

MINUTES OF MEETING  
HERITAGE PARK COMMUNITY DEVELOPMENT DISTRICT

A regular meeting of the Board of Supervisors of the Heritage Park Community Development District was held on Thursday, January 15, 2015 at 1:00 p.m. at the Heritage Park Amenities Center, 225 Hefferon Drive, St. Augustine, Florida 32084.

Present and constituting a quorum were:

Ken Kinnecom	Chairman
Mark Masley	Vice Chairman
Ralph Pennington	Supervisor
Rod Philbrick	Supervisor
Michele Arreguin	Supervisor

Also present were:

Jim Oliver	District Manager
Carl Eldred	Hopping Green and Sams
Mike Eckert	District Counsel
Jenny Urcan	Prosser, Inc.
Louis Cowling	GMS

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 1:00 p.m.

**SECOND ORDER OF BUSINESS**

**Public Comment**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the November 20, 2014 Meeting**

Mr. Philbrick stated on Page 4, Tenth Order of Business, it states "Mr. Philbrick," and it is actually Mr. Pennington. On both lines where it says Mr. Philbrick, it should be Mr. Pennington.

Mr. Eldred stated on Page 2, in the Motion Box under 6<sup>th</sup> Order of Business, after the words "registered agent," we suggest it say "and designate a new registered office."

On MOTION by Mr. Kinnecom seconded by Mr. Masley with all in favor the Minutes of the November 20, 2014 Meeting were approved as revised.

**FOURTH ORDER OF BUSINESS****Update Regarding Conveyances**

Mr. Eckert stated we provided the board with a memorandum on some clean-up conveyances that needed to occur. We have reached out to Harbco, the original developer, and they have been amenable to providing us with the clean-up deeds. They did raise an issue about some other lands. We have also reached out to Lennar and talked to them. They initially have been cooperative in terms of saying okay, what do we need to do. The issue has been whether or not we can get a hold of their old finance company because they are going to have to sign off on some stuff. We are still trying to find a contact with that finance company. The developers have indicated they are cooperative. The issue that Harbco raised is there are two parcels of land that they still own and is in their name. Those are depicted in purple on the map that has been distributed to you. Harbco wants an answer back from the District as to whether or not the District would like to be deeded these lands. There are unpaid taxes on the lands, but I anticipate given the amounts of them, they would pay them in association with the conveyance, and we requested that. At the same time, it is a policy decision for the board whether or not you want to take the land, whether or not you want to suggest the HOA take the land. It probably doesn't make good long-term sense for the community for the developer to own it in perpetuity because at some point the developer will close its doors on this project and have no more involvement in it whatsoever. We are bringing this to the board's attention to try and get an idea of what the board would like us to tell the developer in relation to these two parcels.

Mr. Kinnecom stated help me understand about tax certificates. Looking at the history on the subject properties in the purple, family members of the Watson Group bought the tax certificate and paid for 2008, 2009, 2010, and 2011 at about \$83 each year, that is what they paid for each one. The current tax bill where you could pay it in November has been paid. Now, can Watsons hold us up about those tax certificates, make us pay more?

Mr. Eckert responded what we would require the developer to do, and these are not huge amounts we are talking about, but we would require the developer at the time of closing to issue us title that is free and clear of those tax certificate liens. So what they would have to do is they could go to the county and pay the amount of the tax certificate plus the interest and fees that are

due, and then we go close, all those will be cleaned up and gone. So they can't come back to the District later after we take title and say, "hey, you owe some money." We would be protected; otherwise we wouldn't take title to the property.

Mr. Kinnecom stated I have visited this property in the purple more than once. Those trailers and small lots all have the elevated drainage for the sewer. In between the two rows of lots is a ditch, and there is a lot of gray water. It goes under the street by a galvanized pipe, but something has been added. It is a 4 or 6-inch black pipe, which extends into the mitigation area on the easement. I am wondering if there is any liability for the CDD in the future with that sewage draining into this conservation area?

Mr. Eckert responded we would want our District Engineer to go look at that and make sure whatever improvements are there are actually permitted improvements because it could be something somebody added later on. From there we can tell you whether or not we think there is some liability. There is less liability if it is a permitted thing that is being used in association with how it was designed. When I first looked at it, I wondered whether or not the CDD wanted to take these lands at all or whether or not they wanted to push them off and say HOA. They are really more adjacent to the HOA lands. That is a discussion we need to have. If we were in the position of taking that land or the HOA, they would want to have an engineer to go out and look at it and make sure there is nothing apparent that looks like would be a problem.

Mr. Kinnecom stated I think it is important that we do get that into the CDD property because this land adjoins our Pond #1400 that we are responsible for. I imagine because it is all under one legal description, we don't have a choice to say let me have that part but not this.

Mr. Eckert stated I think you have that choice.

Mr. Kinnecom stated if we have a choice, I would like to see us get that adjacent land to Pond 1400. The county code of this property next to easement #4 in purple is BP – bad property. So there is an assessment. The appraiser puts the value at \$1,285, which I believe relates just to this outlined mapped area next to Pond 1400. I do move that we proceed to see if we can get this cleared up and a reasonable cost to acquire the property in conjunction with tests for that land next to conservation area #4.

Mr. Eckert asked does the board want us to reach out to the HOA, because I think the developer is looking to divest of the property, assuming there are no environmental issues. If there are environmental issues, they may be stuck with it. If there are no environmental issues,

does the board me to talk to the HOA about taking this property under conservation #4, because the HOA land is what underlies the conservation easement is my understanding.

Mr. Philbrick stated I think it would only be fair to ask them if they would want the property and also what situations would be involved with accepting the property.

Mr. Eckert stated Pond 1400, I think I heard from the chairman that he would like the CDD to own that property. I think it is conservation easement #4, which really doesn't apply to any other CDD land that I am just saying I can either go back to the developer and tell him we will take this one but you are on your own on this one or I can say we will take this one, and I will talk to the HOA and provided there are no issues with this, they would like to have that. I am just trying to figure out what you want me to say to the HOA.

Mr. Kinnecom stated I agree. We want the land by 1400. Let's give the HOA the option for conservation area #4 with a second choice of letting the developer keep it, or if we have to, make it a part of the CDD as long as it doesn't create a state of liability for us.

Mr. Oliver stated I think that is adequate direction without a motion.

**FIFTH ORDER OF BUSINESS**

**Update Regarding Easement Encroachment**

Mr. Eckert stated the easement encroachment at the last board meeting I attended, which there was one in between that Lindsey Whelan attended on our behalf, we had reached out to the homeowner who had installed the pipe, and he was cooperative in dealing with me. I turned it over to Jim and Louis to determine what is the appropriate fix. There was still a pipe in the ground, but according to him it wasn't connected to anything, it wasn't draining anything, it was just that he didn't want to dig the pipe up after he had installed it and disturb the earth again. I don't know what has happened since then.

Mr. Cowling stated we recapped the pipe close to the property line. We did not remove the old pipe. It did not appear to be connected to anything, and there was nothing flowing of it. It was covered up.

**SIXTH ORDER OF BUSINESS**

**Acceptance of Draft FY14 Audit**

Mr. Oliver stated a copy of the draft audit is in your agenda packets. Counsel has provided some additional comments, which we provided to the auditor. There is nothing exciting about this audit. Like every year, it is a clean audit. You will see the opinion after

inside the Table of Contents, and it says “in our opinion, the financial statements referred to above present fairly in all material aspects the respective financial position of the governmental activities and each major fund of the District as of September 30, 2014.” It says the financials are in accordance with the generally accepted accounting principles of the United States of America. Over the next several pages you will see management discussions as well as the consolidated financials. The notes to the financials start on Page 13. One that will be of significant interest since you were part of this process is Note 7 on Page 18. It shows the refinancing with the issue Series 2013 bonds. There is some good historical information there. It says the refunding resulted in an economic gain for the District of approximately \$270,000 due to lowered assessments. Beginning on Page 23, you see the report on internal controls, and in the fourth paragraph on that page, one of the sentences says during our audit, we did not identify any deficiencies in internal control that we consider to material weaknesses. Beginning on Page 26, you will see the management letter. It refers to the purpose of that letter, which is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida, and the three things to be commented are current year findings and recommendations, of which there are none; prior year findings and recommendations, of which there are none; and finally compliance of provisions of the Auditor General of the State of Florida, and we are compliant as it shows in the seven statements below that. Particularly important is Item #6, “The District has not met one or more of the financial emergency conditions described in Section 218.503(1) of the Florida Statutes.” That is a good thing. You don’t want to meet any of those conditions. It is a clean audit. As soon as we get the final edition, we will circulate it to the board, have it posted to the website, and send it to the Auditor General.

On MOTION by Mr. Kinnecom seconded by Mr. Pennington with all in favor to accept the Draft FY14 Audit was approved.
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## **SEVENTH ORDER OF BUSINESS**

### **Discussion of Traffic Calming Study**

Mr. Kinnecom stated I have been approached by number of people having concerns about the increase of traffic we are going to see with the development of San Salito. We are getting a lot more trucks going through. Once we get another 520 homes in there, we are going to have a

heavy flow of traffic on Heritage Park Drive. In the last traffic calming study in 2007, it was noted that using Heritage Park Drive as a cut through did not save any time. We had asked at the time to make it a 4-way stop at Red House Ranch Road east and west or speed bumps. We got nothing. That study was done at time when Quail Ridge and New Hope Village were just starting. They were clearing land and doing the infrastructure. I can see it coming. We need to do something to detour the traffic and let them follow Woodlawn on the big loop to see if we can get the county to go with a traffic calming study for not only what exists at the present but what can be anticipated based on the volume of homes in San Salito. A lot of people don't know about the other new development, Coquina Crossing. If you take Woodlawn and head west, instead of taking the bend to go up to Publix, you go straight ahead. That is a Richmond American Homes development. I don't know how many homes are going to be in there, but I don't think it is going to have an effect on Heritage Park Drive, but it is going to have an affect to Woodlawn. As you look at Woodlawn from State Road 16 down to Heritage Park Drive between 4:00 and 5:30, it is amazing how many vehicles are heading towards 16 to go home. They are not all county employees. I think we need to take a good luck and see if we can have a traffic light, 4-way stop, median, or speed bumps. Something needs to be done. Whatever we need to do, I would like to put in conjunction with the HOA, for their meeting coming up on the 22<sup>nd</sup>, to make it a joint effort to have a traffic calming study. It would be limited to the Heritage Park Drive and surrounding Woodlawn area. I don't think we have to expand the study to include other areas. The most important part is Heritage Park Drive. A few years ago, Royal St. Augustine had a traffic problem with people cutting through. They were able to put in speed bumps, which then reduced the traffic tremendously.

Mr. Oliver stated we have a traffic calming study underway at John's Creek on County Road 210. We sent a joint letter from the CDD and the HOA requesting that earlier in 2014. They eventually approved it, and the study is just about done now. What I can do is take that letter, revise it somewhat, and provide it to the chair. You can certainly bring that to the HOA, and if they are willing to do it and this board wants to do it, we can proceed. Andy Ames will be copied. He is part of the process of coming and briefing the residents. There is a lot of resident involvement in the process.

On MOTION by Mr. Kinnecom seconded by Mr. Masley with all in favor to request the county perform a traffic calming study on Heritage Park Drive was approved.

Mr. Oliver asked Mr. Kinnecom if the HOA isn't interesting in co-sponsoring, do you want to proceed anyway?

Mr. Kinnecom responded yes.

Mr. Eckert stated the county has been receptive to coming back to places we have asked them to do. That has been our experience.

Ms. Urcan stated even if we reference some of the new developments, the county will likely pass it on to the engineers involved with the projects to have them provide whatever studies they have done. If we could reference some of these new developments, that always helps.

**EIGHTH ORDER OF BUSINESS**

**Discussion of Temporary Construction Easement**

Mr. Kinnecom stated the HOA has received correspondence from St. John's County, the Roads and Bridges Division. They want to remove the wooden bridge on Woodlawn and replace it with a concrete bridge. I have noted for a long period of time that the wooden bridge is getting real shaky. They have determined it to be at the point of being unsafe. The land adjoining the bridge is both CDD and HOA. For concurrence, I think we need to send a letter to the HOA saying yes we agree so at their meeting next Thursday, the HOA can review their part and get it submitted into the county.

On MOTION by Mr. Kinnecom seconded by Ms. Arreguin with all in favor to allow construction easement for the wooden bridge on Woodlawn Road to be replaced with a concrete bridge as communicated by St. John's county was approved.

**NINTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**TENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Eldred stated it is a pleasure to be here. I wanted to note that in Tallahassee, the Florida legislature is ramping up for the new session. There have been committee meetings already, and we will continue to monitor efforts being taken to draft legislation that may impact CDDs in generally. We will issue a bulletin that will outline key pieces of legislation.

**B. Engineer**

Ms. Urcan stated I have nothing to report.

**C. Manager**

Mr. Oliver stated I have anything to report.

**D. Operations Manager**

Mr. Cowling stated my report is quiet. Turf isn't growing, we are doing spot mowing here and there. The pond banks are in good shape, and trash has been minimal. We are working on a cost estimate for the lighting project at the intersection of Red House Branch and Heritage Park Drive. I have an estimate of roughly \$4,700. It would be \$2,200 to \$2,500 depending on the concrete for the installation of footing and conduit and the pole, and the pole itself is a little over \$2,000.

Mr. Kinnecom asked when we did the other three traffic lights at the south, east, and west entrances, we certainly stayed under budget. It was a \$15,000 approval, and we came in at \$14,100 I think. It would be really good to light up that intersection of Red House and Heritage Park.

On MOTION by Mr. Kinnecom seconded by Mr. Pennington with all in favor to authorize installation of a LED street light pole not to exceed \$5,000 was approved.

Mr. Kinnecom stated we can tie that into an existing electric service that operates the fountain at #600, which will save money.

**ELEVENTH ORDER OF BUSINESS**

**Audience Comments**

An audience member asked do you know how much the homes in the new subdivision are starting at?

Mr. Kinnecom responded in San Salito, the smallest is 1,550 square feet and starts at \$201,000. They are going to have some homes as large as 4,200 square feet, and there will be



about 45 homes intermingled called affordable housing. That doesn't mean trailers or modular housing. What it means is the depth of the homes will not be as great as others. That is good news. I hope to get lots of sales because if they do, it is going to bring up the values, I believe, in Heritage Park. Keep in mind they will not have a CDD, and as a result the lot prices per unit will be higher proportionately, allowing for inflation, as compared to Heritage Park. The new signs for Coquina Crossing have been posted, and it indicates that prices there will start in the \$250s, so I think we are heading in a good direction on our property values.

**TWELTH ORDER OF BUSINESS                      Supervisors Requests**

There being none, the next item followed.

**THIRTEENTH ORDER OF BUSINESS              Financial Reports**

**A.    Balance Sheet and Statement of Revenues & Expenditures**

Mr. Oliver stated the unaudited financials are through December 31, 2014.

**B.    Approval of Check Register**

Mr. Oliver stated included in your agenda package is a check register.

On MOTION by Ms. Arreguin seconded by Mr. Pennington with all in favor the Check Register was approved.

**C.    Assessment Receipts Schedule**

Mr. Oliver stated as of the end of December, you are at 90.25%, which is a great place to be.

**FOURTEENTH ORDER OF BUSINESS              Next Scheduled Meeting – March 19, 2015**

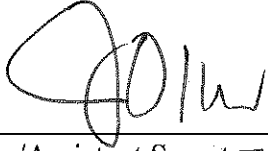
Mr. Oliver stated the next scheduled meeting is March 19, 2015 at 1:00 p.m.

**FIFTEENTH ORDER OF BUSINESS              Adjournment**

On MOTION by Mr. Pennington seconded by Mr. Masley with all in favor the meeting was adjourned.

January 15, 2015

Heritage Park CDD



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Secretary/Assistant Secretary



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Chairman/Vice Chairman