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**MINUTES OF MEETING
K-BAR RANCH
COMMUNITY DEVELOPMENT DISTRICT**

9 The regular meeting of the Board of Supervisors of the K-Bar Ranch Community
10 Development District was held on Wednesday, July 13, 2011 at 10:00 a.m. at the offices
11 of Stantec/ Wilson Miller, 2205 North 20th Street, Tampa, Florida.

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FIRST ORDER OF BUSINESS – Roll Call

Mr. Daugirda called the meeting to order.

The Board members introduced themselves for the record.

Present and constituting a quorum were:

Leonard Johnson	Vice Chairperson
Sasha Goodman	Supervisor
Marc Mobley	Supervisor
Vanderlyn Brown	Supervisor

Also present were:

John Daugirda	Manager
Gina Grimes	District Counsel
Tonja Stewart	Engineer
Mike Metropolis	Resident
Steve Sanford	Bond Counsel

Mr. Daugirda established a quorum of the Board was present.

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THIRD ORDER OF BUSINESS – Public Hearing on the Imposition of Special Assessments

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On MOTION by Mr. Mobley, SECONDED by Ms. Goodman, WITH ALL IN FAVOR, the Board opened the public hearing.

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A. Overview of Bond Financing

Mr. Daugirda stated the proposal is to issue bonds in the amount of \$700,000 at 30 years at 8.1% coupon rate interest. The construction proceeds would be approximately \$577,553. Twenty-Five percent of the maximum annual debt service will

1 be the reserve fund \$15,528. Capitalized interest for four months of \$17,414;
2 underwriters fee \$4,000; and estimated cost of issuance \$69,775.

3 Ms. Grimes stated there is a provision in the Florida Statute that deals with
4 conflicts of interest of Board members working for the developer of the property and
5 exempts the Board members from these conflicts. It allows you to vote, but you have to
6 announce you are an employee of the developer. Normally, you only need to announce
7 that conflict annually; however, in this instance, Mr. Johnson also is an officer of the
8 entity that owns the parcel of land where the amenity is constructed. In this case, it is a
9 direct gain as far as him being an owner. I have discussed this with Mr. Johnson and he
10 is going to file a Form 8, Voting Conflict Form, and abstain from voting.

11
12 **A.1 Discussion of Terms of Recreational Facility Acquisition Agreement**

13 Ms. Grimes stated the Acquisition Agreement will need to be entered into with
14 MJB, the owner of the property. We talked about whether the facility will be complete
15 by the time we have the bond closing, and given we are projecting to have the closing by
16 the end of the month; it does not appear the improvements will be completed. We can
17 make it a Completion and Acquisition Agreement. We just need to be certain the
18 developer has the obligation to complete this improvement. I don't want to find out at
19 the bond closing it is not complete and all we have is an Acquisition Agreement.

20 Ms. Stewart stated I have talked to the builder and he is working very hard to get
21 the project completed, and knows we will not acquire it until it is complete and we have
22 the Certificate of Occupancy.

23 Mr. Metropolis stated as of the last meeting, nothing has been done.

24 Ms. Stewart stated more of a reason; we want to make sure that we have a
25 acquisition and completion agreement.

26 Mr. Sanford asked are we in step to put this on the November tax bills?

27 Mr. Daugirda responded that is correct. We received the appraisal, and after the
28 construction is complete we will retain a building inspector's response prior to the CDD
29 acquisition and funds released.

30 Ms. Stewart stated she will provide a certification from the District Engineer that
31 the improvements are complete.

1 Mr. Metropolis stated the community feels it is important to have in writing that
2 the developer will be responsible for the ADA compliance upgrades.

3 Ms. Grimes stated it will be included. I will send you a draft of the agreement.

4 Mr. Metropolis asked will there be a penalty if it is not completed in time, or fine?
5 The community at this point may not get use of the pool for a month.

6 Ms. Grimes stated there needs to be a deadline date for completion.

7 Ms. Stewart asked when we expect bond funds to be available.

8 Mr. Daugirda responded we are dealing with the assessments. Mr. Sanford will
9 present an Award Resolution to sell the bonds and close. We will need the Acquisition
10 and Completion Agreement in place.

11 Ms. Grimes asked what date should we continue this hearing to for the Delegation
12 Award Resolution and other ancillary documents?

13 Mr. Sanford stated once we get the Delegation Award Resolution approved by the
14 Board, we can pull the trigger on the actual issuance or wait awhile. I would give us two
15 weeks. The week of July 25th.

16 Board consensus was to continue the hearing to Tuesday, July 26, 2011 at 10:00
17 a.m. at WilsonMiller Stantec.

18

19 **B. Discussion of Appraisal**

20 Mr. Daugirda stated Riggins, Atkinson, Combs & Associates, Inc. was retained as
21 the appraisers. The appraisal was included in the Advance Board Package. They have
22 done a comparable analysis on the land and they have valued it at \$250,000 for the land.

23 Ms. Stewart stated the good news is the appraisal came in higher than the not to
24 exceed amount we established.

25 Mr. Daugirda stated the cost of the improvements was appraised at \$456,775; site
26 value of land \$250,000 for a total of approximately \$710,000.

27 Ms. Grimes stated the amount in the Acquisition and Completion Agreement will
28 be the sale price of the land and facility of the net construction proceeds of \$577,553.

29 Mr. Sanford asked has anyone thought about pro-ration for taxes.

30 Mr. Daugirda responded for this year this is a taxable event; for next year we will
31 file the government tax exemption between January 1 and March 1.

1 Ms. Grimes stated it will be shown on the closing statement.

2 Ms. Stewart stated what is confusing me is the net construction proceeds are
3 \$577,553, and we agreed to a not to exceed amount of \$550,000 for the facility and land.

4 Mr. Metropolis stated the community was wondering why we needed a bond of
5 \$700,000 when we only needed \$660,000.

6 Ms. Grimes stated the breakdown is in the assessment methodology report.

7 Mr. Metropolis stated that has changed from the original agreement the developer
8 approved. We all knew the cap would be \$700,000 on the issuance of the bonds, but the
9 developer offered to sell the CDD the land for \$50,000 and the construction costs were
10 \$470,000. We brought up in other meetings why there was an increase from the original
11 agreement where the original numbers came from.

12 Ms. Grimes stated those original numbers were estimates. The whole purpose of
13 obtaining the appraisal is to get a definitive value as to the improvements.

14 Mr. Metropolis stated let me try to explain. When all this started, the landowners
15 received a letter from Mr. Daugirda with the Assessment Methodology Report when the
16 facility was going to be purchased by Amenity Investments and the numbers in there was
17 \$50,000 for the land and so much for the pool. People were outraged, and I have
18 received three engineer's reports even though it says estimates of structure costs, it says
19 the total cost being acquired by the District is as follows based on the appraisal and
20 originally approved maximum value. In my mind, if the maximum value is \$700,000 and
21 it doesn't matter if the appraisal said \$900,000. That included all of the cost of issuance
22 of the bonds, so the developer is getting \$550,000 or \$570,000. They are entitled to make
23 a profit as a businessman, but the profit is pretty large. The people are going to ask how
24 much are we actually paying for the land, and how much for the facility; although it has
25 been explained several times at several meetings, I have to go back today and send out a
26 broadcast email that makes it very clear.

27 Ms. Grimes stated the appraisal is saying the approximate value of the land and
28 facilities is \$710,000, but the CDD is only going to be paying \$577,000.

29 Mr. Metropolis stated people have already questioned me why they did a cost
30 approach which benefits the development group. In this economy, there is no
31 comparative analysis of the pools and playgrounds and people are wondering why.

1 Mr. Sanford stated whatever the final purchase price is; we are not going to issue
2 more than we need.

3 Ms. Stewart stated we need to determine what the sale price is going to be.

4 Mr. Daugirda stated we are not going to go above the \$700,000 because that is the
5 maximum and the rest of it was estimates.

6 Mr. Metropolis stated if it is \$500,000 for the facility and \$50,000 for the land; it
7 is great the appraisal says the land is worth \$225,000. We need to know the exact cost of
8 the developer's sale price, and the exact cost of the bond issuance. If it is \$667,000 and
9 that is what is issued, that is all the community wants to see.

10 Ms. Grimes stated we need to determine today, what the sale price is going to be.
11 Since we have an appraisal showing it to be worth far more than what we are buying it
12 for, I looked at the net construction proceeds that was \$577,553.

13 Mr. Metropolis stated the original documents submitted to the community are far
14 less.

15 Ms. Grimes stated I understand that, but that was before the appraisal was done.
16 We are not far off.

17 Mr. Metropolis stated the community was given a set of documents that in their
18 minds the developer agreed to sell the property and the amenity for "x" number of
19 dollars. Regardless of what the appraisal said, why did this amount change?

20 Ms. Grimes stated I don't agree with your interpretation of what transpired, but if
21 the appraisal came in at under, I don't think the CDD would be willing to agree to pay
22 \$550,000 for it because that is what the developer agreed to sell it for.

23 Mr. Metropolis stated the community feels the appraisal is one-sided, even though
24 it balances to the CDD. Without the comparative analysis on the pool, and the amount of
25 \$123 a square foot to build the cabana is outrageous.

26 Mr. Daugirda stated we send out a notice about the hearing and proposed
27 assessments. It is the same methodology report we have now. The proposed sources and
28 uses of funds have the net construction proceeds as \$577,533.

29 Mr. Metropolis stated at that time the Board was asked why was their an increase
30 in the cost, and no answer was given by the Board.

1 Mr. Stewart stated back in March when we were first discussing this, we were
2 doing general estimate of the value of the improvement and there was a general estimates
3 of the land; now that we have an appraisal that is what we needed to go by.

4 Mr. Daugirda stated the one firm commitment was the \$700,000. We are not
5 going to go above that.

6 Mr. Metropolis stated I believe everyone understands the closing costs, but they
7 don't understand what we are paying the developer for the pool and land. People are
8 entitled to their opinions. The appraisal says it is worth \$710,000 and we are paying
9 \$577,000, keeping the closing costs and bond issuance cost out of it, we are getting a
10 bargain.

11 Mr. Grimes stated \$577,000 is all that is left to acquire it.

12 Mr. Sanford stated say we don't need the entire \$700,000, there will be operating
13 costs that will be needed for the amenity center. If you don't have the funds in the
14 general fund, you may want to think about issuing another \$5,000 or \$6,000 as an
15 operating reserve if you need it.

16

17 On MOTION by Mr. Mobley, SECONDED by Ms. Brown, WITH Mr. Mobley, Ms.
18 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
19 accepted the appraisal, as presented.

20

21 On MOTION by Mr. Mobley, SECONDED by Ms. Brown, WITH Mr. Mobley, Ms.
22 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
23 authorized District Counsel to Draft the Acquisition and Completion Agreement to
24 Acquire the Facility for \$577,553.

25

26 **C. Discussion of Improvement Plan**

27 Ms. Stewart stated the engineer's report reflects \$550,000, as it was my
28 understanding the total cost was not going to exceed \$550,000. In conversations, it
29 appears that the developer will accept the \$550,000.

30 Mr. Metropolis stated then we will pay \$550,000 to the developer, and the total
31 cost for the bonds is \$700,000 with the remaining difference excluding cost of issuance
32 and closing costs going into an operation reserve fund.

1 Ms. Grimes stated that is \$27,553 in excess funds, and I don't know if that is
2 acceptable amount.

3 Mr. Daugirda stated one is the operational costs, and the pro-rating on the ad
4 valorem taxes to the end of year.

5 Mr. Sanford stated we will have to determine what will be an acceptable amount
6 under the IRS standards. Everything will tee off the \$550,000.

7

8 On MOTION by Mr. Mobley, SECONDED by Ms. Brown, WITH Mr. Mobley, Ms.
9 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
10 withdrew the prior motion to authorized District Counsel to Draft the Acquisition and
11 Completion Agreement to Acquire the Facility for \$577,553.

12

13 On MOTION by Mr. Mobley, SECONDED by Ms. Goodman, WITH Mr. Mobley, Ms.
14 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
15 authorized District Counsel to Draft the Acquisition and Completion Agreement to
16 Acquire the Facility for \$550,000.

17

18 Ms. Stewart stated the Improvement Plan mimics the one on June 3, 2011 with the
19 exception of updating the cost based on the appraisal. Based on the appraisal I have the
20 value of the amenity center at \$456,775 and the land at \$93,225, which equals \$550,000.
21 The appraisal for the land is higher, and it is customary whenever I do original estimates
22 that it will change through the appraisal process, which is why these numbers changed,
23 but totals the not to exceed amount previously.

24 Mr. Sanford asked what did you use to base the cost estimate of the land?

25 Ms. Stewart responded it was actual cost. We previously discussed that any
26 appraisal or cost evaluation is not going to be based on income or comparable values
27 because there is nothing in the area, so it would have to be on the actual cost incurred. I
28 had back up support for those costs.

29 Mr. Sanford stated if you both used actual costs why are your numbers so
30 different from the appraisal.

31 Ms. Stewart stated because I understood the cost to acquire the amenity center and
32 land was not going to exceed \$550,000, and the land value is the difference.

33

1 On MOTION by Mr. Mobley, SECONDED by Ms. Goodman, WITH Mr. Mobley, Ms.
2 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
3 accepted the Improvement Plan dated June 3, 2011.

4
5 **D. Discussion of Preliminary Assessment Methodology**

6 Mr. Daugirda stated the breakdown is for \$700,000 bond amount over 30 years at
7 8.1%. The assessments are proportionate and assuming 378 planned lots/units at 1.0
8 ERU per residential unit each, and the assessments are spread equally.

9 Page 2 of the report sets forth the assessment standard that the property assessed
10 derives a direct and special benefit from the improvement or service provided and the
11 assessment much be fairly and reasonably apportioned among properties that receive the
12 special benefits. Table 1 shows the total District debt of \$700,000 and is \$1,852 per
13 planned lot; the maximum annual principal and interest and county tax collection charges
14 is \$176 per year.

15 Page 3 talks about the benefits that are applied. Recreational facilities provide for
16 activities and passive use recreation, enjoyment of the pool area and other areas. These
17 improvements will directly benefit the utilization of the property, and substantially
18 enhance the use and enjoyment of benefited residential properties and increase value and
19 marketability of the benefited residential properties. These benefits flow equally over all
20 benefited properties and are assigned a unit of measure of 1.0 ERU per benefited unit.
21 The assessments are equally allocated and consistent with the benefits received.

22 Page 4, Table 2 shows the allocated costs and assessments. Currently the District
23 consists of 196 developed properties and 4 acres of undeveloped property equal to 184
24 units. At this point developer property is at 51.3% of the debt and undeveloped property
25 is 48.7%

26 Page 9, Table 1 shows the estimated debt service requirements for Fiscal Year
27 2012 of \$66,673. The next table shows that each lot total principal of debt is \$1,851.86.
28 The calculation for the undeveloped property takes the estimated debt of \$66,673, minus
29 the assessment levied on developed property of \$34,219 for a remaining levy of \$32,455
30 on the undeveloped property, and equates to a \$198.94 per acre per year. Additionally
31 there is a calculation for the undeveloped property for the total bond debt of \$700,000,
32 and equates to \$2,088.60. If for some reason the developer builds under the 184 lots, we

1 have a true-up mechanism, where the undeveloped property owner would be required to
2 pay down the principal amount of the debt in full for the difference.

3 The bond sizing may change slightly based on the costs and we have included the
4 notices that were placed in the newspaper.

5 The purchase of the recreational facility using the District Debt will be utilized for
6 common District purposes. It will equally benefit all residential units. These equal
7 assessments are fairly and equally apportioned over all the benefited properties. The
8 benefited properties will receive benefits in excess of the allocated assessments.
9 Accordingly, this is an appropriate District project that will significantly benefit the
10 residential properties and enhance the District.

11

12 On MOTION by Mr. Mobley, SECONDED by Ms. Goodman, WITH Mr. Mobley, Ms.
13 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
14 accepted the Assessment Methodology Report dated June 9, 2011.

15

16 **E. Resolution Declaring Imposition of Special Assessments – Resolution 2011-9**
17 Ms. Grimes stated we have received some minor revisions from Mr. Sanford on
18 the resolution and they will be incorporated in the final resolution that approves, confirms
19 and levies the special assessments.

20 Mr. Sanford stated most of the revisions were clean-up. In this new era of
21 financing, the bondholders want to make sure that the assessments are being collected
22 pursuant to the uniform method of collection. The bondholders want to take away the
23 discretion of the Board for direct collection, and that the Board is committing to collect
24 these assessments by the tax collector. The only time the Board would not do so is if the
25 method was not available.

26 Mr. Daugirda stated the platted lots go on the tax roll, and undeveloped we
27 typically direct bill the owners. Are you saying that these assessments for this debt for
28 the undeveloped parcels should also be on the roll?

29 Mr. Sanford responded yes. The November payment will be made through
30 capitalized interest, and the first payment from assessments will be May 2012.

31 Ms. Grimes stated the resolution addresses the purpose of the bond issuances,
32 described the improvements, and incorporates the Improvement Report and final

1 Assessment Methodology Report which are exhibits to the resolution. The resolution
2 talks about equalizing the assessments, and if there are any changes using the ERU
3 method, and describes the payment schedule and method of collection through the
4 uniform method of collection on the tax bill. It addresses the true-up and general
5 provisions. Upon approval, it authorizes the Board to levy the special assessments on the
6 property.

7 Mr. Metropolis stated the Board has done a wonderful job with this project. It is a
8 fair and accurate assessment for the community.

9

10 On MOTION by Mr. Mobley, SECONDED by Ms. Goodman, WITH Mr. Mobley, Ms.
11 Brown and Ms. Goodman Voting Aye, and Mr. Johnson Recusing himself, the Board
12 adopted Resolution 2011-9, Authorizing the Acquisition of Certain Amenity Center
13 Improvements and Related Property.

14

15 **F. Other Matters or Documents**

16

17 On MOTION by Mr. Mobley, SECONDED by Ms. Goodman, WITH ALL IN FAVOR ,
18 the Board CONTINUED the Public Hearing to July 26, 2011 at 10:00 a.m. at the offices
19 of Stantec/WilsonMiller.

20

21 **SECOND ORDER OF BUSINESS – Business Administration Items:**

22 **A. Minutes of May 17, 2011 Board Meeting**

23 **B. Minutes of June 3, 2011 Board Meeting**

24 Mr. Daugirda stated each Board member received a copy of the minutes of the
25 May 17 and June 3, 2011 Board meeting and requested any additions, corrections or
26 deletions.

27 There not being any,

28

29 On MOTION by Mr. Johnson, SECONDED by Mr. Mobley, WITH ALL IN FAVOR,
30 the Board approved the Minutes of the May 17 and June 3, 2011 Board Meetings.

31

32 **FOURTH ORDER OF BUSINESS – Business Items:**

33 **A. Discussion of Proposed Budget FY 2012**

34 Mr. Daugirda stated we have another meeting on the budget on July 20.

1 Mr. Metropolis stated I believe the residents questioned the landscaping fees. I
2 know I have not received a raise in two years, and they were wondering why the fees
3 were going up \$30,000.

4 Mr. Daugirda stated that was not a raise, it covers new responsibilities and scope
5 of work.

6 Mr. Metropolis stated I believe that was the biggest flash point.

7 A discussion was held regarding the landscaper, scope of work, level of quality of
8 services, and pricing.

9 Ms. Grimes stated we will need to look at the estimated amount of operations and
10 maintenance for the amenity center, and what we need in net construction proceeds.

11

12 **B. Re-Consideration of Resolution 2011-10, Petitioning the City to Dissolve the**
13 **Bassett Creek Phase 1 Street Light District and Accepting the Bassett Creek Phase 1**
14 **and 2A Street Lights**

15 Ms. Grimes stated once again, we submitted this once, and the City Council asked
16 for additional changes to what we previously approved. This is another resolution
17 requested by the City to dissolve the Street Lighting District and transfer it to the CDD.
18 The financial impact to the residents will be no difference. It is just going to be billed
19 under a different line item on the tax bill. It will be under the CDD rather than a special
20 line item under Street Light District.

21

22 On MOTION by Mr. Johnson, SECONDED by Mr. Mobley, WITH ALL IN FAVOR,
23 the Board adopted Resolution 2011-10, Pertaining to Street Lights in Bassett Creek
24 Estates Phase 1 and Phase 2A.

25

26 **C. Draft Rules for Recreational Amenities**

27 Ms. Grimes stated Mr. Daugirda provided me proposed fees and rules for the
28 amenity center. I will modify them and consider them at the meeting with the
29 acquisition. I did want to discuss the fee structure for the non-owners. Since this facility
30 is being funded by tax-exempt bonds, the public has to have access; however, the CDD
31 can charge non-owners. The fee proposed is O&M and 20% surcharge. I did not know if
32 you wanted to add a component for debt service plus O&M plus the surcharge.

1 Mr. Daugirda stated typically it is what is a fair and reasonable charge on an
2 annual basis. We can do some fact checking and come back with specific numbers.

3 Mr. Johnson asked is this for rental?

4 Mr. Daugirda responded no. We don't have the staffing for rentals at the
5 moment. This is a one-time yearly membership fee. Usually, there is minimal interest
6 for an annual membership from non-residents.

7 Ms. Grimes stated this is something we need to get resident input on.
8

9 **FIFTH ORDER OF BUSINESS – Staff Reports**

10 **A. Manager**

11 Mr. Daugirda stated we have hired all the consultants on the financing. At the last
12 meeting, the Board approved retaining Wells Fargo at \$2,500 a year as trustee. The
13 incumbent trustee on the bonds is US Bank. For practical purposes, it makes sense to
14 have one trustee. We have a proposal from US Bank with an acceptance fee of \$1,000
15 and \$1,500 a year thereafter. Wells Fargo was \$2,500 a year.
16

17 On MOTION by Mr. Johnson, SECONDED by Mr. Mobley, WITH ALL IN FAVOR,
18 the Board rescinded the Wells Fargo Trustee Engagement Letter, subject to confirmation
19 there is no penalty for cancellation, and if cancellation is confirmed, approved the US
20 Bank Trustee Engagement Letter.

21

22 Staff is to report back to the Board regarding Trustee Engagement Letters.
23

24 **B. Attorney – Status Report on Annexation**

25 There being no report, the next item followed.
26

27 **C. Engineer – Construction Update**

28 There being no report, the next item followed.
29

30 **SIXTH ORDER OF BUSINESS – Supervisors Requests and Audient Comments**

31 Mr. Metropolis asked has the Board given any more thoughts to the proposal of
32 putting a resident on the Board.

33 Mr. Mobley responded I will get with you after the meeting.

34 Mr. Daugirda stated as the Chairperson will be on vacation and the Vice
35 Chairperson has abstained on all matters regarding the bond closings, it may be

1 appropriate to appoint a Chairperson for this meeting and executing all bond
2 documentation as needed.

3

4 On MOTION by Mr. Johnson, SECONDED by Ms. Brown, WITH ALL IN FAVOR, the
5 Board approved Mr. Mobley as Chairperson for this meeting and the execution of all
6 bond documentation as needed.

7

8 **SEVENTH ORDER OF BUSINESS – Adjournment**

9 There being no further business,

10

11 On MOTION by Ms. Goodman, SECONDED by Ms. Brown, WITH ALL IN FAVOR,
12 the meeting was CONTINUED to July 26, 2011 at 10:00 a.m. at the Office of
13 Stantec/Wilson Miller.

14

15 **These minutes were prepared in summary format.*

16 **Each person who decides to appeal any decision made by the Board with respect to any*
17 *matter considered at the meeting is advised that person may need to ensure that a*
18 *verbatim record of the proceedings is made, including the testimony and evidence upon*
19 *which such appeal is to be based.*

20

21 Meeting minutes were approved at a meeting by vote of the Board of Supervisors at a
22 publicly noticed meeting held on October 19, 2011.

23

24 
25 _____
26 Signature

27 John DANGIRDA
28 Printed Name

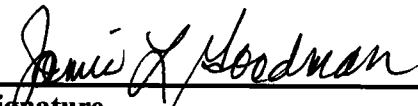
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30

31 Title:

- 32 Secretary
33 Assistant Secretary
34

35



JAMIE L. GOODMAN
Printed Name

Printed Name

Title:

- Chairperson
 Vice Chairperson