

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, October 28, 2020 at 1:00 p.m. via Zoom.

Present and constituting a quorum were:

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

Also Present were:

James Perry	District Manager
Katie Buchanan	District Counsel
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Andre Vidrine	Integrative Developments

FIRST ORDER OF BUSINESS

Roll Call

Mr. McCarthy 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

Approval of the Minutes of the September 23, 2020 Meeting

On MOTION by Mr. McCommon seconded by Mr. McCarthy with all in favor the minutes of the September 23, 2020 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

Financing Matters Related to the Phase 1A Bonds

Mr. Perry stated this was a placeholder related to financing matters related to the Phase 1A bonds. We did have a transaction in regard to lands related to those proposed bonds and that land

was acquired by Lennar. Katie and I have had a couple phone conversations with Lennar in regard to moving forward with those bonds. In December of last year, the district met and discussed the potential of issuing bonds in 2020 related to parcels SW30 and SW32. The district entered into an engagement letter with MBS Capital Markets as the underwriter for that proposed bond issue moving forward. Their agreement provides for no cost to the district until the bonds have been issued and that is standard in the industry. The agreement also provides for a 90-day termination by either party. In our discussions with Lennar they have asked if the board would consider terminating MBS and hiring FMS, a bond underwriter they have used on a number of their projects. You were provided with a copy of the FMS proposal and I don't want the board to take any action, but we would ask the board's direction on this, if this is something the board would consider.

Mr. Parks asked is there any downside going with the other company?

Mr. Perry stated the other company provides the same services. Both companies work throughout the state. We have worked with both companies. From the district's point of view, I don't know if there is any downside or not, I can't think of any other than MBS has already been involved with this potential bond issue for several months.

Mr. Kilian asked can I assume this is not with the original Lennar or is it?

Mr. Perry stated I don't know if their corporate entity ever changed.

Mr. Parks stated it is Lennar not Renar.

Ms. Buchanan stated when I spoke with the Lennar representatives, they are still evaluating which path they would like to take and that is the reason we are not asking for a decision today. They wanted to make sure the board had the opportunity to express any preference one way or the other in framing the task forward.

Mr. McCommon asked since MBS has done some work already would there be a payment twice for whatever those services were, and would that affect us at all?

Ms. Buchanan stated both underwriters propose to charge a 2% fee so the compensation would be the same. The question is more, does the work that MBS has done previously that hasn't been compensated because they only get paid upon issuance outweigh the potential desire of Lennar to change companies. Again, Lennar hasn't made a decision on that.

Mr. Perry stated the only other thing I will point out is MBS has been the underwriter on all the other district bond issues, so they have been involved. I'm not positive on the 1999Cs, I'm pretty sure they were but I know the 2005 bonds that were issued, they were the underwriter.

Mr. Parks stated there has been a long-standing working agreement with MBS, it would seem logical unless there is some obvious reason, I probably would lean toward keeping them, but I will keep an open mind.

Mr. Vidrine stated I am here if you have any questions.

Ms. Buchanan stated the question that might be helpful for the board is considering you might be involved in the development of future phases, do you have a thought on which underwriter you would like the district to use or do you expect that it won't be something you are thinking about for the near future?

Mr. Vidrine stated that is a fair question. I want to respect property rights and Lennar has a decision to make and I will not get in the way of that decision. None of this is contentious, we are all trying to sort through it. With regard to future phases and that Lennar is under contract with, what would I do? I would go with the underwriter I have been working with for several years, MBS and proceed. They are very qualified, and you have a ton of history, he did the underwriting for the 1999 and 2005 and I'm sure both companies are fine. If I have a preference, I don't know the other organization, so I am going to stick with MBS if I move forward. I hope I was clear in answering the question, but most importantly I don't want to get into Lennar's business. That is their decision.

Mr. Perry stated thank you. Any further discussion by the board or questions for us?

Ms. Buchanan stated just to make sure. Does anyone have an objection if Lennar comes back and says I want to go with FMS and change the course? If you do, then they may want to reach out and discuss your concerns with you or they may want to attend the next meeting and address those concerns. I'm trying to cover all our bases so we can give some feedback.

Mr. Welsh asked is the board of directors of Lennar related to the board of directors of Renar?

Ms. Buchanan stated I don't think so. I'm not familiar with Renar except with this district, but Lennar Homes is a national company that has been in existence for decades.

I guess our report back is we explained the situation to the board, and we were not provided any strong objections and that Lennar can figure out what they want to do. Does that sound correct?

Mr. Perry stated yes, I think Mr. Parks did have something earlier.

Ms. Buchanan stated I'm not trying to minimize that, I heard you and I think that is your preferred path. How would you feel if they propose something different?

Mr. Parks stated I am open, I will listen.

Mr. Perry stated we will have this matter possibly on our next agenda.

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated there has been an offer submitted to the holders of the bonds in connection with the Ina Group property and the bondholders are still considering it. We haven't gotten any feedback from them on whether they are willing to accept the proposed settlement. If that is resolved, then a significant portion of the litigation would go away. That is an FYI as to the current status but there is still no resolution.

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 we are currently pressure washing portions of the community sidewalks. At the last meeting it was mentioned about contacting the city on paver repairs in the neighborhood and those have been submitted to public works and we were advised it was being placed on the schedule to be completed by the city.

Mr. McCommon stated regarding the pressure washing, there is an area that was done where the practice facility comes out to Champions, just down the street from mine, I'm pretty sure they did that, right. Somebody did, but what I noticed recently is they took their machine and ran it down the middle of the sidewalk and there is a 10" to 12" strip on both sides and if they had run it twice it may have covered the whole sidewalk but they just ran it down the middle.

Mr. von der Osten stated I will look at it. Once it dries you can see the difference. We get spots like that and we have no problem going back.

