

**MINUTES OF MEETING
DP1
COMMUNITY DEVELOPMENT DISTRICT**

Two (2) Public Hearings and a Regular Meeting of the Board of Supervisors of the DP1 Community Development District were held on Thursday, October 5, 2017, at 11:00 a.m., at the Ponte Vedra Library, 101 Library Boulevard, Ponte Vedra Beach, Florida 32082.

Present were:

Bobby Bennett
Lucas Hildebrand
Melissa Yuhas
L. Kelly Webb

Chair
Vice Chair
Assistant Secretary
Assistant Secretary

Also present were:

Craig Wrathell
Cindy Cerbone
Katie Buchanan (*via telephone*)
Ken Wilson

District Manager
Wrathell, Hunt & Associates, LLC
District Counsel
Public

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 11:03 a.m. Supervisors Bennett, Hildebrand, Yuhas and Webb were present, in person. Supervisor Paquet was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Affidavit of Publication

Mr. Wrathell presented the affidavit of publication for today's Public Hearings and Regular Meeting.

FOURTH ORDER OF BUSINESS

**Public Hearing to Hear Comments and
Objections on Adoption of Fiscal Year
2016/2017 Budget**

A. Consideration of Resolution 2018-01, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning July 24, 2017 and Ending September 30, 2017

Mr. Wrathell presented Resolution 2018-01. There were no changes to the proposed budget since the last meeting. The District would be Developer and Landowner-funded, between the two entities. General Liability Insurance and Directors' and Officers' Liability Insurance was obtained but, since the District did not have any physical, insurable assets at this time, property insurance was not obtained. There being one entity and two Landowners, the Landowner funding requests would be sent to the two representatives, for approval.

Mr. Paquet inquired about the two Landowners, specifically who would receive the invoices. Mr. Wrathell replied that Management's Staff was sending the invoices to Mr. Bennett, with a copy to Mr. Hildebrand.

*****Mr. Wrathell opened the Public Hearing.*****

No members of the public spoke.

*****Mr. Wrathell closed the Public Hearing.*****

On MOTION by Mr. Bennett and seconded by Mr. Hildebrand, with all in favor, Resolution 2018-01, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning July 24, 2017 and Ending September 30, 2017, was adopted.

FIFTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Adoption of Fiscal Year 2017/2018 Budget

A. Consideration of Resolution 2018-02, Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018

Mr. Wrathell presented Resolution 2018-02. The proposed budget did not change since the last meeting. The budget would be Landowner-funded. An annual independent audit would be required, going forward.

Ms. Yuhas asked if Prosser, Inc. (Prosser) was the only engineer involved, so far, Mr. Wrathell replied affirmatively. Some engineering work would be related to the Note; however,

most of the engineering expenses for this project would be on the Developer’s side, versus the District’s side.

Mr. Wrathell stated that the District had one year from the time of inception, to establish its website. All the agendas must be posted on the District’s website seven days in advance of the Board meetings.

Ms. Cerbone provided the new website address: DP1CDD.net

Mr. Wrathell stated that the website address would be emailed to the Board Members.

A Board Member inquired about the Trustee’s fees. Mr. Wrathell replied that the Trustee may have some role or level of responsibility so fees were budgeted, accordingly; however, the Trustee may not be necessary, since money would not be generated or accounts funded. If the Trustee was not needed, this item would not be applicable. A Board Member asked if the District must go through an appendage of the things to collateralize the District with the lenders, if the District went that route. Mr. Wrathell thought that the criteria for the construction was already met, without it. With the formation of the Declaration, the mechanism to collect this, along with the estimated sales for the center, would probably be enough to get to construction. Discussion ensued regarding the Trustee and their potential role.

*****Mr. Wrathell opened the Public Hearing.*****

No members of the public spoke.

*****Mr. Wrathell closed the Public Hearing.*****

On MOTION by Mr. Bennett and seconded by Mr. Hildebrand, with all in favor, Resolution 2018-02, Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018, was adopted.

SIXTH ORDER OF BUSINESS

Approval of Unaudited Financial Statements as of August 31, 2017

Mr. Wrathell presented the Unaudited Financial Statements as of August 31, 2017. Revenue collections were at 0% and expenditures were at 33%. The balance sheet was not reflective of the funding requests, which just sent last week, since Management and Staff were

trying to determine if there would be a percentage split, between the two entities. The entity that would be billed would be Durbin Park Pavilion, LLC.

On MOTION by Mr. Bennett and seconded by Mr. Hildebrand, with all in favor, the Unaudited Financial Statements as of August 31, 2017, were approved.

SEVENTH ORDER OF BUSINESS

Consideration of Minutes

- A. September 5, 2017 Landowners’ Meeting**
- B. September 5, 2017 Regular Meeting and Public Hearing**

Mr. Wrathell presented the September 5, 2017 Landowners’ Meeting and the September 5, 2017 Regular Meeting and Public Hearing Minutes and asked for any additions, deletions or corrections.

On MOTION by Ms. Yuhas and seconded by Mr. Bennett, with all in favor, the September 5, 2017 Landowners’ Meeting Minutes and the September 5, 2017, Regular Meeting and Public Hearing Minutes, as presented, were approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel**

Ms. Buchanan stated that the Bond Validation Hearing was scheduled for October 30, 2017. The Bond Validation Hearing would commence the process to issue bonds. Once the Hearing occurs and the Judge issues the final Order, there would be another 30-day waiting period. She anticipated receiving the Certificate of No-Appeal by the end of November. The District would then be eligible to issue the Note. From a timing perspective, it worked out great for the District.

Mr. Bennett inquired about what Mr. Sealy was working on with Tax Counsel, in preparation for the Bond Validation Hearing. Ms. Buchanan gave an overview. she expected the following items to be considered at the next Board meeting:

1. Confirming that the Engineer’s Report included the entire project, to ensure the maximum project eligible for reimbursement on the Note.

2. An Agreement between the District and Developer to obligate the District to acquire the improvements within the Engineer's Report.
3. Once obligated to acquire the improvements, supporting documentation would be required to pay for it. Likely, the superior contracts would be assigned over from Durbin Park Pavilion, LLC, to the District or, if the project was close to completion, the District would ultimately acquire those improvements. She wanted to ensure that the improvements passed through the District, regardless of whether the District remained the ultimate end-user, so that it was eligible for reimbursement through the PIF proceeds.
4. A Funding Agreement would be put into place at the same time that any contracts were assigned, which would require the Landowner of the project to fund the District, so it could pay Superior for the work being completed. Given that Mr. _____, did so much work on the contracts and everyone looks to him as the point person, to ensure the contracts are done correctly, she recommended that the District enter into a Project Administration Agreement allowing him authority, if the District were behind him, when he was working with the contractors, County or other regulatory entities.

Mr. Ken Wilson stated that Ms. Buchanan mentioned "signing, at the time of the assignment" and asked about a post-assignment of a contract that was already underway. Ms. Buchanan meant that she would assign the contract that was already underway. An acquisition was the alternative, which was taking the improvements, once they were completed. There were multiple calls with Staff trying to figure out how to structure the Note. What was envisioned was similar to a line-of-credit in which an actual amount was available and would be tied to the project costs that were identified in the Engineer's Report. Once contracts were approved and underway or District improvements acquired, it would be drawn down in a corresponding amount. That is when the interest would begin on the Note. Due to the timing issues with the validation and being so close to completion on the first contract, Ms. Buchanan expected that interest would start accruing on the first phase. From that point forward, depending on how the deal was structured, whether there was an assignment or if acquired, would be the trigger date to increase the principal amount but interest would continue to accrue.

A Board Member thought the logical point for considering assignment and assumption and issuing a Note would happen around January or February. The first \$10 million of the budget would be assigned over to the District. The remaining \$24 million may not have another

logical stopping point until the end of the project. The first point would be to issue a partial Note in February, assign both the contract and the improvements and then work towards issuing the first Note.

Ms. Buchanan and Staff suggested scheduling a conference call to discuss the details of the Note and its structure, in more detail. Anyone who wanted to participated in the call could do so but with the understanding that, if two Supervisors were on the call, it would be problematic due to the Sunshine Law.

Mr. Wrathell asked if Superior Construction Company was the Master Site Contractor. Mr. Bennett replied affirmatively.

B. Interim District Engineer

There being no report, the next item followed.

C. District Manager

i. UPCOMING MEETING DATES

- **October 24, 2017 at 11:00 A.M.**

Mr. Wrathell stated if there were other items to discuss, there would be a meeting on October 24, 2017 at 11:00 a.m., at this location. If there were no items to discuss, the meeting would be cancelled.

- **November 28, 2017 at 11:00 A.M.**

Mr. Wrathell stated that a meeting was scheduled for November 28, 2017 at 11:00 a.m., at this location. The Meeting Schedule adopted the last meeting, scheduled meetings on the 4th Tuesday of every month. The December meeting would normally be on December 26, 2017, which could create quorum issues; therefore, with the Board's approval, the meeting would be scheduled for the prior Tuesday, December 19, 2017. A room was previously reserved for the October 24 meeting and the November 28 meeting; however, the library advised that it was necessary to reapply again, in November, for the meetings after those dates. He did not expect a problem.

NINTH ORDER OF BUSINESS

Board Members' Comments/Requests

There being no Board Members' comments or requests, the next item followed.

TENTH ORDER OF BUSINESS

Public Comments

Mr. Wilson inquired about storage of the District's records. Mr. Wrathell replied that the Record Storage Resolution would be considered at the next meeting.

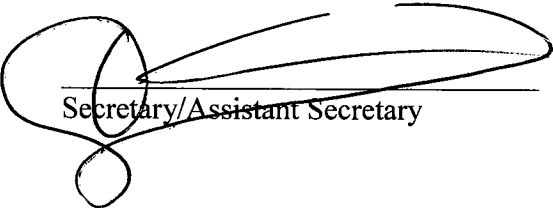
ELEVENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

**On MOTION by Ms. Webb and seconded by Mr. Hildebrand,
with all in favor, the meeting adjourned at 11:29 a.m.**

SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair