

**MINUTES OF MEETING  
EAST NASSAU STEWARDSHIP DISTRICT**

The Board of Supervisors of the East Nassau Stewardship District held a regular meeting on Thursday, October 18, 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
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Jonathan Johnson	District Counsel
Sarah Warren	Hopping, Green & Sams, P.A.
Zach Brecht	District Engineer
Camille Evans (via telephone)	Bond Counsel
Courtney Wilson (via telephone)	Greenberg Traurig
Justin Rowan (via telephone)	MBS Capital Markets, LLC
Amy Norsworthy	CCMC

**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.

**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**

**Consideration of Supplemental Engineers Report for 2018 Project, Wildlight Village Phase 1, dated October 18, 2018**

Mr. Wrathell stated the next three items presented were all inter-related and will fall in line with the final parameters of how the financing plan will occur and allow the District to proceed with financing. The Supplemental Special Assessment Methodology Report describes the District's plan to fund a portion of the costs of the Capital Improvement Plan (CIP) and sets forth that the proposed debt assessment is allocable to the properties and would be less than what is in the Master Methodologies.

Mr. Brecht presented the Supplemental Engineers Report, noting the following:

- Page 2, Table 1: Lists the Master Infrastructure and the Neighborhood Infrastructure Improvement categories and associated proposed costs. The Neighborhood Infrastructure portion was included only for informational purposes; this 2018 project only consists of the Master Infrastructure.
- Page 2, Table 2: Lists the Master Infrastructure Improvement costs related solely to the 2018 Project, as described in the Supplemental Engineer's Report.

Ms. Warren affirmed that the Master Infrastructure Improvement costs noted in Table 2 are a portion of the Master Infrastructure costs outlined in the Master Engineer's Report for all of Wildlight Village Phase 1.

Mr. Brecht responded to questions posed by Ms. Warren, as follows:

Ms. Warren: The Master Infrastructure Improvement costs that are in Table 2 are a portion of the Master Infrastructure costs that are outlined in the Master Engineer's Report for all of Wildlight Phase 1?

Mr. Brecht: Yes.

Ms. Warren: Most of those improvements are completed at this time?

Mr. Brecht: Correct.

Ms. Warren: Am I correct that the Series 2018 Project does not include any recreational improvements, since we do not have an interlocal agreement in place with the County, at this time?

Mr. Brecht: Correct.

Ms. Warren: This Engineer's Report is in the same way that the Master Engineer's Report for Wildlight Phase 1 and is still consistent with approvals that have already been received by the Developer?

Mr. Brecht: Correct.

Ms. Warren: Is that for DSAP #1?

Mr. Brecht: Correct.

Ms. Warren: And it doesn't include anything additional that might be required for the Central Planning Area?

Mr. Brecht: That is correct.

Mr. Rhodes asked if the Landowner would be reimbursed directly from the bond funds for the cost of the completed improvements noted in Table 1. Mr. Johnson stated that funds would be released pursuant to the approved Acquisition Agreement and, once the bond is issued, the funds are placed in the District's Trust Account until documents are reviewed for the completed improvements, such as the Title, Bill of Sale, etc., and that they are compliant, before any funds are released to the Developer.

Mr. Rhodes asked for clarification in defining Mobility Roads, compared to a collector, connector or arterial road. Mr. Brecht explained that Mobility Roads are defined as a major thoroughfare that connects pieces of various Master Plan Communities.

Mr. Johnson recommended accepting the Report, in substantial form, subject to the provisions of Resolution 2019-01 that will be considered later, since it authorizes the Chair to approve any final changes.

On MOTION by Mr. Rhodes and seconded by Mr. Hord, with all in favor, the Supplemental Engineers Report for 2018 Project, Wildlight Village Phase 1, dated October 18, 2018, in substantial form, subject to the provisions of Resolution 2019-01, and authorizing the Chair to approve any final changes, was approved.

**SIXTH ORDER OF BUSINESS****Supplemental Special Assessment  
Methodology Report for Wildlight Village  
Phase 1, dated October 18, 2018**

Mr. Wrathell reviewed the Master and Neighborhood Infrastructure Improvements Tables 1 through 9, on Pages 11 through 16 and noted the following:

- Table 1 – Changes were made to the Commercial Square Footage, to prevent having to make any true up payments.
- Table 3 – Estimated Sources and Uses of the Bond Funds figures will, most likely, be the final numbers, since they originated from Mr. Rowan. Of the \$11,855,450 Master Infrastructure Improvements costs, the District will fund \$8,498,875.
- Table 4 – Changes to the Commercial Land Use Village Center’s square footage caused a slight decrease in the Educational/Community and Residential, Equivalent Residential Units (ERUs). For the purposes of the True-Up Agreement, when the bonds are issued, 1,521.42 ERUs will be allocated as benefit-assessable property.
- Table 6 – The Developer will privately fund certain infrastructure and convey it to the District, instead of the District funding it thorough bond proceeds. The par amount of bonds being issued is \$10,160,000, which will be used to generate \$8,498,875 in construction improvements for platted properties existing within the area described in Exhibit “A” and the accompanying map.

Mr. Wrathell recommended accepting the Report, in substantial form, until the missing gross acreage assessment data is inputted on Page 7, Section 5.3.

Mr. Wrathell responded to Ms. Warren’s questions as follows:

Ms. Warren: For the Series 2018 Project, which is what is anticipated to be funded with the first series of bonds issued by the District, that will fund a portion of the Master

Infrastructure for Wildlight Phase 1 and, specifically the infrastructure that is the Engineer's Report that Zach just presented?

Mr. Wrathell: Correct.

Ms. Warren: And so it is correct that the bond proceeds are not anticipated to be used at all for recreational facilities?

Mr. Wrathell: Correct. Page 12, Table 2, that table, in particular, as you will notice, where it says Wildlight Phase 1 Project Master Improvements, and it has Parks and Rec Facilities at \$500,000 but, for the purposes of the 2018 Project, like you described, you will see there is zero there for Parks and Rec.

Ms. Warren: Great, thank you. And so, but it is correct that all of the Master Infrastructure for Wildlight Phase 1, meaning not only the Series 2018 Project but the additional Master Infrastructure all benefits the property that will be assessed for the Series 2018 Project?

Mr. Wrathell: Yes, correct.

Ms. Warren: So, the benefit that that property will receive is in excess of the amount of assessments that will be levied?

Mr. Wrathell: Correct.

Ms. Warren: And is it also correct that all of the Master Infrastructure that will be funded with the proceeds but also all of the Master Infrastructure that the Developer will complete, at their own costs, provides not only a special benefit to the property within Wildlight Phase 1 but to a general benefit to the public, so, generally, all of Nassau County?

Mr. Wrathell: Correct.

Mr. Roach asked if the projects associated with the Phase 1 costs, in Table 2, were completed. Mr. Brecht confirmed the \$11,855,450 costs, identified in Table 2, is an estimate of the portion of Wildlight Phase 1 Project costs, which were completed to date. Mr. Roach asked for clarification between the \$11,855,450 completed figure and the \$8,498,875, in Table 3. Mr. Wrathell explained that the difference will be funded by the Developer pursuant to the Acquisitions and Completion Agreements. The District will essentially have approximately \$40 million in improvements and only a fraction of the costs would be paid through assessments;

the benefit far exceeds what the property owners will be assessed for. The Landowner and the Board of the District, if they chose to, could issue additional bonds.

Mr. Wrathell stated that amendments were made to the Engineers' Report and additional assessment hearings were held, which identified Neighborhood Improvements, such as the private school and wellness center, and additional bonds could be issued, in the future.

Mr. Rhodes asked how \$8 million of improvement costs were determined and for a sense of the market. Mr. Rowan explained the factors involved in making the calculations is determined by the number of units being assessed, interest rates, Costs of Issuance (COI) and allocating the debt service reserve fund in the Capitalized Interest Account. Mr. Rhodes stated other comprehensive costs, such HOA fees, Operations and Maintenance (O&M), etc., are included in these calculations, as well as how much the market can bear. It is estimated that residents and landowners will be assessed beginning November 1, 2019, which would be used for the debt service payment due November, 2020. Mr. Rowan noted no security or collateral was required from the Landowner or Developer to issue these types of bonds. Mr. Wrathell stated that the typical structure, the security for the debt, is the benefited land; however, there is no recourse against the Developer and no backup required to sell the bonds.

**On MOTION by Mr. Hahaj and seconded by Mr. Roach, with all in favor, the Supplemental Special Assessment Methodology Report for Wildlight Village Phase 1, dated October 18, 2018, in substantial form, subject to imputing gross acreage assessment data on Page 7, Section 5.3, was approved.**

**SEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2019-01, Authorizing the Issuance of East Nassau Stewardship District Special Assessment Revenue Bonds, Series 2018 (The "Series 2018 Bonds"); Determining Certain Details of the Series 2018 Bonds and Establishing Certain Parameters For the Sale Thereof; Approving the Form of And Authorizing the Execution and Delivery of a Master Trust Indenture and a First Supplemental Trust Indenture; Authorizing the Negotiated Sale of the Series 2018 Bonds; Approving the**

**Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement With Respect To the Series 2018 Bonds and Awarding the Series 2018 Bonds To the Underwriter Named Therein; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum Relating To the Series 2018 Bonds and Its Use By the Underwriter In Connection With the Offering For Sale of the Series 2018 Bonds; Approving the Execution and Delivery of a Final Limited Offering Memorandum Relating To the Series 2018 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Continuing Disclosure Agreement, a True-Up Agreement, a Completion Agreement and a Collateral Assignment; Approving the Form of a Declaration of Consent; Providing For the Application of Series 2018 Bond Proceeds; Authorizing the Proper Officials To Do All Things Deemed Necessary In Connection With the Issuance, Sale and Delivery of the Series 2018 Bonds; Making Certain Declarations; Providing an Effective Date and For Other Purposes**

Ms. Evans presented Resolution 2019-01, which is a supplement to Resolution 2017-25, the original Resolution adopted to authorize the original not-to-exceed \$600 million worth of bonds to finance projects throughout the District. That authorization was used for the bond validation in July 2018. She reviewed Exhibits A through F and stated all documents were standard for development of an assessment-backed plan of finance. The Resolution and its attachments are in substantially final form.

Ms. Warren reviewed the Exhibits G through J documents; the True-Up Agreement, Completion Agreement, Collateral Assignment and Declaration of Consent.

Mr. Johnson stated the District must execute a Sunshine Law Certificate, as noted in Section 17, Page, 8, as part of the bond closing.

Mr. Rhodes asked Mr. Wrathell to summarize the Underwriter's negotiation process and confirm if Mr. Hahaj has full discretion to act, on behalf of the District. Mr. Johnson indicated

that Page 6, Section 6 gives the Chair or a designated Board Member authority to approve changes to documents, provided the changes are within the parameters outlined in Section 5.

The following changes will be made to the Resolution:

Page 6, Section 5, (5): Change "be less than" to "exceed 2%"

Exhibit D, Preliminary LOM form: Delete "\*" after "Bob Rhodes"

Mr. Wrathell confirmed with Mr. Rowan that the pre-closing is scheduled for November 15, 2018. Mr. Rowan stated that, once the documents are executed, he estimates marketing the bonds immediately, for a period of two weeks, depending on the number of investor conference calls and whether site visits were necessary. Once the bonds are priced, another one to two weeks are needed to finalize all the closing documents to pre-close, in conjunction with the November 15, 2018 Board Meeting.

Mr. Wrathell presented Resolution 2019-01.

**On MOTION by Mr. Rhodes and seconded by Mr. Roach, with all in favor, Resolution 2019-01, in substantial form, Authorizing the Issuance of East Nassau Stewardship District Special Assessment Revenue Bonds, Series 2018 (The "Series 2018 Bonds"); Determining Certain Details of the Series 2018 Bonds and Establishing Certain Parameters For the Sale Thereof; Approving the Form of And Authorizing the Execution and Delivery of a Master Trust Indenture and a First Supplemental Trust Indenture; Authorizing the Negotiated Sale of the Series 2018 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement With Respect To the Series 2018 Bonds and Awarding the Series 2018 Bonds To the Underwriter Named Therein; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum Relating To the Series 2018 Bonds and Its Use By the Underwriter In Connection With the Offering For Sale of the Series 2018 Bonds; Approving the Execution and Delivery of a Final Limited Offering Memorandum Relating To the Series 2018 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Continuing Disclosure Agreement, a True-Up Agreement, a Completion Agreement and a Collateral Assignment; Approving the Form of a Declaration of Consent; Providing For the Application of Series 2018 Bond Proceeds; Authorizing the Proper Officials To Do All Things Deemed Necessary In Connection With the Issuance, Sale and Delivery of the Series 2018 Bonds; Making Certain Declarations; Providing an Effective Date and For Other Purposes, was adopted.**

Ms. Evans and Ms. Wilson left the meeting at 11:01 a.m.



**EIGHTH ORDER OF BUSINESS****Acceptance of Unaudited Financial Statements as of August 31, 2018**

Mr. Wrathell presented the Unaudited Financial Statements as of August 31, 2018. Beginning in November, the financials will reflect bond activity. Per the Funding Agreement, the activity assigned in the Debt Service Fund Series 2018 and Capital Projects Fund Series 2018 accounts is eligible for reimbursement to the Developer, as part of the COI.

**On MOTION by Mr. Hahaj and seconded by Mr. Hord, with all in favor, the Unaudited Financial Statements as of August 31, 2018, were approved.**

**NINTH ORDER OF BUSINESS****Consideration of Minutes****A. August 6, 2018 Regular Meeting Transcript**

Mr. Wrathell presented the August 6, 2018 Regular Meeting Minutes transcript and asked for any additions, deletions or corrections. The format differs from WHA's and only the names were corrected or inserted, since an Independent Court Reporter transcribed these minutes. The following change was made:

Page 106, Line 11: Change "Roach" to "Rhodes"

**B. September 20, 2018 Public Hearing and Regular Meeting**

Mr. Wrathell presented the September 20, 2018 Public Hearing and Regular Meeting Minutes. The following change was made:

Line 388: Change "confined by" to "subject to"

Line 370: Change "BHB" to "BHP"

Line 375 and throughout: Change "BHV" to "VHB"

Lines 264 and throughout: Change "10-75" to "1075"

**On MOTION by Mr. Rhodes and seconded by Mr. Roach, with all in favor, the August 6, 2018 Regular Meeting Transcript and the September 20, 2018 Public Hearing and Regular Meeting Minutes, as amended, were approved.**

Mr. Rhodes asked if a budget amendment was necessary to true-up individual line items that exceeded its budget. Mr. Wrathell stated a budget amendment is only necessary when the District's overall expenses exceed the budget, to prevent a finding in the audit.

**TENTH ORDER OF BUSINESS****Staff Reports****A. District Counsel: *Hopping Green & Sam, P.A.***

Mr. Johnson stated the Interlocal Agreement for certain landscape maintenance within roadways in Wildlight Phase 1 was on the County's agenda yesterday and was deferred by a four to zero vote. Mr. Mullin, the County's Attorney, apologized for inadvertently not informing Counsel that this matter was on the agenda. Correspondence from the Board of County Commissioners, requesting the Stewardship District Board and the Board of County Commissioners conduct a joint meeting to discuss this and any other matters, will be distributed. This item will be placed on the next agenda.

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

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

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

- **LANDOWNERS' MEETING: November 6, 2018 at 10:00 A.M. (*Board is not required to attend*)**

The Landowners' Meeting will be held on November 6, 2018 at 10:00 a.m. A Landowner, Landowner representative or proxy holder needs to attend; Board Members are not required to attend.

- **BOARD OF SUPERVISORS MEETING: November 15, 2018 at 10:00 A.M.**

The next meeting will be held on November 15, 2018 at 10:00 a.m. The Final Supplemental Methodology Reports and Resolutions will be presented.

**ELEVENTH ORDER OF BUSINESS****Board Members' Comments/Requests**

A Board Member requested that the Board be notified, if any major developments or changes occur with the County.

**TWELFTH ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRTEENTH 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 11:13 a.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair