

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, July 22, 2020 at 1:00 p.m. using Zoom media technology pursuant to Executive Orders 20-52, 20-69 and 20-150 issued by Governor DeSantis and pursuant to Section 120.54(5)(b)2., Florida Statutes.

Present and constituting a quorum were:

Thomas G. Leek	Chairman
Robert E. Welsh	Vice Chairman
John McCarthy	Assistant Secretary
Donald Parks	Assistant Secretary
Mark McCommon	Assistant secretary

Also Present were:

James Perry	District Manager
Katie Buchanan	District Counsel
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Justin Rowan	MBS Capital Markets
Mark Watts	Cobb Cole
Andre Vidrine	Integrative Development Group

FIRST ORDER OF BUSINESS

Roll Call

Mr. Leek called the meeting to order and Mr. Perry called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Financing Matters

A. Consideration of Engineer’s Report

Mr. Perry stated this has to do with the Phase A1 development and we will go through a number of documents. The first one is consideration of the engineer’s report and that is provided by Poulos & Bennet, dated July 14, 2020. The report gives a background of the district and what

July 22, 2020

Indigo Community Development District

these improvements are going to be. It is related to the first phase, which includes 195 single-family units and it goes through the acreage and land use and all the different infrastructure benefits the units that are going to be constructed along with an estimated cost for each of those components. It also has an ownership and maintenance matrix, which is standard in reports such as this and it has maps related to the proposed development along with a layout of the platted lots. The last page has a summary of costs estimated for all the infrastructure related to this initial phase. The engineer is on at this time if the board has any questions.

Mr. Leek asked where would this enter off of LPGA? Is it in back of the stadium?

Mr. Vidrine stated the main boulevard through the subdivision comes off of LPGA and that will eventually extend further to the east and connect with Grand Champion. There is in the northern phase of the residential development when you come off the main boulevard into the project that will connect eventually to the extension of Dunn Avenue.

On MOTION by Mr. Parks seconded by Mr. Walsh with all in favor the engineer's report for Phase A1 Development was accepted as presented.
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B. Consideration of Assessment Methodology Report

Mr. Perry stated the master special assessment methodology report is for the Phase A1 development and this report takes the engineer's report and provides for an estimated financing for those improvements and that financing would be at 100%. This is the start of the assessment methodology process; we will come back and supplement this with close to what the bond issue will be. The developer will determine how much of the financing they want to take place in regard to this project, but it is based on 195 units and they are allocated between 40 and 50-foot lots. Based upon the construction improvement plan of almost \$10 million they would issue \$11,745,000 worth of bonds and that would be spread over the planned units of 195. Table 4 provides what the debt per unit would be and the annual assessment per unit. Table 5 is the allocation on all the platted lots associated with the 195 lots in this first Phase. We will come back and supplement this based on the actual financing that will take place.

Mr. Leek asked on Table 5 is that \$4,400 per lot?

Mr. Perry stated if the district were to issue bonds to finance the total cost of that infrastructure that would be the annual assessment for a 50-foot lot. Obviously, there would be

July 22, 2020

Indigo Community Development District

problems economically with the developer having to issue bonds then try to pass it on to the ultimate property owner. The supplemental methodology that we come back with will be more in tune with what the developer's plans are; the assessments might be higher and he might pay down assessments related to the sale of individual lots or sale of bulk lots so the lots could be marketed and meet the economic conditions that are out there right now.

Mr. Leek asked how would the developer do that?

Mr. Perry responded this is the start of the assessment process and this would be the maximum they could ever finance. I don't know of any developer that has used the maximum and issued bonds based on that amount. Typically, we will supplement this, and the actual bond issue would be a lower amount. Let's say they issue bonds for \$5 million in total and the assessment is \$2,000 per fiscal year; obviously, if you look at the other lots in the LPGA and Daytona Beach area you couldn't sustain or sell a lot with a \$2,000 debt service assessment on it. What happens is at the time of closing the developer buys that down to what market conditions would be. They could reduce it by \$1,000, \$1,500 or even pay it off; that would be up to them.

Mr. Parks asked if it comes to fruition how long would it be?

Mr. Rowan stated based on some recent discussions we were going to try to time the bond issuance with the timing of completion of the infrastructure, which was estimated in the first quarter of 2021. I think that is when we pick this up and actually market and issue the bonds. Within that time there are other documents that staff will be in the process of preparing and that will come before the board as well in the coming months.

I had sent a couple comments before this report is deemed final. No changes to the numbers themselves but within the narrative I made a few comments related to the assumptions for the bond sizing so to the extent this is accepted by the board it could be accepted in substantial form.

<p>On MOTION by Mr. Leek seconded by Mr. McCommon with all in favor the master assessment methodology report for Phase A1 was approved in substantial form.</p>

C. Consideration of Resolution 2020-07 Declaring Special Assessments

Mr. Perry stated I will read the title of the resolution, which is, a resolution of the board of supervisors of the Indigo Community Development District declaring special assessments; indicating the location, nature and estimated cost of those infrastructure improvements whose cost

July 22, 2020

Indigo Community Development District

is to be defrayed by the special assessments; providing the portion of the estimated cost of the improvements to be defrayed by the special assessments; providing the manner in which such special assessments shall be made; providing when such special assessments shall be paid; designating lands upon which the special assessments shall be levied; providing for an assessment plat; adopting a preliminary assessment roll; providing for publication of this resolution.

Also attached to this will be the engineer's report and assessment methodology report. The resolution does have and references the cost of the improvements and the potential for bond debt issuance in regard to the \$11,745,000. These assessments and the levy of this will be only to the Phase A1 development; it doesn't affect any other lands within the district, it is specific to this development and the 195 lots associated with that.

Mr. McCommon asked Jamie, have you had any discussions about the common areas and signage or Kurt, related to entry signs and so forth? The entry off of LPGA are we going to have the same kind of wall and entry there as we have in other LPGA entries?

Mr. Rountree stated that is more Andre.

Mr. Vidrine stated the approved construction plans had an entry feature in it; it isn't exactly the same as the ones existing within LPGA. They don't match identically.

Mr. McCommon stated not that they are identical.

Mr. Vidrine stated we built one recently that is similar so we have one constructed and I can send a picture of that, but it is in the plans, it has a water feature, a couple different textures as far as stone and some siding, an intentional color layout. The one we did previously was for a 160-acre mixed use project and I kept the form and size proportionate to what they are driving into.

Mr. McCommon stated I just wanted to make sure there wasn't an additional cost that we would be talking about for that and that it was covered in here. At some point in time we will be talking about common area maintenance.

Mr. Rountree stated we have already started those conversations.

Mr. Vidrine stated I want to make sure that LPGA feels like they are controlling their destiny and that it is not some random HOA that decides not to mow the grass and the whole place starts to look bad and it affects the entire master plan. We are very conscientious that we work closely with the board, with the CDD, with Jamie regarding long term maintenance.

July 22, 2020

Indigo Community Development District

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor Resolution 2020-07 was approved.

D. Consideration of Resolution 2020-08 Setting a Public Hearing for the Purpose of Imposing Special Assessments

Mr. Perry stated this resolution dovetails back to the previous one and the resolution will set a public hearing date at which the assessments will be discussed for public input. The basis for this is related to the engineer's report and the assessment methodology report. We will be doing mailed notice in regard to this to the property owner.

Ms. Buchanan stated I want to make sure that the board has a general comfort level with the project that is described in the engineer's report and continue to understand that the assessment process just establishes the maximum for the assessments and they will likely be drawn down to target. Once we provide notice to the landowners of the impacted land then they have the opportunity at your hearing to come and express concerns. You would have more opportunity to ask questions at that hearing and then if everyone is comfortable, we would levy the master lien we have been discussing and we would come back at a later date with the project sized and assessment levels.

Mr. Perry asked are we looking at the August or September meeting for the public hearing?

Mr. Rowan stated to the extent there are enough days in between now and the August board meeting, I would suggest you schedule it in conjunction with the August board meeting and conclude the process.

Ms. Buchanan stated that will be fine.

On MOTION by Mr. Welsh seconded by Mr. McCommon with all in favor Resolution 2020-09 setting the public hearing for August 26, 2020 at 1:00 p.m. was approved.

Mr. Parks asked when this is advertised in the paper will it use the term "special assessment"?

Mr. Perry stated this is part of our regular advertised meeting, on our website we have the agenda that is posted a week before the meeting.

Ms. Buchanan stated there is a special advertisement for the assessment hearing that will be very on point for the purpose of explaining what the assessment hearing is.

July 22, 2020

Indigo Community Development District

Mr. Parks stated I'm seeing a huge crowd when they see this.

Ms. Buchanan stated it will be very specific and say special assessment, but it will also include a map of the area that will be subject to the special assessments. Hopefully, it doesn't bring out people who will not be affected.

Mr. Parks stated if at all possible, I think we ought to have the meeting at the Holiday Inn with appropriate distancing with masks.

Mr. Perry stated I will see. I don't know if they are allowing meetings right now or not. A lot of facilities are not allowing public meetings.

Ms. Buchanan stated I understand the board has a sense of their neighbors and community, but I will do my best to make sure the assessment is very clear that it only impacts the lands that are going to be subject to the special assessment and no one else is going to have an increase in assessments or a new assessment on their property.

Mr. Perry stated also if you have neighbors and you talk with them and they still have a lot of questions, just refer them to me and I will give them a call back.

FOURTH ORDER OF BUSINESS

Consideration of Acquisition Agreement

Mr. Perry stated this an agreement with American SW-30 and this provides for various components of the engineer's report that would be constructed with developer funds to later be acquired by the district and also that the developer could be reimbursed for the costs associated with that property that flows to the district, the infrastructure itself. This is a standard form agreement and normal with any district.

Ms. Buchanan stated we would ask that it be approved in substantial form. It is a relatively standard form of agreement and it commits the district to acquire certain infrastructure improvements from the developer and upon the issuance of bonds would then reimburse the developer with those bond proceeds. It doesn't make any more commitments about the district issuing more bonds than what we will actually approve in the delegation resolution; it is not like an ongoing responsibility that the district has to pay, but it also governs the transaction of how the district acquires the infrastructure improvements that it will receive from the developer, what sort of certifications we would get from the engineer to make sure the improvements are of good quality and of an appropriate cost as well as making sure that we have any real property interest that we

July 22, 2020

Indigo Community Development District

need to maintain and operate those improvements. We would ask that you approve it in substantial form and delegate authority to the chairman to sign between meetings.

Mr. McCommon asked in the second to last paragraph on page 1 it says, as validated up to \$75 million in special assessment bonds. I'm assuming that is since the inception in 1995. Or what does that \$75 million represent?

Ms. Buchanan stated when a district decides it is going to move forward with bond issuance it has to have the bonds validated by a circuit court, generally we use a relatively high number so that we have the flexibility to continue to issue bonds during the lifespan of the district. Right now you have issued the 1999, 2005's and you are nowhere close to the total threshold that the circuit court approved back in 1999. You have plenty of room to continue to issue bonds to continue to fund infrastructure improvements within your boundaries.

Mr. McCommon stated if we have a few more \$10 million bond issues we would be getting close.

Ms. Buchanan stated it is true, but you don't just get one chance, there are plenty of districts where we had to go back through validation, which is a relatively simple proceeding and the court will generally increase your threshold. I don't see that happening; you have quite a bit left.

On MOTION by Mr. Leek seconded by Mr. Welsh with all in favor the acquisition agreement with American SW-30 Investments, LLC was approved in substantial form and the chairman was authorized to sign the agreement.

FIFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

Next Scheduled Meeting – Wednesday, August 26, 2020 at 1:00 p.m. @ Holiday Inn LPGA

Mr. Perry stated the next scheduled meeting is Wednesday, August 26, 2020 at 1:00 p.m. currently scheduled for the Holiday Inn. We will keep you apprised if we can have it there or not and I heard the preference of the board to have it in person and we will try to do that.

Mr. Welsh stated a thank you to Jamie Rountree for the magnolia trees at the entrance. It really looks nice as you come into Champions Drive.

July 22, 2020

Indigo Community Development District

Mr. Rountree stated thank you, I appreciate it. We have to mulching to do up there, we are just waiting on delivery and after that the project will be complete.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the meeting adjourned at 1:30 p.m.

DocuSigned by:
Jim Perry
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Secretary/Assistant Secretary

DocuSigned by:
Thomas G Leek
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Chairman/Vice Chairman