

Mr. Roach responded that he did not feel that the BOCC would be unruly; rather, since the meeting would include three entities, a facilitator could better organize the parties through an agenda, otherwise, there is inherently a format that is then not balanced between the parties. Mr. Stankiewicz stated that a joint meeting would be within the Sunshine Laws and publicly advertised. He asked if the ENSD Board was agreeable to partaking in a joint meeting with the BOCC, in a neutral location, without the use of a facilitator. Mr. Hahaj stated that the ENSD Board would consider Mr. Stankiewicz's request but could not commit without the Landowner's input. Mr. Roach questioned the reason for the BOCC's resistance to a facilitator. Mr. Stankiewicz stated that the BOCC did not see the need; he was here today to represent and answer any of the ENSD Board Members' questions regarding the County's stance, what the

County is doing and he is free to be open and clear. Mr. Stankiewicz alleged that the BOCC has now had the opportunity, so he is not here to have a facilitator honor what the ENSD Board asks and what he says and does not say and what the ENSD Board says and does not say about the County; the same thing would be applicable to a BOCC public meeting. The BOCC would not do anything malicious; therefore, the BOCC felt it was unnecessary to have a facilitator. Mr. Rhodes asked Mr. Stankiewicz if he felt there was a level of complexity associated with having five BOCC elected officials, five ENSD Board Members, Staff from both sides, the Landowner, etc., as he felt that a facilitator would help facilitate the discussion and bring it to some positive end. Mr. Stankiewicz voiced his opinion that there was no level of complexity from the BOCC and Landowner's side but felt that there was complexity on the ENSD side, as everyone was not fully informed of what was occurring. Mr. Hahaj noted that Chairman Edwards' letter clearly stated that there is a misunderstanding, so there is already some level of complexity, as one party can say one thing and the other party could say what they want to say; he questioned how to reconcile the conversations. Mr. Stankiewicz felt that he and the ENSD Board were doing that now; the meeting with the BOCC would be the same approach as today's meeting.

Mr. Rhodes asked Mr. Adams if the Landowner would seek input from the County on the CFS. Mr. Adams replied affirmatively and stated that Mr. Taco Pope, Nassau County Planning & Economic Opportunity Director, engaged in conversations all along the way. Mr. Adams noted that during discussions about the County deficits for park facilities and aspirations for Pages Dairy Park expansion, which began in 2016, the Landowner proposed, at that time, to engage VHB and VHB and Mr. Pope prepared a scope of work that the Landowner was prepared to fund and proceed with on a 12 to 15 month schedule. Ultimately, it ended up going into limbo but did not know what was happening on the County level that quieted the effort but, in Summer 2017, it was resurrected and the Landowner again endorsed and agreed to fund and the October 10, 2017 meeting was to outline the scope and the BOCC had authorized the administration from the County to prepare a Memorandum of Understanding (MOU) outlining how that would be approached and Mr. Pope facilitated that session, which ended up with a whiteboard of things that would be covered. The Landowner committed, at that meeting, to fully fund the CFS because the Landowner has always felt that, without a program and phasing, how to fund it cannot be agreed upon, as it is difficult for anyone to commit to something without knowing when it will be built or how much it will cost. Since that

time and in two or three letters, the Landowner put forward that they still felt that the CFS was part of the solution and asked for the County's involvement but the letters received from the County were silent on that matter so the Landowner decided to proceed. He felt that the County Planning Department understands the dilemma, which was why they encouraged the Landowner to speak with VHB. A good sign that the County believes something should be done was, yesterday, a consultant with AECOM made a presentation to the County regarding a similar process but more specifically focused on how to establish a program for a community and regional park because, without having standards, which the County does not, it is nearly impossible to understand the cost. Mr. Adams recalled Mr. Stankiewicz's allegation that the Landowner committed \$10 million but never followed through and stated that ETM discussed with Mr. Stankiewicz how they arrived at the estimate. At the October meeting, when the discussion reached "Next Steps", the then County Manager and Mr. Mullins stated, if the Landowner agreed to a letter agreement, they could make the confusion go away, it would be simple and straightforward but nothing was received until a letter dated November 15, 2017, which did not say there would be joint funding; that letter stated that the Landowner must commit to funding all future public community and regional parks within ENSD. This did not mean that ETM or the Landowner were not responsive in giving authorization to perform further research or work, it was the contrary, as the County told them to stand down until an agreement was received from the County. The questions were already answered but the County's input about what they thought the program and funding should be was never received. The vast difference in the County's eventual response letter received in November, from what was discussed at the October meeting, stymied the discussions, as it was different than any existing County Ordinances and Development Orders with Raydient for the first DSAP, etc.

Mr. Stankiewicz stated that there were two separate meetings, one was held at the County Attorney's office and was related to specific facilities but the ETM meeting was not about specific facilities. The County received a letter and its takeaway was that the County would work with ETM and (inaudible). He did not recall stating that Raydient would be responsible for funding all the parks. He believed that the County did not receive a response to its November letter; it was 90 plus days until it was brought back up. He felt these were all

reasons why the parties need to meet. Mr. Stankiewicz believed that a letter was received from the ENSD.

Mr. Johnson stated that the letter did not come from him; he was asked a question. Mr. Stankiewicz countered with you said twice, you said it on a September phone call. Mr. Johnson stated that, in response to a question, he said Rayonier could sign up for that but did not say they would or was required to. Mr. Stankiewicz stated from those comments, that letter did say that so, whether you want to look at it and you want to sell what you can. Mr. Johnson stated that he is stating it factually and Mr. Stankiewicz is misrepresenting facts.

A Board Member suggested that the transcript from the MOU meeting was needed because funding was discussed and, at that meeting, he mentioned that, since the civic facilities would benefit both inside and outside the ENSD it was important to bring together an expert panel to understand how other municipalities, districts, etc., are utilizing financing techniques; he did not see that reflected in the November 15 letter from the County. It is important to understand how municipalities and landowners come together to understand how to fund civic facilities, which can be quite expansive. The County's November 15 letter demanding that Raydient pay for it all preempted moving forward and believed that Mr. Stankiewicz would see that when he revisits it. Mr. Rhodes stated that there is so much history between the parties and public recreation and a facilitator could bring the issues to the fore and keep the conversation going to resolution. Mr. Stankiewicz stated that this is the reason the BOCC invites the ENSD Board and Landowners to meet and he did not know how else this could be resolved and questioned if the ENSD Board wanted to continue going back and forth and recall facts and have misinterpretations of what the County and ENSD felt, then they would get nowhere. Mr. Stankiewicz stated that the County's belief has always been that this project is good for Nassau County, the County has done everything from sector plans to stewardship districts, the County's history and reputation will show that it works very well with Raydient, Rayonier, etc.; therefore, he had no qualms about how the County acted and felt that the County has given a lot in the relationship but did not know what the County got out of it, which is a problem. That is the County's issue. Whether or not what was said or what was intended and what was presented to the BOCC and what is in writing or what Mr. Johnson said or did not say; he felt it is all relevant to the point of if everyone comes together to figure out how to move forward and get answers to questions, that is the only way it will happen. As a

compromise, he felt that he could offer to meet at a neutral location, in this room, in table format but with no facilitator.

A Board Member asked about the ECOM study and if it will parallel the VHB study or if there would be competing studies. Mr. Hahaj did not know. Mr. Stankiewicz discussed the scope of work being done by the consultant hired by the County.

Mr. Johnson recalled the portion of the August 15, 2018 letter that alleges that the ENSD is not meeting the intention of the legislation and stated, for the record, that the intent of the legislation is spelled out very clearly in Section 2 of the Act; the intent of the legislation succinctly summarizes for there to be a single entity in place to finance and potentially maintain infrastructure improvements for the lands within the District, without over-burdening those who live outside the District, and to provide the facilities and services outlined within the scope of the Act. It is not the intent of the Act and, nowhere is it stated in the Act that the District is a vehicle for imposing additional exactions or obligations upon real estate outside of the growth management process. Florida has a statutory process by which a landowner applies to the County for development approvals, ultimately receiving those approvals with certain price tags attached and the District is in place to implement the business decision; therefore, it is not the intention of the Act and nowhere is it stated that this District and its existence serves as a vehicle to now step beyond the growth management process and consider and impose additional recreation or other infrastructure obligations. He believed this is part of the disconnect with the County. From a legal perspective, the ENSD Board is meeting the intention of the Act, fulfilling all of its obligations and following all the processes that it is supposed to follow. He felt that it would be unprecedented, within the State of Florida, to see a District pushed into the position that the County is trying to push the ENSD. In response to the question of whether it is the intention of the Act that the District would be the sole provider of financing those facilities within the same geographic area. Mr. Johnson replied no; it is an alternative. Mr. Stankiewicz asked if it was correct that, at the last meeting, Mr. Johnson stated that there was an interlocal requirement, based on a special act that related to the bond and Mr. Rhodes asked and followed up with did that mean that the placeholder you have in the bonds there would be a requirement for an interlocal agreement to be in place with the County. Mr. Johnson stated that was not correct. He said that there is a requirement in the Act for there to be an interlocal agreement before the District would issue bonds for either

recreation or security purposes; there is no requirement for an interlocal agreement for this District to issue bonds or undertake to provide roads, stormwater, utilities and all other services. That interlocal is only relative to those two powers. Mr. Stankiewicz stated that Mr. Rhodes mentioned the \$500,000 in recreation and he believed that was what Mr. Johnson stated was triggering that need. Mr. Johnson stated that he said, before the District issues bonds but, right now the ENSD is in the process of planning to issue bonds. Mr. Stankiewicz asked for the time frame that Mr. Johnson anticipated the interlocal agreement would take. Mr. Johnson replied no; he has no way of anticipating that until the County and the Landowner resolve their differing positions regarding what recreation is required. Mr. Stankiewicz asked Mr. Johnson to explain the default provisions of the bonds, in the Act. Mr. Johnson stated that the Act provides that, if there is a default on the bonds, it does not become the obligation of Nassau County. Mr. Stankiewicz asked who the obligation would fall on. Mr. Johnson stated that it falls on the District and its bondholders. Mr. Stankiewicz asked who would be responsible for the bonds if the District defaulted. Mr. Johnson stated that the Landowner is responsible for the bond payments, through the payment of their special assessments. Mr. Stankiewicz asked if each landowner would be responsible for the principal balances. Mr. Johnson stated that was an over simplification; each landowner is responsible for their prorata share of any bonds that are issued. If a landowner keeps their debt current but another landowner defaults on their debt, the first landowner is in no way obligated to pay off any portion of the defaulted bonds, beyond the piece that they own. In response to a question, Mr. Johnson confirmed that this approach is exactly how CDDs and other land secured districts operate. Mr. Wrathell stated that the only security for the bonds is the property so, if there is nonpayment, the only recourse is to go after that property owner. Mr. Stankiewicz voiced his understanding but wanted to make sure it was stated. Mr. Wrathell stated that the reality is that the District could fund up to 50% of the improvements; the District could only fund what it could and the Developer would have to fund any balance of the improvements.

NINTH ORDER OF BUSINESS**Staff Reports**

- A. **District Counsel: *Hopping Green & Sam, P.A.***
There being no report, the next item followed.
- B. **District Engineer: *England-Thims & Miller, Inc.***

There being no report, the next item followed.

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

- i. NEXT MEETING DATE: September 20, 2018 at 10:00 A.M. (*Nassau Room, Building 30*)**

The next meeting will be held on September 20, 2018 at 10:00 a.m.

TENTH ORDER OF BUSINESS

Board Members' Comments/Requests

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

ELEVENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

TWELFTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

<p>On MOTION by Mr. Hahaj and seconded by Mr. Hord, with all in favor, the meeting adjourned at 11:55 a.m.</p>

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair