

**MINUTES OF MEETING
WILDBLUE
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the WildBlue Community Development District held a Regular Meeting on Thursday, December 6, 2018 at 10:00 a.m., at Barraco and Associates, 3271 McGregor Boulevard, Suite 100, Fort Myers, Florida 33901.

Present at the meeting were:

Russell Smith	Chair
Christopher Hasty	Vice Chair
Barry Ernst	Assistant Secretary
Chris Johnson	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Christine Cardelle	Wrathell, Hunt and Associates, LLC
Jonathan Johnson	District Counsel
Carl Barraco	District Engineer
Wes Kayne	Barraco and Associates, Inc.
Lauren Colarusso	Barraco and Associates, Inc.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 10:00 a.m. Supervisors Smith, Johnson, Hasty and Ernst were present, in person. Supervisor Caldwell was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Consideration of Amended Engineer's Report

Mr. Barraco distributed and presented the Amended Engineer's Report, dated December 5, 2018. He reported the following:

- The Board approved the draft of this report on January 25, 2018. That Report contained some revisions and additions, including information about the proposed boundary amendment, which is added to Recreational, addresses the change in the Board of Supervisors and notes that the District now has multiple homeowners and Developers.
- Paragraph 1, on Page 2: Discusses an administrative amendment to the zoning. He noted that there will be ongoing minor administrative amendments to the zoning but it will not be necessary to update the Report because those are normal in the course of business.
- Exhibit 1A, on Page 3: Reflects the current boundaries of the District, as the boundary amendment is not completed yet.

Mr. Smith asked for the status of the boundary amendment. Mr. Jonathan Johnson stated that he was close to receiving the final document. The County requested an official resolution of the Board, which will be presented later in the meeting.

- Exhibit 1B, on Page 4: Reflects the boundaries after the boundary amendment.
- Exhibit 2A, on Page 7: Contains a future land use map based on the current boundaries.
- Exhibit 2B, on Page 8: Contains a future land use map based on the boundary amendment.
- Section 1.3, on Page 5: Discusses the boundary amendment, the current acreage in the District, adding two recreation lakes and removing the commercial parcel. Table 1 is the Projected Land Use Table, which is broken down for the entire development, the draft District per the original Engineer's Report and the projected revised District, based upon the boundary amendment.

Mr. Smith asked if all the costs in the Report are the maximum that could possibly be requisitioned. Mr. Barraco thought so. Mr. Smith asked if less than the maximum amount could be requisitioned. Mr. Jonathan Johnson replied affirmatively. Mr. Barraco stated that the Developer has the flexibility to privately fund infrastructure, if desired, or fund it through the District.

- Section 1.3, Third Paragraph, on Page 6: Describes that there are multiple owners and developers, which is a significant change from draft Engineer's Report.
- Page 6, Table 2: Breaks down the area, product mix, number of lots and phases for each of the four owners.
- Fourth Paragraph, Page 6: Identifies the current Board Members.

- Section 3.2, on Page 12: Provides an update describing the change in the Environmental Resource Permit. In the original Report, recreation lakes were potentially taken out of the water management system but they are now included. Those lakes will provide overflow attenuation.
- Part V, on Page 16: Contains the conclusion; the conclusion was essentially the same with some updates to acreages and other numbers.
- Appendix: Contains exhibits that reflect ownership. The following change would be made to the map legends:

Change “Area to be Transferred” to “Area of Ownership”

Mr. Smith noted that the Engineer’s Report lists the on-site roadways as public and being owned and financed by the CDD and asked if the roads must be public, even if they are not funded with CDD funds. Mr. Jonathan Johnson stated that then they would not need to be public. Mr. Barraco stated that the Engineer’s Report specifies that the only roadways within the District that would be public are roadways from the off-site public roads up to the guardhouse. Mr. Barraco stated if they wanted to fund the internal roadways, this Engineer’s Report does not allow for that; it only allows for on-site public roadways. Mr. Wrathell stated that, even if the CDD funded the roads, it could still have a gate. Mr. Jonathan Johnson stated that the CDD could have a “soft” gate, meaning if someone wants in, they must be allowed in. Mr. Smith stated that would require an amendment to the Engineer’s Report, as the Engineer’s Report does not consider on-site roads, past the gate, as being CDD roads. Mr. Johnson stated that, if a gate is not in the Engineer’s Report, the Developers could possibly fund it and convey it to the District.

Mr. Wrathell stated that there would be ample opportunity to make further revisions to the Engineer’s Report leading up to the assessment public hearing.

On MOTION by Mr. Smith and seconded by Mr. Chris Johnson, with all in favor, the Amended Engineer’s Report, in substantial form, was approved.

Mr. Wrathell presented the Master Special Assessment Methodology Report and noted the following:

- Page 2, Section 2.1: The acreage numbers would be modified to be consistent with the Engineer's Report. The section reflects the addition of the new acreage, as well as netting out the commercial acreage. This Methodology does not deal with the commercial properties in the District in what is contemplated to be assessed.
- Page 2, Section 2.2: Describes that the 673 residential units are the focus.
- Page 3, Section 3.2: Describes the larger Capital Improvement Plan (CIP) that is outlined by the Engineer's Report for the \$34,790,000.
- Page 3, Section 4.0: Discusses the financial modeling assuming that 100% of the improvements would be funded. The total par amount of bonds would be \$46,760,000; however, the amount funded would likely be less.

Mr. Smith asked if the total amount validated was \$46,760,000. Mr. Jonathan Johnson thought it was a higher amount.

- Pages 3 and 4, Section 4.2: Discusses the types of bonds proposed; conservative assumptions were made, including a 24-month capitalized interest period, interest rate, etc. The purpose of the Methodology is to create maximum flexibility, recognizing that there is an opportunity for changes in market conditions, product mixes, number of units, etc.
- Page 6, Section 5.4: Discusses the lienability test, in the context that the property owners will receive special and peculiar benefits related to the CIP and, thus the District can issue the bonds and utilize non ad-valorem assessments to repay the bond debt.
- Page 7, Section 5.5: Discusses the lienability test, in the context that there is a fair and reasonable apportionment of the assessments.
- Page 7, Section 5.6: Discusses the true-up mechanism to account for lost debt-carrying capacity, should the number of assessable units change.
- Page 10, Table 1: Reflects the product types and number of units for each.
- Page 10, Table 2: Reflects the improvement types and corresponding cost.
- Page 11, Table 3: Reflects the sources and uses of the bond funds, contemplating funding up to 100% of the improvements with bond funds. In reality, the District would likely issue a lower amount of bonds than set forth in Table 3. The District would likely issue one series of bonds but has the ability to issue multiple series.

- Page 12, Table 4: Reflects the benefit allocation for each product type.
- Page 12, Table 5: Reflects the bond assessment apportionment for each product type and includes the maximum par amount of bonds that would be levied and the maximum annual debt assessment per product type.
- Page 6, Section 5.3: This section would be updated to reflect the existing boundaries of the District, less the commercial acreage.

Mr. Smith stated that the actual amount of bonds issued would not be \$46,760,000; it would likely be an amount substantially less.

If any changes were anticipated that would lower the debt-carrying capacity, it should be done as soon as possible, before issuing the bonds, to avoid a true-up. Mr. Smith surmised that, once the bonds are issued, if the unit mix changes and results in lower debt-carrying capacity for that property, it would trigger a true-up payment by the owner.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, the Master Special Assessment Methodology Report, in substantial form, was approved.

A Board Member referred to Page 16, Table 4, in the Engineer’s Report, which describes the financing entity as the CDD for all the capital improvements, and questioned if the “Financing Entity” column should be changed from “WBCDD” to “WBCDD/Developer”, since the Developers could fund improvements. Mr. Jonathan Johnson recommended leaving it WBCDD, as that reflects the vast, most expansive case of the uses of the District and there is no problem if it is less or funded privately.

Mr. Wrathell asked if there was the potential to have different true-up agreements with each of the four Developers. Mr. Jonathan Johnson replied that it was possible for the true-up agreement, collateral assignment agreement, permits, development rights; it would probably make sense to have each entity treated separately.

In order to meet the public hearing notice advertising requirements, the next meeting would be held on Thursday, January 24, 2019.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-01, District Declaring Special Assessments; Indicating the Location, Nature and Estimated Cost of Those Infrastructure Improvements Whose Cost Is To Be Defrayed By the Special Assessments; Providing the Portion of the Estimated Cost of the Improvements To Be Defrayed By the Special Assessments; Providing the Manner In Which Such Special Assessments Shall Be Made; Providing When Such Special Assessments Shall Be Paid; Designating Lands Upon Which the Special Assessments Shall Be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of This Resolution

Mr. Wrathell presented the Resolution 2019-01 and read the title.

On MOTION by Mr. Ernst and seconded by Mr. Smith, with all in favor, Resolution 2019-01, District Declaring Special Assessments; Indicating the Location, Nature and Estimated Cost of Those Infrastructure Improvements Whose Cost Is To Be Defrayed By the Special Assessments; Providing the Portion of the Estimated Cost of the Improvements To Be Defrayed By the Special Assessments; Providing the Manner In Which Such Special Assessments Shall Be Made; Providing When Such Special Assessments Shall Be Paid; Designating Lands Upon Which the Special Assessments Shall Be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of This Resolution, was adopted.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2019-02, Setting a Public Hearing for the Purpose of Hearing Public Comment on Imposing Special Assessments on Certain Property Within the District in Accordance With Chapters 170, 190 and 197, Florida Statutes

Mr. Wrathell presented Resolution 2019-02 and read the title.

On MOTION by Mr. Smith and seconded by Mr. Johnson, with all in favor, Resolution 2019-02, Setting a Public Hearing for Thursday, January 24, 2019 at 10:00 a.m., at Barraco and Associates, 2271 McGregor Boulevard, Suite 100, Fort Myers, Florida 33901, for the Purpose of Hearing Public Comment on Imposing Special Assessments on Certain Property Within the District in Accordance With Chapters 170, 190 and 197, Florida Statutes, was adopted.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2019-03, Designating a Date, Time, and Location of a Public Hearing Regarding the District’s Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing; and Providing an Effective Date

Mr. Wrathell presented Resolution 2019-03 and read the title.

On MOTION by Mr. Ernst and seconded by Mr. Hasty, with all in favor, Resolution 2019-03, Designating a Date, Time, and Location of Thursday, January 24, 2019 at 10:00 a.m., at Barraco and Associates, 2271 McGregor Boulevard, Suite 100, Fort Myers, Florida 33901 for a Public Hearing Regarding the District’s Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized by Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing; and Providing an Effective Date, was adopted.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2019-04, Directing the Chair and District Staff to File a Petition With Lee County, Florida, Requesting the Passage of an Ordinance Amending the District’s Boundaries, and Authorizing Such Other Actions as Are Necessary In Furtherance of the Boundary Amendment Process; and Providing an Effective Date

Mr. Jonathan Johnson presented Resolution 2019-04 and recommended approval. He anticipated it would take three months to complete this process.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, Consideration of Resolution 2019-04, Directing the Chair and District Staff to File a Petition With Lee County, Florida, Requesting the Passage of an Ordinance Amending the District’s Boundaries, and Authorizing Such Other Actions as Are Necessary In Furtherance of the Boundary Amendment Process; and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Bond Financing Team Matters

A. Termination of Agreement for Underwriting Services with MBS Capital Markets, LLC.

Mr. Wrathell stated that the previous Landowner engaged MBS Capital Markets, LLC (MBS) for Underwriting Services. Proposals were obtained and, if the Board wishes to engage FMSbonds, Inc. (FMS) as the District’s Underwriter, it is necessary to first terminate the Agreement with MBS.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, termination of the Agreement for Underwriting Services with MBS Capital Markets, LLC., was approved.

Mr. Jonathan Johnson noted that termination of the Agreement requires written notice.

B. Agreement for Underwriter Services & G-17 Disclosure: *FMSbonds, Inc.*

Mr. Wrathell presented the Agreement for Underwriter Services and the G-17 Disclosure. The fees proposed were standard in the industry.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, the Agreement with FMSbonds, Inc., for Underwriter Services and G-17 Disclosure was approved.

C. Ratify Engagement of Greenberg Traurig as Bond Counsel

Mr. Wrathell stated that Greenberg Traurig was technically already engaged.

On MOTION by Mr. Smith and seconded by Mr. Johnson, with all in favor, engagement of Greenberg Traurig as Bond Counsel, was ratified.

D. Consider Engagement of Greenberg Traurig as Disclosure Counsel

Mr. Wrathell stated that Greenberg Traurig, as Disclosure Counsel, would perform many of the functions of Underwriter’s Counsel; thus, Underwriter’s Counsel would have a diminished role in the bond issuance. This arrangement is not typical but Mr. Wrathell was assured that the overall cost for the services would be slightly less, under this arrangement.

On MOTION by Mr. Smith and seconded by Mr. Hasty, with all in favor, engagement of Greenberg Traurig as Disclosure Counsel, was approved.

TENTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of October 31, 2018

Mr. Wrathell presented the Unaudited Financial Statements as of October 31, 2018.

On MOTION by Mr. Ernst and seconded by Mr. Smith, with all in favor, the Unaudited Financial Statements as of October 31, 2018, were approved.

ELEVENTH ORDER OF BUSINESS

Consideration of August 23, 2018 Public Hearing and Regular Meeting Minutes

Mr. Wrathell presented the August 23, 2018 Public Hearing and Regular Meeting Minutes. The following change was made:

Line 24: Change “Bonita Bay Group” to “Public”

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, August 23, 2018 Public Hearing and Regular Meeting Minutes, as amended, were approved.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping, Green & Sams, P.A.*

Mr. Jonathan Johnson stated that Florida voters approved Amendment 12 to the Florida Constitution during the November general election, which dealt with various public officials, ethics and lobbying activities. Within Amendment 12 was language prohibiting a public official,

including special district officers, from “abusing their position to achieve a disproportionate benefit for themselves or their employer”. The Amendment 12 verbiage directed the Commission on Ethics to commence the rule making process between now and October 2019, and to adopt rules that implement those concepts. Although this seems reasonable, it is possible that the language could be misconstrued and applied in the context of a special taxing district and CDDs, where the Board Members are elected by the Landowner and are often employees of the Landowners, which is authorized by statute, and could raise the question of whether votes by those Board Member to acquire improvements, issue bonds to improve the property, etc., a misuse of position to secure a disproportionate benefit. On the face, Mr. Jonathan Johnson would argue no and that the Board Members would be doing exactly what they were elected to do, in the context of a very specific position; however, his firm is working actively with the Association of Florida Community Developers and the Commission on Ethics in connection with rule making on this matter.

B. District Engineer: *Barraco and Associates, Inc.*

Mr. Barraco reported that District infrastructure and development construction is underway and proceeding nicely.

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

- **NEXT MEETING: January 3, 2019 at 11:00 A.M.**

Mr. Wrathell stated that the January 3rd meeting would likely be cancelled so the next meeting would be on January 24, 2019 at 10:00 a.m.

THIRTEENTH ORDER OF BUSINESS

Board Members’ Comments/Requests

Mr. Hasty stated, once the lakes are reincorporated into the District, he thinks that all the Developers are foreseeing recreational use on the lake and individual homeowners that own lots adjacent to the lake own a dock that is on CDD property, so there easements, access, etc., would need to be addressed. Discussion ensued regarding the easements, plats, recreational lakes, access, etc. Mr. Smith believed the thought was that the CDD would own the lakes, because it has sovereign immunity. Mr. Wrathell noted the trend towards CDDs not owning the lake banks but rather having a maintenance easement over the lake bank. District Counsel would research this. Mr. Smith felt that the District could establish use restrictions

that are applicable to everyone. It was noted that provisions for residents constructing docs must be addressed.

Regarding the conversion of the CDD’s website to be compliant with the Americans with Disabilities Act (ADA) requirements for websites, Mr. Wrathell believed conversion of the CDD’s website was completed or nearly completed.

FOURTEENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Smith and seconded by Mr. Ernst, with all in favor, the meeting adjourned at 10:51 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair