

SOUTH VILLAGE  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, May 8, 2018 at 6:30 p.m. at the Eagle Landing Residents Club, 3975 Eagle Landing Parkway, Orange Park, Florida

Present and constituting a quorum were:

Gary Cross	Chairman
Grant Krueger	Vice Chairman
Kelly Hermening	Supervisor
Chris Payton	Supervisor
Bobby J. Poole	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel (by telephone)
Michelle Kim	Hopping Green & Sams (by telephone)
Keith Hadden	District Engineer
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Josh Heintzman	Century Golf Partners
Dan Steiner	Century Golf Partners
Andy Gaudet	Century Golf Partners
Alan Slaughter	Century Golf Partners
Kristie Coates	Century Golf Partners
Ernesto Torres	GMS, LLC

The following is a summary of the actions taken at the May 8, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Oliver called the meeting to order at 6:30 p.m. and called the roll.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the April 3, 2018 Meeting and April 11, 2018 Continued Meeting**

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the minutes of the April 3, 2018 meeting and April 11, 2018 continued meeting were approved as presented.

**FOURTH ORDER OF BUSINESS**

**Consideration of Matters Related to Westbank Boundary Amendment**

Ms. Buchanan stated about a year ago Mr. Arrowsmith came to the board and requested that we consider amending the district’s boundaries to include the Westbank parcel. At the time he indicated that there would be in the neighborhood of 170 lots and indicated certain deal points that I think we went through and approved as a board and authorized Supervisor Payton to follow-up with those to make sure we had a more complete understanding. Time has passed and we thought that given the developer had recently requested that we move forward again we would bring this back to you as a reminder and an opportunity to see a more fleshed out agreement. In sections 2 and 3 of the agreement are the developer obligations and the district obligations.

The first developer obligation in section 2A is a requirement that the developer pay for all of the costs and fees associated with the boundary amendment. The second, 2B relates to the expansion parcel’s development. At this point the developer has indicated that he believes there will be approximately 162 lots rather than the initial 170 lots. I think the board might find comfort including in this agreement a number for the lots but at the same time I want to give the developer a little flexibility. Given the initial number was 170 I left it in there so he could go up to 170 without additional consent from the district. The other thing in that paragraph to pay attention to is that the developer is going to be required to fund whether he does it out of pocket or with bonds, infrastructure that essentially means that the assessments on the Westbank units would be roughly the same as assessments throughout the rest of the CDD. That is going to be necessary for the assessments of the district to be fairly allocated. He can fund it out of pocket and dedicate the infrastructure improvements to the district as a contribution and then there would be no assessment or he can issue bonds similar to the way that Dream Finders did and have similar assessments on the property.

Section C relates to the incentives the district would have to actually grant the boundary amendment. The first would be is \$4,000 per lot for each lot within the expansion parcel and those payments would be made on the earlier date of the sale of the lot to a builder or an end user. I want to make sure that we have the ability to enforce this provision and if we record a memorandum in the public record it will show up on title searches and then they will have to reach out to the district to clear that cloud on the title. Subsection C relates to the recreation improvements. He contemplated all the way through a \$500,000 improvement and I added language to clarify that the district can rely on certification of our engineer to value the improvements. If he come backs with an improvement that is valued at \$495,000 or something the board feels is acceptable you have the discretion to make an adjustment there. As far as closing the loop I struggled with the concept of how do we make sure that \$500,000 amenity is actually put in place and I suggest that we have the developer provide us a bond in advance with a face value of that amount. I don't know that he is going to love this concept because it will cost him money out of pocket, but I don't know another way to ensure that we will get that because ultimately we process the boundary amendment and the county approves it, it is done and our enforcement mechanism doesn't exist anymore.

As everyone who lives in the district knows there is the declaration of covenants and deed restrictions that exist and they relate to the membership requirements for the golf course. Here I would require that the developer include those same covenants and restrictions, agreements, reservations in the Westbank property so he would record those prior to any lots actually being sold. That way we will still have the same ability to collect the same assessments of \$500 and \$240 social fee.

Staffing, I think everyone had the expectation that we add an additional maintenance person. This would only run so long as East West has a management agreement in place. The one additional protection I wrote in is that if they can't add a maintenance person within 30 days of the agreement then we have the ability to find our own and offset our payment. I don't know how you feel about that it is just suggested language, but I do know we have had a challenge trying to get this added on. I don't know how they can add a maintenance person if they no longer staff the district.

They had always agreed to satisfy any remaining balance on golf cart lease after a turn-in. I'm trying to determine if there is any amount due and owing right now. I'm not sure there is but I want to leave the language in there in case an invoice turns up six months from now.

Mr. Krueger stated I think we already paid that.

Ms. Buchanan stated my understanding is that at one point there was a negotiated sale and amount owed of approximately \$7,500 but there hasn't been a follow-up invoice requesting that payment be made.

Mr. Hermening stated that would have been rolled into the lease.

Ms. Buchanan stated those are all of the developer obligations and all of the obligations that are still timely. It does not include the requirement to extend the management contract for 18 months because ultimately because of the delay between when he made the initial request and when he came back to us and said I would like to pick this back up again it has been more than a year and we are already underway with our proposal process, so that came out.

Those are the developer obligations and in exchange the district only has three things that they are going to do. One, was prepare and file a boundary amendment petition, understanding with that preparation we have no control over whether or not the county would actually approve it. The developer is going to commit to doing 2A and 2F no matter what happens. The second item the district is obligated to do is once the boundary amendment is complete we are going to give the landowner of the Westbank parcel the same rights and benefits that every other landowner in the district has. The last obligation the district would have is similar to what we did with Dream Finders. The district would initially levy only the admin expenses while the land is unplatted, but as soon as it becomes platted property the lots would be levied the full operation and maintenance assessment that everyone else receives. There would be no deficit funding under this scenario it would just be assessments.

Mr. Cross stated they did add a maintenance person but I'm not sure it was within the 30 days and it was only for a short period of time. It is almost like we didn't get that staffing. We are agreeing to this, but we are getting nothing if they can't fill the position.

Ms. Buchanan stated I view this as a prospective agreement and once it is actually executed going forward they have 30 days to continue to comply with this requirement. I appreciate that they may have done so previously but that doesn't mean that the obligation goes away.

Mr. Cross asked what happens if they find someone in 30 days then they are gone in two weeks and it takes another four or five months to find somebody?

Ms. Buchanan stated then they would be in breach of this agreement and we would have the ability to terminate under subsection 4.

The only timeline is the two-year term on the design for the recreation improvement that can be extended.

I request that you continue to delegate authority to Supervisor Payton to negotiate this with the developer and hopefully we can have a final draft at our June 5<sup>th</sup> board meeting.

On MOTION by Mr. Cross seconded by Mr. Hermening with all in favor the draft developer agreement relative to the boundary amendment was approved in substantial form and Supervisor Payton was authorized to continue negotiations with Mr. Arrowsmith on the agreement.

**FIFTH ORDER OF BUSINESS**

**Ranking of Proposals to Provide Management Services**

Mr. Oliver stated when you reviewed the first round of proposals at CDD meetings on April 3 and April 11, you eliminated three firms from further consideration based on the paper proposal they provided. You then had interviews on April 30<sup>th</sup> and May 1<sup>st</sup> with the remaining ten firms. You now have the opportunity to consider the proposals and interview to determine which firms to short list for further consideration. Rather than having all the remaining ten firms provide additional information, you could determine which firms are finalists or perhaps create a short list. With that approach, you are only requesting additional information from those firms that you think may be finalists. There may be some firms that don't make the cut as a result of what you learned from the proposals and the interview sessions that you held last week. In your RFP documents you did have some broad evaluation criteria and they were based on the qualifications, business concepts, fees and terms, but you also clearly stated that the board has great latitude to evaluate proposals in a different manner. We will give them the request for information and give them reasonable time to prepare a response. You will have their responses for consideration at your June meeting. The Board will be in position to review the additional information and rank firms. You can make another round of cuts. Based on your rankings, you could invite finalists back for a final interview session or begin negotiating with the top ranked

firms for each functional areas. Of course, some proposals include all management areas. If we can be through this process at the latest the middle of July that still gives us time to react and include the price of any contracts into the FY19 budget. Sooner would be better from a budgeting process standpoint.

Mr. Oliver reviewed the breakdown of the detailed information to be provided by each vendor and stated we will prepare a spreadsheet for comparison purposes. The firms the Board eliminated are: Cypress Golf, Landscape Unlimited, Melrose, and Riverside. The firms remaining under consideration are: Billy Casper Golf, Century Golf (to include amenities), Eagle Landing Amenities (no more information needed), Evergreen Lifestyles Management, Hampton Golf (only golf and food and beverage and without amenities), Troon Honors Golf (with amenities) and Vesta Property Management with amenities, food and beverage and operations.

Mr. Cross stated every management company we spoke with said they would be hiring from within first and then go outside.

**SIXTH ORDER OF BUSINESS**

**Update Regarding Capital Projects**

**A. Review of Cost to Complete Schedule**

**B. Remaining Construction Funds – Obligated and Unobligated**

**C. Status of Remaining Projects**

Mr. Andersen gave a brief overview of the status of the remaining projects, including additional furniture, men’s bathroom, progress of the tennis courts and volleyball court.

**D. Ratification of Series 2016 A1/2 Requisitions**

Mr. Oliver stated in your package are requisitions 55 through 61 that have all been approved as invoices at your last meeting and requisitions have been prepared.

On MOTION by Mr. Poole seconded by Mr. Cross with all in favor the series 2016 A1 and A2 requisitions 55 through 61 were ratified.

Mr. Oliver stated you received requisitions 62 and 63 today and they are for capital improvements, clubhouse renovations.

On MOTION by Mr. Poole seconded by Mr. Cross with all in favor requisitions 62 and 63 were approved.

**SEVENTH ORDER OF BUSINESS                      Recreational Matters**

**A. Purchase of Tennis Ball Machine**

Mr. Payton presented the options on the tennis ball machine after which the following action was taken.

On MOTION by Mr. Payton seconded by Mr. Cross with all in favor purchase of the lobster tennis ball machine and cover in an amount not to exceed \$4,200 was approved.

**B. Discussion of Promotional Tennis Rates**

**C. Discussion of Volleyball Courts**

Mr. Payton pointed out on a map the proposed beach volleyball area next to existing court no. 7 and stated I am asking the board to approve a temporary lease to the HOA of that area so that our HOA can spend some funds and put in volleyball and associated surroundings, landscaping, seeding and connecting sidewalk areas.

Mr. Cross asked what about the maintenance?

Mr. Andersen stated maintenance is very minimal.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor staff was authorized to prepare a temporary lease to the HOA to enable the HOA to put in sand volleyball courts.

**EIGHTH ORDER OF BUSINESS                      Other Business**

There being none, the next item followed.

**NINTH ORDER OF BUSINESS                      Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. Engineer**

Mr. Hadden stated Tynes will be open from Plantation by Publix down to the roundabout at the end of August and by the end of this calendar year it will be finished all the way through the Westbank property and connected into where Tynes dead ends today. We are about halfway through the permitting process with the county for all 162 lots. I don't see that number going up or down just because the county has already looked at everything. The plan is to build the ones on the west side of Tynes that abuts Eagle Landing 5 first and that will be about 80 or 90 lots. The construction of that should start as soon as we can get construction trucks down Tynes they can start building the first phase. I estimate it will be nine months for road and infrastructure construction so you are probably looking at September 2019 when the road, curb and sidewalks are going to be finished and they typically start building homes two to three months before the roads are paved.

Everything is looking great at the fountain except the vault and all four sides are collapsing and the bottom is coming up. A contractor came out and gave me a ballpark estimate of \$150,000. We are looking at options and will bring back a proposal to the board at a future meeting.

**C. Manager**

**1. Report on the Number of Registered Voters – 2,231**

A copy of the letter from the supervisor of elections indicating that there are 2,231 registered voters residing within the district was included in the agenda package.

**2. General Election**

Mr. Oliver stated there will be three seats up for election, seats, 1, 3, and 5 held by Gary Cross, Grant Krueger and Bobby Poole. The qualifying period for those seats is June 18 to June 22.. The qualification requirement is that you are a registered voter residing within the district. If only one candidate qualifies for that seat, the candidate will not be listed on the ballot, but will assume office after the November general election. If two or more people qualify for a seat ,they will be on the ballot for the November 6<sup>th</sup> general election. If no one qualifies for the seat, after

the general election, the newly seated board would fill that seat which a registered voter living in the District. For more information, please visit [clayelections.com](http://clayelections.com).

**D. Golf Course General Manager - Report**

Mr. Steiner gave an overview and discussed the golf report for March and year to date, copy of which was included in the agenda package.

**E. Director of Aquatics & Recreation**

Mr. Biagetti reviewed the amenity center report.

**F. Operations Manager**

Mr. Andersen gave an overview of the operations report.

**TENTH ORDER OF BUSINESS**

**Supervisor's Requests and Audience Comments**

Mr. Cross stated I was asked to look into the long-term guest pass and our policy is what pretty much everybody uses, we are cheaper than everybody else.

Mr. Hermening stated I want to go back to the golf course update. Carts are parking on cart paths behind the clubhouse.

Mr. Steiner stated we are addressing that.

Mr. Hermening stated it causes wear and tear on the pavers and now the pavers are loose. We need some decorating in the clubhouse.

Mr. Cross stated I'm sure the developer has pictures like the one in the restaurant that we may be able to get because he wants to make sure the place looks nice.

Mr. Andersen stated we will get it done within the next 30 days.

Mr. Payton asked as you drive around the course the lines are on the inside of the fairway. Why are they not on both?

Mr. Steiner stated they are on both but there are areas where they can't get the machine in. Those issues will have to be addressed when we tear up the cement we have to get those roots out of there ourselves.

Mr. Slaughter reviewed the two lease options on the golf course maintenance equipment and after discussion was requested to come back to the next meeting with a recommendation for specific pieces of equipment and type and length of a lease

Mr. Cross stated there were comments made to me about the BOGO promotion at the clubhouse. I understand you were trying to bring families into the restaurant so they can see that. Do you see this as a net with the length of time you ran it? I think after a couple weeks they are either going to come in or not come in. What do you see as a net positive for the BOGO?

Mr. Steiner stated traffic. In the last two weeks we have had several people walk in and ask for an application to be a server.

A resident stated the two sets of doors we have for the breezeway need window shades.

A resident asked is there something that can be done with the HOA funds towards the fountain or something?

Mr. Cross stated we are using the funds they put for the three parks and they are getting ready to put in the volleyball courts. As to the fountain, they have to lease the property and I don't think they can justify a reason to lease the fountain. They can justify leasing the park. We can look into it.

Mr. Oliver stated Katie has mentioned before the district has no problem accepting the funds from the HOA.

Mr. Biagetti stated we are going to put out an email blast we are having our annual HOA meeting next Wednesday here at 5:30 p.m. and now is the time to bring up other things.

A resident stated I had lunch today at the clubhouse and the gentleman was putting up the posts and securing the posts. I personally prefer the ropes because of the look of it and being able to see the pond while sitting there otherwise, your eye has to go over the railings.

**ELEVENTH ORDER OF BUSINESS**

**Financial Reports**

**A. Balance Sheet as of March 31, 2018 and Statement of Revenues and Expenses for the Period Ending March 31, 2018**

The balance sheet and income statement were included as part of the agenda package.

**B. Assessment Receipt Schedule**

The assessment receipt Schedule was included as part of the agenda package.

**C. Approval of Check Register**

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the check register was approved.

**D. Golf Course**

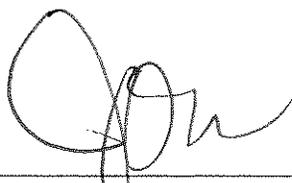
A copy of the golf financials were included in the agenda package.

**TWELFTH ORDER OF BUSINESS**

**Next Meeting Scheduled for Tuesday, June 5, 2018 at 6:30 p.m. at Eagle Landing Residents Club**

Mr. Oliver stated the next scheduled meeting is June 5<sup>th</sup>, four weeks from tonight. I will reach out to the remaining vendors and have them provide us the responses so you have the information seven days before the meeting for review.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the meeting adjourned at 8:57 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman