

Minutes of Meeting
Armstrong Community Development District

The regular meeting of the Board of Supervisors of the Armstrong Community Development District was held Thursday, October 10, 2019 at 3:30 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida.

Present and constituting a quorum were:

Liam O'Reilly	Chairman
Mike Taylor	Vice Chairman
Blake Weatherly	Assistant Secretary by telephone
Rose Bock	Assistant Secretary

Also present were:

James Perry	District Manger
Katie Buchanan	District Counsel by telephone
Zach Brecht	District Engineer
Tiffany Csalovszki	Greyhawk HOA Community Manager
Peter Dame	Akerman Senterfitt

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 8, 2019
and August 27, 2019 Meetings**

Mr. Perry stated there are a few changes to the minutes, Tiffany is referred to as an employee of England Thims & Miller and she is with Evergreen and on page three there is a reference to Greyhawk equipment maintenance agreement and it is really Armstrong and we will make those changes.

On MOTION by Mr. Taylor seconded by Mr. O'Reilly with all in favor the minutes of the August 8, 2019 and August 27, 2019 meetings were approved as amended.

FOURTH ORDER OF BUSINESS**Ratification of Agreement with Clay County Tax Collector Regarding Uniform Method of Collection**

Mr. Perry stated item four is ratification of an agreement with the Clay County Tax Collector regarding the uniform method of collection. This is the standard form agreement the districts have with the tax collector in Clay County and we will provide them the roll and they collect the non-ad valorem assessments related to debt service and O&M for the district. There is a fee they charge, which is consistent with other governmental entities.

On MOTION by Mr. O'Reilly seconded by Ms. Bock with all in favor the agreement with the Clay County Tax Collector was ratified.

FIFTH ORDER OF BUSINESS**Consideration of Audit Engagement Letter with Grau & Associates for Fiscal Year 2019**

Mr. Perry stated item five is consideration of the engagement letter with Grau & Associates to perform the fiscal year 2019 audit. The fees are consistent with their proposal. This is an annual audit and there are fees for three years, but we approve it on an annual basis.

On MOTION by Mr. O'Reilly seconded by Mr. Taylor with all in favor the engagement letter with Grau & Associates to perform the fiscal year 2019 audit was approved.

SIXTH ORDER OF BUSINESS**Ratification of Change Order No. 18**

Mr. Perry stated item six is ratification of change order no. 18 with Scherer Construction for a net decrease of \$66,944.40.

Mr. O'Reilly stated this is the landscaping of some common areas that was a part of the amenity center contract with the GC that the district would rather go directly with Tree Amigos, the landscaping company maintaining the community. This is the change order to remove that work from the contract.

Mr. Perry stated later in the agenda there is a work authorization for this work.

On MOTION by Mr. Taylor seconded by Ms. Bock with all in favor change order no. 18 to remove the pocket parks from the Scherer Construction contract for a decrease in the contract price of \$66,994.40 was ratified.

SEVENTH ORDER OF BUSINESS

Consideration of Developer Agreements

A. Acquisition Agreement

Mr. Perry stated the acquisition agreement is for certain work product, improvements and real property.

Ms. Buchanan stated the acquisition agreement is an agreement between the district and the developer that in the instance the developer has put forth any money in advance for design or amenity center construction as long as it is identified as part of the 2019 project the district can acquire the work. There is also a process by which real property will be conveyed to the district at no cost because there is no real property included in the 2019 project.

On MOTION by Mr. O'Reilly seconded by Ms. Bock with all in favor the acquisition agreement was approved.

Ms. Buchanan stated counsel for Greyhawk Ventures has reviewed these agreements and provided comments so keep that in mind.

B. Collateral Assignment and Assignment of Development Rights

Ms. Buchanan stated next is the collateral assignment and assignment of development rights. Essentially the district has the ability to foreclose on property subject to the district's special assessments due to non-payment but that does not guarantee that the district will then receive the development rights associated with the property so this collateral assignment agrees that in the event there is a default by the developer and the district takes title to property in addition to the real property there is a long list of items that then becomes part of what the district is entitled to including the declaration of covenants, plans, plats, permits, contracts with engineers and planners, etc. things of that nature that are necessary for the continued development of the project but not the real property itself. This collateral assignment essentially stays inactive unless and until there is a default. It also has a built-in mechanism to drop off when the property goes to a third party and this should not interfere with the sale to a third party.

On MOTION by Mr. O'Reilly seconded by Mr. Taylor with all in favor the collateral assignment and assignment of development rights agreement was approved.

C. Completion Agreement

Ms. Buchanan stated the completion agreement is an agreement by the developer to complete the improvement plan if there are part of the improvements that cannot be sufficiently funded with bond proceeds. At this point we don't anticipate that the improvement plan for the Series 2019A Bonds would be fully complete so we would expect the developer to complete the work or cause the work to be completed.

On MOTION by Mr. O'Reilly seconded by Mr. Taylor with all in favor the completion agreement was approved.

D. True-Up Agreement

Ms. Buchanan stated because the bonds are being issued based on an anticipated number of units, should there be a change in development plans and a fewer number of units are developed, this obligates the developer to pay the difference, essentially true-up the amount that would be paid by the original amount of lots. Right now we have 283 lots.

On MOTION by Mr. O'Reilly seconded by Ms. Bock with all in favor the true-up agreement was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Items Related to Series 2019 Bonds

A. Supplemental Engineer's Report, Series 2019 Project

Mr. Perry stated the first document is the supplemental engineer's report for the Series 2019 project.

Mr. Brecht stated in your agenda package is the supplemental engineer's report for Assessment Area 2 for a total of 283 lots that encompass phase 2 and phase 3 of the Greyhawk project development. Table 2 of the engineer's report provides an estimated cost to provide the

improvements within Assessment Area 2 and it is just shy of \$11 million to provide roadways, sidewalks, landscaping, utilities and also to fund part of the amenity center.

B. Supplemental Assessment Methodology Report, Series 2019

Mr. Perry stated the supplemental assessment methodology report, series 2019 dated October 9, 2019 is included in you package. This report is very similar to the preliminary one and is based on the financing estimates for the Series 2019 Bonds. This report reflects the final pricing and the report itself, the allocation of assessments and this is Assessment Area 2 is very similar to what you have seen before with the report for Assessment Area 1. Table 1 shows the breakdown of the 283 lots in regard to the lot sizes. Table 2 is the pricing of the bonds, the par value is \$7.5 million, 30 years with an interest rate just shy of 4%, with capitalization of interest period for one year. Table 3 shows the debt service in regard to those bonds regarding the debt that is allocated to each of the different type of lots. Table 4 shows the special assessments in regard to each type of lot. After that is a legal description and a map of Assessment Area 2.

The supplemental engineer's report and the supplemental assessment methodology report are exhibits in Resolution 2020-01; when you approve that you will also be approving those reports.

C. Supplemental Assessment Resolution 2020-01

Ms. Buchanan stated Resolution 2020-01 does make certain findings, approves the supplemental engineer's report, supplemental assessment report, sets forth the term of the bonds and the true-up process is incorporated herein.

On MOTION by Mr. Taylor seconded by Mr. O'Reilly with all in favor Resolution 2020-01 was approved.

D. Notice of Series 2019 Special Assessments

Ms. Buchanan stated we just need a motion authorizing district staff to record the notice of assessments after the bonds have closed.

On MOTION by Mr. O'Reilly seconded by Ms. Bock with all in favor staff was authorized to record the notice of assessments for the Series 2019 Bonds.

E. Consideration of Other Bond Related Matters

There being no other bond related matters, the next item followed.

NINTH ORDER OF BUSINESS

**Consideration of Proposal for Pocket Parks
Landscape and Irrigation**

Mr. Perry stated you have a proposal from Tree Amigos for the same common areas that were backed out of the amenity center contract.

Mr. Brecht stated this is the landscape for four or five common areas throughout the community.

Mr. O'Reilly stated there was supposed to be irrigation and I don't see that on the proposal.

Mr. Perry stated there are notes below the equipment line but there is nothing there and the page is 1 of 1 so I'm assuming that is probably some type of standard.

On MOTION by Mr. Taylor seconded by Mr. O'Reilly with all in favor the proposal from Tree Amigos in the amount of \$64,668.00 was approved subject to review.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel – Road Impact Fee Credit Agreement

Ms. Buchanan stated as you will recall the district entered into an interlocal agreement with the county where the county supplies the district funding for the construction of Tynes Boulevard Extension. As part of that interlocal agreement the district was required to dedicate to the county real property for the right-of-way and since the county has sort of re-implemented the impact fee system the district is now entitled to impact fee credits relating to the value of the right of way for Phase 2 and I assume for Phase 1 although I haven't seen a proposed agreement with the county in connection with Phase 1. What has happened is that earlier in the week East West provided us with a copy of this agreement and said that Clay County was planning to consider this agreement on Tuesday evening. I conferred with the chairman, and we sent along those questions we needed answered with the understanding that we thought they would probably pull it from their county's

agenda. The county moved forward with it anyway, which is fine because just because the county approved it doesn't mean that the CDD approved it. That being said I really don't see an impediment to the CDD authorizing the agreement. Ultimately, we would be entitled to approximately \$104,000 of impact fee credits and this agreement sets forth the value. I want to make sure that the board understands that this doesn't relate to any projects that have been funded by bond proceeds from the initial issuance nor was it funded by any operation and maintenance expenditures. It is solely related to the value of the right of way that was dedicated at no cost to the district, which was then dedicated to the county.

Mr. O'Reilly stated I would like to clarify that. The portion of the right of way that this refers to is Tynes Boulevard Phase 2 not 1A and 1B. The right of way value for that piece is \$140,000 based on an appraisal.

Ms. Buchanan stated you had an appraisal for \$140,000 but they backed out the ----- public utility fee relating to the ----- land, which was approximately \$35,000; that is why there is a difference between the \$104,000 and \$140,000.

Mr. O'Reilly asked was a similar agreement done for 1 and 1A/

Ms. Buchanan stated Fran sent me an email on this and she indicated that there are other impact fee credit agreements they expect to be approved for property lying ----- and I haven't seen that yet.

Mr. O'Reilly asked what are our options?

Ms. Buchanan stated the second part of the equation is that East West has requested the district to assign the impact fee credit agreement to Armstrong Ventures instead of being the administrator of the program the CDD would assign the entire agreement to Armstrong Ventures. The reality is that we, the CDD, didn't spend the money to be entitled to this and Armstrong Ventures did spend \$1.5 million in excess of what the county contributed to construct the road. They understand that we have a lot of questions and he doesn't seem to be as driven to get this accomplished as he was on 1A. What I prepared is an amendment to the hold harmless agreement where they agreed to cover any amount that ----- funding related to Tynes Boulevard and that amendment sort of added onto the language that already existed that said if for some reason the district got money from the county in excess of ----- to build the road they would give it back to Armstrong Ventures as a reimbursement for the payment they made over and above the county contribution. ----- added to that concept that also the CDD would get ----- for

impact fee credits in connection with the interlocal agreement project and the developer was the source of that fee obligation, that we would then assign the impact fee credits to them. In our motion it says that if you don't want to amend the hold harmless because you haven't had time to consider it I am okay with that. I'm not advocating for you to rush through this. If you also want to approve it in substantial form that way you have time to take it back and talk to your own internal counsel to make sure you feel comfortable with it as the developer, I'm fine if you want to review the language to make sure we don't have any unintended consequences but still I would like flexibility before waiting for the next board meeting, you can do that change.

Mr. Taylor stated one point of clarification the total dollar amount of \$103,000 for the impact fee credits is the road impact fees the builder would have to pay for the total units in that project is far more than \$100,000 so as far as timing goes East West Partners would have plenty of time to recoup this \$103,000 whether we approve it now or next month. It is not like there is money left on the table that they will not get reimbursed.

Mr. O'Reilly stated I would rather us not approve it before the next meeting.

Mr. Taylor stated we will have Greyhawk Venture counsel review it.

Ms. Buchanan stated sure. There are two documents here, the first is approval of the impact fee credit agreement with the county; do you want to authorize the impact fee credit agreement? We are not obligated to take any action.

Mr. Taylor asked did you say the county would prefer that?

Ms. Buchanan stated county staff.

Mr. O'Reilly stated they want our board to ratify that they have already approved that.

Mr. Perry stated it has been approved by the board.

Mr. Taylor stated I don't think the county is going to do anything with this whether we approve it at this meeting or the next meeting doesn't make any difference to the county.

Ms. Buchanan stated from what I understand the county circulated this draft to East West in advance and East West didn't necessarily ----- and that led to the last minute proposal.

Mr. Perry stated we will defer that agenda item to the next meeting.

B. District Engineer

1. Ratification of Requisitions 78-79, 2018A Construction Account

On MOTION by Mr. Taylor seconded by Mr. O'Reilly with all in favor Requisitions 78 to Jr. Davis for retainage and 79 to Micamy Design Group for the final payment for a total of \$48,535.17 from the 2018A construction account were ratified.

2. Approval of Work Authorization No. 2

Mr. Brecht stated work authorization no. 2 is for Greyhawk Phases 2 & 3 for revisions to construction documents and additional services. There are portions within Phase 3 of the Greyhawk development that will be revised with the engineering plans that have just recently been approved to different lot layouts and lot sizes on a couple of the pods. There is also a line item for enhanced landscaping within some of the common areas in Greyhawk Phases 2 & 3, the permitting associated with the engineering plans and we also have a couple tasks one for construction administration for the closeout process with Clay County, JEA and the district once the lots are constructed, roadways are constructed, shop drawings and that sort of stuff. Then there is plat coordination as well to provide services to facilitate getting the plat reviewed, approved and recorded with Clay County. This work authorization is for \$83,000.

On MOTION by Mr. O'Reilly seconded by Mr. Taylor with all in favor work authorization no. 2 in the amount of \$83,000 for Greyhawk Phases 2 & 3 for revisions to construction documents and additional services was approved.

C. District Manager – Deficit Funding Agreement No. 8

Mr. Perry stated there is a deficit funding agreement request no. 8 in regard to Jr. Davis Construction and Micamy Studios totaling \$48,535.17.

On MOTION by Mr. Taylor seconded by Mr. O'Reilly with all in favor deficit funding agreement request no. 8 in the amount of \$48,535.17 was approved.

D. Facility Manager

1. Report

Ms. Csalovszki gave an overview of the community manager's report, copy of which was included in the agenda package then outlined the following proposals.

2. Vanguard Cleaning Proposal

3. AHD Pressure Washing Proposal

4. Summit Facility Maintenance Proposal

On MOTION by Mr. O'Reilly seconded by Ms. Bock with all in favor the proposal from Summit Facility Maintenance was approved in the amount of \$1,039.20 for twice a week service subject to district counsel review.

5. Apex Pest Control Service Agreement

On MOTION by Mr. O'Reilly seconded by Mr. Taylor with all in favor the Apex Pest Control Service agreement was approved in the amount of \$45 per month.

F. Tynes Boulevard Project Administrator

Mr. O'Reilly stated I did attend the preconstruction meeting with the county for Phases 2 & 3 with the engineer and they are projected timing of Tynes Boulevard opening to the public is two to three weeks away. They are working through the final paperwork with the utility authority and the county.

ELEVENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

Financial Statements as of August 31, 2019

A copy of the financials was included in the agenda package.

THIRTEENTH ORDER OF BUSINESS

**Ratification of Funding Requests No. 38 & 39
(General Fund)**

On MOTION by Ms. Bock seconded by Mr. O'Reilly with all in favor funding requests no. 38 in the amount of \$74,992.85 & 39 in the amount of \$3,940.05 were ratified.


FOURTEENTH ORDER OF BUSINESS

**Next Scheduled Meeting – 11/14/19 at 3:30
p.m. at the Plantation Oaks Amenity Center**

Mr. Perry stated the next meeting is scheduled for November 14, 2019 at 3:30 p.m. in the same location.

On MOTION by Mr. O'Reilly seconded by Ms. Bock with all in favor the meeting adjourned at 4:16 p.m.


Secretary/Assistant Secretary


Vice Chairperson/Vice Chairperson