

**MINUTES OF MEETING
LAKE LIZZIE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lake Lizzie Community Development District was held Wednesday, **June 7, 2023** at 12:30 p.m. at the West Osceola Branch Library, 305 Campus Street, Celebration, Florida.

Present and constituting a quorum:

Tony Iorio	Chairman
Doug Beasley	Vice Chairman
Rocky Owen	Assistant Secretary
Tom Franklin	Assistant Secretary

Also present were:

Tricia Adams	District Manager, GMS
Michelle Rigoni	District Counsel, Kutak Rock (via phone)
Shawn Hindle	District Engineer (via phone)
Cynthia Wilhelm	Bond Counsel (via phone)
Brett Sealy	MBS (via phone)
Sara Zare	MBS (via phone)

FIRST ORDER OF BUSINESS

Roll Call

Mr. Iorio called the meeting to order and called the roll. Four Board members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no members of the public present for the meeting and there were no members on the Zoom line.

THIRD ORDER OF BUSINESS

**Approval of Minutes of the May 3, 2023,
Board of Supervisors Meeting**

Ms. Adams presented the minutes from May 3, 2023 Board of Supervisors meeting on page 5 of the agenda packet. She noted that the minutes have been reviewed by District Counsel and District Management.

On MOTION by Mr. Franklin, seconded by Mr. Owen, with all in favor, the Minutes of the May 3, 2023 Board of Supervisors Meeting, were approved.

FOURTH ORDER OF BUSINESS

Financing Matters

A. Consideration of Amended and Restated Master Engineer's Report

Ms. Adams stated that they will be asking for approval of the Bond Delegation Resolution which delegates the authority to market the issuance of the Series 2023 bonds and finance a portion of the Capital Improvement Plan.

Mr. Hindle stated his report is in the agenda packet on page 12 it is amended and restated from the previous Engineer's Report that was brought to the Board previously. He noted the report basically has all of the same information, the permits, the maintaining responsibility, the improvements that are described as CDD type improvements. The changes are that the project has been broken into two phases in the report and have allocated the unit, the acreage, and the cost to each one of the phases in the report. Overall costs have also been updated. He stated that economic and financing assumptions have been made to give flexibility in the financing.

Ms. Rigoni stated this report updates the total Capital Improvement Program cost from the last adopted budget of the Master Engineer's Report and then it breaks up such cost into two phases. She stated Phase 1 CIP cost which is currently being contemplated to be financed with the anticipated Series 2023 bonds and the Phase 2 cost for the remainder of the CIP. She asked Mr. Hindle, if the updated cost estimates in the Amended and Restate Master Engineer's Report are reasonable and proper for the project. Mr. Hindle stated yes, Phase 1 are the original costs that were presented and then Phase 2 is a cost escalation of about 50% from the original bids for Phase 1 so they adjusted the quantity and pricing to make sure they cover the cost escalation. He stated yes, they are reasonable and proper. Ms. Rigoni asked Mr. Hindle if he is aware of any reasons why the District cannot carry out the Capital Improvement Program provided in the report. Mr.

Hindle answered no. Mr. Franklin asked if the initial bond would cover the whole \$18,000,000 or will it be done in two parts. Ms. Rigoni stated it would be done in two parts. Ms. Adams stated this is an item that requires Board action so they were looking for a motion to approve the Amended and Restated Master Engineer's Report in substantial form to incorporate minor clean-ups.

On MOTION by Mr. Franklin, seconded by Mr. Owen, with all in favor, the Amended and Restated Master Engineer's Report in Substantial Form, was approved.

B. Consideration of Supplemental Assessment Methodology Report

Ms. Adams stated this report is in the agenda packet on page 29. She noted this deals with the Series 2023 project, the Phase 1 area which is the first bond issue for this District. The preliminary Supplemental Assessment Methodology will be included with the Preliminary Limited Offering Memorandum as part of the marketing package and the prospectus for the bonds. She noted these are preliminary numbers based on current market conditions, when the bond actually prices, the Board will have a final Supplemental Assessment Methodology so what is being presented is a preliminary Supplemental Assessment Methodology. Prior to reviewing this, the Board has reviewed a Master Assessment Methodology and Ms. Adams noted that the Board has gone through the process of levying the master assessments for the project. She noted for this particular bond issue they are estimating total levy of debt at \$3,430,000 for Series 2023 Assessments, which will be updated per final pricing but such final number will not exceed the not to exceed amount to be authorized by the Board via Resolution 2023-41 below. The Supplemental Assessment Methodology allocates the debt associated with this project and starting on page 37 of the electronic agenda packet, there are the tables. Table 1 identifies the two (2) different product types - 34' and 50' products and it also provides the number of units in each product type as well as assigning an equivalent residential unit (ERU) to each. She stated in this case the 50' product is 1 ERU, the 34' product is 0.75 ERU's. She noted the next page is the Series 2023 Project infrastructure cost estimates and these are the improvement costs of the projects that were just reviewed in the Engineer's Report. Table 3 is the bond sizing which includes the assumed interest rate based on the current market conditions. This also notes the anticipated funds for construction, debt service reserve, capitalized interest, the underwriters discount and the cost of issuance. Ms. Adams noted again that this, and most other numbers provided in this preliminary report, will be

updated once the bond is priced. Table 4 allocates the benefit that each unit will receive based on the allocation of Series 2023 Project costs. Table 5 is the par debt for the different product types based on targeted assessment levels. This also recognizes a developer contribution based on the difference between the bond sizing necessary to support Series 2023 Bonds and the Developer's targeted assessment levels. She noted on the next page of the agenda is the per unit assessment and the developer contribution was included in order to reach desired market conditions for the assessment level. She noted this is laid out a few different ways on Table 6 which is on page 14 of the report including the gross and net annual assessment levels on on-roll assessments depending on when property owners choose to pay their tax bill. The amount that will be on the tax bill is the gross amount. They get that discount if they apply that and make their early November payment. She stated the net amount is the targeted assessments to service the debt. She stated included with the Supplemental Assessment Methodology, a preliminary copy of the tax roll and legal description of the property are attached as exhibits.

Ms. Rigoni asked if the land subject to the special assessment receives special benefit from the Capital Improvement Program, specifically the Series 2023 Project. Ms. Adams stated yes. Ms. Rigoni asked if the special assessments are reasonably and fairly allocated to the lands subject to them. Ms. Adams stated yes. Ms. Rigoni asked if it is reasonable, proper and just to assess the costs of the CIP, specifically the Series 2023 Project, against the lands as provided in your methodology. Ms. Adams answered yes. Ms. Rigoni asked if the assessed lands would receive special benefits equal to or in excess of the special assessments being levied. Ms. Adams answered yes. Ms. Rigoni asked if the Supplemental Methodology is consistent with the Master Assessment Methodology Report. Ms. Adams stated yes. Ms. Adams asked for the Board's questions and consideration of approval of the Supplemental Assessment Methodology report in substantial form.

On MOTION by Mr. Iorio, seconded by Mr. Franklin, with all in favor, the Supplemental Assessment Methodology Report in Substantial Form, was approved.

C. Consideration of Resolution 2023-41 Bond Delegation Resolution

- i. Schedule I – Parameters**
- ii. Exhibit A: Form of Bond Purchase Agreement**
- iii. Exhibit B: Forms of Master Indenture and First Supplemental Indenture**

- iv. **Exhibit C: Form of Preliminary Limited Offering Memorandum**
- v. **Exhibit D: Form of Continuing Disclosure Agreement**
- vi. **Exhibit E: Form of Amended and Restated Engineer's Report**
- vii. **Exhibit F: Form of Supplemental Assessment Methodology**

Ms. Adams presented Cynthia Wilhelm who is serving as Bond Counsel for this project and will present Resolution 2023-41. Ms. Wilhelm stated what is being presented today is a Delegated Award Resolution and it serves two main purposes. She noted the first is to delegate the Chair of the Board the authority to enter into a bond purchase agreement so long as the terms of the purchase agreement are within certain parameters that the Board will be approving today. She stated the second purpose of the resolution is to approve in substantial form the forms of certain documents that are needed in order to market, price, and sell the bonds including the Bond Purchase Agreement, the Master Trust Indenture, First Supplemental Trust Indenture, the Preliminary Offering Memorandum, and a Continuing Disclosure Agreement. She noted strictly for the purpose of attaching the Supplemental Assessment Methodology Report and the Supplemental Engineer's Report to the Preliminary Offering Memorandum, those are also included as exhibits to the resolution simply for the approval to attach those. She noted as mentioned before, there are certain parameters in which the Chair may accept a bond purchase agreement and those are attached as Schedule I. She noted the maximum principal amount of the bonds is not to exceed \$5,000,000, the maximum coupon rate or interest rate is the maximum statutory rate, underwriting discount is a maximum of 2% and the not to exceed maturity date is May 1, 2065, and the redemption provisions are as provided in the form of the bond with optional redemption no later than May 1, 2034. She stated she would be happy to walk everyone through the documents as they are voluminous.

On MOTION by Mr. Franklin, seconded by Mr. Beasley, with all in favor, Resolution 2023-41 Bond Delegation Resolution, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Authorization for Acquisition of Phase 1 Improvements

Ms. Adams stated this is to kick off the process of staff working on the conveyance of property from the landowner to the District. Ms. Rigoni noted per the project manager, the developer is very close to being able to convey over the Phase 1 improvements. She noted that the

Developer is anticipating the improvements will be complete within the next month or so. She stated in preparation to submit requisitions simultaneously with the issuance of the bonds if not shortly thereafter, they are requesting that the Board authorize staff to work on the acquisition documents for Phase 1 improvements. She noted you have in front of you a list of the improvements that are anticipated to be acquired consistent with the Engineer's Report as well as a not to exceed acquisition amount which is the total construction dollars associated with public improvements that we are acquiring. Ms. Adams stated that they are amending the motion to not to exceed \$12,742,491.07.

On MOTION by Mr. Franklin, seconded by Mr. Beasley, with all in favor, the Authorization for Staff to work with Chairman in preparing and finalizing Acquisition of Phase 1 Improvements at a Not to exceed Acquisition Cost of \$12,742,491.07, was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Rigoni had nothing additional to report to the Board.

B. Engineer

Mr. Hindle left the meeting.

C. District Manager's Report

i. Balance Sheet & Income Statement

Ms. Adams presented the unaudited financials as included in the agenda packet on page 365. She noted these do not require any Board action and are presented for informational purposes. She noted that they have only had expenses related to the administration of the District. She noted if real property is acquired as early as July, there may be some maintenance and field expenses down the road this fiscal year and we have planned for that to be part of the budget for the next fiscal year. She asked for any questions.

ii. Ratification of Funding Requests No. 6 and 7

Ms. Adams stated these are included in the agenda packet on page 371. Funding request No. 6 is a total of \$1,904 and funding request No. 7 is a total of \$2,248. She stated she would be happy to answer any questions.

On MOTION by Mr. Iorio, seconded by Mr. Franklin with all in favor, Funding Requests No. 6 and 7, were ratified.

SEVENTH ORDER OF BUSINESS **Other Business**

There being no comments, the next item followed.

EIGHTH ORDER OF BUSINESS **Supervisors Requests and Audience Comments**

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Iorio, seconded by Mr. Franklin, with all in favor, the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman