

**MINUTES OF MEETING
PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Parklands Lee Community Development District's Board of Supervisors was held on **Thursday, January 10, 2013 at 1:00 p.m.**, at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135.**

Present and constituting a quorum were:

Russell Rupp	Chair
John Gainey	Vice Chair
Robert Schwartz	Assistant Secretary
Emmet Potter	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Jon Kessler (via telephone)	FMS Bonds
Frank Percuoco (via telephone)	Former Board Member

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:25 p.m., and noted, for the record, that Supervisors Rupp and Potter and Supervisors-elect Schwartz and Gainey were present, in person. Seat 3 remains vacant.

SECOND ORDER OF BUSINESS

Administration of Oath of Office to Newly Elected Supervisors, Robert Schwartz [Seat 1] and John Gainey [Seat 4] (*the following to be provided in a separate package*)

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Schwartz and Mr. Gainey.

Mr. Adams asked Mr. Frank Percuoco if he lived within the boundaries of the District. Mr. Percuoco indicated that he did not. Mr. Adams advised him that the vacant seat is a qualified elector's seat, which means the person must live within the boundaries of the District; therefore, Mr. Percuoco does not qualify for the vacant seat. In response to Mr. Percuoco's

inquiry, Mr. Adams indicated that the Board will not be able to consider him for the seat because he is not a qualified elector living within the boundaries of the District.

Mr. Percuoco indicated that he had a telephone conference with Mr. Steve Hagenbuckle, with TerraCap Management Corp. regarding the appraisal. Mr. Hagenbuckle indicated that he is willing to accept the appraisal.

Regarding the refinancing of the bonds, Mr. Percuoco indicated that he questioned the A-rating. Mr. Adams advised that this District does not have a concentration of risk like Parklands West. Parcel 14 is removed from the debt service program as part of the foreclosure action and the sale of the parcel by the District removed the debt; therefore, it is not considered part of the assessment program for refinancing. The rating does not contain any club ERUs that amount to any concentration of risk. Lacking concentration of risk and the fact that the remaining assessable portion of the District for this program is built out, Mr. Adams is confident that he can get the rating.

Mr. Potter asked Mr. Percuoco if Mr. Hagenbuckle indicated that, if he accepts the \$80,000, he would also abandon any use of Benecio near the District's park. Mr. Percuoco replied no and stated that he advised Mr. Hagenbuckle that he would attend the zoning hearing to express his views regarding this topic because the zoning board hearing is only to address his request to convert the property from commercial to residential.

******Mr. Percuoco left the meeting at approximately 1:37 p.m.******

Mr. Adams provided and briefly explained the following items to Mr. Schwartz and Mr. Gainey:

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Financial Disclosure Forms**
 - i. Form 1: Statement of Financial Interests**
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. Form 1F: Final Statement of Financial Interests**

Mr. Adams cautioned against communicating with another Board Member about District business outside of a publicly advertised meeting.

Mr. Adams advised that the District Manager is the custodian of the District's records. Management retains copies of all documents provided to the Board; upon the Board's request, another copy may be provided. Mr. Adams suggested that Supervisors keep District documents separate from their personal documents.

Mr. Adams indicated that Florida Statute allows a Board Member to receive \$200 compensation, per meeting. He advised Mr. Schwartz and Mr. Gainey that if they wish to receive the compensation, they may complete the W-4 form and forward it to his corporate office. Mr. Schwartz indicated that he wished to receive compensation for the meetings.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2013-1,
Canvassing and Certifying the Results of
the Landowners' Election**

Mr. Adams presented Resolution 2013-1 for the Board's consideration. He advised that Mr. Schwartz received three (3) votes, which were the only votes available at the Landowners' Meeting and, as a result, will serve a four (4)-year term.

On MOTION by Mr. Rupp and seconded by Mr. Gainey, with all in favor, Resolution 2013-1, Canvassing and Certifying the Results of the Landowners' Election, was adopted.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2013-2,
Declaring a Vacancy in Seat 3**

Mr. Adams presented Resolution 2013-2 for the Board's consideration. He recalled that no candidates qualified for the seat; therefore, the seat remains vacant.

In response to an inquiry about qualifying, Mr. Adams indicated that required documents must be completed and submitted to the Supervisor of Elections during the qualifying period. A campaign bank account must be opened and maintained with a minimum amount of \$100. In the District's case, no one went through the qualifying process.

Mr. Adams indicated that the first meeting following the election is the District's opportunity to declare the vacancy; the next step is to appoint someone to fulfill the remainder of the term, which, in this case, is almost a full four (4)-year term.

In response to Mr. Rupp's question, Mr. Adams advised that he has two (2) years remaining to complete his term and confirmed that he will be notified before the term expires.

On MOTION by Mr. Potter and seconded by Mr. Gainey, with all in favor, Resolution 2013-2, Declaring a Vacancy in Seat 3, was adopted.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2013-3,
Appointing a Qualified Elector to Fill
Vacancy in Seat 3**

- **Administration of Oath of Office to Newly Appointed Supervisor**

Mr. Adams presented Resolution 2013-2 for the Board's consideration. He reminded the Board that the candidate must be a registered voter in Lee County and live within the boundaries of the District.

This item was deferred to the next meeting.

- **Discussion/Consideration of Appraisal to be Used for Potential Sale of Benecio Undeveloped Right-of-Way**

****This item, previously the Seventh Order of Business, was presented out of order.****

In response to a Board Member's question, Mr. Adams explained that negotiations are made in public. The Board is only allowed to meet behind 'closed doors' during litigation.

Mr. Adams indicated that the Board may appoint one (1) member to work with Staff and grant authority to go through the negotiating process, on the Board's behalf, and bring back a proposal for the Board to vote on. The Board may set parameters for the negotiations. Through a public records request, another party may ask for the transcript or recording of the meeting and find out about the negotiations.

Mr. Schwartz asked if the designated Board Member may communicate with Mr. Adams. Mr. Adams indicated that all Board Members may communicate with him. Mr. Schwartz asked if those discussions are matters of public record. Mr. Adams explained that one-on-one

discussions with him, outside of Board Meetings, are not public record unless communications are by text messages or emails.

Mr. Adams confirmed that the Board should not be communicating with Mr. Hagenbuckle. Mr. Adams indicated that Mr. Percuoco took the lead on the project, even though he was not appointed by the Board and has been following the developments very closely.

Summarizing Mr. Percuoco's statement, Mr. Adams stated that the appraised value of the parcel was \$80,000, without improvements. A separate boundary line, beyond the paved area was established; D.R. Horton agreed to leave that portion to the District and concentrate on the undeveloped future road right-of-way (ROW). Mr. Adams does not foresee the District finding a need for that strip of land in the future and expressed his surprise at the high \$80,000 value. He explained that Mr. Hagenbuckle's interest in the land is to tie both parcels together, without a separation. Mr. Adams clarified that \$80,000 is the minimum amount that may be received. As a result of his conversation, Mr. Percuoco indicated that Mr. Hagenbuckle is willing to pay the appraised value.

Mr. Potter noted that the Sixth Order of Business was not discussed.

Mr. Rupp indicated that a comparable sale was not utilized in the appraisal.

Mr. Schwartz asked if it can be assumed that TerraCap will add the ROW to the parcel behind it and sell it to D.R. Horton. Mr. Adams advised that before TerraCap proceeds with that step, they have a few hurdles with the city. In response to Mr. Schwartz's comment, Mr. Adams advised that the value of the ROW is based upon its current zoning use, regardless of the intentions of the purchaser. We are aware of TerraCap's intentions for the ROW; however, the value of the property cannot be determined by hypotheticals.

Discussion ensued regarding the appraised value of the property.

In response to a Board Member's comment, Mr. Adams indicated that, at this time, he will ask the Board to accept the appraisal as setting a minimum value, which will be the least amount the District may accept. The Board may wish to negotiate a different amount. The Board may accept an amount above the appraised value; however, an amount below will be difficult to accept because the ROW is a public asset, which has been valued at that amount.

Mr. Rupp indicated that TerraCap will sell the ROW at a higher value than what they will pay.

Clarifying Mr. Rupp’s statement, Mr. Adams indicated that, as part of the sales transaction, the ROW will transfer to TerraCap; then, they will have to go through re-zoning and permitting changes to have the lines of the ROW removed.

Mr. Potter asked if accepting the appraisal will ruin future negotiations. Mr. Adams clarified that it will not. Accepting the appraisal will set the minimum price the Board will accept for the property. Mr. Adams reiterated that the ROW may be sold for \$80,000 and above, but not below that amount.

Mr. Potter stated that another option would be to reject the appraisal and obtain another appraisal. Mr. Adams stated that the appraisal must be performed at the District’s expense.

Mr. Adams advised that the company used for the appraisal is MAI Certified and that Management has used them for years, in various districts.

On MOTION by Mr. Potter and seconded by Mr. Schwartz, with all in favor, the appraised value of \$80,000 as the minimum value for the Benecio future road right-of-way, was accepted.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2013-4,
Electing Officers of the District**

Mr. Adams presented Resolution 2013-4 for the Board’s consideration. He noted the requirement to consider the slate of officers following an election or appointment to the Board.

Mr. Adams indicated that the positions of Chair and Vice Chair are vacant. Mr. Potter, Mr. Gainey and Mr. Rupp serve as Assistant Secretaries. He noted that Seat 3 remains vacant.

Mr. Adams requested nominations.

The following slate of officers was nominated:

- | | |
|---------------------|------------------|
| Chair | Russell Rupp |
| Vice Chair | John Gainey |
| Secretary | Chuck Adams |
| Treasurer | Craig Wrathell |
| Assistant Secretary | Robert Schwartz |
| Assistant Secretary | Emmett Potter |
| Assistant Secretary | Seat #3 (vacant) |

Assistant Secretary

Craig Wrathell

No other nominations were made.

On MOTION by Mr. Potter and seconded by Mr. Schwartz, with all in favor, Resolution 2013-4, Electing Officers of the District, as nominated, was adopted.

SEVENTH ORDER OF BUSINESS

Discussion/Consideration of Appraisal to be Used for Potential Sale of Benecio Undeveloped Right-of-Way

This item was discussed during the Fifth Order of Business.

EIGHTH ORDER OF BUSINESS

Presentation/Consideration of Authorization to Refinance Bonds *(to be provided under separate cover)*

Mr. Adams indicated that Mr. Jon Kessler, of FMS Bonds, researched the potential of refinancing the bonds that the District recently exchanged.

Mr. Kessler recalled that, approximately one (1) year ago, a presentation analyzing the bonds was made to the District. At that time, the bonds were callable with a 1% premium and the savings were single digits. The Board discussed waiting until the premium was gone to reevaluate the bonds. Currently the coupon for the bond is at 5.8%; today, the bonds may be refinanced with an A- rating and would probably price with a blended coupon around a 3.85%.

Mr. Kessler noted that the market is quite strong and refinancing the bonds may provide a savings of approximately 11%.

Mr. Kessler explained that the first step would be to have the bonds rated by Standard & Poor's (S&P), which is approximately a six (6)-week process. The closing may occur 45 days later. He recommended waiting until the call date of May 1.

Mr. Adams indicated that the refinancing will not extend the term of the bonds. The savings, for the six (6) different residential categories, range from \$89 to \$316. The larger homes will receive significant savings.

In response to Mr. Adams inquiry, Mr. Kessler indicated that assuming the District expresses interest in refinancing, with this level of savings, FMS will pay the up-front costs of approximately \$7,500, for the rating of the bonds.

Mr. Adams confirmed that the Board may approve Staff proceeding with securing the rating for the bonds, with closing contingent upon receiving the level of savings discussed today. The District may back out of the closing and will not have to reimburse FMS for the cost of having the bonds rated, if the level of savings discussed is not obtained. Mr. Kessler concurred.

Mr. Adams asked if the cost of issuance was added to the numbers Mr. Kessler provided. Mr. Kessler indicated that the cost of issuance is approximately \$100,000. All costs are embedded in the transaction; there will be no additional costs.

Mr. Adams noted that the principal amount is increasing so there will be a notice requirement. Mr. Kessler noted that, based on the numbers he used, the par will increase, even though the annual payments are lower. Mr. Adams explained that a separate notice must be prepared and mailed to each affected homeowner advising them that the principal outstanding amount of the bonds will increase; however, the monthly payments will decrease.

In response to a question, Mr. Adams explained that the principal increases because the cost of issuance cannot be absorbed completely by the debt service reserve, which he assumed will be taken to 50%.

In response to Mr. Adams' inquiry, Mr. Kessler stated that, because the District had a defaulted parcel, half of the debt service reserve fund was depleted. Usually, FMS utilizes half to one (1) year of the reserve to cover the cost of issuance; however, in this case, there is only half remaining.

Mr. Adams explained that the trustee used some of the reserve during the foreclosure process and reset the reserve requirement, as part of the exchange bond, when it was removed from the assessment program.

On MOTION by Mr. Rupp and seconded by Mr. Potter, with all in favor, authorizing Staff to engage FMS Bonds to proceed with getting the bond rated, with the contingencies, as discussed, was approved.

NINTH ORDER OF BUSINESS

Approval of Minutes

A. September 13, 2012 Public Hearing and Regular Meeting

Mr. Adams presented the September 13, 2012 Public Hearing and Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Potter and seconded by Mr. Gainey, with all in favor, the September 13, 2012 Public Hearing and Regular Meeting Minutes, as presented, were approved.

B. October 30, 2012 Special Meeting

Mr. Adams presented the October 30, 2012 Special Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Gainey and seconded by Mr. Potter, with all in favor, the October 30, 2012 Special Meeting Minutes, as presented, were approved.

C. November 8, 2012 Landowners' Meeting

Mr. Adams presented the November 8, 2012 Landowners' Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Gainey and seconded by Mr. Rupp, with all in favor, the November 8, 2012 Landowners' Meeting Minutes, as presented, were approved.

TENTH ORDER OF BUSINESS

Other Business

Mr. Adams suggested that the Board designate a Board Member to work with the District Manager to negotiate the sale of the Benecio right-of-way. Final approval will be brought to the Board for consideration. Mr. Potter nominated the Chair and the District Manager.

On MOTION by Mr. Potter and seconded by Mr. Rupp, with all in favor, delegating authority to negotiate the sale of the Benecio right-of-way to the Chair and District Manager, was approved.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no report, the next item followed.

B. Engineer

There being no report, the next item followed.

C. Manager

i. Approval of Unaudited Financial Statements as of November 30, 2012

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2012. He highlighted that some assessment revenues were received in November. Expenditures, year-to-date, were 12%, prorated, at 16% or 8% per month, on a twelve (12) month cycle.

Mr. Adams noted that the insurance line item was under because of the one (1)-time payment of \$6,500. The budgeted amount was \$7,000. The legal advertising line item was 116%.

Referring to contractual services, Mr. Adams indicated that the first two (2) months of invoices for lake maintenance were not paid; however, he recently approved several invoices for payment and the payments are now current.

Regarding the expenditures, on Page 3, Mr. Adams noted that the November 1 interest payment of \$126,587 was made. Assuming that the refinancing does not go forward, an interest and annual principal payment will be made on May 1.

ii. NEXT MEETING DATE: May 9, 2013 at 1:15 P.M.

Mr. Adams noted that the next meeting is scheduled for May 9, 2013; however, there may be a meeting scheduled in February if there is any news regarding the refinancing or the negotiations for the sale of the ROW.

TWELFTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

There being no audience comments or Supervisors' requests, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Rupp and seconded by Mr. Gainey, with all in favor, the meeting adjourned at 2:17 p.m.


Secretary/Assistant Secretary


Chair/Vice Chair