

**MINUTES OF MEETING
DP1
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Board of Supervisors of the DP1 Community Development District was held on Tuesday, November 28, 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
Lou Paquet
L. Kelly Webb

Chair
Vice Chair
Assistant Secretary
assistant Secretary
Assistant Secretary

Also present were:

Craig Wrathell
Cindy Cerbone
Howard McGaffney
Katie Buchanan
Brad Davis
Park McMillan (*via telephone*)
Brett Sealy

District Manager
Wrathell, Hunt & Associates, LLC
Wrathell, Hunt & Associates, LLC
District Counsel
District Engineer
Gatlin Development Co., Inc.
MBS

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 11:01 a.m. All Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**ANNOUNCE AUDIT SELECTION
COMMITTEE MEETING/REGULAR
MEETING RECESS**

Mr. Wrathell recalled that, at a previous meeting, the Board authorized Management to advertise for an auditor to perform an independent audit of the District, as it is a requirement of Chapter 190 Florida Statutes and the Bond Trust Indenture. Both Berger, Toombs, Elam, Gaines & Frank (BTEGF) and Carr, Riggs & Ingram, LLC (CRI) were equally qualified; however, BTEGF provided the same product at a lesser fee.

On MOTION by Mr. Bennett and seconded by Ms. Yuhas, with all in favor, proceeding with the Audit Selection Committee component of the meeting and recessing the Regular Board Meeting, were approved.

FOURTH ORDER OF BUSINESS

COMMENCEMENT OF AUDIT SELECTION COMMITTEE MEETING

The Audit Selection Committee Meeting commenced.

Mr. Wrathell circulated a ranking sheet and instructed the Audit Committee Members to rank both firms and reiterated that the only difference between the two was price.

FIFTH ORDER OF BUSINESS

Review/Discussion/Ranking of Response(s) to RFP for Annual Audit Services

A. Affidavit of Publication

This item was included for informational purposes.

B. RFP Package

This item was included for informational purposes.

C. Respondent(s)

i. Berger, Toombs, Elam, Gaines & Frank

ii. Carr, Riggs & Ingram LLC

The Audit Committee completed their ranking forms.

D. Ranking

BTEGF received a total of 500 points and CRI received a total of 455 points.

E. Recommendation

The Audit Selection Committee ranked BTEGF the number one ranked firm.

On MOTION by Ms. Yuhas and seconded by Mr. Paquet, with all in favor, ranking Berger, Toombs, Elam, Gaines & Frank, as the Number One ranked firm, and recommending the ranking to the CDD Board, were approved.

SIXTH ORDER OF BUSINESS

**ADJOURNMENT OF AUDIT
SELECTION COMMITTEE
MEETING/RECONVENE REGULAR
MEETING**

On MOTION by Mr. Bennett and seconded by Mr. Paquet, with all in favor, adjourning the Audit Selection Committee process and reconvening the Regular Board Meeting, were approved.

SEVENTH ORDER OF BUSINESS

**Consideration of Audit Selection
Committee Recommendation for Annual
Audit Services**

The Regular Meeting reconvened.

Mr. Wrathell summarized that the Audit Selection Committee ranked BTEGF, as the number one ranked firm, and recommended engaging BTEGF, in a not-to-exceed \$4,500 contract amount.

On MOTION by Mr. Bennett and seconded by Ms. Yuhas, with all in favor, accepting the Audit Selection Committee’s recommendation to engage Berger, Toombs, Elam, Gaines & Frank, the number one ranked firm, in a not-to-exceed amount of \$4,500, was approved.

On MOTION by Mr. Bennett and seconded by Ms. Yuhas, with all in favor, authorizing District Counsel to prepare the Form of Agreement and the Chair and Vice Chair to execute the Agreement, were approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2018-03, Designating the Location of the Local District Records Office and Providing an Effective Date

Mr. Wrathell presented Resolution 2018-03.

On MOTION by Ms. Webb and seconded by Mr. Paquet, with all in favor, Resolution 2018-03, Designating 200 Ponte Vedra Boulevard, Ponte Vedra Beach, Florida 32082, as the Local District Records Office and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Project Administrator Agreement with Gatlin Development Co., Inc.

Mr. Wrathell stated that it was common practice for CDDs to designate a Construction Project Manager to oversee construction when there was ongoing construction and recommended Mr. Park McMillan, of Gatlin Development Co., Inc. (Gatlin), to carry out that function. The Project Administrator would be paid \$200 per month and compensation would flow from the General Fund Budget. Ms. Buchanan pointed out that the Project Administrator was not responsible for cash disbursements above \$25,000, as outlined in Section 2.6 of the Project Administrator Agreement.

Mr. McMillan stated that he already managed construction-related matters for the CDD, since its inception, and welcomed the opportunity to serve as the liaison between the Developer and the CDD from a logistics standpoint.

On MOTION by Mr. Bennett and seconded by Mr. Hildebrand, with all in favor, the Project Administrator Agreement with Gatlin Development Co., Inc., as described, was approved.

TENTH ORDER OF BUSINESS

Consideration of Interim Engineer's Report (for informational purposes)

Mr. Wrathell referenced the Interim Engineer’s Report, dated October 17, 2017, in the agenda packet and circulated an updated version, dated November 27, 2017. The Report detailed the District’s Capital Improvement Plan (CIP), outlining improvements which would be funded by the District. The Engineer’s Report is an important component in that the CDD does not have non-ad valorem assessments, like most CDDs; rather, the District would utilize a Public Infrastructure Fee (PIF), which facilitates the acquisition of improvements.

Mr. Davis stated that, except for a few minor edits, very little changed since the Report was previously presented. The most substantial change was under “General Infrastructure.” Item 1D, previously labeled “Stormwater and Utilities”, was changed to “West Peyton Parkway”, and all items related to stormwater were under Item 1C, “Stormwater Management Facilities”. In other words, District Counsel thought it would be much cleaner to have everything under the same category.

In response to Mr. Wrathell’s request for an overview of the cost estimate, Mr. Davis stated, with the project description, the boundary and the work set forth remaining unchanged within, the construction items estimated would be appropriate for the CDD to fund. He reviewed the construction line items and stated that the cost of the project totaled \$18,707,655, which, with a 20% contingency, the total construction amounted to \$22,199,517 and, with professional fees the grand total amounted to \$24,761,000. Ms. Buchanan questioned the word “parking” on the “Internal Roadway/Parking” line item. Mr. Davis would amend the line item. He noted that the POA would have a contract with the CDD, who would hire the POA to carry out the maintenance, as the aesthetics were critical.

On MOTION by Mr. Bennett and seconded by Ms. Yuhas, with all in favor, the updated Interim Engineer’s Report, dated November 27, 2017, as amended, was approved.

ELEVENTH ORDER OF BUSINESS

Consideration of Agreement with Durbin Park Pavilion, LLC, Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property

Mr. Wrathell presented the Agreement with Durbin Park Pavilion, LLC. The following changes were made:

Page 1, Third Paragraph: Change “July 14, 2017” to “November 27, 2017.”

First Paragraph: Delete “parking.”

Ms. Buchanan stated that District’s generally completed three types of acquisitions; the first would be design work or work product, the second would be improvements, including roads, stormwater and sewer systems and the third would be real property. In this District, the focus was only on conveying the improvements. The Developer and the Association would own the underlying property for the improvements and the District would have a perpetual easement to make sure it had the ability to maintain and control all improvement systems. Currently, none of the design work funded by the Developer was conveyed. Section 4, on Page 4, described the acquisition process and the method of payment for the improvements. Because bonds would not be issued, the improvements would be completed with the understanding that the District promises to pay the Developer when it had the funds.

Ms. Buchanan suggested approving the Acquisition Agreement in substantial form. She would check with the Developer for any questions or comments but, in the interim, wanted to make sure that everybody concurred. The Agreement would incorporate the Engineer’s Report, as Exhibit A.

On MOTION by Mr. Bennett and seconded by Mr. Paquet, with all in favor, the Agreement with Durbin Park Pavilion, LLC, Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property, in substantial form, was approved.

TWELFTH ORDER OF BUSINESS

Consideration of Public Infrastructure Fee (PIF) Feasibility Analysis Proposal(s)

Mr. Wrathell presented the PIF Feasibility Analysis proposal submitted by GAI Consultants Inc. (GAI). Previously approved by Mr. Sealy, GAI possessed ample experience conducting feasibility studies and economic analyses. Mr. Wrathell pointed out that the fee amount of \$27,950, on Page 14, included out-of-pocket expenses; the fee was reasonable.

On MOTION by Mr. Bennett and seconded by Mr. Hildebrand, with all in favor, the GAI Consultants Inc., proposal to perform the Public Infrastructure Fee (PIF) Feasibility Analysis, was approved.

THIRTEENTH ORDER OF BUSINESS

Review/Discussion/Ranking of Response(s) to Request for Qualifications for Engineering Services

Mr. Wrathell recalled that the Board previously authorized Management to publicize a Request for Qualifications (RFQ) for District Engineering Services.

A. Affidavit/Proof of Publication

This item was included for informational purposes.

B. RFQ Package

This item was included for informational purposes.

C. Respondent(s)

i. Prosser, Inc.

Prosser, Inc. (Prosser) was the sole respondent to the RFQ. Mr. Wrathell pointed out that Mr. Davis had done a great job as the interim District Engineer. Although it would have been better to receive more than one submission, Prosser was experienced and already familiar with the project.

D. Ranking

On MOTION by Ms. Yuhas and seconded by Mr. Paquet, with all in favor, ranking Prosser, Inc., the Number One ranked firm for District Engineering Services, was approved.

E. Engagement of District Engineer

On MOTION by Ms. Yuhas and seconded by Mr. Bennett, with all in favor, authorizing District Counsel to prepare a form of Continuing Services Agreement and granting the Chair and Vice Chair authorization to execute the Agreement with Prosser, Inc., pending acceptability of the fee schedule by the Chair and Vice Chair, were approved.

FOURTEENTH ORDER OF BUSINESS

Consideration of Assignment of Contract for Phase 1A-1 Improvements *(to be provided under separate cover)*

Ms. Buchanan presented the Assignment of Contract for Phase 1A-1 Improvements. In response Ms. Buchanan's inquiry, Mr. McMillan confirmed that there was no work left for the District to complete and that the contract was just a release of retainage. Ms. Buchanan reviewed the summary page. The next page identified the improvements, followed by an affidavit from the Developer, which included certifications that the costs were appropriate, there were no outstanding liens and they must agree to indemnify the District from claims relating to the assignment of the contract. The Developer would review the document and forward comments to District Counsel. There was an acknowledgment from the contractor that they were comfortable with the assignment; they paid all of their subcontractors and agreed that all rights and warranties under the contract would transfer to the District. The District Engineer should review all of the paperwork, examine the improvements on the ground, make sure that the improvements are within the CIP and they were installed according to specifications and then certify the value of the improvements. The execution of the Bill of Sale would convey the contract from Durbin Park Pavilion to the CDD, including all of the warranties, rights and obligations. Ms. Buchanan read the following clause from Section 5 of the assignment into the record:

"The Grantor agrees to pay the sums set within Exhibit A to the extent proceeds are available and eligible from future sale of the District's bonds, pursuant to that acquisition agreement."

The District paid almost everything except the retainage; therefore, the Developer will pay the District the retainage amounts and then the District will pay the contractor that amount to release it. Since there were ownership issues between the CDD and the Developer, it was important to make sure the title flowed through the District, at all times; all improvements were viewed as assignments, which was why the retainage was all that was left. The Perpetual Non-inclusive Easement was the last item mentioned in the package. In response to Mr. Wrathell's question regarding when the assignments would be completed, Ms. Buchanan estimated by year's end. In response to Mr. Wrathell's question regarding when the retainage would be paid, Mr. McMillan replied within 30 days of the contract being fully executed. Mr. Wrathell asked to be kept informed of when the improvements were finalized, as it would be best to treat the transaction like a bond requisition. A Board Member asked if the Perpetual Non-inclusive Easement would refer back to the District boundary, so that no new survey would be required.

Ms. Buchanan stated that there were only several common element tracts necessary to support the system; the District probably had a preliminary plat and this was being worked out on the back end.

On MOTION by Mr. Bennett and seconded by Ms. Yuhas, with all in favor, the acquisition of Phase1A-1 Improvements in a not-to-exceed amount of \$6.5 million, authorizing the Acquisition Package, in substantial form, and delegating the authority to the Chair to execute and finalize, were approved.

FIFTEENTH ORDER OF BUSINESS Approval of Unaudited Financial Statements as of October 31, 2017

Mr. Wrathell presented the Unaudited Financial Statements as of October 31, 2017.

On MOTION by Ms. Yuhas and seconded by Mr. Paquet, with all in favor, the Unaudited Financial Statements as of October 31, 2017, were approved.

SIXTEENTH ORDER OF BUSINESS Consideration of October 5, 2017 Public Hearings and Regular Meeting Minutes

Mr. Wrathell presented the October 5, 2017 Public Hearings and Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Bennett and seconded by Mr. Hildebrand, with all in favor, the October 5, 2017 Public Hearings and Regular Meeting Minutes, as presented, were approved.

SEVENTEENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

Ms. Buchanan reported that there were issues with Greenberg Traurig, the appointed Bond Counsel, with regard to the CDD’s structure and taxes, in the event of a potential sale of a note to a third party. A fair amount of time was spent trying to convince them to be comfortable

with the deal. Despite amendments to the original deal, Bond Counsel had difficulty with some of the ownership issues that were in place, namely the number of landowners in the District, as well as who might own the improvements down the line. Ms. Buchanan suggested parting ways with Greenberg Traurig and engaging Bryant Miller Olive P.A., as Bond Counsel. They were a small, reputable law firm that previously worked on smaller deals throughout Florida, were comfortable with the CDD’s improvement and ownership plans and understood that the JEA owned almost all of the properties within the District and it could potentially remain that way for years. They also had an opportunity to review the Engineer’s Report. In response to Mr. Wrathell’s question, Ms. Buchanan confirmed that a motion would be required to terminate the Bond Counsel Agreement with Greenberg Traurig.

On MOTION by Mr. Bennett and seconded by Mr. Paquet, with all in favor, providing a Notice of Termination to Greenberg Traurig, of the Bond Counsel Agreement, was approved.

On MOTION by Mr. Bennett and seconded by Mr. Paquet, with all in favor, engaging Bryant Miller Olive P.A., to serve as Bond Counsel, with the fee schedule to be presented to the Board, at a future date, was approved.

B. District Engineer

There being no report, the next item followed.

C. District Manager

i. NEXT MEETING DATE: December 19, 2017 at 11:00 A.M.

The next meeting will be held on December 19, 2017 at 11:00 a.m., at this location.

EIGHTEENTH ORDER OF BUSINESS Board Members’ Comments/Requests

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

NINETEENTH ORDER OF BUSINESS Public Comments

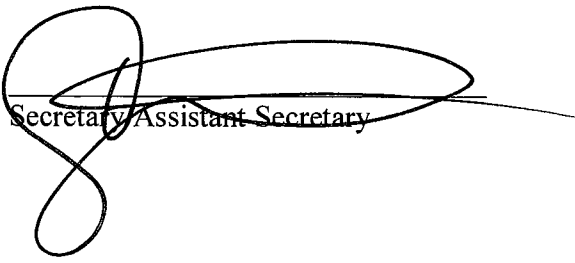
There being no public comments, the next item followed.

TWENTIETH ORDER OF BUSINESS Adjournment

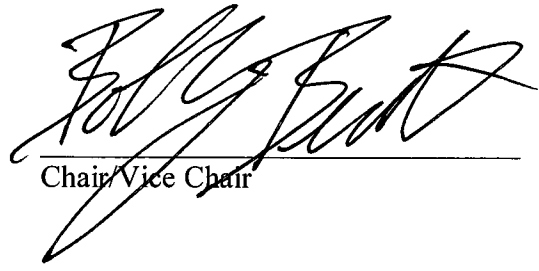
There being no further business to discuss, the meeting adjourned.

**On MOTION by Mr. Bennett and seconded by Ms. Yuhas,
with all in favor, the meeting adjourned at 12:01 p.m.**

SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair