

**MINUTES OF MEETING
EAST NASSAU
STEWARDSHIP DISTRICT**

The Board of Supervisors of the East Nassau Stewardship District held a public hearing and regular meeting on Thursday, September 20, 2018, at 10:00 a.m., in the Nassau Room (T0126), Building T, 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
Jonathan Johnson	District Counsel
Zach Brecht	District Engineer
Justin Rowan (via telephone)	MBS Capital Markets, LLC
Charles Adams	Raydient
Justin Stankiewicz	Nassau County Office of Management and Budget Director
Amy Norsworthy	CCMC
Aaron Bell	Nassau County Commissioner Candidate

FIRST ORDER OF BUSINESS

Call to Order

Mr. Wrathell called the meeting to order at 10:02 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 welcomed everyone to the meeting.

Mr. Wrathell noted that the heading for the Seventh Order of Business was not correct. The Public Hearing is specifically related to the assessment public hearing process related to the assessments associated with the Engineer’s and Special Assessment Methodology Reports; it is not related to the budget. The publication and Resolution 2018-19 are correct. Mr. Johnson stated that the Public Hearing is not budget-related; it is related to the amendments to Wildlight Village Phase 1, discussed last month.

FOURTH ORDER OF BUSINESS

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

There being no public comments, the next item followed.

FIFTH ORDER OF BUSINESS

Engineers Report – First Addendum for Wildlight Village Phase 1, dated August 6, 2018 *(for informational purposes)*

Mr. Wrathell stated that this item was approved at the August 8, 2018 meeting and there were no additional revisions.

Mr. Brecht stated that the Addendum addresses bringing in a portion of Wildlight Phase 1 that was contemplated in the original, overall CPA, for a wellness center and private school location. The Addendum essentially updates Tables 1 and 2; adding a line item for maintenance of those, in Table 1, and adding the \$2.1 million cost, in Table 2.

Mr. Wrathell asked if the \$2.1 million, under the “Neighborhood Infrastructure Improvement*” column, on Table 2, was specific to and requested by those property owners. Mr. Brecht replied affirmatively; it is for roadway utilities specific to those two properties.

Mr. Rhodes stated that the wellness center would be open to the community; it will be public. Regarding the private school, the District is providing roads to it and water and sewer infrastructure to service it; the District is not financing the private school.

SIXTH ORDER OF BUSINESS

First Addendum to Master Special Assessment Methodology Report for Wildlight Village Phase 1, dated August 6, 2018 (for informational purposes)

Mr. Wrathell stated that this item was approved at the August 8, 2018 meeting and there were no additional revisions. The Addendum outlines the addition of the \$2.1 million in improvements specifically related to the wellness center and private school, as described in the second to last paragraph on Page 2. The Addendum describes that, overall, the District has an integrated system of improvements but the particular improvements related to the wellness center and private school were being added and its impact. The commercial square footage may eventually be reduced and, if so, it would be presented at a future meeting. He reviewed the Master and Neighborhood Infrastructure Improvements Tables 1 through 9, on Pages 9 through 17, reflecting the addition of the wellness center and private school, benefit allocations, assessment apportionment and annual assessment apportionments. In summary, \$2.1 million in Neighborhood improvements were added related specifically to the private school and wellness center and the Methodology is structured such that those improvements were added specifically for their benefit and the par amount of bonds was grossed up for that.

SEVENTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Imposition of Special Assessments to Fund Fiscal Year 2018/2019 Budget

As previously noted, this Public Hearing was not related to the budget. The title should have read that it was related to the assessments associated with the Engineer's Report and Special Assessment Methodology Report addendums for Wildlight Village Phase 1.

A. Affidavit of Publication

The proof of publication was provided for informational purposes.

B. Consideration of Resolution 2018-19, Adopting an Addendum to the Special Assessment Methodology as it Relates to Certain Lands Within the District Known as Wildlight Village Phase 1; Authorizing District Projects For Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and

Levying Special Assessments on Property Within the Area Known as Wildlight Village Phase 1 Specially Benefited By Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170 and 197, Florida Statutes, and Chapter 2017-206, Laws of Florida; Confirming the District's Intention to Issue Special Assessment Revenue Bonds; Making Provisions for Transfers of Real Property to Governmental Bodies; Providing for the Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date

A Board Member asked that the Reports define the total costs and the Neighborhood improvement specific to the wellness center and private school were added and isolated to reflect benefitting those two property owners. Mr. Wrathell replied affirmatively. The Board Member asked if the Assessment Methodology shows the upper limit of the maximum amount of par bonds that could be applied to these properties but it does not speak to what is actually being issued, from a bond perspective; it just sets the total capacity, based on the Engineer's Report. Mr. Wrathell replied affirmatively; closer to issuing bonds, a Supplemental Assessment Methodology containing the final, locked-in numbers would be presented, which then levels the debt service assessment for 30 years.

Mr. Roach asked if any additional similar changes were anticipated during this phase. Mr. Wrathell believed it was close to finished, except making the adjustment for reduction of the commercial square footage from 550 to 500.

A Board Member asked if there was flexibility to accommodate lot width or other changes through this process. Mr. Wrathell replied affirmatively; the Methodology fully contemplates that market conditions, product type, etc., can change, which is one reason the Methodology includes a true-up mechanism. There is no problem, as long as the new product type is consistent and fits within the ranges and assessment units are not lost and remain equal to or more than in the Methodology. If there was a loss in debt-carrying capacity, the Master Developer would make a true-up payment that would pay down the lost par amount of bonds. Mr. Rhodes asked if the wellness center and private school assessment is square feet or acres. Mr. Wrathell stated it is on a per-acre basis.

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

There were no public comments.

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

Mr. Wrathell stated that, at this point, the Board is meeting as the Board of Equalization to consider any adjustments to the assessments proposed in the Assessment Methodology.

There were no changes.

Mr. Wrathell presented Resolution 2018-19 and read the title.

On MOTION by Mr. Hahaj and seconded by Mr. Hord, with all in favor, Resolution 2018-19, Adopting an Addendum to the Special Assessment Methodology as it Relates to Certain Lands Within the District Known as Wildlight Village Phase 1; Authorizing District Projects For Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Within the Area Known as Wildlight Village Phase 1 Specially Benefited By Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170 and 197, Florida Statutes, and Chapter 2017-206, Laws of Florida; Confirming the District's Intention to Issue Special Assessment Revenue Bonds; Making Provisions for Transfers of Real Property to Governmental Bodies; Providing for the Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of July 31, 2018

Mr. Wrathell presented the Unaudited Financial Statements as of July 31, 2018. The only reason there is activity in the Debt Service and Capital Projects Funds is so that the work performed by Staff and Professionals related to the bonds can be reimbursed to the Landowner through the bond Costs of Issuance (COI) or the Construction Account, in the future. A Board

Member asked what the \$2,424 “Due to Landowner” amount, on Page 1, was for. Mr. Johnson stated that a previously executed agreement with the Landowner provided for the Landowner to advance funds related to the bond validation and all activities that can be repaid from the COI when the bonds are issued; this entry is to account for that, outside of the General Fund. The Board Member asked if that was not the Debt Service Fund. Mr. Johnson replied not yet. Mr. Wrathell discussed why the Landowner advances are tracked in this fashion because work is being done and funds are being expended that can be reimbursed from the COI and/or Capital Projects Fund; in this instance, the bond issuance process has taken a lot of time. This is a tool for ease of tracking the amounts that must be reimbursed, if the Landowner wishes to be reimbursed.

On MOTION by Mr. Roach and seconded by Mr. Rhodes, with all in favor, the Unaudited Financial Statements as of July 31, 2018, were approved.

NINTH ORDER OF BUSINESS

Consideration of Minutes

A. August 6, 2018 Regular Meeting Transcript

This item was deferred.

B. August 16, 2018 Public Hearings and Regular Meeting

Mr. Wrathell presented the August 16, 2018 Public Hearings and Regular Meeting Minutes. The following change was made:

Line 59: Change “was” to “were”

On MOTION by Mr. Roach and seconded by Mr. Hord, with all in favor, the August 16, 2018 Public Hearings and Regular Meeting, as amended, were approved.

TENTH ORDER OF BUSINESS

Consider Conveyance of Conservation Habitat Network Areas to the District

A. Conservation Habitat Network A1

B. Conservation Habitat Network H

Mr. Wrathell presented these items. Mr. Hahaj stated that a public mobility trail is being indicated for outside the platted area of Wildlight, so the County wants the connections to be made, which is facilitated by this action. He discussed the maps for each Conservation Habitat and identified particular areas related to the mobility trail, which would be conveyed in order to facilitate the mobility trail. Those will be accepted subject to the easements on the land, which are associated with the St. Johns River Water Management District (SJRWMD) permit. It is intended that the Developer will keep the rights and obligations associated with the permit, as it covers a broader area. Mr. Wrathell stated this related to the two properties on the southwestern corner of Wildlight Phase 1.

Mr. Johnson recalled that the Board previously adopted a resolution authorizing the Chair to execute plats, permits, real estate conveyances, etc., provided they are consistent with the overall plan of improvement; therefore, if necessary, there may be times when the Chair executes this type of thing without it first being presented at a meeting.

Mr. Roach asked what management responsibilities the District would be assuming. It was suggested that this be on a future agenda but, generally, it relates to a Wildlife Management Plan and a Habitat Plan that go along with the property.

On MOTION by Mr. Roach and seconded by Mr. Rhodes, with all in favor, conveyance of Conservation Habitat Networks A1 and H and authorizing Staff to prepare the conveyance documents, were approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

C. District Counsel: *Hopping Green & Sam, P.A.*

Mr. Johnson recalled that the Interlocal Agreement for certain landscape maintenance within roadways in Wildlight Phase 1 was approved at a prior meeting. This Agreement would be on the County's agenda in October.

D. District Engineer: *England-Thims & Miller, Inc.*

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

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

- i. **NEXT MEETING DATE: October 18, 2018 at 10:00 A.M. (Nassau Room, Building T)**

The next meeting will be held on October 18, 2018 at 10:00 a.m.

TWELFTH ORDER OF BUSINESS

Board Members' Comments/Requests

Mr. Hahaj stated that, since the last couple of meetings, the District received a letter from the Nassau County Board of County Commissioners (BOCC) and was copied on another. One was a letter regarding the joint meeting, which the District replied to and that was discussed at a prior meeting. The second letter was the copy of the letter sent the local delegation for a joint meeting to occur with them; the meeting occurred last Monday, with a Landowner representative attending. He did not know all the details but the nature of the meeting was to discuss potential amendments to the Stewardship District legislation that may come forth; he was not aware of anything substantive at this time. The bill is the same that was the subject of the no objection letter from the County that was written when the bill was approved. He spoke with the Landowner and the Landowner stated that he is in discussions with the local delegation to see about arranging a joint meeting.

THIRTEENTH ORDER OF BUSINESS

Public Comments

Mr. Justin Stankiewicz, Nassau County Office of Management and Budget Director of the Nassau County Board of County Commissioners (BOCC) and on behalf of the BOCC, stated that his representation at today's meeting is to oppose any bond proceedings going forward, or bond hearings or assessments being levied. The BOCC reason for such denial is because they are looking at public infrastructure, as far as public recreation being a part of the first issuance of the bond. The BOCC met with the local delegation on Monday and discussed the County's frustrations. The Landowner had a representative at the meeting, Mr. Gary Hunter, who was an attorney/lobbyist from Mr. Johnson's firm. To Mr. Hunter's credit, he attempted to respond. Not only were amendments to 10-75, which created the ENSD, but also the possible repeal or termination of 10-75 was discussed at the meeting with the County. The County views this as a serious issue and thinks and, again, invites the District to attend a joint meeting,

along with the Landowner. It was made very clear by the BOCC that they would not allow a facilitator and it must occur during a public meeting. In that meeting, Mr. Hunter alluded to that anything related to public recreation needed an Interlocal Agreement so the County Attorney invited everyone to attend the next BOCC meeting to discuss the Interlocal Agreement so that they can work out how the recreation will be funded so it can be included in the Phase 1 bond documents. Mr. Stankiewicz cordially invites the Board, etc., to attend the meeting to work out the Interlocal Agreement so the public recreation can be included in the first phase of bonding and so the BOCC can work with the Landowner to get the amenities that were intended, which he felt would be beneficial to the Landowner and the County. He reiterated the request to delay any assessments or bond issuance until the BOCC can work with the District and Landowner on the Interlocal Agreement.

Mr. Hahaj recalled that the last time Mr. Stankiewicz attended he indicated the BOCC's willingness to meet in a facility such as this and asked if that was still true. Mr. Stankiewicz stated that he could not speak for the BOCC but did not think the facility was the issue; rather, it was more the request for a facilitator. As long as there was a location close to where people are used to seeing the BOCC convene; he thought that part of the BOCC's problem was that people are not going to find out the location or pay attention to the notice and will show up in the BOCC chambers and the BOCC being worried about perception that someone is trying to hide something.

Mr. Rhodes asked if Mr. Stankiewicz understood the BOCC's issue with a facilitator, as it sounds like something that would benefit greatly from a third-party facilitator. Mr. Stankiewicz stated that he, personally, saw no benefits to a facilitator; the County has done everything in the public, when Rayonier/Radiant wanted to create the District, and there was no facilitator. The County has operated that way for the most part, since then; the BOCC has never had a need for a facilitator. The need to him was irrelevant because the issue is simple. He thought that, even hearing Mr. Hunter on Monday, it is clear what needs to be done and what Mr. Hunter said was technically not incorrect, it was just part of the story. So, all the BOCC is asking is for the District, even if the Landowner does not want to participate, is that an Interlocal Agreement is needed between the District and the County, in order to get the bond funding

finance done for public recreation. The BOCC is not asking the District or the Landowner to pay 100% of the costs; they will have to draw it, determine the costs and then pricing, after that.

Mr. Stankiewicz stated that the dialogue and letters back and forth are not doing anything and he feels that a facilitator would only promote chaos more than peace. Mr. Rhodes stated that is the exact opposite of what a facilitator does. Mr. Stankiewicz stated that a facilitator implies a lack of trust.

Mr. Stankiewicz asked if the District only needed to enter into the Interlocal Agreement with the County to get the public recreation funded. Mr. Johnson stated it was a prerequisite to the District issuing bonds for public recreation or public security improvements. Mr. Stankiewicz asked if it would be a three-part agreement between the District, Landowner and County. Mr. Johnson stated no and, as stated before, it would be “putting the cart before the horse”, if the District were to try to agree to issue bonds for recreation improvements that the Landowner does not agree are merited, because that would create a lot of issues in terms of such a transaction. Mr. Stankiewicz stated, but if we got the agreement in place with the District and the Interlocal, then it would promote conversation with the Landowner to say that there was then the ability to include it. Mr. Johnson felt that the County would still be “putting the cart before the horse” by not including the Landowner. Mr. Stankiewicz asked if Mr. Adams heard back regarding if the Landowner is willing to meet. Mr. Adams replied yes, in that the local delegation reached out to a Raydient representative and they are trying to put something together. The land for the public recreation is not in Phase 1; the next phase will be when those public park commitments for a regional park and a community park come in, which will be in the greater 2,900-acre set of holdings.

A Board Member stated that it is important for the Landowner to have those things in place for the District to consider, which would lead to the Interlocal Agreement. The District is not in the lead role, with respect to how that land use and those commitments are made but the District is there to facilitate it, if possible. Mr. Stankiewicz agreed the Landowner should be involved.

Mr. Stankiewicz stated that this is about public recreation and he wants to do this on this one, 20-acre park and then the same logic could be applied for others. He is asking, on behalf of the BOCC, for the Board, County and Landowner to meet and work it out.

Mr. Adams stated that, if the County Ordinances and the Development Agreement in place for DSAP #1 are followed, the Landowner is prepared to proceed with that. The complication is that the County, without changing its Ordinances, is amending the Development Agreement that was signed years ago and stating that they want the Landowner to pay for the public park improvements and there is nothing in the Ordinances or Development Agreement that requires that; therefore, it is a fundamental change in the arrangement with the County with significant costs associated with it. If the County stayed with the existing Agreements and existing County Ordinances, everything could move forward.

Mr. Stankiewicz stated he would agree with Mr. Adams 100% if this was not a Stewardship District. The Development Order is between the County and the Landowner but the District, created by a special act of House Bill 10-75, which called for a component of recreation to be funded through the mechanism of funding, just like the District is doing for everything else. Mr. Stankiewicz felt that Mr. Adams was blurring the line between just two parties being involved when, in his opinion, three parties were involved.

Mr. Adams stated that the Stewardship District was not created to fund public improvements; it was created to have the powers to, if the Landowner elects, use it as a funding vehicle or long-term owner, maintainer of public improvements. The Bill does not require a Stewardship District to fund, in absence of a Landowner funding, what they would like them to fund. The Bill basically states that, if the Landowner works with the Stewardship District to fund public parks and recreation, then an Interlocal Agreement will be arranged with Nassau County, but the Landowner has never asked the District. Mr. Stankiewicz asked if Mr. Adams was saying there was no public/private partnership. Mr. Adams stated the only agreements that he saw were related to DSAP and the first GDP. The GDP did not include the community and regional parks and approvals for those are not even in place yet; therefore, it would be a future request, as future phases are constructed.

Mr. Stankiewicz asked, taking a literal interpretation of Mr. Adams' analogy that the Landowner will initiate public recreation, if that meant they would have a 24,000-acre area that does not have any recreation because the Landowner could elect not to have it. Mr. Adams encouraged Mr. Stankiewicz to read the documents that he referred to where Raydient committed to, within that 24,000 acres, to donate the equivalent of 800 acres for public regional parks and community parks, so that was already determined. The disagreement here is that the County decided that it wanted the private Developer to also fund all those public parks, which is a fundamental change in policy by the County without the pre-requisite Ordinances being amended, much less Agreements being changed.

Mr. Rhodes asked if the question is who funds the public recreational improvements because, it seems to him that the land contribution was already settled, as part of the DSAP. As he sees it, it is the County's "asking" that is not based on the DSAP or an otherwise formal agreement between the County and the Landowner. There is a public/private partnership that starts with the County authorizing certain development with certain conditions. The problem, it seems, is that no one addressed funding the public recreation improvements up front in the DSAP, which, in his experience, is uncommon, and it is uncommon not to have a policy dealing with what those contributions are. Shifting to the present, Mr. Rhodes' understanding was that the County asked the Landowner to develop comprehensive policies for public recreation, including improvements, sometime in the future, that the County can incorporate into its plans so it can apply, prospectively, to developments. Concurrently, BHB is doing the civic facilities program and determining the needs, based on the development program for the Landowner. He asked why the County will not wait for these two well reputed projects to proceed, put the conclusions together, then figure out what makes sense and move forward, as opposed to an ad-hoc negotiation, which no one would necessarily want to be bound to, given that the results of the BHV and AECOM studies are not known.

Mr. Stankiewicz stated that he respects Mr. Rhodes' opinion and he cannot speak for the BOCC so he would not answer the questions, as he does not have authority to do so. He agreed about the land but felt that the misconception is that the County is asking the Developer or the District to pay 100% of the costs. He agreed that the 24,000-acre civic study is useful but

the County's issue is that they are moving forward with a 20-acre parcel that they could be developing now, in conjunction with the development going on with the first phase in Wildlight or Phase 2. In his opinion this can be done now.

Mr. Hahaj felt that much of this is a conversation between the Landowner and the County, which does not necessarily involve the District. He thanked Mr. Rhodes for his comments and leading this back to the discussions about sequencing and what is required now versus in the future. He felt that the process is what is important so that this issue of the "cart before the horse" can be resolved.

Mr. Roach asked if the BOCC understands that the District Board is confined by the Sunshine Law; therefore, in order for the District Board to attend a BOCC meeting, it must be properly advertised. Mr. Stankiewicz stated that the County would advertise it as a joint meeting.

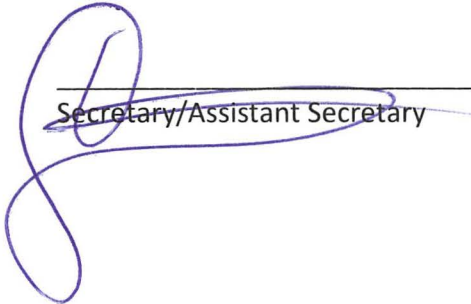
FOURTEENTH ORDER OF BUSINESS

Adjournment

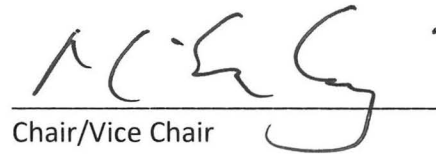
There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Rhodes and seconded by Mr. Hahaj, with all in favor, the meeting adjourned at 11:03 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair