

MINUTES OF MEETING
GARDENS AT HAMMOCK BEACH
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Gardens at Hammock Beach Community Development District was held on Friday, March 5, 2021 at 10:00 a.m. at City Centre at Palm Coast Town Center, 145 City Place, Suite 300, Palm Coast, Florida.

Present and constituting a quorum were:

Clint Smith	Chairman
David Lusby	Vice Chairman
William Livingston	Assistant Secretary

Also present were:

George Flint	District Manager
Michael Chiumento III	District Counsel
Parker Mynchenberg <i>by phone</i>	District Engineer
Ken Belshe	Palm Coast Intracoastal, LLC
Ken Bryan	Flagler Beach City Commissioner
Sallee Arnoff	Preserve Flagler Beach
Carol Bycel	Preserve Flagler Beach
Robin Polletta	Preserve Flagler Beach

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order at 10:00 a.m. A quorum was present.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: This is an opportunity for any members of the public to provide comment on anything on the agenda or not on the agenda that they would like to bring to the Board's attention. If there is any public comment, we ask you to state your name and address and try to limit your comments to three minutes. Is there any public comment at this time?

Mr. Bryan: I am Flagler Beach City Commissioner Ken Bryan. I'm here because we have a vested interest in the community. I just wanted to be present and see the progress of the community.

Mr. Flint: Great. Welcome. It is a pleasure to have you.

THIRD ORDER OF BUSINESS

Approval of Minutes of the January 15, 2021 Meeting and Acceptance of Minutes of the November 13, 2020 Landowners' Meeting

Mr. Flint: Were there any comments or corrections from the Board on the minutes of the January 15, 2021 Board of Supervisors meeting and the November 13, 2020 landowners' meeting? Hearing none,

On MOTION by Mr. Livingston seconded by Mr. Lusby with all in favor the approval of the Minutes of the January 15, 2021 Board of Supervisors Meeting and acceptance of the Minutes of the November 13, 2020 Landowners' Meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2021-06 Providing for the Removal and Appointment of Treasurer and Appointment of Assistant Treasurer

Mr. Flint: Resolution 2021-06 provides for the removal of Mr. Ariel Lovera as Treasurer and the appointment of Ms. Jill Burns as Treasurer and Ms. Katie Costa as Assistant Treasurer. Ariel is no longer with GMS, so we are asking for the Board's consideration in replacing him with Ms. Burns who is a principal in my office in Orlando and Ms. Costa as the actual accountant who prepares the financial statements and works on this District. Are there any questions on this resolution? Hearing none,

On MOTION by Mr. Smith seconded by Mr. Livingston with all in favor Resolution 2021-06 Providing for Removal and Appointment of Treasurer of the District was adopted.

FIFTH ORDER OF BUSINESS

Financing Matters

Mr. Flint: This is a public hearing to consider the levying of special assessments on what we are calling Assessment Area 1. At the last meeting, the Board approved two resolutions. The first one is pursuant to Chapters 170, 190 and 197, you declared the District's intent to impose assessments and then you adopted a resolution setting today as the date, place and time for the public hearing. There is a 30-day mailed notice required to the landowner, which was mailed and then there were two notices in the newspaper, 21 and 14 days in advance of today. So, we will go

ahead and open the public hearing. The first item under the public hearing is the Engineer's Report, but before I get to that, since this is a public hearing, we will open the floor to any public comments on this issue. Are there any public comments at this time?

Mr. Belshe: Are the special assessments equal to or a special time or is it in general?

Mr. Flint: The Master Assessment Methodology is included in the agenda as a proposed ceiling, a maximum amount of what that debt service could be, assuming the District funded 100% of what the identified improvements were. Typically, the District would not fund 100% of those improvements. A portion would be funded by the developer. At the time the bonds were actually priced, the assessments would be established. They would be below what was authorized by the hearing today. Then once they were priced, the District will hold a meeting and adopt a finalizing resolution at the time the assessments would be finalized. So, the short answer to your question is they are not established today.

Mr. Belshe: That's fine.

Mr. Flint: The ceiling is established, but not the actual assessment.

Ms. Arnoff: What is the maximum ceiling?

Mr. Flint: For purposes of this hearing, we are assuming if the District funded 100%, which is not what would be levied ultimately.

Mr. Lusby: You are also assuming a 6% interest rate, which is high.

Mr. Flint: We are assuming conservative parameters. For example, the interest rate is a conservative number. We are assuming we are going to fund 36 months of Capitalized Interest (CI), which we are not likely going to do and one year of maximum annual debt service, which may or may not be required. So, these are conservative numbers. Table 6 would show if we were to fund 100% of the improvements, the annual debt service for a 50-foot lot would be \$4,425 ranging up to \$7,000 for an 80-foot lot. Likely that is not going to be what ultimately will be imposed, but through this process, the District is giving itself maximum flexibility. Is there any other public comment?

Ms. Arnoff: I was still curious of the maximum amount you are looking to fund. I understand that the developer would be funding, but what is the total dollar amount that would be the maximum?

Mr. Lusby: \$38 million.

Mr. Flint: The Engineer's Report includes all of the eligible improvements that could be funded, which totals \$20,185,000.

Ms. Arnoff: Thank you.

Mr. Flint: Is there any other public comment? Hearing none, we will close the floor to public comments and bring it back to the Board.

A. Presentation of Engineer's Report

Mr. Flint: The latest version of the Engineer's Report is dated February 27, 2020. The cost estimates have not changed since last year and the last meeting. Mr. Parker Mynchenberg is on the phone if the Board has any questions on the Engineer's Report, but basically it defines the proposed improvements that could be funded by the District. It provides an estimated cost of those improvements.

B. Presentation of Assessment Methodology

Mr. Flint: Table 1 of the Assessment Methodology is the proposed Development Plan for the assessment area. We are anticipating 335 single-family homes totaling 428.8 Equivalent Residential Units (ERUs). Table 2 identifies the capital improvements that are taken directly from the Engineer's Report, which shows \$20,185,000. Table 3 is the bond sizing, assuming we funded 100% of those improvements under very conservative assumptions, for a total par amount of \$25,565,000. Table 4 shows the allocation of benefit by demonstrating the improvement cost per unit. Table 5 is the par debt per unit. Table 6 is what the gross annual assessments and net annual assessments would be if we were to fund 100%. Table 7 is the Preliminary Assessment Roll.

C. Consideration of 2021-07 Levying Special Assessments

Mr. Flint: Resolution 2021-07 actual levies the assessments based on the reports we just discussed; however, my understanding is we are not ready to actually consider this resolution at this time.

Mr. Chiumento III: Correct. The developer continues to do construction in the development. We will probably consider it in May, I assume, Mr. Belshe and the CDD will take over construction for the bonds at that point. The CDD will then purchase any infrastructure

improvements that may have been done under the Developer Funding Agreement. So, they will continue to construct the development and then when we issue the bonds, we will go through that process. That will be because of the lien. So, it will be delayed 60 days.

Mr. Flint: If the Board is amenable, we would need to continue the public hearing to a date, time and place certain. My understanding, Mr. Lusby, is that 60 days would be early May. The first Friday is the 7th, but Mr. Lusby is out of town so we would need to look at something later in May. The second Friday is the 14th, if that works.

Mr. Smith: We have Town Center and Palm Coast Park on the 14th. Do you want to do the 21st?

Mr. Lusby: I'm fine with that. Whatever the Board wants to do is fine.

Mr. Flint: So, we need a motion to continue this public hearing to May 21st at 12:30 p.m. at the Hilton Garden Inn, Palm Coast Town Center, 55 Town Center Boulevard, Palm Coast, Florida.

On MOTION by Mr. Smith seconded by Mr. Lusby with all in favor continuing the public hearing on the levy of special assessments to May 21, 2021 at 12:30 p.m. at the Hilton Garden Inn, Palm Coast Town Center, 55 Town Center Boulevard, Palm Coast, Florida was approved.

Mr. Chiumento III: We anticipate on that date to have all of the construction documents, bids and award at that time. Then the CDD will finish construction and do the buyout at that time.

Mr. Flint: They may consider the Delegation Resolution as well.

SIXTH ORDER OF BUSINESS

Discussion of E-Verify Requirements and Ratification of Staff's Action Related to the Memorandum of Understanding

Mr. Flint: There were some legislative changes last year. There is a Federal requirement E-Verify, that any Federal agencies have to register with the E-Verify System, which is run by the Department of Homeland Security. It deals with verification of individuals that are actually authorized to work in the United States. Any contractors that enter into contracts with Federal agencies were also required to comply. Last year's Legislative Session passed a law that now

requires State of Florida Government agencies to also comply with E-Verify. The CDD as a Government entity, therefore, has to comply as well. Although we don't have any employees because we contract for services, we are obligated to include certain language in our agreements. The people we contract with would comply with E-Verify. So, this does not retroactively go back prior to January 1, 2021, but any contracts going forward after January 1, 2021 would have to include that language. As part of that registration process, there is a Memorandum of Understanding that the District must enter into with the Department of Homeland Security. We registered the District and executed this agreement, so we are just asking the Board to ratify our actions. It is really administrative, but because of the Memorandum of Understanding, we are asking the Board to ratify it.

On MOTION by Mr. Lusby seconded by Mr. Smith with all in favor the execution of the Memorandum of Understanding for the District to register with the E-Verify System with the Department of Homeland Security was ratified.

SEVENTH ORDER OF BUSINESS

Staff Reports

- **District Engineer** *(Added)*

Mr. Flint: Parker, do you have any report?

Mr. Mynchenberg: Not today.

- **District Counsel** *(Added)*

Mr. Flint: Parker, do you have any report?

Mr. Mynchenberg: Not today.

Mr. Flint: Michael, do you have any report?

Mr. Chiumento: No.

A. District Manager's Report

i. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financials through January 31, 2021. This represents the first four months of Fiscal Year 2021. No action is required by the Board, but if you have any questions, we can discuss those.

ii. Ratification of Fiscal Year 2021 Funding Request #3

Mr. Flint: We are asking the Board to ratify Funding Request #3 for Fiscal Year 2021. It has been transmitted to the developer under the Developer Funding Agreement. It totals \$4,140.95. Are there any questions on the Funding Request? If not, we need a motion to ratify it.

On MOTION by Mr. Livingston seconded by Mr. Smith with all in favor Funding Request #3 for Fiscal Year 2021 was ratified.

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Flint: That was all the business we had. Was there anything else that the Board or staff wanted to discuss? Hearing none,

NINTH ORDER OF BUSINESS

Supervisor's Request

Mr. Flint: Are there any Supervisor's requests that the Board wanted to discuss that was not on the agenda?

Mr. Livingston: There are some minor items that you might want to pick up the next time around.

Mr. Flint: In the resolution?

Mr. Livingston: Yes.

Mr. Flint: I will look at it.

Mr. Livingston: There are just some typos.

Mr. Flint: We appreciate it. If there's nothing else from the Board or staff, we need a motion to adjourn.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Lusby seconded by Mr. Smith with all in favor the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman