

MINUTES OF MEETING
INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Tuesday, June 11, 2024 at 1:02 p.m. in the Fairfield by Marriott Daytona Beach, 1820 Checkered Flag Boulevard, Daytona Beach, Florida.

Present and constituting a quorum were:

John McCarthy	Chairman
Mark McCommon	Vice Chairman
Kevin Kilian	Assistant Secretary
Ken Workowski	Assistant Secretary
Ron Brown	Assistant Secretary

Also Present were:

Jeremy LeBrun	District Manager
Katie Buchanan	District Counsel
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Sarah Zare	MBS Capital Markets, LLC by telephone
Ed Bulleit	MBS Capital Markets LLC by telephone
Lo Etienne	Bryant Miller Olive
Lisa Krivan	Lennar by telephone
Mike McQuarrie	Lennar by telephone

FIRST ORDER OF BUSINESS

Roll Call

Mr. LeBrun called the meeting to order at 102 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Shackelford stated I understand you passed a bond issue that the residents of Phase 2 will have to pay back in their CDD taxes. The utilities that are going back into that section, get turned over to the city. Is that correct?

Mr. LeBrun stated this is not necessarily a question-and-answer period but we will cover those things as we go through the business portion of the meeting.

Ms. Herman stated I would like an update on the four-way stop sign.

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THIRD ORDER OF BUSINESS**Consideration of Supplemental Assessment Resolution 2024-01**

Ms. Buchanan stated as you will recall at the last board meeting you authorized the issuance of a bond secured by a special assessment being levied on the property within Phase 2 of Integrated LPGA. Since your last meeting the underwriter has priced the bonds, and this resolution authorizes the terms of the particular bond issuance. In the fourth whereas you can see the value of the bonds is \$3,235,000. The resolution identifies the authority of the district's power statutorily, it incorporates the two reports that the bond issue is premised on. In section 2b the supplemental engineer's report has been identified as Exhibit A. Those improvements are sanitary sewer system \$2.2 Million, potable water distribution, \$1.4 million, reclaimed water \$1 million, landscaping, hardscaping, irrigation on Royal County Boulevard \$140,000, stormwater management system improvements \$3.4 million and offsite roadway improvements \$2.8 million and a small entrance feature at \$45,000. That is the improvement plan that was approved by the board and that has been incorporated into the resolution. 2c incorporates the supplemental assessment methodology. This is the allocation of the debt incurred by the district to specifically Phase 2B. The assessment area is defined as the 276 platted single-family units in Phase B1. The report makes a finding that the improvements in the engineer's report provide a benefit to the property at roughly \$12,529,146. Understand with the bond issuance we are capped at the \$3.25 million, that is the benefit calculation, you will never have bond issues at the higher level on this bond.

The way that assessments in Florida are valid we have to meet two requirements, (1) you have to confirm that the property gets the benefit of these improvements and (2) the assessments have to be fairly and reasonably allocated. That means the 276 lots are all assessed in a similar way. They want to make sure it is fair and appropriate.

Ms. Buchanan reviewed the tables in the assessment methodology that included the land use, infrastructure cost estimates, Series 2024 financing, debt allocations, and the assessment roll. The average coupon rate is 5.65% instead of \$5.75.

Mr. McCarthy joined the meeting at this time.

On MOTION by Mr. McCommon seconded by Mr. Workowski with all in favor Resolution 2024-01 was approved.
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FOURTH ORDER OF BUSINESS

Approval of the Minutes of the May 15, 2024 Meeting

On MOTION by Mr. Killian seconded by Mr. Workowski with all in favor the minutes of the May 15, 2024 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Discussion of the Fiscal Year 2025 Budget

Mr. LeBrun stated we placed this on the agenda as a placeholder and we updated the actuals through April 30th. The public hearing will be held July 17th at 6:00 p.m. at which time you will officially adopt the budget.

SIXTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated you have in front of you a form of acquisition package. We will have \$2.7 million to spend in connection with the acquisition of improvements. There is a requirement we go through our office and GMS' office and the engineer before we confirm that the acquisition is finalized. There are contracts that Lennar has requested that the district review and take title to and these contracts are on the last page of the package. They are for sanitary sewer, erosion control, for \$1.6 million. Water, reclaimed water \$2.4 million, lift station, storm drains \$2.4 million, landscape, hardscape irrigation \$175000, mailbox solutions \$49,000 and entry feature for \$41,000. I want us to understand that we have roughly \$7 million in improvements that Lennar has completed or almost completed to date and we have \$2.7 million that we are obligated to pay in exchange for those improvements. Most of these improvements will only be passed through the district meaning that the water, sewer utilities we will only own them for a short period of time before flipping them over to the utility authority. Lennar is working with their engineer to finalize the questions that we have on the first page, confirming that the ownership of the improvements come through to the CDD, that they are approved, the costs are all appropriate CDD eligible expenses. Then we will determine whether there are any costs left on the contracts. What I mean by that is the contract may be done but there is still a retainage value. We want to incorporate that into the pay acquisition package because once the district spends the \$2.7 million, we are out of money and we are out of obligation. We do not have any further obligation other than spending

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that construction fund. We need to make sure that Lennar has covered any amounts that are not going to be covered by that \$2.7 million.

Another interesting thing about this transaction is Lennar anticipates paying off the 1999 and 2005 bonds on these lots. That amount will essentially be applied to the prepayment instead of a check cut to Lennar for that amount. As far as protections from the district, the first thing we do is we have to have an affidavit from the developer that confirms that they did in fact spend this money. We also supplement that with the last pay app on each contract confirming that the contractor has received those dollars. We also get an affidavit from the contractor confirming they don't have any liens outstanding, and they assign any warranties over to the district if necessary. It is a multi-prong system to make sure that we are not left standing without protections.

Most importantly is the engineer's certificate. Those are the things that the engineer has to certify to the district before we accept these improvements. The improvements will be transferred over with a bill of sale.

We have two options; we can defer approval of the requisition until your July meeting, or you can authorize this subject to review by the engineer and staff and approval by the chair.

On MOTION by Mr. Killian seconded by Mr. Brown with all in favor the requisition was approved subject to staff and the district engineer's review and approval by the chair.

B. District Engineer

Mr. LeBrun stated we are still working on that plan for stormwater conversion, the floating islands.

C. District Manager – Report on the Number of Registered Voters, 2,204

A copy of the letter from the supervisor of elections indicating that there are 2,204 registered voters residing in the district was included in the agenda package.

D. Field Operational Manager

Mr. von der Osten stated the island was tethered, they were out there this week harvesting and replanting, which they do three times a year.

Mr. McCommon asked have we determined that they are effective?

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Mr. von der Osten stated after the plants are harvested from the mats they are taken back and sent to a lab and analyzed and the reports are submitted to the water management district.

There were some questions about the Preserve last time and I know the city has not accepted the roads and improvements yet.

Mr. McCommon stated it is my understanding that it would be the city or Lennar that would address the bus stop and stop sign. That is nothing that we have authority over.

Mr. McQuarrie stated the four-way stop is a new item as are quite a few of the items on the punch list, mostly signage, some striping, speed limit signs within the community. We will yield to the recommendations of the city; they are the traffic experts, and it is under their control. It was not on our original plans; it did not include a four-way stop so we constructed what was on the plans.

Mr. von der Osten stated that would be designed and handled by the city, it is not a district function.

Mr. McCommon asked do you have an estimate on when this punch list will be completed and resolved with the city?

Mr. McQuarrie stated the punch list can be completed within two weeks, not including the four-way stop. That would require quite a bit more time.

Mr. von der Osten asked Phase B, do you have a timeline on connection with Royal County Boulevard and Grand Champion Boulevard?

Mr. McQuarrie stated we are working on that now. We should be getting our stabilization on that roadway within the next ten days to two weeks. It will not be passable by vehicular traffic until the end of July.

Mr. von der Osten stated a resident said earlier that it is being used as a haul road because it is the only road in and out to the new phase and it has not received the second lift of asphalt, which is why you don't see markings on the road. It also includes a bus stop at the two-way stop sign. There are a lot of conflicting uses on that road right now. Construction traffic will not be allowed in the FP&L easement.

Mr. McQuarrie stated we are towards the end of construction traffic as far as the heavy construction. There will still be some home building traffic. The heavy site construction traffic will be done by the end of next month.

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Mr. von der Osten stated ideally once we are connected on the south side with Grand Champion Boulevard there are two entrances and exits.

Mr. McCommon asked are the construction trucks going to fix any damage to the entranceways coming into LPGA?

Mr. McQuarrie stated yes, we are. If we break it we are going to fix it.

Mr. von der Osten stated we are updating the overall district site plan, and we are looking at a proposal for two different versions. One would be a very technical version highlighting CDD tracts, common areas, government parcels, right of ways. The other is more for just a representation for a meeting for homeowners to discuss. It will be versatile where you can have a presentation all in the graphic or if you want to drill down into the weeds, tracts, parcels, CDD parcels, HOA parcels, city parcels when you are looking at who maintains what. The proposal I have is to acquire the CADD files from different engineers, surveyors and we will compile all the different plats that we can into one large overall map. The proposal is not to exceed \$5,000. It depends on how much work in compiling documents and putting the graphic presentation together.

On MOTION by Mr. Workowski seconded by Mr. McCommon with all in favor the proposal in the amount of \$5,000 to prepare an overall graphic as outlined was approved.

Mr. von der Osten stated I did bring to Jeremy a 2010 agreement between the district and the Jubilee Homeowners Association regarding hedge maintenance. The last page is an aerial of the areas that Jubilee did agree to maintain, and the documents spells out the CDD's contribution of plant replacement. The CDD did make a payment to the Jubilee HOA for replacement of hedges.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Public Comments

Mr. Shackleford stated Mike is not being totally honest, at 4:30 a.m. every time they make a pour the concrete trucks are running up and down Royal County Boulevard. The city after a meeting said there is no way they are going to accept that road as long as they use it, there is curb and gutter mark up to be done, in subdivisions they want driveway approaches, sidewalk that has failed. In my estimation there is no way they are going to get all this done in two weeks. This stop sign needs to go up and there is no reason why temporary striping can't be put down at the

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intersection before the kids go back to school. This bond issue is really an incentive for builders to come in and build their subdivisions. Is that correct?

Ms. Buchanan stated it is a tool not an incentive.

EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting – July 17, 2024 at 6:00 p.m. at the Fairfield by Marriott Daytona Beach, 1820 Checkered Flag Boulevard, Daytona Beach, Florida

Mr. LeBrun stated the next scheduled meeting is July 17, 2024 at 6:00 p.m. in the same location.

On MOTION by Mr. Killian seconded by Mr. Workowski with all in favor the meeting adjourned at 1:52 p.m.

DocuSigned by:
Jeremy LeBrun
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Secretary/Assistant Secretary

DocuSigned by:
John McCarthey
BBE007244C3C478...
Chairman/Vice Chairman