

**MINUTES OF MEETING  
AVENTURA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

An Organizational Meeting of the Aventura Isles Community Development District was held on **Monday, June 3, 2013 at 10:00 a.m.**, at **190 NE 199th Street, Suite 206, Miami, Florida 33179.**

**Present at the meeting were:**

Richard "Rick" Feather	Chair
Anthony "Tony" Valle	Vice Chair
Eric Reiter	Assistant Secretary
Lauren Arcaro	Assistant Secretary

**Also present were:**

Craig Wrathell	District Manager
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Gerry Knight	District Counsel
Bob Gang	Bond Counsel
Alfonso "Al" Tello (via telephone)	Interim District Engineer
John Kessler (via telephone)	FMSbonds, Inc.

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Wrathell called the meeting to order at 10:10 a.m., and noted that this is the organizational meeting of the Aventura Isles Community Development District. The District was approved on May 21, 2013, followed by a ten (10)-day waiting period and a meeting scheduled for today. Mr. Wrathell indicated that the project has moved forward successfully and quickly. Today, the District will discuss bond financing. The bond issuance process takes approximately four (4) months and a public hearing will be scheduled in approximately 40 days. Mr. Wrathell explained that District Counsel will validate the bonds by filing suit in Circuit Court.

**GENERAL DISTRICT ITEMS**

**SECOND ORDER OF BUSINESS**

**Administration of Oath of Office to Initial Board of Supervisors *(the following to also be provided in a separate package)***

Mr. Wrathell, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Valle, Mr. Reiter, Ms. Arcaro and Mr. Feather. Mr. Wrathell provided and briefly explained the following items:

- 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**
- Roll Call**

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

Mr. Wrathell noted, for the record, that Supervisors Feather, Arcaro, Valle, and Reiter were present, in person. Supervisor David Eisner was not present and has not been sworn in. Mr. Wrathell explained that the petition establishing the District designates the initial members of the Board of Supervisors for the purpose of holding the organizational meeting. A landowner’s election will be scheduled and this Board can be elected to the Board.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2013-1, Electing the Officers of the District**

Mr. Wrathell presented Resolution 2013-1 for the Board’s consideration. Mr. Wrathell explained the role of each officer.

Mr. Feather nominated the following slate of officers:

- |                 |                     |
|-----------------|---------------------|
| Richard Feather | Chair               |
| Anthony Valle   | Vice Chair          |
| Craig Wrathell  | Secretary           |
| Craig Wrathell  | Treasurer           |
| Eric Reiter     | Assistant Secretary |
| Lauren Arcaro   | Assistant Secretary |

No other nominations were made.

**On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, Resolution 2013-1, Electing the Officers of the District, as nominated, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Improvement Acquisition Agreement**

Mr. Wrathell advised that, once the bonds are issued, the District will acquire improvements from the developer, in segments. The District Engineer will perform an inspection of the improvements and ensure that all appropriate paperwork is completed.

Mr. Knight explained that Exhibit “A” of the agreement describes the improvements that the District is authorized to acquire from the developer. Paragraph 3 contains the not-to-exceed amount that the District will pay for the improvements. Mr. Knight noted that the list of improvements and price were obtained from the Engineer’s Report. If the District runs out of money, before the project is completed, the provision in Paragraph 7 requires completion of the project, at the developer’s cost.

Mr. Wrathell advised that the District is assuming that it will finance 100% of the improvements; however, in reality, a portion less than that amount will be financed. Part of the limiting factor is that the developer has a target level, in the restrictive covenants, that dictates the maximum level of assessments, per product type. Bonds will be issued to produce less than \$12 million in construction improvements and the developer will sign a completion agreement indicating that they will fund any portion not funded by the bonds.

Mr. Knight stated that this is a standard agreement which indicates that the District will acquire improvements, not build them. Mr. Knight advised that he has not received the developer’s comments on the agreement and requested that the Board approve the agreement, subject to final review and approval by District Counsel or the Chair.

**On MOTION by Mr. Feather and seconded by Ms. Arcaro, with all in favor, the Improvement Acquisition Agreement, subject to final approval by the developer and the Chair, was approved.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Assignment of Water Sewer Agreement**

Mr. Wrathell advised that Staff attended a meeting with Miami-Dade County regarding the water and sewer process. It is necessary for the District to own the water and sewer improvements, for a certain amount of time, before they are conveyed to the county; this process will make the improvements bond eligible.

Mr. Knight indicated that he reviewed the assignment and assumption agreement for the single-family homes but has not reviewed the agreement for the townhomes. Mr. Tello advised that the townhome assignment and assumption agreement has not been prepared. Mr. Knight stated that the townhome agreement will be in the same format as the single-family agreement and the Board may approve both agreements today. Mr. Knight noted that the agreements are needed in order to have the county accept the conveyance of the water sewer to the District, rather than the developer.

Mr. Wrathell stated that, until the water improvements are conveyed to the District, Certificates of Occupancy will not be issued for the homes. Mr. Feather reported that approximately 80 homes are waiting on the conveyance to close and asked for a time frame of the approval from the county. Mr. Tello advised that, as soon as the county received assignment from the District, they were asked to prepare the documents in the name of the District. The documents will be executed and returned to the county after the contractor is finished with the final items on his punch list. The county will provide the meters approximately one (1) week after they receive the executed conveyance documents.

Ms. Arcaro indicated that the District will have to complete the improvements. Mr. Knight clarified that the District will have to complete the section that the District will accept and convey, which is Phase 1 of the single-family homes. Responding to Ms. Arcaro's question, Mr. Tello clarified that the meters will be installed approximately one (1) week after the county receives the executed documents.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, the Assignment and Assumption Agreements for the single-family homes and the townhomes, were approved.**

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-2, Accepting the Conveyance of Certain Water and Sewer Improvements from the Developer**

Mr. Wrathell presented Resolution 2013-2 for the Board's consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT ACCEPTING THE CONVEYANCE OF CERTAIN WATER AND SEWER IMPROVEMENTS FROM THE DEVELOPER; AUTHORIZING THE PROPER DISTRICT OFFICIALS TO EXECUTE NECESSARY CONVEYANCE INSTRUMENTS TO ACCEPT THE WATER AND SEWER IMPROVEMENTS AS THE SAME ARE COMPLETED BY THE DEVELOPER; AND PROVIDING FOR AN EFFECTIVE DATE”

**On MOTION by Mr. Valle and seconded by Ms. Arcaro, with all in favor, Resolution 2013-2, Accepting the Conveyance of Certain Water and Sewer Improvements from the Developer, was adopted.**

**SEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-3, Authorizing the Proper District Officials to Execute Necessary Conveyance Instruments to Convey Certain Water and Sewer Improvements from District to Miami-Dade County Water and Sewer Department**

Mr. Wrathell presented Resolution 2013-3 for the Board's consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE PROPER DISTRICT OFFICIALS TO EXECUTE NECESSARY CONVEYANCE INSTRUMENTS TO CONVEY CERTAIN WATER AND SEWER IMPROVEMENTS, IN PHASES IF REQUIRED, FROM THE DISTRICT TO MIAMI-DADE COUNTY WATER AND SEWER DEPARTMENT; AND PROVIDING FOR AN EFFECTIVE DATE”

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, Resolution 2013-3, Authorizing the Proper District Officials to Execute Necessary Conveyance Instruments to Convey Certain Water and Sewer Improvements from District to Miami-Dade County Water and Sewer Department, was adopted.**

Mr. Knight stated that the District will pay the developer for the improvements after the bonds are issued.

**ORGANIZATIONAL MATTERS**

**EIGHTH ORDER OF BUSINESS**

**Consideration of the Following Organizational Matters:**

- A. Resolution 2013-4, Appointing District Manager: *Wrathell Hunt and Associates, LLC***

Mr. Wrathell presented Resolution 2013-4 for the Board’s consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT APPOINTING AND FIXING THE COMPENSATION OF THE DISTRICT MANAGER; APPOINTING A METHODOLOGY CONSULTANT; AND PROVIDING AN EFFECTIVE DATE.”

Mr. Wrathell reviewed the Wrathell, Hunt and Associates, LLC, agreement for management services and proposed fee schedule.

**On MOTION by Mr. Valle and seconded by Ms. Arcaro, with all in favor, Resolution 2013-4, Appointing Wrathell, Hunt and Associates, LLC as District Manager, was adopted.**

- B. Resolution 2013-5, Appointing District Counsel: *Billing, Cochran, Lyles, Mauro & Ramsey, P.A.***

Mr. Wrathell presented Resolution 2013-5 for the Board’s consideration and read the title into the record:

“A RESOLUTION DESIGNATING THE FIRM OF BILLING, COCHRAN, LYLES, MAURO & RAMSEY, P.A., AS DISTRICT

**COUNSEL FOR THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT AND AUTHORIZING COMPENSATION”**

Mr. King advised that the legal fees relating to the petition are paid by the developer and the costs for the bond issuance will be paid by the bond issue itself. He noted that the fees referenced in the agreement are for general legal services that will be provided to the District.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, Resolution 2013-5, Appointing Billing, Cochran, Lyles, Mauro & Ramsey, P.A., as District Counsel, was adopted.**

**C. Engagement of Bond Financing Professionals**

**i. FMSbonds, Inc. Underwriter or Purchaser**

Mr. Wrathell presented a proposal from FMSbonds, Inc. (FMS), to serve as bond underwriter. He reviewed the underwriting fee under “Term and conditions” and noted the underwriter’s discount of not-to-exceed 2% of the par amount of the bonds, with a minimum fee of \$60,000 to issue the bonds.

Mr. Kessler stated that there are open-end items, in terms of the structure. Given the current economic state, with bond opinions, it is uncertain how the transaction will be structured; hence, the ‘not-to-exceed’ clause. Mr. Kessler recalled that, initially, there was a discussion regarding phasing the bonds; at the moment, one (1) bond will be issued. He noted that FMS only gets paid if the bonds are issued; if the District does not issue bonds, there is no fee payable to FMS. The terms of the bond rate will be set at the time the bonds are marketed and the bond purchase agreement is signed or, if there is private placement, when the private placement agreement is signed.

**On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, appointing FMSbonds, Inc., as the bond underwriter, and approving the proposed Investment Banking Agreement, were approved.**

**ii. Greenberg Traurig: Bond Counsel**

Mr. Wrathell presented a proposal from Greenberg Traurig to serve as bond counsel. The first paragraph depicts a flat fee of \$45,000, which will be paid as part of the cost of issuance of the bonds. Mr. Wrathell noted that this is a competitive rate. Mr. Wrathell advised that Greenberg Traurig prepared the general bond resolution and will also prepare the master and supplemental trust indentures, which are considered to be the bible of how the flow of funds from the bond proceeds will be handled.

Mr. Gang advised that his office will prepare all the financing documents between the District, the bondholders and the trustee representing the bondholders. Greenberg Traurig will assist District Counsel in the bond validation process and will issue the ultimate validity and opinion to investors. Mr. Gang noted that, with tax exemption opinions, they are wrestling with the IRS audit of The Villages, which has made the field of CDD financing much more challenging and interesting. Greenberg Traurig will provide an opinion that the investors will accept and will be much longer than the usual opinion. Mr. Gang indicated that, in order to complete the financing process, his office will work closely with the underwriter, District Manager and District Counsel.

In the event that Greenberg Traurig performs the work and the bonds cannot be sold, Mr. Gang disclosed that there is a provision in their proposal for a discounted “dead deal” fee. This fee is typically paid through a funding agreement with the developer. Mr. Gang indicated that the District has a good team in place and, hopefully, the deal will not fall through. He noted that the District is residential and has a lot of good qualities going for it. Mr. Wrathell stated that a lot of the infrastructure is already in the ground and several properties are under contract.

Mr. Knight mentioned that the issue regarding new residential districts and the issuance of tax exempt bond opinions, which relates to what is occurring in The Villages, in Central Florida. As a result, there is question as to whether an unqualified bond counsel opinion may be issued and will determine how the bonds will be sold, either standard or by private placement. He advised that there is a paragraph in Mr. Gang’s letter that addresses this issue.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, appointing Greenberg Traurig as Bond Counsel, and approving the proposed engagement letter, were approved.**



**D. Resolution 2013-6, Designating Registered Agent, Registered Office, and Office of Record**

Mr. Wrathell presented Resolution 2013-6, for the Board’s consideration and read the title into the record:

“A RESOLUTION DESIGNATING THE REGISTERED AGENT; DESIGNATING THE OFFICE OR LOCATION OF THE REGISTERED OFFICE; AND DESIGNATING THE OFFICES OR LOCATION AS THE OFFICE OF RECORD FOR THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT”

Mr. Wrathell indicated that the resolution designates District Counsel as the registered agent. If a lawsuit is filed against the District, the paperwork will go directly to the attorney. Mr. Wrathell noted that the majority of Districts that he manages utilize their attorney to fill that role.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, Resolution 2013-6, Designating Registered Agent, Registered Office, and Office of Record, was adopted.**

**E. Resolution 2013-7, Setting Forth the Policy of the District with Regard to the Support and Legal Defense of the Board of Supervisors and District Staff**

Mr. Wrathell presented Resolution 2013-7 for the Board’s consideration. He indicated that this is a document that he recommends to all Boards for adoption. This resolution is intended to protect the Board with support and legal defense. Mr. Wrathell advised that, later in the meeting, the Board will authorize Staff to secure general liability and directors’ and officers’ liability insurance, which will give the Board up to \$1 million in coverage.

Mr. Wrathell pointed out that the Board has sovereign immunity. He clarified that the Board is covered as long as they are operating under the constraints of the law. Mr. Wrathell advised that District Staff is protected, as well. Mr. Wrathell informed the Board that, after the economy took a down turn, there were situations where outside parties threatened lawsuits, with the intent of intimidating Board Members. He advised of a project in Miami, where the Board assumed additional coverage. The odds of anything occurring are very small but it is wise to have coverage.

Mr. Knight advised that this is a good policy to have in place and summarized that if a Board Member is sued, the District will provide the Board with legal defense, as long as they are acting within the scope of their duties.

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, Resolution 2013-7, Setting Forth the Policy of the District with Regard to the Support and Legal Defense of the Board of Supervisors and District Staff, was adopted.**

**F. Resolution 2013-8, Approving Florida Statewide Mutual Aid Agreement**

Mr. Wrathell presented Resolution 2013-8 for the Board’s consideration. He recommends that Districts participate in the Florida Statewide Mutual Aid Program, as it will benefit the District, in the long run. Florida government entities are eligible to participate in this program. If there is another hurricane like Andrew, the District, as a governmental entity, is allowed to request assistance from other governmental entities. Mr. Wrathell advised that the assistance is not free and must be reimbursed. If the District is asked for assistance, the District’s only obligation is to help with the resources it has available.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, Resolution 2013-8, Approving Florida Statewide Mutual Aid Agreement, was adopted.**

Mr. Knight indicated that, as a governmental entity, the District is entitled to assistance from the Federal Emergency Management Agency (FEMA), in the event of a disaster, whereas the homeowner’s association (HOA), as a private entity, generally is not.

**G. Discussion/Consideration: Landowner’s Meeting, Regular Meeting Schedule and Location for the Remainder of Fiscal Year 2013**

Mr. Wrathell advised that the next meeting and landowner’s election must be advertised. He suggested holding the next meeting and landowner’s election on Monday, July 8, 2013. The Board advised that they were available on July 8.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, scheduling the next Board Meeting and Landowner's Meeting for July 8, 2013 and directing Staff to advertise, accordingly, were approved.**

#### **H. Board Member Compensation**

Mr. Wrathell stated that the Board has the option to receive \$200 compensation per meeting. He noted that many developer-funded districts do not include Board Member compensation and indicated that it was not included in the District's proposed budget. Mr. Wrathell asked the Board if they wished to receive compensation, adding that it would have to be funded by the developer. Mr. Wrathell advised the Board that they do not have to make a decision today.

Mr. Feather requested that this item be deferred to the next meeting.

#### **I. Authorization of RFQ for District Engineering Services**

Mr. Wrathell advised that Mr. Tello prepared the Engineer's Report and noted that the Board has the option of hiring him as the interim District Engineer. Mr. Wrathell asked Mr. Knight for his recommendation. Mr. Wrathell noted that, under the Consultants Competitive Negotiations Act (CCNA), if the engineer's fees exceed \$25,000, the District, through the Request for Qualifications (RFQ), will have to advertise and solicit interested and qualified engineering firms to submit their qualifications for the Board's review. The Board will rank the firms, make a selection and authorize the District to negotiate and enter into an agreement.

**On MOTION by Ms. Arcaro and seconded by Mr. Valle, with all in favor, authorizing Staff to proceed with the Request for Qualifications for District Engineering Services, was approved.**

Mr. Knight advised that Mr. Tello's firm, Schwebke-Shiskin & Associates, Inc., prepared the Engineer's Report and falls under the CCNA threshold. He noted that the RFQ process was not required for the preparation of the Engineer's Report; however, it will be required for a permanent District Engineer.

Mr. Wrathell noted that a proposal for interim engineer services was not received from Mr. Tello and suggested that the Board hire Mr. Tello, as Interim Engineer, and authorize the

Chair to negotiate the interim fee schedule. Mr. Knight agreed and noted that the fee should not exceed the CCNA threshold. Mr. Wrathell clarified not-to-exceed \$25,000.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, appointing Schwebke-Shiskin & Associates, Inc., as Interim District Engineer, and authorizing the Chair to negotiate the interim fee schedule, in a not-to-exceed amount of \$25,000, were approved.**

## FINANCING MATTERS

### NINTH ORDER OF BUSINESS

### Consideration of the Following Financing Matters:

#### A. Engineer's Report

Mr. Wrathell indicated that the Engineer's Report is the catalyst for the District's ability to move forward with any type of financing, in this case, the issuance of the bonds. In the report, the District Engineer outlines the actual physical improvements that are intended to be constructed in the project and publicly eligible to funded, via the bonds. Mr. Wrathell clarified that the report does not include private improvements, such as homebuilding; the report is specifically related to District infrastructure.

Mr. Wrathell advised that the next item on the agenda is the presentation of the assessment methodology. Under Florida Statutes 170, 190 and 197, the District must prove, especially during the validation process in circuit court, that the benefit received by the property owners is equal to or greater than the assessment levy. For finance and home modeling purposes, it is assumed that the District will fund 100% of the improvements and the amount of improvements that the District will fund through the bonds are as beneficial to the property owners, if not greater than the assessment levy.

Mr. Wrathell indicated that, for finance and home modeling purposes, Staff contemplates that the amount of bonds issued will be considerably less than the amount the District will be capable of fully funding. During the validation process, in court, the District will advise the judge that the amount funded is less than the amount of improvements; however, the District is funding a portion and the developer is funding the balance. Mr. Wrathell advised that, for this reason, the Engineer's Report includes the product cost, if the District is not fully funding the

improvements and the methodology assumes financing 100% of the improvements, even though the District may not necessarily fund 100% of the improvements through the bond.

Mr. Wrathell noted that it is easier for Mr. Kessler, the bond underwriter, to market and sell the bonds when there are certain amounts of improvements already made and more to be constructed.

Mr. Tello advised that the Engineer's Report provides a breakdown of all the improvements that will be made. The improvements are classified into the stormwater management, which includes the development that conveys stormwater and stores it, including the lake and drainage systems. The utility portion of the improvements covers the water and sewer and will be public, with the exception of the private sewer system that will service the townhome community. The utilities are concluded by a gravity system connecting to Miami-Dade water and sewers. The main lines, lift stations and water mains, within this site and covered by the District's improvements, also connect to the Miami-Dade sewer distribution system, with the exception of the townhomes, which is a private sewer system connecting to a private lift station and, in turn, connects to the Miami-Dade water and sewer force main system.

Mr. Tello indicated that the roads will not be funded by the District, with the exception of the stormwater components. A security gate at the entrance, as well as the recreational areas, will be part of subdivision's amenities. At some point, the surrounding parks will be donated to the Parks, Recreation and Open Spaces Department and a portion will contain a walkway connecting the portions of the park that are adjacent to the South Florida Water Management District (SFWMD) canal. The only off-site improvements required by this development are turning lanes on 119<sup>th</sup> Street, a right turn lane and a right turn lane, together with signalization.

Mr. Tello summarized that the improvements are estimated to total \$12,894,657; the breakdown of the costs are reflected on Page 10, of the Engineer's Report. Mr. Tello advised that the necessary permits are listed on Page 11, as well as the name of the permitting agencies.

Recalling Mr. Tello's statement regarding the townhomes' sewer system, Mr. Wrathell indicated that Mr. Tello referred to them as private and will not be accepted by Miami-Dade Water and Sewer Department. Mr. Tello replied affirmatively. Mr. Wrathell clarified that the District will fund and own the townhomes' water and sewer system. Mr. Tello agreed and noted that they are for public use.

In response to Mr. Feather's question regarding his review of the Engineer's Report, Mr. Gang indicated that the report should be reviewed with Mr. Tello for clarification as to which

improvements are public or private. Mr. Feather noted that this will relate to obtaining tax exempt bond issuance and tax opinion. Mr. Feather advised Mr. Tello that there may be modifications to the Engineer's Report.

In order to proceed with the financing process, Mr. Wrathell suggested that the Board approve the Engineer's Report, in substantial form, and authorize Staff to work with Mr. Tello on the modifications. Those modifications will come before the Board, at the July 8 meeting, for approval. Mr. Wrathell clarified that the modified Engineer's Report will be presented to the Board, for approval, prior to Staff taking any actions.

Ms. Arcaro expressed her confusion regarding the roads. Mr. Wrathell explained that the District is not purposely funding the roads because there is an issue with a road behind the guard gate with public access. Mr. Wrathell noted that the District has more ineligible improvements than needed to issue the bonds. Mr. Wrathell advised that he had prior discussions with Mr. Feather regarding the positives and negatives of including the roads and they concluded that, if the District does not need the construction costs, it is best to leave the roads private. Mr. Wrathell indicated that a benefit of keeping the roads private is that the District will have the ability to restrict access into the community. Clarifying Mr. Tello's prior statement, Mr. Wrathell noted that roads are part of the stormwater management system; however, the drainage portion is included in the construction estimates and the physical pavements are not. Mr. Feather stated that the intentions were to only include the gutter and stormwater system. Ms. Arcaro indicated that this is reflected in the Engineer's Report.

Mr. Wrathell advised that the Engineer's Report was reviewed several times. He noted that part of the issue is finding a bond attorney that will provide an opinion that will satisfy the underwriter. Mr. Wrathell indicated that, prior to the market's downturn, there was little question regarding the tax exempt status. At the moment, the District will obtain a qualified opinion and, of importance is what is said in the qualifications of the bond opinion. The stronger the bond opinion, the higher the bond rating and the more marketable the bonds will be.

In terms of gated roads and recreational amenities, Mr. Tello indicated that the issue of public versus private has always been present. The IRS decided that, for the purposes of issuing tax exempt bonds, a District where the majority of the Board is controlled by a single landowner is not a government. The IRS is 'sticking their nose' into Florida law and contradicting legislative and circuit court decisions made during the validation process.

Mr. Wrathell indicated that he has worked with districts that underwent IRS examinations and evaluated the tax exempt status of the bonds.

Mr. Knight noted that the IRS projected their ruling but has not made an official ruling; it is an advisory ruling.

Mr. Wrathell advised that he read an article, regarding The Villages, stating that the IRS appraiser reviewed the formula for the evaluations and was satisfied. Mr. Tello noted that what spiked The Villages audit was what the IRS viewed as egregious overpricing by the developer. The IRS settled on the structure of landowners controlling the board as being a fatal issue with the Village Center CDD. Mr. Tello concurred with Mr. Knight. The IRS made an oral ruling and there is a pending technical advisory memorandum, which is like a private letter ruling, which the IRS hoped to have issued by the end of 2012. There is no indication when the official ruling will be issued.

In response to Mr. Feather's inquiry, Mr. Tello confirmed that the IRS can grandfather their decision, once their ruling is issued. Based on the fact that the District only has one (1) landowner controlling the majority of the positions on the Board, Mr. Tello stated that the IRS can audit the District and declare the bonds taxable from day one (1). Mr. Tello indicated that, for this reason, the bond opinion was approximately 14 pages.

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, the Engineer's Report, in substantial form, pending further legal review, was approved.**

**B. Master Special Assessment Methodology Report**

Mr. Wrathell presented the Master Special Assessment Methodology Report (Methodology) for the Board's consideration. Assuming that the Board is comfortable with approving the Methodology today, it will establish the maximum amount that may be assessed to the property owners and define the maximum amount of benefits to property owners.

Mr. Wrathell advised that, prior to the date of the issuance of the bonds, Staff will issue a Supplemental Assessment Methodology Report, which will decrease the assessments to the actual amount of the bonds that are issued.

Mr. Wrathell indicated that the estimates projected in the Methodology are approximately three (3) times the amount of what the final assessment will be. The increased amount provides flexibility during the closing.

On Page 1, Section 1.3, Mr. Wrathell explained that, as part of the process of levying and assessing homeowners in the State of Florida, the Methodology must attest that the benefit to the property owner is equal to or greater than the assessment levy. The property cannot be developed without Capital Improvement Programs (CIP) such as stormwater management systems and water and sewer systems. The Methodology depicts that the capital improvements are special and peculiar to the District. Sections 2.1 and 2.2 discuss the size of the project. The District consists of 147.97 acres. Mr. Wrathell indicated that the property is assessed on a gross acre basis. Mr. Feather advised that all lots have been platted and recorded.

On Page 9, Section 5.5 "True-Up Mechanism", Mr. Wrathell explained that it is an agreement whereby the developer agrees to pay a principal reduction for any loss of units. If the developer gains units, the District has the ability to apply the new principal to all the units and lower the assessments for everyone. Mr. Wrathell noted that Page 11 is a summary of the District's CIPs and is consistent with the Engineer's Report. Table 2, on Page 12, reflects a financing model for the \$12,894,657 of improvements and the \$18,340,000 depicts the maximum amount that may be assessed on the property owners. Table 3 reflects the product type and benefit allocation, keeping in mind that a larger lot has more impact and benefit on the CIPs than a smaller lot.

Mr. Wrathell explained that Table 4, "Assessment Apportionment", assumes that \$18 million in bonds will be issued and establishes the maximum amount of assessment, per unit, and annual assessment payment, per unit, that may be levied on these units. Mr. Wrathell noted that the actual bond issue will be less than the amount represented in the methodology. The amounts in the Methodology and the Supplemental Methodology do not take into account the 4% discount provided by the tax appraiser, if the taxes are paid in November.

Mr. Feather asked how the amount of the total bond issue is determined. Mr. Wrathell advised that the amounts reflected in the Methodology are very conservative. Mr. Wrathell indicated that a two (2)-year capitalized interest period was calculated, meaning that the bonds will pay its own interest for a certain amount of time. The District missed the statutory deadlines for inclusion on the upcoming November tax bill; the intent is to include assessments on the tax



bill the following November. Mr. Wrathell explained that purchased lots will be included on the tax bill and developer owned lots are of the tax bill, or a combination of the two (2).

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, the Master Special Assessment Methodology Report, in substantial form, pending further legal review, was approved.**

**C. Resolution 2013-9, Expressing the Intent of the District to Use the Uniform Method of Levy, Collection and Enforcement of Non Ad Valorem Assessments as Authorized and Permitted by Section 197.3632, Florida Statutes; Expressing the Need for the Levy of Non Ad Valorem Assessments and Setting Forth the Legal Description of the Real Property Within the District’s Jurisdictional Boundaries that May or Shall be Subject to the Levy of District Non Ad Valorem Assessments**

Mr. Wrathell presented resolution 2013-9 for the Board’s consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT EXPRESSING THE INTENT OF THE DISTRICT TO USE THE UNIFORM METHOD OF LEVY, COLLECTION AND ENFORCEMENT ON NON-AD VALOREM ASSESSMENTS AS AUTHORIZED AND PERMITTED BY SECTION 197.3632, FLORIDA STATUTES; EXPRESSING THE NEED FOR THE LEVY OF NON-AD VALOREM ASSESSMENTS AND SETTING FORTH THE LEGAL DESCRIPTION OF THE REAL PROPERTY WITHIN THE DISTRICT’S JURISDICTIONAL BOUNDARIES THAT MAY OR SHALL BE SUBJECT TO THE LEVY OF DISTRICT NON-AD VALOREM ASSESSMENTS.”

Mr. Wrathell explained that Resolution 2013-9 prepares the District to employ the property appraiser and the tax collector for inclusion of the assessments on the tax bill. In response to Mr. Feather’s question, Mr. Wrathell advised that the property appraiser and tax collector usually charge 1% each to have the assessments included on the tax bill; however, in Miami-Dade County, the fees may be less than 1%. Mr. Wrathell advised that the resolution will schedule a public hearing on July 8, 2013 at 10:00 a.m., at this location.

**On MOTION by Ms. Arcaro and seconded by Mr. Valle, with all in favor, Resolution 2013-9, Expressing the Intent of the District to use the Uniform Method of Levy, Collection and Enforcement of Non-Ad Valorem Assessments as Authorized and Permitted by Section 197.3632, Florida Statutes, and Setting a Public Hearing for July 8, 2013 at 10:00 a.m., at this location, was adopted.**

- D. Resolution 2013-10, Declaring Special Assessments; Indicating the Location, Nature and Estimated Total Cost of Those Improvements Whose Cost is to be Defrayed by the Special Assessments; Providing the Portion of the Estimated Total Cost of the Improvements to be Defrayed by the Special Assessments; Providing the Manner in Which Such Special Assessments Shall be Made; Providing When Such Special Assessments Shall be Made; Designating Lands Upon Which the Special Assessments Shall be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing For Publication of this Resolution**

Mr. Wrathell presented resolution 2013-10, for the Board’s consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED TOTAL COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED TOTAL COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION”

Mr. Wrathell advised that Resolution 2013-10 is a component of the process required by Chapter 170 and will be advertised in the newspaper. Mr. Knight indicated that this is the first step of levying assessments on the property to pay for the debt service on the bonds.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, Resolution 2013-10, Declaring Special Assessments; Indicating the Location, Nature and Estimated Total Cost of Those Improvements Whose Cost is to be Defrayed by the Special Assessments; Providing the Portion of the Estimated Total Cost of the Improvements to be Defrayed by the Special Assessments; Providing the Manner in Which Such Special Assessments Shall be Made; Providing When Such Assessments Shall be Made; Designating Lands Upon Which the Special Assessments Shall be Levied; Providing for an Assessment Plat; Adopting a Preliminary Assessment Roll; Providing for Publication of this Resolution, was adopted.**

- **Resolution 2013-17, Setting Public Hearing for Purpose of Hearing Public Comment on Imposing Special Assessment on Certain Property**

***\*\*\*This item, previously Item 9.F., was presented out of order.\*\*\****

Mr. Wrathell presented Resolution 2013-17, for the Board’s consideration and read the title into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON JULY 8, 2013 AT 10:00 A.M., AT 190 NE 199<sup>th</sup> STREET, SUITE 206, MIAMI, FLORIDA 33179, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING A SPECIAL ASSESSMENT ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.”

WHEREAS, the Board of Supervisors of the Aventura Isles Community Development District (“Board”) has previously adopted Resolution 2013-10 entitled

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVENTURA ISLES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED TOTAL COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED TOTAL COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL

**BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION”**

Mr. Wrathell advised that Resolution 2013-17 will set the Public Hearing for July 8, 2013 at 10:00 a.m., at this location.

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, Resolution 2013-17, Setting Public Hearing for Purpose of Hearing Public Comment on Imposing Special Assessment on Certain Property for July 8, 2013, at this location, was adopted.**

**E. Resolution 2013-11, General Bond Resolution**

Mr. Tello recalled the breakdown in the Methodology that shows a total maximum amount of approximately \$18 million. Resolution 2013-11 will allow Staff to have the bonds validated, which is required under Florida Law for any CDD debt term longer than five (5) years. The resolution will also approve a master trust indenture and a trustee, as required by Chapter 75, which governs bonds and validation. Mr. Tello advised that the resolution approves Wells Fargo Bank National Association, as the trustee. In addition, the resolution authorizes District Counsel and Bond Counsel to take appropriate proceedings in Circuit Court for validation of the bonds. Mr. Tello explained that this is an antiquated court proceeding but, nonetheless, it is required.

Mr. Knight advised that, after Resolution 2013-11 is adopted, his firm will prepare a complaint that will be filed with the Circuit Court of Miami-Dade County. It will take approximately 60 days to obtain a hearing date before the judge to validate the bonds. The State Attorney will represent the defendants in the case and they usually do not have many questions. Prior to the hearing date, a stipulation will be prepared, stipulating all the facts and will be signed by both parties. The District Engineer will testify during the hearing. Once the Judge enters the Validation Judgment, there is a 30-day appeal period; the bonds may be issued after the 30 days expire.

**On MOTION by Ms. Arcaro and seconded by Mr. Valle, with all in favor, Resolution 2013-11, General Bond Resolution, was adopted.**

**F. Resolution 2013-17, Setting Public Hearing for Purpose of Hearing Public Comment on Imposing Special Assessment on Certain Property**

This item was considered prior to Item 9.E.

**BUDGETARY MATTERS**

**TENTH ORDER OF BUSINESS**

**Consideration of the Following Budgetary Matters:**

**A. Resolution 2013-12, Approving Fiscal Year 2012/2013 Proposed Annual Budget and Setting a Public Hearing Date for Final Adoption**

Mr. Wrathell presented Resolution 2013-12 for the Board’s consideration. He advised that this resolution will approve the proposed budget for the current fiscal year, which ends September 30, 2013, and schedule a public hearing 60 days from today’s date. In response to Mr. Wrathell’s question, Mr. Knight advised that the Board may delegate scheduling the hearing date to the Chair.

Mr. Wrathell advised that the budget is developer funded and reviewed the “Expenditures”, on Page 1. Mr. Wrathell indicated that Supervisor fees were budgeted for up to four (4) meetings. He noted that the \$7,500 allocated for engineering fees is reimbursable by the cost of issuance of the bonds. An annual special district fee of \$175 is paid to the Department of Economic Opportunity at the time the annual report is filed and required by their office. Regarding the “Insurance” line item, Mr. Wrathell explained that it will pay the general liability and officers’ liability insurance.

Mr. Wrathell advised that the budget may be modified up to the date of the public hearing. After the bonds are issued, the budget will be amended to include the debt service schedule and its components.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, Resolution 2013-12, Approving Fiscal Year 2012/2013 Proposed Annual Budget and authorizing Staff to work with the Chair to Set the Public Hearing Date, was adopted.**

**B. Developer’s Funding Agreement for Fiscal Year 2012/2013**

Mr. Wrathell presented the Developer’s Funding Agreement for the Board’s consideration and noted that a copy of the budget will be attached, as an exhibit. Mr. Wrathell

advised that, once the assessments are on the tax bill, the Developer's Funding Agreement will no longer be applicable.

In response to Mr. Feather's question regarding opening a bank account for the District, Mr. Wrathell advised that Staff will open the bank account. Mr. Feather advised that he will need an invoice for a funding request.

**On MOTION by Ms. Arcaro and seconded by Mr. Valle, with all in favor, the Developer's Funding Agreement for Fiscal Year 2012/2013, was approved.**

**C. Resolution 2013-13, Approving Fiscal Year 2013/2014 Proposed Annual Budget and Setting a Public Hearing Date for Final Adoption**

Mr. Wrathell presented Resolution 2013-13 for the Board's consideration. He advised that this resolution will approve the proposed budget for the fiscal year beginning on October 1, 2013. The District is statutorily required to present the budget by June 15. Mr. Wrathell noted the Management Fees, in the amount of \$48,000 and indicated that legal fees were decreased to \$10,000, from the prior budget, assuming that the activities related to the bond financing will start to wane prior to the next fiscal year. The engineer's fees were decreased, as well.

Referring to the "Audit" line item, Mr. Wrathell advised that an independent audit is required by the bond trust indenture and statutorily required. The Arbitrage rebate calculation is performed for the benefit of the IRS to ensure that the interest earnings of the bond do not exceed the interest earned on the bonds. Mr. Wrathell explained that the District cannot have bonds issued and then take advantage of the positive arbitrage. The Dissemination Agent fee is for the ongoing disclosure per the Securities Exchange Rule 15c22-12, be performed by Management. As previously mentioned, the trustee will be Wells Fargo National Association. The trustee is the keeper of the bond proceeds and will be responsible for ensuring that everyone is adhering to the trust indenture requirements. Mr. Wrathell advised that, in the future, the District will primarily advertise the budget public hearing, as well as the regular meeting schedule, which will decrease the legal advertising fees. Referencing the high insurance cost, Mr. Wrathell indicated that insurance rates are currently unpredictable.

Mr. Wrathell reiterated that the budget can be revised up to the date of the public hearing. He advised that the public hearing may be delayed until after the bonds are issued. Once they

bonds are issued, the budget will be amended to include the debt service schedule and its components.

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, Resolution 2013-13, Approving Fiscal Year 2013/2014 Proposed Annual Budget and authorizing Staff to work with the Chair to Set the Public Hearing Date, was adopted.**

*\*\*\*Mr. Tello left the meeting at approximately 2:05 p.m.\*\*\**

**D. Developer’s Funding Agreement for Fiscal Year 2013/2014**

Mr. Wrathell presented the Developer’s Funding Agreement for the Board’s consideration and advised that it is identical to the agreement that the Board just approved for Fiscal Year 2012/2013. Mr. Wrathell reiterated that the District is developer-funded and assessments will not be included on the tax bill until November, 2014.

Mr. Wrathell advised that, next year, during this time, the budget for Fiscal Year 2015 will be presented and at least a portion of the properties will be on the tax roll, at that time.

**On MOTION by Ms. Arcaro and seconded by Mr. Valle, with all in favor, the Developer’s Funding Agreement for Fiscal Year 2013/2014, was approved.**

**E. Resolution 2013-14, Designating a Qualified Public Depository**

Mr. Wrathell presented Resolution 2013-14, for the Board’s consideration. He explained that the District, as a governmental entity, is required, under Chapter 280 of the Florida Statutes, to select a qualified public depository (QPD). A QPD is a bank that participates in a specific program under Chapter 280. The bank has to collateralize funds, which provide protection in case of bank failures. If any of the participating banks fail, they are obligated, via the collateralization program to make whole the losses that occur.

Mr. Wrathell advised that most of the districts he manages use SunTrust for their checking account and asked if the Board has a bank preference. Mr. Feather advised that he does not have a preference; however, as a developer, they use Bank of America. Mr. Wrathell indicated that some banks are not structured to deal with unique entities, such as districts, and

noted that SunTrust is more convenient to deal with. Mr. Feather stated that he does not have an issue with SunTrust.

**On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, Resolution 2013-14, Designating SunTrust Bank as the District's Qualified Depository, was adopted.**

**F. Resolution 2013-15, Authorization to Establish Checking Account and Designation of Authorized Signatories for Operating Account(s)**

Mr. Wrathell presented Resolution 2013-15 for the Board's consideration. He indicated that this resolution designates the signatories of the checking account to be the Chair, Secretary and Treasurer. Mr. Feather asked if the checks will have double signature lines. Mr. Wrathell stated that, for convenience, the checks will not have double signature lines. Mr. Wrathell noted that there will be checks and balances in place and recalled that the developer will review and approve all expenses and will only fund those which were reviewed and approved.

**On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, Resolution 2013-15, Authorization to Establish Checking Account and Designation of Authorized Signatories for Operating Account(s), was adopted.**

**G. Authorization to Obtain General Liability and Public Officers' Insurance**

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, Authorizing Staff to obtain General Liability and Public Officers' Insurance, was approved.**

**H. Resolution 2013-16, Adopting Alternative Investment Guidelines**

Mr. Wrathell presented Resolution 2013-16 for the Board's consideration. He indicated that, as a governmental entity, the District has the option of forming an investment committee to determine how the funds will be invested or the Board may adopt the alternative investment guideline, which is an investment policy already approved by the State of Florida. He indicated that this guideline does not apply to the bond proceeds, because the trust indenture dictates the allowable investments.



**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, Resolution 2013-16, Adopting Alternative Investment Guidelines, was adopted.**

**ELEVENTH ORDER OF BUSINESS**

**Other Business**

There being no other business, the next item followed.

**TWELFTH ORDER OF BUSINESS**

**Staff Reports**

Mr. Knight advised that the Board must designate a depository of district records located within Miami-Dade County. Mr. Feather confirmed that he will keep the records in his office, in a separate filing cabinet. Mr. Knight clarified that Mr. Wrathell will keep document originals in his office and will send copies to Mr. Feather.

**On MOTION by Ms. Arcaro and seconded by Mr. Reiter, with all in favor, designating 190 NE 199<sup>th</sup> Street, Suite 206, Miami, Florida 33179, as the District's Public Depository, was approved.**

**THIRTEENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

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

**FOURTEENTH ORDER OF BUSINESS**

**Audience Comments**


There being no audience comments, the next item followed.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Mr. Reiter and seconded by Ms. Arcaro, with all in favor, the meeting adjourned at 12:22 p.m.**



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Secretary/Assistant Secretary



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Chair/Vice Chair