

Minutes of Meeting
Armstrong Community Development District

The regular meeting of the Board of Supervisors of the Armstrong Community Development District was held Wednesday, September 6, 2017 at 3:30 p.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	Vice Chairperson
Mike Taylor	Supervisor
Grady Miars	Supervisor (by telephone)

Also present were:

James Perry	District Manger
Katie Buchanan	District Counsel
Keith Hadden	District Engineer
Dean Vincent	Armstrong Ventures

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 3:30 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the August 2,
2017 Meeting and the August 17, 2017
Continued Meeting**

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the minutes of the August 2 and August 17, 2017 meetings were approved as presented.
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FOURTH ORDER OF BUSINESS

**Ratification of Reservation and Sales
Agreement**

Mr. Perry stated item four is ratification of reservation and sales agreement and it is included in your agenda package. This is in regards to the agreement with Longleaf Mitigation Development Company for mitigation credits.

Mr. Vincent stated this is for the permit impacts for Tynes Boulevard Phase 2.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the reservation and sales agreement between Armstrong CDD and Longleaf Mitigation Development Company, LLC was ratified.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2017-14
Expressing Intent to Operate and Maintain
Surface Water Management System**

Mr. Perry stated item five is consideration of Resolution 2017-14 expressing the district's intent to operate and maintain the surface water management system.

Ms. Buchanan stated this is a required and a requested document by the water management district it indicates the board will operate and maintain the stormwater management system. I do think that we need to attach the correct permit as Exhibit A. I request that we authorize this resolution with the addition of the permit provided by the project administrator.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor Resolution 2017-14 was approved.

SIXTH ORDER OF BUSINESS

**Consideration of Agreement for Greyhawk
Phase 1 Sitework**

Ms. Buchanan stated the form of the agreement was previously approved when it was included in the proposal package. What I do anticipate is that between this meeting and the next maybe we will finalize that agreement with the contractor and we will bring back the final form of the agreement for ratification. We will be moving forward between meetings with this.

Consideration of Funding Agreement

Mr. Perry stated there is an additional item, which is consideration of funding agreement in regards to Greyhawk and copies of that have been provided to you. This is in regards to infrastructure funding agreement. There are two of them but this is the first one.

Ms. Buchanan stated the first one is the funding agreement. We anticipate closing on the bonds for the Greyhawk Phase 1 Area at the end of the month. This funding agreement would allow the developer to move forward with providing us funding so that we can get the contract off the ground. Generally as a rule we don't like to enter into contracts without having a committed funding source and since we don't have bond proceeds yet this is a stopgap measure to allow us to move forward with that contract. I don't know if it will be utilized or not it could be that we don't get the contract off the ground until about the time that the bonds are issued but just to give us the flexibility to move forward between meetings I request that we approve this. I will note that it is going to be in substantial form just to let Greyhawk's counsel review it and sign off on the final form.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor a funding agreement with Greyhawk Venture to provide interim funding for the Greyhawk Phase 1 construction was approved in substantial form.

Cost Share Agreement between Armstrong CDD and Greyhawk Venture for Infrastructure Improvements

Ms. Buchanan stated when Greyhawk did the work they did include a scope that was for the entire project including the lot work that won't be funded out of bond proceeds. Rather than have two contractors onsite and rather than have two scopes of work it was more efficient to do the work together. This agreement provides a mechanism by which Greyhawk will fund the district for its share of the work. Attached as Exhibit A is a breakout prepared by the contractor that identifies the amount of funding, which will be paid by Greyhawk. The engineer has looked at that number and feels comfortable that is an accurate reflection of the lot costs.

Mr. Taylor stated the Phase 1 200 lots the cost associated with single-family lot development is approximately \$204,773.

Mr. Miars stated okay.

Ms. Buchanan stated this again we are approving in substantial form to allow their counsel to review it but I wanted to make sure that we understand that the district will not be paying for private work; this will govern that process.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the cost share agreement between the district and Greyhawk Venture for infrastructure improvements was approved in substantial form.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement for Construction of Tynes Boulevard Extension Phase 1A

This item taken later in the meeting.

EIGHTH ORDER OF BUSINESS

Consideration of Agreement with England Thims & Miller for Professional Engineering Continuing Services for Construction Engineering Inspection Services

Mr. Perry stated item eight is consideration of an agreement with England Thims & Miller for professional engineering continuing services for construction engineering inspection services. This has been worked on by counsel and reflects a number of changes that were incorporated into the document.

Ms. Buchanan stated we have approved this before in substantial form and it was included in the procurement that was authorized. This version has actually been reviewed by ETM and the project administrator and is in final form and ready for signature.

On MOTION by Ms. Ayers seconded by Mr. Arrowsmith with all in favor the agreement with England Thims & Miller for continuing CEI services for Tynes Boulevard was approved.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2017-15 Designating Primary Administrative Office

Mr. Perry stated Resolution 2017-15 designates the primary administrative office of the district, which is the GMS offices in St. Augustine, Florida but it also establishes for proper venue this address being the Eagle Landing Sales Center.

Ms. Buchanan stated it gives us some extra benefits under Sunshine Law it gives us an extra five days to respond to public records requests before they can file a lawsuit.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor Resolution 2017-15 was approved.

TENTH ORDER OF BUSINESS

Consideration of Audit Engagement Letter with Grau & Associates for Fiscal Year 2017 and Fiscal Year 2018

Mr. Perry stated item ten is consideration of the audit engagement letter with Grau & Associates for this fiscal year and future fiscal years. This is a standard form engagement letter. We went through the process of selecting the firm, the fees are consistent with what they provided before and we ask for a motion to approve.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2017 and 2018 audits was approved.
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ELEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated I want to confirm, do we need to do anything with regard to CEI for Greyhawk Phase 1.

Mr. Taylor stated we have a proposal from England Thims & Miller and I need to execute that.

Ms. Buchanan asked are you going to fund it privately? If it comes to the district and is over \$35,000 I think we need to do an RFQ if it is funding by the developer you can do it however you like.

Mr. Taylor stated it is funding by the developer.

Ms. Buchanan stated the other thing to bring everyone up to speed would be the bond process. At this point we are looking at continuing today's meeting to two weeks from now to then have a continued meeting where we consider the supplemental assessment methodology with final bond numbers and supplemental assessment resolution, which sets the final assessment amounts. As you recall we set a very high master rate and we are bringing it down. Today I would like us to pick a date for that and we can talk about the process but ultimately we will do the pre-closing on the 21st and probably a closing on the 28th or 29th with funding immediately thereafter. That is our goal and our plan. The one request that might make things easier is that initially Resolution 2017-10 delegated the authority to the chairman and vice chairman to execute documents in connection with the bonds. Given that it is a Greenpointe project it might

be more efficient to amend that resolution to also include assistant secretary so that Mike can execute these documents on behalf of the district for this limited bond issuance.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor Resolution 2017-10 was amended to include assistant secretaries as additional signatories for documents related to the bond issuance.

B. District Engineer

Mr. Hadden asked did we skip over item seven?

Mr. Perry stated yes, let's revisit that item.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement for Construction of Tynes Boulevard Extension Phase 1A

Mr. Perry stated this is consideration of agreement for construction of Tynes Boulevard Extension Phase 1A.

Mr. Vincent stated after the rankings the initial bid from Vallencourt was \$3,488,896.87 after we sat down and went through modifications to the plans and quantities and value engineering the final number in that contract went down \$38,000. We feel very good that everything is covered there will be almost no change orders on the project. Preconstruction meeting is tomorrow morning. The final completion of the project is July 31, 2018.

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor the agreement for construction of Tynes Boulevard Extension Phase 1A was awarded to Vallencourt Construction in the amount of \$3,-----.

Engineer's Report – Continued

Mr. Hadden stated I got a phone call yesterday from Clay County Utility Authority. The developer agreement is done and you have two choices. They have it set now to whatever the money they quoted you that gets reimbursed at some point they are changing their developer agreements to where that money is not owed until the house is occupied so that the developer doesn't pay it, the builder pays it at C.O. but it goes up \$1,000 per lot. They called to ask me if

they should proceed with it the way they have it right now or defer it but it would go up \$200,000. I said we had a meeting today and I would ask you.

Mr. Taylor stated I'm going to need to table that and evaluate it.

Ms. Buchanan asked when do they need it?

Mr. Taylor asked when was this policy adopted?

Mr. Hadden responded very recently and apparently you are in a gray area where you can go either way because we had already made application. It may not be the policy today and maybe they are saying if he wants to hang for a while it is going to be our policy but it is going to cost more money. Most developers would say I will kick that can down the road and let the home occupier pay for it but you are in a situation because it is coming out of bond proceeds.

Ms. Buchanan stated the one thing that I don't know how this works is if you paid it in advance is it the same as getting it back because it is not like we would be acquiring anything to be refunded back. It would be clear you could cut a check and fund it on the 29th but if you wanted to go another way that may not work out.

Mr. Taylor stated whichever way it goes it will be after we get proceeds. We are not through the contract phase yet, we probably won't start until October. I won't have my plans until the end of September. I want to get the agreement reviewed internally, discuss it with my folks and then get it executed and ready for end of September.

Ms. Buchanan asked can you find out if there is a deadline? That will matter because you don't want to lose your opportunity.

Mr. Hadden responded yes.

C. District Manager – Discussion of Meeting Schedule for Fiscal Year 2018

Mr. Perry stated we have proposed meeting dates for next fiscal year, pretty consistent with what we have done recently. We don't have to have a meeting if there is no business to come before the board and we can call special meetings at any time but we do ask for approval of the annual schedule that we will advertise then evaluate on a monthly basis whether we need to meet or not.

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the fiscal year 2018 meeting notice reflecting meetings on the first Wednesday of the month was approved.

D. Tynes Boulevard Project Administrator

Mr. Vincent stated I'm handing off to district counsel the performance and payment bonds from Vallencourt. I also provided to district counsel the second draft of the developer agreement with CCUA. We still have some changes to be made so we will probably bring that to the October meeting.

Fran Moss, assistant county attorney, expressed to me at the time we provided the letter of credit from Armstrong Venture to the county that since the county was holding the letter of credit but the CDD was administering the contract what form of guarantee would there be between Armstrong Venture and the district. It is a legitimate question but something that is going to take some exploring to do. In theory the exposure is not until 1B2 are well under contract.

Ms. Buchanan stated I don't think it is going to be terribly complicated we just need to make sure we get the points correct.

Mr. Vincent stated I want to let everybody know that will be in the works. The district engineer and I met with ETM today because of the board had given us permission to meet with them to start negotiations on 1B2 proposal. We reviewed the draft and have some changes that will result in some dollar savings. They will be providing that within the next two weeks similarly we met with Vallencourt after the 72 hours passed and there was no challenge to the rankings. We are meeting with them again tomorrow to try to get clarification on the schedule of values and final pricing for 1B2. I'm not certain we will bring that back to the October meeting but certainly by the November meeting. We need to find out where the county is on their advance on funding before we go to contract.

TWELFTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Taylor stated Phase 1 did not receive any objection. Where are you with the contract?

Ms. Buchanan stated I have it on my computer, there are a few open items I was hoping the district engineer, you and I could go over after the meeting.

THIRTEENTH ORDER OF BUSINESS

Financial Statements as of July 31, 2017

A copy of the financial statements was included in the agenda package.

**FOURTEENTH ORDER OF BUSINESS Consideration of Funding Request No. 13
(General Fund)**

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor funding request no. 13 from the general fund was approved.

**FIFTEENTH ORDER OF BUSINESS Consideration of Funding Request No. 8
(Construction Fund)**

On MOTION by Ms. Ayers seconded by Mr. Taylor with all in favor funding request no. 8 from the construction fund for Tynes Boulevard in the amount of \$56,671.84 was approved.

SIXTEENTH ORDER OF BUSINESS Next Scheduled Meeting – To be Determined

On MOTION by Mr. Taylor seconded by Ms. Ayers with all in favor the meeting was continued to Thursday, September 21, 2017 at 9:30 a.m. in the same location.


Secretary/Assistant Secretary


Chairperson/Vice Chairperson