

Armstrong  
Community Development District

The regular meeting of the Board of Supervisors of the Armstrong Community Development meeting was held Wednesday, January 11, 2017 at 11:05 a.m. at the Eagle Landing Sales Center, 3973 Eagle Landing Parkway, Orange Park, Florida.

Present and constituting a quorum were:

Roger Arrowsmith	Chairman
Marilyn Ayers	Assistant Secretary
Michael Carlo	Assistant Secretary
Keith Jones	Assistant Secretary

Also present were:

James Perry	District Manger
Katie Buchanan	District Counsel
Peter Dame	Akerman Senterfitt
Keith Hadden	Hadden Engineering
Dean Vincent	East West

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the meeting to order at 11:05 a.m.

**SECOND ORDER OF BUSINESS**

**Public Comment**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Organizational Matters**

**A. Acceptance of Resignation from Beverly Dubis**

Mr. Perry stated in your agenda package was a resignation letter from Beverly Dubis and we ask the board consider accepting that with regrets.

On MOTION by Mr. Arrowsmith seconded by Ms. Ayers with all in favor Beverly Dubis' resignation was accepted with regrets.
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**B. Appointment of New Supervisor to Fill the Unexpired Term of Office (11/2020)**

Mr. Perry stated with acceptance of that resignation we do have an open seat on the board that will run through November 2020 and we ask if there are any nominations for that seat.

On MOTION by Mr. Arrowsmith seconded by Ms. Ayers with all in favor Keith Jones was appointed to fill the unexpired term of office.

**C. Oath of Office for Newly Elected and Newly Appointed Supervisors**

Mr. Perry being a notary public of the State of Florida administered the oath of office to Mr. Jones.

Mr. Perry stated you are familiar with CDDs and their functions and the sunshine amendment and so forth.

Mr. Jones stated yes.

**D. Election of Officers, Resolution 2017-01**

Mr. Perry stated the current slate of officers is Mr. Arrowsmith is chairman, Ms. Ayers is vice chair, I am secretary and treasurer, Dave deNagy of my office is assistant treasurer, James Oliver of my office and Dave deNagy are assistant secretaries, Mr. Carlo and Ms. Klock are assistant secretaries. We ask if you want to keep that same slate if that is you desire then we will ask that you appoint Mr. Jones as an assistant secretary.

On MOTION by Mr. Arrowsmith seconded by Mr. Carlo with all in favor Resolution 2017-01 was approved with the same slate of officers adding Mr. Jones as an assistant secretary in place of Beverly Dubis.

**FOURTH ORDER OF BUSINESS**

**Approval of the Minutes of the September 27, 2016 Meeting**

Mr. Perry stated in your agenda package is a copy of the September 27, 2016 meeting minutes. Are there any corrections to those minutes?

There being none,

On MOTION by Mr. Arrowsmith seconded by Ms. Ayers with all in favor the minutes of the September 27, 2016 meeting were approved as presented.

**FIFTH ORDER OF BUSINESS**

**Acceptance of Minutes**

- A. **September 27, 2016 Landowners' Meeting**
- B. **September 27, 2016 Audit Committee Meeting**

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the minutes of the September 27, 2016 landowners meeting and audit committee meeting were accepted.

**SIXTH ORDER OF BUSINESS**

**Consideration of Proposals Received in Response to the Audit RFP**

Mr. Perry stated item six is consideration of proposals received in response to the audit RFP. The RFP committee met just prior to this meeting and the committee ranked the four proposals as Grau & Associates no.1, Berger Toombs Elam Gaines & Frank no. 2, Carr Riggs Ingram no. 3 and McDirmit Davis no. 4.

On MOTION by Mr. Arrowsmith seconded by Mr. Carlo with all in favor the recommendation of the audit committee of Grau & Associates being ranked no. 1 was accepted and staff was authorized to negotiate an agreement for services with Grau & Associates and if that doesn't work out then staff was authorized to go to the number two ranked firm.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Interim Engineering Services Agreement**

Mr. Perry stated item seven is consideration of an interim engineering services agreement with Hadden Engineering.

Ms. Buchanan stated generally the district is required to follow the procedures set forth by Florida Statute for engineering services. There is an exception for interim services or services that are under \$25,000 and we are proposing to have the board approve this interim services agreement and attached to the back of the agreement is the first work authorization. This would authorize Hadden Engineering to prepare an engineer's report to support the district's bond issuances, attend meetings and bond validation proceedings regarding the issuance of bonds. We

expect that it would be compensated in a lump sum amount not to exceed \$15,000. We would approve this interim services agreement and the next agenda item would be to advertise and follow the statutory process for a continuing contract for engineering services. This is our standard form agreement and Hadden's hourly rates are attached to the back of it and that is what he will charge under a not to exceed work authorization. The one he is proposing is a lump sum \$15,000.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the interim services agreement and work authorization with Hadden Engineering in the lump sum of \$15,000 was approved.

**EIGHTH ORDER OF BUSINESS**

**Authorization of Request for Qualifications  
for Continuing Engineering Services**

Mr. Perry stated item eight is authorization of request for qualifications for continuing engineering services.

Ms. Buchanan stated as we just discussed you have to comply with Chapter 287 for solicitation of engineering services. You have in the agenda the proposed notice that we would publish as well as your proposed evaluation criteria. This criteria is not set in stone as far as the weights go so feel free to look at that and make sure you are comfortable with how it is broken out. The way I propose is ability and adequacy of personnel would be 25 points, past performance for other CDDs or similar contracts would be 25 points, geographic location would be 20 points, time and budget would be 15 points, minority business enterprise certification would be worth 5 points, workloads would be 5 points and volume of work previously awarded by the district would be 5 points. That is actually a deductive criteria the intent of the statute is to make sure that government entities share work so it is required that you have no. 7 in there but someone would actually get penalized for having prior work, a contract with the district.

On MOTION by Ms. Ayers seconded by Mr. Carlo with all in favor the request for qualifications and criteria for engineering services was approved.

**NINTH ORDER OF BUSINESS**

**Consideration of Matters Relating to  
Issuance of Bonds**

**A. Consideration of Underwriter Engagement Letter**

Ms. Buchanan stated as I understand it there is an interest in issuing bonds on the property, the bonds would be secured by the residential lots within the community and there is a proposal that the assessment methodology would create at least two separate phases maybe three phases with the bonds being secured initially by the entire property but them absorbed by first platted first assigned. This is still being modified.

Mr. Carlo stated of the single-family acreage.

Ms. Buchanan stated the goal would be that the issuance of the bonds would help finance the infrastructure for the community inclusive of roads other than Tynes Boulevard, stormwater, sewer, recreation amenities, just our normal scope of work. We have an engineer's report we can talk about more thoroughly and Keith can go over the number of actual projects but that is the thought. FMS would be the underwriter that would be used to put together the bond structure and to find purchasers for the bonds. Before FMS can make a presentation for discussion they are required by their laws to have a signed authorization from the district and that is what is in your agenda package.

Mr. Arrowsmith stated the concern I have is probably unfounded but a firm other than FMS will be doing other work that is in the area as well and I don't know how difficult it is to have different companies and I don't know if there is any overlap. We don't envision there is going to be any bonds issued on the roadway so that would be more of a concern but that would be my only concern. I didn't know if there would be any streamlining of costs or anything by using the underwriters that would be familiar with the area. I only say this because we obviously have not had an opportunity to talk about anything because of sunshine laws so I don't know what's going through people's minds. This is the first we have really talked about it.

Ms. Buchanan stated I think you should talk about it and before you do I will note that the underwriter's fee is 2%, which is relatively normal for transactions of this type. As far as from a monetary basis I don't think you are going to any different.

Mr. Arrowsmith stated for what it's worth I think we are at 1 ½% on Eagle Landing.

Ms. Buchanan stated I don't know that it would be the case for a new deal.

Mr. Arrowsmith stated it is for on West Bank as well.

Ms. Buchanan stated that is something we want to talk about.

Mr. Carlo asked who is the underwriter on Eagle Landing?

Ms. Buchanan stated MBS.

Mr. Arrowsmith stated that would be my only concern of making sure everything works as smoothly as possible. I don't like meetings as it is and I would rather be working with people that I know. The only concern is the mechanics of it and working because all the work that needs to be done behind the scenes before the bonds are issued assuming everything worked as it is supposed to there isn't much that goes on afterward other than having bond reporting. The only other related thing and again Marilyn actually falls into this because she ends up from our standpoint doing all of the reporting and follow-up work.

Ms. Buchanan stated they have changed that now and it is probably Jim's office that does it.

Mr. Perry stated we are doing most of the dissemination work.

Mr. Arrowsmith stated that is fine and the other part of that is the internal makeup of Armstrong and the CDD and who is responsible for costs associated with anything that is bond related and whether this is the appropriate time.

Ms. Buchanan stated that is appropriate and I can knock that out very quickly. Here is a bond financing funding agreement that would be executed by the purchaser and we are still waiting on direction on whether that would be Mike's company or Greenpoint but this agreement is intended to make sure the district itself isn't responsible for any costs prior to financing.

Mr. Arrowsmith asked that is ongoing as well for anything that would be bond related?

Ms. Buchanan stated anything bond related so that would be hiring advisors, consultants, validation, preparation of reports, assessment resolutions and other matters deemed necessary for the commencement of financing.

Mr. Arrowsmith asked such as additional meetings?

Ms. Buchanan stated that is different and that is on the agenda as an item to discuss as well. There is a line item for another operation and maintenance funding agreement and I think that because of sunshine law we had some limitations so we just put it on the agenda and said we will deal with it when we get to the meeting.

As to your first point, which is familiarity with the area, I wouldn't like to speak to the choice but I do want to assure you that our firm works with both underwriters frequently as well as their teams so we have no issues with that. We can make that work no matter what.

Mr. Perry stated the same for us we have worked with both firms.

Mr. Carlo stated I think it is the familiarity from my past and purchaser's past. I have done several and know them, have worked with them and am comfortable with them.

Mr. Arrowsmith stated I have no problem I just want to make sure it doesn't cause any difficulties on our end because we are going to be still owning a good part of Armstrong as well as a piece adjacent to it.

Ms. Buchanan stated I do want to clarify that. It would be a challenge for the district to have two underwriters. I wouldn't want to use one firm for this piece and a second for West Bank should that ever come into the district's boundaries.

Mr. Arrowsmith stated in all likelihood that is where we are that it may go into Eagle Landing in which case it is not an issue and the other choice would be that it becomes part of Armstrong and add another 100+ lots. That would be the issue because preliminary work that has been done so far has been with MBS.

Ms. Buchanan stated if we can't have a quick resolution today we can move forward with the validation process without getting this in place. I do think you need a resolution. You may not need it at this table but you need it quickly. I realize you and Mike can't have these conversations offline but perhaps there is someone from Greenpoint who can give Roger a call and they can talk about it.

Mr. Arrowsmith stated I have no problem I just want to make sure that from a CDD standpoint that there aren't any undue problems that will be generated and if they are they are the responsibility of the purchaser if that were to be the case. The only complication that I can see is if by some chance that I don't see that we would end up doing bonds for Tynes Boulevard. Then we would have effectively two underwriters working at that point.

Ms. Buchanan stated I can't tell you that I haven't seen firms change underwriters but I think it would be pretty challenging to do that in this situation just because you are dealing with all of this right now you don't want that.

Mr. Carlo stated let me have additional conversation with the purchaser and it may necessitate someone from them talking with Roger or I will have feedback and hopefully in the next week we can flesh that out.

Mr. Arrowsmith asked are we okay having Mike talk to Bev?

Ms. Buchanan stated yes.

Mr. Carlo asked I can talk to Bev? That would be very helpful.

Mr. Arrowsmith stated one of the purposes of having her off the board. I don't want to stop anything from moving forward and progressing at this point. I'm perfectly fine with any resolution that will allow things to move forward.

Mr. Jones asked does it throw a wrinkle into West Bank?

Mr. Arrowsmith stated no, only if we decided to have West Bank become part of Armstrong. That just means we would go with whatever firm is doing Armstrong will do the bonds down there rather than being part of Eagle Landing.

Mr. Carlo stated I think the purchaser's intent is to have that funding in place before construction starts.

Mr. Arrowsmith stated I don't want to hold anything up. I'm perfectly fine with whatever resolution is needed to move forward.

Ms. Buchanan stated no, I don't think I can get you a resolution on this particular line item. We can move forward with the validation, which is necessary and will take the most time upfront no matter what. I would like this to be resolved very quickly though just as a professional courtesy to these guys to know what our path is.

Mr. Arrowsmith stated that is fine. In light of what you are saying what timeline are we looking at as far as bonds?

Ms. Buchanan stated my understanding is that the purchaser would like to file the complaint for validation as quickly as possible, we have the engineer's report and you will later approve a resolution that authorizes that. The last time, which was Eagle Landing when we added the golf course from the time I filed the complaint to the time the court had the hearing on that issue was about 60 days it was very quick. You have at a minimum of 60 days before those bonds are validated.

Mr. Arrowsmith stated if we are looking at filing the complaint by the end of the month that means February or March for approval by the court. What is the timeframe from then?

Ms. Buchanan stated once the validation is in place there is still a matter of ownership so we have the special assessment process that needs to take place. Once ownership is transferred we would start the assessment process and it generally takes 45 to 60 days.

Mr. Perry stated our next scheduled meeting is February 1<sup>st</sup> so you probably will have it resolved hopefully before then.

Ms. Buchanan stated from an underwriter's perspective I think they start doing things on their end like calculations and bond structuring and working with Jim's office for assessment methodology very early so even though I say we have time we can't take two months to do this. I would hope we would have this decision worked out in the next week or two.

Mr. Arrowsmith stated let me make sure everybody understands I leave on Monday and I will be in Africa for 12 days.

Mr. Vincent stated I just want to put two or three logistical things out there. I know the bonds have a timeframe that is critical but there are logistically several other things that are going to be in place on property before the bonds can be secured. Obviously you are going to talk about the deed of conveyance of the right of way but there is also recordation of the right of way plats to Clay County for Tynes Boulevard 1A and B and the easements have to be in place before then the closing occurs and those all have to be in place and recorded prior to closing then the bonds secured against the land.

Ms. Buchanan stated and having not reviewed the PSA between the parties you were talking about an amendment 60 days post closing for bonds because of the assessment issue. Currently no one is likely to desire assessments to start on the property. That was the 45 day window we discussed previously.

Mr. Vincent stated obviously under the interlocal agreement we are obligated to convey the right of way by February 1. I think we are on track for that and I'm not concerned about that. Then there is the matter of the right of way dedication plats being reviewed approved recorded and in place with Clay County.

Ms. Buchanan asked is that a condition of sale?

Mr. Vincent stated yes. Our position is we think the right of way needs to be in place prior to selling the single-family since it is bisected by the right of way and it would confuse and it would cause a flap to have two different signers it is just too complicated. The plats are done and ready to be submitted along with the construction plans. Just to throw some dates out here if we are talking about an April 1 land closing you are saying that within 45 days you could have the bonds issued.

Mr. Carlo stated that is my understanding, we don't have an exact day but to keep that period as tight as we possibly can.

Ms. Buchanan stated there will be some flex because of meeting dates and quorum issues but in a general sense, yes.

Mr. Vincent stated on the part of the seller we have discussed this internally and what we are trying to work towards is April on closing. To help facilitate the issuance of bonds in May we believe is about when you would be in position to start construction. I know I probably jumped some items but I thought this was an appropriate time to talk about these things. We will be working these things concurrently is what I'm saying.

Ms. Buchanan stated I think you are going to have some overlap and I agree you are going to have some conflict issues and sunshine law issues and eventually you will need to sit down and go over construction schedules to make sure we have that sorted out because you have a giant roadway that bisects right of way. I'm happy to have these conversations with you and if you need to talk about them amongst yourselves I suggest you appoint a non-affiliate with the board representatives that can do that or plan to have another long board meeting. These are not necessarily board items but you have to sort them out before we move forward.

Mr. Carlo stated I think it will be critical to have the communication structure in place.

Mr. Vincent stated if Bev or I were to have these discussions with Greenpoint.

Mr. Arrowsmith stated it can't be two board members, it can be a board member and a non-member.

Mr. Buchanan stated I think Jim and I can do this with either team. You have a money issue you need to look at with the 1 ½% versus 2% but ultimately the one thing I would discourage is having two underwriters with these overlapping deals I don't think that would work well. We will table this item.

## **B. Consideration of Bond Counsel Engagement Letter**

Mr. Perry stated the next item is consideration of bond counsel engagement letter and a copy of that was included in your agenda package. Peter Dame of Akerman is here.

Mr. Dame stated I would be happy to answer any questions you may have on our proposal.

Ms. Buchanan stated it is a typical engagement letter. I will point out that he proposes a lump sum of \$37,000, which is well within line with the industry standard.

On MOTION by Mr. Arrowsmith seconded by Mr. Carlo with all in favor the engagement letter with Akerman Senterfitt to serve as bond counsel was approved.

**C. Consideration of Bond Team Financing Funding Agreement**

Mr. Perry stated item C is consideration of bond financing team funding that I distributed one today.

Ms. Buchanan stated the form of agreement is one that you have probably all seen before the intent being that the company we need to identify will be responsible for the costs of anything relating to the bond issuance. That includes items that I previously identified like the preparation of reports, bond counsel, district counsel, fees for filing the complaint and things like that. The one thing that was not addressed was future conflicts and I'm not sure if we want to talk about that more I can get a sense of what you are looking for there. I propose that we approve it in substantial form and authorize either you or the vice chair to finalize it between board meetings. The main points are basically they agree to pay everything but the district doesn't have any underlying costs.

Mr. Arrowsmith asked what did you say about additional meetings?

Ms. Buchanan stated I think that should be addressed by a separate agreement it is an operating and maintenance funding agreement that we could prepare similar to one that your company executed. I think the question goes to how do we isolate what general fund costs are specific to the bonds versus what is the normal course of business. I don't know whether you want to agree to agree in the future on it, which leads to the potential for disagreements or if the agenda items are just line items clearly that is there or do you just want some proportionate breakdown.

Mr. Arrowsmith stated I think what I had asked previously with us having only the roadway as an issue and there being no bonds or anything involved in it, it is sort of like how few meetings can we have and can we authorize what needs to be done to not slow anything up as far as the road process but not have to have meetings. I don't want to have meetings any more than every three months or so and from experience on bonds that is not going to be the case. You are going to have to have a meeting every month to move things along and I can't specify it because it is going to be a case where we wouldn't have a February meeting but if there is a February meeting some issue related to the road will be on it just because it is there but if there wasn't a

meeting we would go until the next meeting time. I'm fine I don't mean that if we can't agree to agree at a later time then we have been wasting our time for a year on this thing.

Mr. Vincent stated maybe the best way to describe it is when you and I have talked about it we thought there might be a need for quarterly meetings once the bonds get issued there is going to be a monthly meeting so could we agree in principal that is the breakout here? In other words we had anticipated quarterly.

Mr. Arrowsmith stated CDD costs are four meetings and anything above four is . . .

Mr. Vincent stated that is probably the simplest way to deal with it instead of leaving this to possible debate down the road.

Mr. Perry stated we looked at this too, four meeting would be the minimum you would need so if you are considering it is going to be 12 or more then 1/3 2/3 then you are going to allocate all the other costs such as the advertising on the same ratio. It might be easiest to do it that way instead of trying to recalculate it based upon the number of meetings since you are probably going to have special meetings too. It inevitably happens.

Mr. Arrowsmith stated that is what I mean, you continue and without any bonds I just don't think the district should have any financial liability other than the cost of the four meetings and if there are 12 or 15 I think the CDD should be responsible for four meetings. It is hard to do a percentage without knowing what the number of meetings is going to be.

Mr. Perry stated you will probably have 12 you might have 14.

Mr. Carlo asked what do we need to take action on today, approving the form of this agreement?

Ms. Buchanan stated yes. I have a standard form I think what you need to figure out is the allocation of costs because everything is pretty simple. That sounds like something you may have to think about.

Mr. Carlo stated that can be part of my conversations with Bev and the purchasing group.

Ms. Buchanan stated absolutely. What I'm hearing is that you need to sort out these few items that are related to this stuff unfortunately you probably need to have a February meeting but it is one that I would fly into if it is just these few things, I don't know that you will have time to get it done before you go. We can continue it or reschedule it.

Mr. Arrowsmith stated between Dean and Bev they can figure that out.

Ms. Buchanan stated my guess is we table this O&M funding agreement.

Mr. Arrowsmith stated I don't need a February meeting, the CDD does not need a February meeting.

Ms. Buchanan stated I agree.

Mr. Vincent asked do we need the bond team funding agreement for filing fees and the other items?

Ms. Buchanan stated yes.

Mr. Carlo stated I think we probably need to approve that portion and defer the open points on it to be settled and then done by amendment to the agreement or added to it later. The district needs a funding mechanism for some of those costs.

Ms. Buchanan stated I completely agree with you, the bond financing funding agreement I request that we get approved today and it essentially assumes that your company, whichever one it may be will assume all the costs related to the bonds. What is an open point is the related operation and maintenance costs that are not specifically tangible, not reimbursable expenses but it will come along just with the extra meetings and related costs.

Mr. Carlo stated not that it is going to be an issue but I would like to get a confirmation from the other purchaser group that yes we understand we are being bound.

Ms. Buchanan stated I sent this to Donna.

Mr. Carlo asked but have you gotten a response?

Ms. Buchanan stated no but this is the exact one they used at Six Mile so as far as the form of agreement and the fact that they have seen this before I know they have used this form before in other similar deals. Hopefully, that gives you a little comfort. I suggest that we can approve it thinking she is going to sign it but we are not going to file the validation until it gets signed.

Mr. Carlo stated I understand but this is just the form but it is essentially saying that one of the two groups are paying this. It would be nice to have that, yes we get that we understand.

Ms. Buchanan stated I agree with you but I think we can authorize it. The most flexibility is if the district authorizes and if they refuse to sign it then they are the ones at risk with no moving forward with the bond transaction. At least the district wouldn't be a hindrance to progress in that sense.

On MOTION by Mr. Arrowsmith seconded by Ms. Ayers with all in favor the bond team funding agreement was approved in substantial form and the chair or vice chair were delegated the authority to execute the final agreement.

**D. Consideration of Resolution 2017-02 Authorizing the Issuance of Bonds**

Mr. Dame stated basically you are authorizing the issuance of \$30 million of special assessment bonds to be secured by special assessments levied on the property. Essentially we approve the form of a master trust indenture, appoint a trustee, which is U.S. Bank and authorizes district counsel and bond counsel to go forward and get the bonds validated. At this point you are not committing to the issuance of bonds we are not committing to interest rates, we are simply getting the process in motion so we can get to the validation proceeding and then when we get further down the road we will have more details of the bonds and the pricing.

Ms. Buchanan stated this falls in line with the less meeting approach and trying to make sure that we have documented a way to move forward between meetings on the validation. We put in \$30 million and Keith will prepare a report that reflects \$30 million but the district is not obligated to issue that much in bonds.

Mr. Arrowsmith asked for reference from a CDD standpoint is there any feeling as to what assessments will be for homeowners because this is all new and I'm curious because they will still be holding all the commercial, office and multi-family property.

Mr. Carlo stated ballpark we are thinking somewhere in the \$1,500 to \$1,800 a year range of principal, interest and an O&M component to that.

Mr. Arrowsmith asked from an amenity standpoint?

Mr. Carlo stated as a budget for an amenity \$2.5 million to \$2.75 million.

On MOTION by Mr. Arrowsmith seconded by Mr. Carlo with all in favor Resolution 2017-02 was approved.

**E. Presentation of Engineer's Report**

Ms. Buchanan stated this is the first draft of an engineer's report that we would anticipate including with the validation complaint. It is not the one we would use for the issuance of bonds that would be more tailored to the actual project we are funding. This is just sort of our big picture report but you will get a sense of what sort of improvements we would expect. The first

is the description and location, background, purpose of the report. You can see the proposed development plan on page 3 that identifies the different units that we would contemplate as well as the acreage. Starting on page 3 is the capital improvement plan, which would include transportation improvements. I will say that we have included the Tynes Boulevard Extension in here not necessarily because they expect it to be funded with bonds but just because it is part of the district frankly and it is for informational purposes. Water, sewer, reuse, stormwater management facilities and I will also point out that each paragraph contemplates who we would anticipate to be the operation and maintenance entity going forward. For water and reuse we would think that would go to CCUA for the stormwater that would stay within the district similar to the entry features, the landscaping, signage and the recreation improvements. As standard in the area there is a proposed amenity center and certain options that are not final are included, we would also incorporate some active and passive parks. Professional fees and contingency are included in our cost items and there is a brief summary of the permit status and all the typical engineering disclaimers as well as Keith's opinion. When you go through the exhibits there is a location map, the legal description and on exhibit 3 is the proposed summary of costs. What I will note is these are being revised upwards to match our \$30 million validation. We will circulate a proposed revision with the understanding that unless anyone has any objection we will use that revised version of the engineer's report for the validation process.

Mr. Hadden stated Jim had sent me an email that said with us validating \$30 million, the cost of \$24 million, would that be the \$24 million including the 10% contingency.

Mr. Perry stated yes.

Mr. Hadden asked what about the money for Tynes? The money for Tynes is not coming out of the bonds but it is part of the \$30 million.

Ms. Buchanan stated it is just part of the project cost so I would include Tynes, which I think you have already.

Mr. Hadden stated I do I just wanted to make sure. I will get those to everybody as soon as I get it printed.

On MOTION by Mr. Arrowsmith seconded by Mr. Carlo with all in favor the engineer's report was approved in substantial form and staff was authorized to use it for bond validation.
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**TENTH ORDER OF BUSINESS**

**Consideration of Developer Funding Agreement for O&M Expenses**

This item was deferred.

**ELEVENTH ORDER OF BUSINESS**

**Update on Matters Related to Tynes Boulevard Extension**

**TWELFTH ORDER OF BUSINESS**

**Consideration of Dedication of Property for Tynes Boulevard Extension**

Ms. Buchanan stated this is where I think we wanted to make sure that Jim has the authority to inquire on the county's acquisition of the county parcel. Are there any other items we need to think about?

Mr. Carlo stated it was last year when we had these communications we have our initial \$600,000 funded.

Ms. Buchanan stated yes and I believe we have been using it. That brings up a good point. What is our desired process to refill?

Mr. Carlo stated the desired process is we under the interlocal agreement have to submit on a monthly basis reconciliation and certification of these costs to the finance director from Jim to them. They will take about three weeks to replace and replenish the funds.

Ms. Buchanan asked have we sent that reconciliation? I think we need to work on that to make sure we are doing that part correctly. I think the pay requests have been paid out of the \$600,000 to date now we need to make sure we have a process in place to get additional funds from the county.

Mr. Carlo stated the intent is to always keep that \$600,000 in place that way we can pay the costs then get reimbursed before we end up getting the next monthly infusion of costs. Do we still have the same finance director, he was talking about retiring?

Mr. Vincent stated he has retired.

Mr. Arrowsmith stated I haven't had any contact with them.

Mr. Carlo stated Jim needs to make those inquiries and get that in place.

Mr. Perry stated okay.

Mr. Arrowsmith stated there is one other complication that we have and that is the one we were confused about before and it is something that Rachel brought up to you and CCUA deeded back to Hudson a little sliver of property past their utility, a piece of which goes in front of the connection out onto Plantation Boulevard and the county will have to resolve that issue

with Hudson as far as they are requiring that it is not an obligation of Armstrong. Armstrong had to give the right of way on their property, which they are doing as well as the right of way through the West Bank property, which is in the process of being done as well.

Mr. Vincent stated this is the type of thing you would not discover until you are ready to convey property and when we accelerated the timing of the transfer of the deeds for the right of way and the right of way plats, we started that before we normally would have so we discovered it early enough that time is on our side.

The other matter so I'm clear is I reviewed the title work and stuff as far as the conveyance of the deeds and rights of ways and Tom Carr is working with the CDD's legal counsel to go ahead and get the partial release of satisfaction or whatever you call it here in Florida. That is being worked on as far as the Armstrong piece there are no issues there. We did discover there was a mortgage deed in place when Orange Park Construction bought the property in 1994 of which satisfaction was made in 1997 but their legal counsel did not file anything to show that it had been satisfied. They have been notified and they were working on that through their legal counsel to get the necessary information that you need. We are certainly on track to have all of that in place before the February 1 requirement under the interlocal agreement.

Ms. Buchanan stated in your agenda package you have the two deeds that Dean just discussed, one is from Armstrong Venture LLC to the district and the second would be from Orange Park and they are both in accordance with the interlocal agreement for certain tracts and rights of ways that need to be conveyed to the district for the construction of the Extension. We found a couple small issues with the title so I would suggest that we authorize the deeds and the conveyance subject to a title policy.

On MOTION by Mr. Arrowsmith seconded by Mr. Carlo with all in favor the conveyance of the two deeds were authorized subject to receipt of a title policy.

**THIRTEENTH ORDER OF BUSINESS      Staff Reports**

**A. District Counsel**

There being none, the next item followed.

**B. Interim Engineer**

There being none, the next item followed.

**C. District Manager**

There being none, the next item followed.

**FOURTEENTH ORDER OF BUSINESS      Supervisor's Requests and Audience  
Comments**

There being none, the next item followed.

**FIFTEENTH ORDER OF BUSINESS      Financial Statements as of December 31,  
2016**

Mr. Perry stated under section 15 is the financial statements as of December 31, 2016. You have the balance sheet and the general fund statement of revenues and expenditures through December 31, 2016.

**SIXTEENTH ORDER OF BUSINESS      Check Register**

Mr. Perry stated next is ratification of the check register from the construction account and those are construction checks that were cut to Hadden Engineering totaling \$88,928.22.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the construction fund check register in the amount of \$88,928.22 was ratified.

**SEVENTH ORDER OF BUSINESS      Ratification of Funding Request No. 4 and  
Funding Request no. 5**

Mr. Perry stated next is funding request no. 4 that totals \$6,933.73 and funding request no. 5 that totals \$10,268.42.

On MOTION by Mr. Arrowsmith seconded by Ms. Ayers with all in favor funding requests 4 and 5 were ratified.

**EIGHTEENTH ORDER OF BUSINESS      Next Scheduled Meeting – 02/01/17 at 3:30  
p.m. at the Eagle Landing Sales Center**

Mr. Perry stated the next meeting is scheduled for February 1, 2017 at this location at 3:30 p.m.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the meeting adjourned at 12:08 p.m.

  
Secretary Assistant Secretary

  
Chairperson/Vice Chairperson