

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, October 23, 2019 at 1:00 p.m. in the Holiday Inn Daytona Beach LPGA Boulevard, Ballroom, 137 Automall Circle, Daytona Beach, Florida.

Present and constituting a quorum were:

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| Robert E. Welsh | Vice Chairman |
| John McCarthy | Assistant Secretary |
| Donald Parks | Assistant Secretary |
| Mark McCommon | Assistant secretary |

Also Present were:

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| James Perry | District Manager |
| Katie Buchanan | District Counsel |
| Kurt von der Osten | Field Operations Manager |
| Jamie Rountree | Team Rountree |
| Mark Watts | Cobb Cole |
| George Leone | Corner Lot Development Group |
| Diane Enger | Resident |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 1:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the August 28,
2019 Meeting**

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| On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the minutes of the August 28, 2019 meeting were approved as presented. |
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FOURTH ORDER OF BUSINESS

**Discussion of Possible Bond Financing for
Specific Undeveloped Lands**

Mr. Perry stated included in your agenda package are some documents provided by the landowner of those parcels with estimates of construction of roadways, stormwater systems, etc. I will turn it over to Mark Watts, an attorney with Cobb Cole, representing the landowner and he will give you a general overview of what they want the board to consider at future meetings.

Mr. Watts stated we sent you some preliminary information and what we are hoping you will do today is give us an informal green light to work with some of the folks you have used in the past on prior bond issues, Ken Artin, bond counsel and Brett Sealy the underwriter. All of this would be at our cost moving forward up to the point where we come back and ask you to formally consider a bond issue.

To put this in context for you I brought a few aerials. You have International Speedway Boulevard coming from I-95 and then wrapping around and this is the Grand Champion neighborhood. The sketch shows two phases of a road and a couple other pieces of infrastructure. We have finalized our approvals for the first phase and the key piece of infrastructure is the spine road and the turn lane improvements and they connect to Grand Champion. That was approved about ten years ago with all the development; it never finished so part of the infrastructure that was supposed to be built with this was never completed. We agreed as we went through with our entitlements with the city that we are going to make the full connection by the time we get to our second phase. There are three phases. Basically, this road will ultimately create an alternate route to avoid the light at LPGA. One of the other keys is the developer of the Grand Champion project was supposed to install a signal at Grand Champion and LPGA, they didn't, and that obligation is left hanging. We agreed when we did our traffic analysis for the buildout of the project, that will be a Phase 2 improvement when we made the connection to the roadway, we would also include that signal. The neighborhood out here is kind of desperate for that and we put an agreement together with the city where we agreed to do that right out of the gate, so we are doing that with our first phase, we are going to install the signal. Then we have a cost recovery agreement so as other projects come in that also send traffic through that signal there will be some cost recovery that comes back. We have given you an estimate between \$5.7 million and \$6 million worth of infrastructure and we would like to get at least an informal nod from you to let us work with your underwriters and staff to go forward and look at doing a bond issue for this property. We expect it will be secured on our parcels; there are other parcels that will have access of the spine road and

we have been talking to the owners of those properties and there may be some interest in it also being financed on their properties as well.

Mr. Perry stated when I looked at this material, I was assuming the signalization was going to occur LPGA Boulevard. Is there any signalization there?

Mr. Watts stated probably not. I don't anticipate signalization there, in fact, I think there will be when the county gets to the ultimate profile and does a four-lane on LPGA I think that will ultimately be a directional there. The full signal will be over at International Speedway Boulevard and Grand Champion.

Mr. Parks stated you might want to rethink that. How many homes are you talking about in the initial phase?

Mr. Watts stated our initial phase 195.

Mr. Parks asked then what is the buildout after 195?

Mr. Leone stated it will probably be around 450-460.

Mr. Watts stated we are permitted up to 600 but we will probably be somewhere in the 460 range.

Mr. Leone stated the LPGA corridor, Volusia County has mapped out where the full intersection would be versus directional versus where potential lights would go so they have a master transportation plan. We tried to get them their ultimate thinking on that process and they are not doing it. They are sticking to their transportation plan.

Mr. Watts stated from a future signal standpoint on LPGA one thing to point out is on the edge of the map is the Dunn Avenue Extension. We have this piece and a piece at the Dunn Avenue Extension and the right of way will be dedicated to the county as we are moving forward with our phases. Eventually the plan from the county's standpoint is to have the signal at the Dunn Avenue Extension so you would have a connection here that goes into the Dunn Avenue Extension that will connect to where there will be a signalization.

Mr. McCommon stated this is the first time I have seen this. What is the timing of when you plan on doing any of the development itself?

Mr. Watts stated Phase 1 we are fully through all the approval process everything is in place. We have the final plat for Phase 1 tentatively scheduled to go to the city commission the first meeting in November. That also allows the city to finalize our construction plans, which are

largely done, we are just waiting for the final plat that has to be approved so we are thinking we will get rolling early first quarter with the Phase 1 construction.

Mr. McCommon stated which would include some of the costs you are talking about here for the roads.

Mr. Watts stated that is right. Typically, and I defer to your counsel on how to structure things, a lot of times we work out an acquisition agreement where we are funding the construction and when bond proceeds are available, we can be repaid and convey the completed infrastructure.

Mr. Welsh asked what is the price of the homes?

Mr. Watts stated I'm not sure yet.

Mr. Parks asked what size lots?

Mr. Leone stated we have a mix of 40's and 50's.

Mr. McCommon stated if this were to go forward the repayment of the debt would be paid by those homeowners.

Mr. Watts stated it would be secured by those homeowners and perhaps a couple of the other willing property owners around us that also want to use that road network but at this point we are assuming it is just our project.

Mr. Leone stated it doesn't impact any existing properties.

Mr. Perry stated all the platted lots in the north and south or even undeveloped lands in the north.

Mr. McCommon stated they would be assessed for that debt only on their tax bill plus O&M.

Mr. Perry stated this is a layered upon the current debt that is already in place for their properties.

Mr. McCommon asked what costs would we incur related to the development itself?

Ms. Buchanan stated I think it is their intent that they don't require the district to incur any costs. Between now and when bonds would be issued we have a financing agreement in place where they would agree to pay any tangential costs such as engineering services, any fees associated with the exploratory process then once bonds are issued, bond proceeds would be used to fund the infrastructure and if they are insufficient they would have a funding agreement requirement to complete the improvements. There is not anticipated to be an obligation on the district.

Mr. McCommon asked who manages that process in terms of construction of everything?

Ms. Buchanan stated typically the district's engineer becomes involved, that being said, if you wanted to have a project engineer, we can do the RFQ process to open the door to more.

Mr. Watts stated our goal is to be no cost to the district or the existing residents in the district. We would cover the costs moving forward and work with your staff to make sure it is seamless. This would be the first step to know if you are receptive. We would come back to you for formal action, bond resolution and everything else before you issue anything. There would be a number of steps to get a full picture of what is going on.

Mr. Parks asked roughly how far south of the stadium is the entrance going to be?

Mr. Watts stated about 1,200 feet.

Mr. McCommon asked what about in terms of the entrance signage LPGA?

Mr. Perry stated typically, you want it to be somewhat consistent with what is already in place and a lot of times that will become the maintenance responsibility of the district along with the irrigation and maintenance of that.

Mr. McCommon asked are these planned?

Mr. Watts stated I don't believe we have right now, that is scheduled to go to the CDD as maintenance. I think depending on how we ultimately finance everything that could shift in that process. I think our final plat right now we have everything with the city.

Mr. McCommon stated we would want to have an entrance sign or walls or something.

Mr. Parks stated something similar to what is there now.

Mr. Watts stated I think there is existing language in the covenants that cover the property that require that as well.

Ms. Buchanan stated generally the improvement plan is going to have a broad description of the improvements that will be installed so it wouldn't necessarily include a schematic of the sign, but it would say an entry feature of similar size or style. Are you going to do the work and we are going to acquire it, or do you expect the district to manage it or are you still investigating?

Mr. Watts stated we are investigating that I think that is part of our discussion if the board is going to let us pursue this investigation.

Mr. Perry stated in the cost estimates I noticed there is nothing in there for utilities, water, sewer and reuse.

Mr. Watts stated correct, because we have assessments on the property already, we are trying to not overburden the project too much. We are trying to find a sweet spot where we can cover some of the costs but not put too much assessment on it.

Mr. von der Osten stated the debt is going to the new lots but as far as the O&M like everywhere else in the community the CDD maintains the arterial roadway, all the upgraded landscaping even if it is on city property so that would basically be the same situation along this part of the road, trees, entry monuments.

Mr. Perry asked are there any additional questions or concerns?

Mr. Parks asked do you need some kind of motion?

Ms. Buchanan stated I think if you could authorize a two part motion, one to not object to them moving forward with preliminary investigations as to the issuance of bonds for a new capital project and authorize the district chairman to execute a bond team financing funding agreement so that will be on their dime not yours.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor there was no objection to the developer moving forward with preliminary investigations regarding the issuance of bonds for a new capital project and the chairman was authorized to execute a bond team financing funding agreement that will be prepared by district counsel.

Ms. Buchanan stated the district engineer is not the original design engineer, so you don't necessarily have this continuity that you are trying to preserve. The district can do a request for qualifications to solicit new proposals for specific projects and if this is something you would like us to do because you were interested in not just necessarily working with the district engineer but potentially having more than one option now is the time.

Mr. Leone stated I think that probably makes sense and there would be some efficiency there.

Ms. Buchanan stated we will solicit for a project engineer potentially for these services and the board will evaluate any proposals. The thought behind that is that they do have an engineer they are working with and they may want to evaluate multiple options as compared to being locked into our district engineer right now. I don't think the engineer is the design engineer so he may not necessarily be as critical as it would be in the case of other CDDs where they have been there

from start to finish. That is a quick notice, it is two weeks and we could do that in advance of our next board meeting.

Mr. Leone stated that would be great.

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

There being none, the next item followed.

C. District Manager

There being none, the next item followed.

D. Field Operational Manager

Mr. von der Osten stated the ongoing issue we hear the most about are the landscape and tree lights. We have another 50 coming in the first week of November to start replacing. When we have a strobing light, we have the guys disconnect it. At least if it is out it is not as noticeable as with the strobing. You have seen the signals on at the Champions entrance, the sidewalks have been re-poured so we are ready to start replanting the annuals and have it ready before Thanksgiving.

Mr. Rountree stated he is in the process of redoing the irrigation right now. As soon as the irrigation is done, we start planting.

Mr. von der Osten stated Publix is set to open November 7th.

Mr. McCommon asked what is the status of the palms?

Mr. von der Osten stated I think we left it to where you wanted to see some pictures of different types of palms. The project season is coming up because the growing season is just starting to pass. We were talking between Queens, Washingtonians, Sylvester and if you don't mind we can send a PDF out so you get pictures.

Mr. Welsh asked what palm grows the tallest?

Mr. Rountree responded I believe right now the tallest we have or will be installing are the Washingtonians. That being said, there are types of Washingtonians so the ones that were originally installed when they were first put in were already 30 feet high so in 20 some years, they basically doubled in size so now they are 60+ feet. The ones we put in ten years ago at International Golf were 18 feet when we put them in overall and they might be between 22 to 24 feet because they are a fat boy versus that skinny tree. The fatter ones are the slow growing ones and the tall skinny ones just get taller and taller.

Mr. Welsh stated maybe in the long run we should limit ourselves to a palm that doesn't grow as fast.

Mr. von der Osten stated I agree.

Mr. Rountree stated the ones we have budgeted to go in are the fat boy Washingtonians. The other question, and why we want to send pictures out, is Mr. McCarthy talked about the Queens I put in for him that are gorgeous. There are two medians on International Golf and Champions Drive, LP entrances you have a very large bed that when we would utilize Washingtonians there and a smaller bed that we would utilize the Queens in. You actually get the best of both worlds and at the end of those island where the Ligustrums are we were going to put a focal point type tree such as a Sylvester Palm or Magnolia. I would say your theme is palms and I would stay with it.

Mr. Parks stated you said you are nearing completion of the irrigation on Champions Drive.

Mr. Rountree stated LPGA, Champions Drive entrance where the construction was.

Mr. Parks asked is the contractor doing the work across the road paying for that?

Mr. Rountree stated correct. John Hall Construction has reached out to us and asked us to do the repairs, just like down in SW 29 where Webber Construction did it they paid us to do it. They wanted to use us because we are the ones who maintain it and have to maintain the system after it is installed.

Mr. McCommon asked what about the stones that are kind of the roadway itself?

Mr. von der Osten stated I noticed it this week and I will contact the city. It is just annual settlement and bumpiness that has been happening every year.

Mr. McCommon stated I don't suppose you have heard from Consolidated Tomoka about the signage. That is not happening for all intents and purposes.

Mr. von der Osten stated I seriously doubt it.

Keep in mind we need a ranking of those projects and we probably need to revisit that again and make sure we are on track. The board had authorized \$100,000 for several of those projects and we want to keep those on track.

NINTH ORDER OF BUSINESS

**Next Scheduled Meeting – November 21, 2019
at 1:00 p.m. @ Holiday Inn**

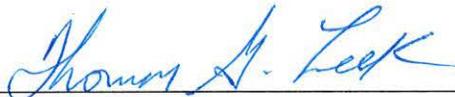
Mr. Perry stated the next scheduled meeting will be November 21, 2019 at 1:00 p.m. in the same location.

Ms. Buchanan stated I don't have anything other than that RFQ, I don't know how quickly they need that done but it is right before Thanksgiving.

Mr. Perry stated if any of you are not going to be here let us know because that time of year it starts to get hard to get quorum and we understand that and if there is anything we need to push along and can't get quorum on that date we will change the meeting date to accommodate schedules. The only thing I can think of are the proposals they talked about.

On MOTION by Mr. Welsh seconded by Mr. McCommon with all in favor the meeting adjourned at 1:38 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman