

MINUTES OF MEETING
HERITAGE PARK COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Heritage Park Community Development District was held on Tuesday, January 7, 2025 at 11:00 a.m. at the Heritage Park Amenity Center, 225 Hefferon Drive, St. Augustine, Florida 32084.

Present and constituting a quorum were:

Thomas Ferry	Chairman
Robert Curran	Vice Chairman
Joanne Wharton <i>joined late</i>	Supervisor
Judith Kinnecom	Supervisor
Louis Pingotti	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Ryan Stilwell <i>via phone</i>	District Engineer
Kyle Magee <i>via phone</i>	Kutak Rock
Niyala Harrison <i>via phone</i>	Bond Counsel
Rhonda Mossing <i>via phone</i>	MBS Capital Markets
Geri Ferry	HOA
Residents	

The following is a summary of the actions taken at the January 7, 2025 Heritage Park Community Development District's Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 11:00 a.m. All Supervisors were present with the exception of Ms. Wharton.

SECOND ORDER OF BUSINESS

Public Comment (*regarding agenda items listed below*)

This item was discussed during the third order of business.

January 7, 2025

Heritage Park CDD

THIRD ORDER OF BUSINESS**Series 2025 Bond Matters**

Mr. Oliver reported that this meeting was advertised as a special meeting for the purpose of issuing the Series 2025 bond. A 30-day mailed notice was sent to all property owners within the District on December 7th, as required by Statute and an advertisement was placed in the St. Augustine Record. Several months ago, the Board entered into a Purchase and Sales Agreement with the owner of the land across the parking lot. The funding mechanism for this parcel, which had been discussed for the past year, would be finalized at this meeting, which was through the issuance of bonds. The District last issued bonds in 2013 and at this meeting, the Board would issue the Series 2025 bonds. In the mailed notice, residents were informed that the Heritage Park CDD, was contemplating the issuance of a series of bonds that would refund the outstanding Series 2013 bonds and purchase a parcel of real property, which was explained in detail. Attached to the notice was the statutory required information that the CDD was required to provide to all landowners. The land was being purchased by the CDD and was directly across the parking lot from the Amenity Center. It included a portion of the Amenity Center parking lot, which was currently fenced off, but if the District completed the transaction, the fence would be removed by the current property owner, as a requirement of the Purchase and Sales Agreement. The net purchase price was \$360,000 and the appraised value was \$560,000. The purchase gives the CDD control of the property, including the property lot, but the District currently had no plans to build on it.

Mr. Oliver explained that a portion of the Series 2025 bonds, would refund the outstanding Series 2013 revenue bonds at a lower rate, resulting in a lower assessment for the property owners and a portion would be used to purchase the property. Property owners who previously paid off the Series 2013 debt on their bonds, were not impacted by the refunding bonds. The bonds matured in 2036 and all properties would be impacted by the revenue portion. The interest rate for the bonds was projected to be a maximum of 5%, but market conditions would determine available rates in early January. The notice contemplated 5%, but shortly after the CDD had the ability to lock in the rate, rates dropped to 4.28%, which was locked in and therefore, today's numbers were based on 4.28%. Total annual assessments, the refunding portion plus the revenue portion, were due to be collected on property Tax Bills in November of 2025. A 53-foot lot, paying \$572.76 for the Series 2013 bond, would pay \$527.63 for Fiscal

January 7, 2025

Heritage Park CDD

Years 2025 through 2034, which would decrease to \$524.36 in 2035 and further decrease to \$50934 in 2036.

- **Public Comment** (*regarding agenda items listed below*)

A Resident requested background on the scope of a CDD. Mr. Oliver explained that a Community Development District or CDD, was a unit of government in Florida, which was established by St. Johns County under Chapter 190 of the Florida Statutes. A CDD was formed for two purposes; to issue bonds to either finance the acquisition or construction of public facilities and infrastructure, such as roads, stormwater management systems and Amenity Centers and to operate, maintain the infrastructure. It was a very limited form of government, as a CDD only has jurisdiction over assets that the CDD owned and not private property. The roads were conveyed to St. Johns County. Residents asked if there was another piece of land that would be subject to the same as this parcel and how long the CDD would be in existence. Mr. Oliver was not aware of any other piece of property, as this was a unique situation. The CDD would be in existence as long as the CDD had bonds, but if no bonds were remaining, the facilities that the CDD owned, must continue to be operated and maintained. A CDD could be terminated, but in Northeast Florida, this had not occurred. Mr. Haber clarified that a CDD was intended to last forever, but if the debt service goes away, the CDD would no longer have any financial obligations. If a party was willing to take over the CDD property, such as the ponds, they could petition the county to dissolve the CDD. However, he did not recommend it, because as a unit of government, residents would receive the benefit of sovereign immunity, i.e. if someone falls in one of the ponds and dies, the community's liability was significant less, if the ponds were owned by a government, versus a private party such as an HOA. A Resident who had 40 years of utility business, recalled that CDDs were self-extinguishing after the debt was paid. Although it was a form of government, it was typically established by a developer to pay for roads and other infrastructure. It artificially deflated the initial price of the home, because the owner would pay for all of the other infrastructure over a longer period of time. A Resident questioned whether the roads would be public if the maintenance was turned over to the city. Mr. Oliver replied affirmatively.

**Ms. Wharton joined the meeting at this time.*

January 7, 2025

Heritage Park CDD

A Resident voiced concern about the pond banks. Mr. Oliver would speak to Mr. Ryan Stilwell and the Operations Manager, Mr. Jeff Johnson, about this matter, as it would be discussed at the January 23rd meeting.

A. Public Hearing on Special Assessments

On MOTION by Ms. Wharton seconded by Mr. Pingnotti with all in favor the public hearing on special assessments for the Series 2025 bond was open.

Ms. Wharton thanked all of the residents for attending and apologized for her lateness. Residents questioned why they would need to pay off the new bond, if they paid off their existing bond, as a buyer would benefit from it, whether there were reserves to pay for maintenance of this parcel, if the CDD would be responsible for maintaining a portion of the parking lot, if the landscaping costs were included and whether the contract was already in place. Mr. Oliver explained that the 2013 bonds were used to build existing infrastructure and the 2025 bond, would provide the cash to purchase the parcel. Mr. Haber noted that a buyer would receive the benefit of having the bond paid off. Ms. Wharton pointed out that they did not foresee any additional bond issues. Regarding the parking lot, Mr. Oliver indicated that the maintenance costs were included and would either be maintained by the CDD or HOA, but currently, the parking lot was not being used. Ms. Wharton pointed out that there was no money allocated, because the CDD did not yet own the property. Mr. Oliver confirmed that there were capital reserves for the Clubhouse or Amenity Center and there was a Purchase and Sale Agreement, as the Board previously decided to purchase the land contingent upon financing. The purpose of the public hearing was for the Board to hear resident input and consider whether or not to finance it through the issuance of bonds. Ms. Wharton recalled that this was not the first meeting that the Board discussed the purchase of this property.

Several residents indicated whether they were for or against the purchase. The ones who did not agree with it, did not want to pay for it, as they would not benefit from it. One resident suggested that the District negotiate with the owner of the parcel to build four or five single-family homes and once the capital improvements were paid for, the CDD would dissolve and all maintenance responsibilities would transfer to the HOA. The residents that were in favor of

January 7, 2025

Heritage Park CDD

purchasing the property, were happy that the CDD was taking over responsibilities, as it would be better for the entire community and would be a burden to the HOA. They did not want rental townhomes or apartments and preferred having a playground. A Resident who lived in the green house, recalled that there were negotiations with the owner, but they refused. They preferred to build 12 rental homes, which the resident was not in favor of, as it would decrease property values and promote vandalism. Another Resident pointed out that the owner was unreasonable and aggressive. Residents also questioned the bond rate and the gross annual payment revenue assessment for Fiscal Year 2036. Mr. Oliver stated that the bond rate was 4.28% and the gross annual payment revenue assessment was based on 5%. Residents would be paying the debt service to pay back the bonds used to build the infrastructure. One Resident voiced concern if the CDD did not purchase the property, it could turn into a big problem, as there were a number of homes that were rentals, which disturbed her. If she lived by this property, she would be concerned about what was going to be built there. Mr. Oliver confirmed that at this time, the Board had no plans to do anything with the property. Ms. Geri Ferry of the HOA pointed out that the plat for this property was open space for the benefit of the Heritage Park HOA. A Resident who lived behind this property, was concerned about anything that was built there, impacting the entire community, whether they lived near it or not, as it would change the nature of their amenities. There were no further audience comments.

On MOTION by Mr. Ferry seconded by Ms. Wharton with all in favor the public hearing on special assessments for the Series 2025 bond was closed.

B. Consideration of Resolution 2025-06. Equalizing and Levying Special Assessments

Mr. Haber presented Resolution 2025-06. Equalizing and Levying Special Assessments, which was the formal step to put the new assessments into place. The substance of the resolution was primarily in the two exhibits, the Engineer's Report, describing the parcel of property to be purchased and the Assessment Methodology, which described how the assessments would be allocated to the property. Lending assessments was a two-step process. The District had taken the first step in November, when it adopted the resolution declaring assessments, which was published in the newspaper and resulted in Mr. Oliver's office sending the mailed notices to the

January 7, 2025

Heritage Park CDD

entire community about today's hearing. The intent was to inform anyone who may be impacted by this assessment, the dollar amounts and the purpose of the assessment. At this meeting the Board was considering whether or not to proceed with levying and imposing the assessment, which was the purpose of this resolution, in order to refinance the bonds and acquiring the property, which were in the best interest of the CDD. Mr. Oliver pointed out that the assessments are fairly allocated to all of the properties within the CDD. It was the same Assessment Methodology that was used in 2004, assigning debt to the multi-family and single-family homes. Ms. Wharton requested that Mr. Oliver discuss the amount to be financed and the allocations, as residents had problems interpreting the mailed letter.

Mr. Oliver reported that there were 723 accessible units in the District, with 685 units actually paying debt service, as eight property owners paid off their debt. However, the eight property owners would have additional debt with the revenue bond but would not pay the same assessment as the remaining property owners. Table 2, Sources and Uses of Funds showed that the District was issuing \$3,050,000 worth of bonds, plus \$400,000 for the revenue bonds, which would cover the cost of the issuance and generate the money to pay off the existing 2013 bonds and the net proceeds of \$360,000 to buy the land across the street. Table 3, Allocation of Series 2024 Par Debt per Unit by Product Type, showed the product types for the Series 2024 refunding and revenue bonds, the single-family and multi-family homes, for the 53', 63', 75' and 85' lots, as well as the allocation. It followed the Assessment Methodology that was created in 2004. Table 4, Annual Debt Service Assessment per Unit and by Assessment Area, showed the debt by product type. The last item was the draft Assessment Roll, showing the assessments.

On MOTION by Ms. Wharton seconded by Mr. Curran with all in favor Resolution 2025-06 Authorizing District Projects for Construction and/or Acquisition of Infrastructure Improvements; Equalizing, Approving, Confirming and Levying Special Assessments on Property Specially Benefited by Such Projects to Pay the Cost Thereof; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Confirming the District's Intention to Issue Special Assessment Refunding and Revenue Bonds for Series 2024; Making Provisions for Transfers of Real Property to Homeowners Associations, Property Owners Association and/or Governmental Entities; Providing for the

January 7, 2025

Heritage Park CDD

Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date was adopted.

C. Consideration of Delegation Resolution 2025-05

1. Form of Trust Indenture

2. Bank Term Sheet

Mr. Haber presented Resolution 2025-05, the Delegation Resolution, which was prepared by Bond Counsel. Previously, the Board authorized the Underwriter, to work with a lender to issue a bond to pay off the 2013 bonds and purchase the real property. It delegated authority to the Chairman, to sign various documents to close on the transaction, resulting in a new bond being issued, a Series 2025 bond, which had two components. The first component paid off the 2013 bonds, because the District was able to achieve a lower interest rate. There are savings on the remaining term of those 2013 bonds, through 2035 and the additional year in 2036, would pay off the additional sums that were needed to acquire the real property. The resolution also delegated to the requisite authorities, to move forward on the closing of the bonds, which would put the District in the position to acquire the real property. There was an agreement with the owner of the property, with the expectation to close on the property by the end of the month. Ms. Niyala Harrison of Greenberg, Traurig, serving as Bond Council, was present to answer any questions and pointed out that attached to the resolution, was a copy of the Trust Indenture between the District and Regions Bank as the Trustee and holder of the bonds. Upon adoption of this resolution, documents related to the closing, would be signed immediately after the meeting and the bonds would close on January 9th.

On MOTION by Ms. Wharton seconded by Mr. Curran with all in favor Resolution 2025-05 Authorizing the Issuance of \$3,450,000 Special Assessment Refunding and Revenue Bond, Series 2025 for the Purposes, Together with Other Legally Available Funds of the District, Of (I) Defeasing and Refunding, On a Current Basis, All of the District's Outstanding Special Assessment Refunding Bonds, Series 2023, (II) Funding the Purchase of Vacant Property Adjacent to the Heritage Park Amenity Center, (III) Making a Deposit into the Series 2025 Interest Account, and (IV) Paying Certain Costs Associated with the Issuance of the Bond; Approving the Form of and Authorizing the Execution and Delivery of a Trust Indenture with Regions Bank, As Trustee; Providing for the Application of Bond Proceeds and Certain Other

January 7, 2025

Heritage Park CDD

Moneys to Refund the Refunded Bonds; Directing the Call for Redemption of the Refunded Bonds; Determining the Need for a Negotiated Sale of the Bond; Providing for a Direct Placement Sale of the Bond to Regions Equipment Finance Corporation, As Lender; Providing for the Application of Bond Proceeds; Authorizing the Proper Officials to Do All Things Necessary in Connection with the Issuance, Sale and Delivery of the Bond and the Refunding of the Refunded Bonds; Making Certain Declarations; Designating the Bond as a “Qualified Tax-Exempt Obligation” Within the Meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, As Amended; and Providing an Effective Date was adopted.

D. Pre-Closing on Bonds

Ms. Wharton requested that the fence be removed prior to the closing on January 9th. Mr. Haber clarified that there were two closings on the bonds. On January 9th, the money would be released from the lender and the District would pay off the 2013 bonds and the money to purchase that property, would be placed in the District's bank account. The closing on the real estate, was scheduled with an open deadline for the rest of the month, no later than the last day of the month. In speaking with the seller’s lawyers yesterday, they were waiting until there was confirmation that the bonds were issued, before they removed the fence, but assuming everything moved forward at this meeting, the fence would be removed. Ms. Wharton asked if the Title Report was clean. Mr. Haber confirmed that a real estate lawyer in his firm worked with counsel for the seller on the title commitment and insurance. Ms. Wharton recalled Ms. Geri Ferry saying that there was an issue about one parcel not being deeded correctly. Ms. Ferry confirmed there was a Schedule K agreement with the HOA, to maintain the parking lot, which would be null and void once the property was sold.

FOURTH ORDER OF BUSINESS

**Next Scheduled Meeting – January 23, 2025
@ 1:00 p.m.**

Mr. Oliver reported that the next meeting was scheduled for January 23, 2024 at 1:00 p.m., which was the regular meeting. The Budget for Fiscal Year 2025 would be discussed.

January 7, 2025

Heritage Park CDD

FIFTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Ferry seconded by Ms. Wharton with all in favor the meeting was adjourned.

DocuSigned by:

Jim Oliver

D18A6E6E7410418...

Secretary/Assistant Secretary

Signed by:

Thomas Ferry

F8AAAF8FC44F845A...

Chairman/Vice Chairman