

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, January 3, 2017 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
Keith Hadden	District Engineer
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Rob Dugan	Eagle Landing Golf General Manager
Josh Heintzman	Eagle Landing Golf Professional
Corey Hamlin	Arnold Palmer Golf
Roger Arrowsmith	East West Partners

The following is a summary of the minutes and actions taken at the January 3, 2017 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.

Mr. Oliver stated Roger Arrowsmith, the developer of Eagle Landing is here to provide some information to the Board. After he provides that information there may be some conversation the Board has with Roger. When we get to the audience comment section of the agenda, the audience can comment on any items on the agenda as well as the information being provided by Mr. Arrowsmith.

Mr. Arrowsmith stated some of you on the Board have been around long enough that you will remember before the golf course sale we talked about de-annexing the Armstrong property,

which we did and we mentioned at that time that there was another piece of land that we may be looking at adding back in and it would be a positive thing for the community if that were to happen. We are at that point, there has been some talk going around and I thought it was beneficial to bring everybody up to date on where we are and tell you where we would like to be and put some ideas out for you and for discussion.

Mr. Arrowsmith pointed out on a map the location of the west bank property and stated what we talked about at different times was the monetary issue and long term liability in the community and those sorts of things. I had mentioned that this was going to be another possibility from a financial standpoint for the district. What we would like to do is we are acquiring this piece of land that contains about 70 acres and we have three things we can do with it. Mr. Arrowsmith pointed out on the map the location of the proposed roadway. We are going to build that road for the county, the county is going to pay for the road, we guarantee that we will do it at a \$7 million number and if it exceeds that amount we will pay that. The county gets a road that they want and it opens up the property. We can develop it on its own and let it stand free standing because this road will be coming through it and that is probably the least expensive way to do it because there would be a road in place and everything else. We can add them into the Armstrong CDD and do it that way. They would very much like to have that and have the additional land. There is going to be 170 lots and they would like to have that there. We had talked about making this part of Eagle Landing and other than this we are landlocked at Eagle Landing and nowhere to add additional lots or gain any other revenue. In doing so we would go ahead and get these lots and we think the process will take about three years and when built out the lots will pay O&M fees to the district of \$226,000 a year. This piece of land will pay to the CDD an entrance fee if you will for being part of the community at \$3,000 per lot, which is another half a million dollars. In addition to that there is a great benefit back there because if anybody knows this land and some of you may have walked back there this used to be a very large borrow pit taking up this entire piece and the guy who owns the property has filled in a good deal of it so this is all that remains. The beauty of this is we have this parcel of land that can't be built on but it can become recreational use. This will be a great place and we will have passive recreation back there, playfields that we don't have now and we will have a place for a very nice playground and possibly a dog park. We have our own ideas but if this all works for you this will be a CDD facility and park so we are going to want to work together and know

from you what you would like to have back there and we will go ahead and build it. We have half a million dollars budgeted to build whatever is built back in there. The beauty of this is you are going to get all those financial gains, it is not going to be a pool back there so there is not going to be high maintenance overhead kind of item. You will have some upkeep from a landscape standpoint like we do on any playgrounds, cutting the grass but there is not going to be any huge outlay of funds as far as taking care of this. You are going to have money coming in to help out with whatever you want to do and it is not going to cost you much money at all. Each of these 170 lots will pay the social initiation fee that is another \$85,000 that will come in when they are sold.

There has been some discussion the last couple of meetings about budgets since the reason for this is within the next 30 to 60 days we will have sold and closed on every lot that we own in Eagle Landing. They will be owned by builders so we are effectively out of here and that is why there has been some discussion on no longer funding a shortfall and that sort of thing. What we are suggesting is with this and the fact that it looks like it is going to take by the time we develop and sell the lots it is probably three years that we would go ahead and do all this stuff and we would like to go ahead and keep everything the way it is for the next three years and just like this was Eagle Landing land and we are continuing to fund whatever shortfall might be there and that sort of thing. All the maintenance and operation agreements stay the way it is for us to go ahead and be involved in this. That is my preference to do it this way and have it become part of this. Back here this is existing Phase 5 that is under development right now and there is a way to go ahead and access right into here so it will be a connector into this community. The other way would be coming into the community another way. Mr. Hadden has designed the road that we will start and it will go out to bid in the first half of next year and this community will be under development over there shortly after that.

Mr. Cross stated I see what we are getting here, which I think is very good. Why is this beneficial for you?

Mr. Arrowsmith stated I would just rather have it be that way opposed to part of the Armstrong property.

Mr. Arrowsmith pointed out on a map a piece of property and stated we are in the process of selling this property and this will be developed by somebody else. It is not going to be part of Eagle Landing and what I think probably the best thing I can say is that in my opinion we would

be able to sell a lot in here for more money as part of Eagle Landing than I could in the other location that is not part of Eagle Landing. The only downside is that we are going to have to develop this in order to maximize what we can because of what we think it is worth because it is here and that is why we can do what we are suggesting.

Mr. Cross stated it makes sense.

Mr. Krueger asked what size lots are you looking to develop?

Mr. Arrowsmith stated 50's and 70's, which we don't have anymore. 50's are like what part of Phase 5 is and 70's we are done with. Zoning allows us to have 216 lots but it is not what we want.

Mr. Krueger asked how do you see the facilities here being taxed with the additional lots? Are they going to use these facilities?

Mr. Arrowsmith stated they would be part of Eagle Landing and have use of the facilities.

Mr. Payton stated we have 370 more lots.

Mr. Cross stated we have lost lots also because Armstrong would have been part of Eagle Landing so we are lower on the number of total lots.

Mr. Arrowsmith stated when we looked at Armstrong and making that part of the community that was going to be a wash because the assessments coming from Armstrong would have gone to additional O&M fees if we put another pool in there. This is going to be gaining facilities that we don't have now without much outlay. You should come out ahead and you decide what to do with the \$503,000 that would come from the lots in there as far as reserve funds or whatever and \$226,000.

Mr. Cross stated we would gain a total of \$1,095,000.

Mr. Poole asked when you say passive recreation would you explain a little bit more and does that include lighting?

Mr. Arrowsmith stated I look at us working together to see what the community is going to want. I don't want to put a lighted facility back there and the phone calls are coming to you saying what's going on with these lights on back here. We have gone through it before, you can shield lights and do some things with them but it is not total. Right now, this is what is here, it is a clean slate and I would love anybody here or in the community to have great ideas for what you would like to have back there. This is for the community and it is to help sell houses. If the community wants something then there is a good chance it will help sell houses. A dog park is

what somebody is talking about and we have the luxury of having a pond that is already there so it may work out very well.

Mr. Poole asked what is the acreage of the passive parks?

Mr. Hadden stated it is about 7 ½ acres.

Mr. Cross stated it is definitely interesting and something we can discuss.

Mr. Arrowsmith stated that is why I wanted to come in. I appreciate you letting me come in since I wasn't on the agenda but as we have discussions with the county I didn't want there to be rumors floating around as to what is happening back there or anything else.

Mr. Krueger asked what is your timeline for decisions?

Mr. Arrowsmith stated from an operational standpoint we would like to know as soon as possible for planning. The only thing that really matters is this road because if we are not going to do this then this road will go away, Dream Finders will get two more lots back and this will just be developed as part of Armstrong or on our own.

Mr. Krueger asked what is the timeline for the decision on the roads?

Mr. Hadden stated I had Vallencourt stub the main connector of lines as though that road was going in. If it doesn't become a part of South Village we can go back and remove those stubs.

Mr. Krueger asked 6 months, 3 months?

Mr. Hadden stated there are going to be utilities in probably in the next 30 days. I don't think you need to make a decision right now we were going to do that just to give this opportunity and then Roger said let's go talk about it tonight. The utilities will be there and if you decide not to we will take out the stub. We took two lots off the market to allow the road to go through and if you decide to not pursue this we just put those two lots back in the mix.

Mr. Poole asked access to either 23 from back in there will be from some of the roads you were talking about? You talked about a road going to Two Creeks and a road going to the Armstrong property, getting a roundabout and then going out to 23. My question would be does that area have alternative routes of exiting Eagle Landing, which a lot of people have been looking for.

Mr. Hadden stated regardless of what happens with the CDD we are going to have a road connect to a roundabout and go out where the Publix traffic light is. That is the road that Roger said was going to be behind Phase 1A, 1B and Phase 2. That will be built regardless.

Mr. Arrowsmith stated it is also to make the people in this neighborhood feel like they are part of Eagle Landing as well because they will have access point.

Mr. Hermening asked what is the impact on the amenities with the net loss of the Armstrong property?

Mr. Arrowsmith stated the 199 was always going to be there so this is 170 lots versus 500 in Armstrong.

Mr. Biagetti stated the only issue may be as we see already is the amount of guests brought to the pool on certain holidays. You have three holidays during the summer months and it fluctuates as to how many people use it.

Mr. Cross asked is there any reason we could not put a pool there if we decided that we would rather have a pool?

Mr. Arrowsmith stated there is no reason although I would caution us that we would have to be sure that the geotechnical work is done and I would guess there would be some additional work necessary because that was a borrow pit that has been filled in and not compacted.

The DOT standards for the outer beltway are pretty high as to the levels, materials and they have a lot of materials they were excavating that were unsuitable for their use and it went into this pit for filling up half of what was there. The beauty of this is we are not going to develop it as residential property. We have already done all the environmental work on the complete roadway back through there and everything looks good. We don't have any issues back there from a development standpoint.

A resident stated you spoke of 170 lots three years out, does that mean they are sold to a builder, a house is on there and has a C.O. at that time?

Mr. Arrowsmith responded we think we will have all of those lots sold in three years.

A resident stated you said they are contributing about \$4 million a year annually in CDD fees and a one-time fee of half a million?

Mr. Arrowsmith stated that is using the same O&M fee that Phase 5 is paying, which is a little higher than you pay.

A resident asked where would we come up with the funds to do it?

Mr. Arrowsmith stated you don't have to buy anything.

A resident asked just like Phase 5 they are not paying on our bond, they are just paying the operation and maintenance fees?

Mr. Arrowsmith stated that O&M is just like what you are paying.

A resident stated I would like to go back to the numbers that Gary was talking about the \$1.1 million. Just go through that again? Is that recurring or is that one lump?

Mr. Cross stated they are going to budget \$500,000 for the park.

A resident stated it is not money but improvements resulting in a park. Okay.

Mr. Cross stated yes, then he would pay us \$3,000 per lot for every lot that is closed for a total of roughly \$510,000.

A resident stated that is as the lots are sold?

Mr. Cross stated he will also pay the \$500 Eagle Landing golf course social fee for a total of \$85,000.

A resident stated that is on a per lot basis.

Mr. Arrowsmith stated that is actually paid by the homeowner when they buy a house.

A resident stated that \$500 per lot is just income to the golf course.

Mr. Arrowsmith stated yes.

A resident stated one time and it goes to the golf course.

Mr. Krueger stated it would be just like any other lot that sells here. Every time a lot is sold they pay that \$500.

A resident stated then they would have the O&M that we now have relative to the increase for the purchase of the golf course.

Mr. Krueger stated right.

A resident stated walk me through the potential for a traffic plan, construction vehicles, residents' vehicles, etc. Those 170 lots if you assume two cars per house that is another 350 that are not all going to use the proposed road. Probably most of the cars turn left when they leave. It doesn't necessarily decrease the number of cars and construction vehicles or anything else.

Mr. Poole stated I think it will. You now have two other exit points that people in the rear of Eagle Landing can use to get out of here.

Mr. Hadden stated the only reason cars for the 170 home sites that Roger is talking about would come through Eagle Landing would be to go to the clubhouse.

Mr. Arrowsmith left the meeting at this time.

SECOND ORDER OF BUSINESS

Audience Comments

There being no additional audience comments the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the December 6, 2016 Meeting

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the minutes of the December 6, 2016 meeting were approved.

FOURTH ORDER OF BUSINESS

Update Regarding Golf Course Operations

Mr. Hamlin gave an overview of the monthly golf report on number of rounds, revenue, expenses, status of the golf cart lease and clubhouse renovations. November revenues and expenditures were favorable to budget. Three proposals for design services are in hand and a fourth proposal is in transit. These proposals will be considered when the Board meets on January 19.

FIFTH ORDER OF BUSINESS

Update Regarding Construction and Capital Projects

Mr. Oliver stated at the last meeting the board asked that we take the engineer's report that was used when we issued bonds in 2016 and break those projects out for tracking. Behind Tab 5 you will see those projects broken out within the major areas of the Series 2016 funds and other than the purchase of the golf course those are: renovation/upgrade of aquatics, golf practice facility upgrades, tennis facility expansion, playground expansion, athletic center renovation and golf clubhouse modifications. Within those categories are specific line items that were mentioned in the engineer's report, but you can expand upon those as long as they are within those general categories previously mentioned. For instance ,under the renovation/upgrade of aquatics we will add in upgrade of pool heaters, which were recently installed by Pool Tek at a cost of \$10,902. This is a living document and we will include this in the agenda packet each month so you can see where we are in the different projects.

SIXTH ORER OF BUSINESS

Consideration of Series 2016 Requisitions

Mr. Oliver stated Keith Hadden is here tonight despite being under the weather. I know he doesn't have much of a voice, but he has requisitions in the agenda packet, which I can cover. We are dealing with two bonds, one is the 2016 A-1 and A-2 Bonds and these are bonds that pay

for facilities and improvements spread across all phases, Phases 1 – 5. There is requisition no. 2 in the packet payable to Pool Tek Services for the pool heater upgrade,. The other requisitions in the agenda packets are for the 2016 A-3 bonds for Phase 5 improvements only. Those are paid on a 50/50 basis, split between the Dream Finder Homes construction account and supplemental construction account. Those are requisitions #11 – 16.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor requisition no. 2 for the Series 2016 A-1 and A-2 Bonds and requisitions 11 –16 from the Series 2016 A3 Dream Finders construction fund and supplemental account were approved.

SEVENTH ORDER OF BUSINESS

Consideration of Security Camera Proposals

Mr. Andersen gave an overview of the proposal from Web Watchdogs that is recommended by staff.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the contract for the purchase of surveillance cameras was awarded to Web Watchdogs.

EIGHTH ORDER OF BUSINESS

Consideration of Proposals for Seal Coating and Striping Parking Lots

Mr. Andersen stated we have proposals for the four parking lots for two seal coats on the parking lots and the connector roads along with striping. I recommend the proposal from Duval Asphalt.

On MOTION by Mr. Cross seconded by Mr. Hermening with all in favor the proposal from Duval Asphalt was approved in the amount of \$15,833.17.

NINTH ORDER OF BUSINESS

Discussion of Upcoming Workshop (1/19/17 at 6:30 p.m.)

Mr. Oliver stated next is a discussion of the upcoming workshop on January 19th. The workshop is being held so the Board can discuss staffing plans throughout the district and for review of the scope of services for the purpose of going out for proposals for those operational and amenities management services. As you consider these matters, you may want to also weigh

the information that was presented to you at the top of the meeting also. In addition to the workshop, I suggest that at the end of this meeting you continue the meeting so you can also handle the items that Cory brought up earlier tonight regarding the golf club renovation design services proposals. We are looking for guidance from the Board on how you want us to plan for the workshop, what materials you will need, and if anything discussed tonight regarding the West Bank parcel will alter the focus of that workshop.

Mr. Cross stated set it up the way you just described I think we will be okay because we can still go over the scope of work depending on whether we decide to do that or not.

Mr. Hermening asked do we have a scope of work that Arnold Palmer Golf is operating under? I think it would be helpful to have that.

Mr. Oliver stated I will circulate the actual agreement, which outlines their responsibilities.

Mr. Krueger stated there will also be the working group's recommendations.

Mr. Oliver stated I will forward those recommendations.

A resident asked is that available to the residents?

Mr. Cross stated no, not that it couldn't be available it is just a large package.

Mr. Oliver stated I believe those recommendations are on the website. If not, please email me and I will have them sent to you.

TENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS Staff Reports

A. Attorney

Ms. Buchanan stated the HOA had previously offered to work with the district to construct improvements on three parcels. The conditions would be that the district would lease the HOA that property for a period of under three years, the HOA would fund and construct the improvements subject to the board's approval and at the end of the lease it would come back to the district. That document has been signed by the HOA and we have it for the chairman to sign.

Mr. Poole asked is there anything that talks about the timing of the construction?

Ms. Buchanan stated there is not.

Mr. Poole asked is there any reason why there is not?

Ms. Buchanan stated no, the form of agreement that the HOA is comfortable with didn't initially contemplate that and when the chairman and I discussed it we didn't add it because we felt like we were getting a gift.

Mr. Cross stated the HOA said we want to build your parks and they are giving them to us. I think we should work with the HOA to get it done as quickly as possible and I will continue to do that since I have been tasked with that but I didn't want to press them since they are giving them to us.

B. Engineer

Mr. Hadden stated I was hoping to have an update on the weir repair and the water management district is trying to be helpful within certain parameters. We are working with the water management district on what we can build.

Mr. Andersen stated as soon as we get the green light we will come before the board for approval and it won't take long to construct. We are trying to save thousands of dollars.

C. Manager

There being none, the next item followed.

D. Golf Course General Manager

Mr. Hamlin gave an overview of the golf activity report that was distributed at the meeting.

E. Director of Aquatics & Recreation

Mr. Biagetti gave an overview of his monthly report, copy of which was included in the agenda package.

Ms. Fitzpatrick requested a decrease in hourly facility rental rates for the Zumba classes.

Mr. Cross stated I think we can agree to \$9.

Ms. Buchanan stated we will put this in the agreement.

F. Operations Manager - Report

Mr. Andersen reviewed his report, copy of which was included in the agenda package.

Mr. Hermening stated the pavers on the cart path at hole 9 are falling apart.

Mr. Andersen stated I will take a look at that.

Mr. Poole stated the lights on the parkway coming in work intermittently. Sometimes one is out sometimes three are out.

Mr. Andersen stated there is a short somewhere. I had this company come out twice to look at it and they couldn't find anything wrong. I'm at a loss on this one. We can solve it with money but we are trying to find the most value we can get for the buck. I have been reluctant to put new wire through there.

Mr. Payton stated you mentioned you talked to a company about the clubhouse.

Mr. Andersen stated I talked to two companies and I want to talk to a third company.

Mr. Payton stated the stairs to the athletic center are broken and need to be replaced.

Mr. Cross stated that is masonry work.

Mr. Payton asked how long will the pool take once it starts?

Mr. Andersen responded six weeks barring any problems.

TWELFTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Payton stated concerning lighting surrounding the amenities, I don't know who to talk to about it but when the New Year's Eve event ended there were no lights outside. I don't know if it is planning or lack of staff who have access to the lights. In addition the parking lot over here, the early morning Zumba and early morning gym use most of the time the parking lot is dark. Whoever is responsible for lighting the area needs to work together and make sure we are covering so when our facilities are available that we have lighting.

Mr. Hermening asked when will the trees be trimmed?

Mr. Dugan stated we have not had the trees at the golf clubhouse trimmed yet. We can get some quotes on that.

A resident stated I want to find out about the roadway coming in the entrance.

Mr. Cross stated the road is owned by Clay County. You should report concerns to Clay County. there is a form you can fill out.

Mr. Andersen stated you can find the form online at Clay County Public Works and it is a maintenance form.

A resident asked wasn't there a discussion at one point that the HOA was interested in helping us with the security cameras?

Mr. Cross responded yes there was.

A resident asked did that go away?

Mr. Cross responded yes because they are helping us with the parks.

THIRTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of November 30, 2016 and Statement of Revenues and Expenses for the Period Ending November 30, 2016

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. Hermening with all in favor the check register was approved.

FOURTEENTH ORDER OF BUSINESS Next Meeting Scheduled for Tuesday, February 7, 2017 at 6:30 p.m. at Eagle Landing Residents Club

Mr. Oliver stated the next regular meeting is February 7, 2017 but we will be looking for a motion to continue this meeting to January 19, 2017.

On MOTION by Mr. Cross seconded by Mr. Poole with all in favor the meeting was continued to January 19, 2017 at 6:30 p.m. in the same location.

Secretary/Assistant Secretary

Chairman/Vice Chairman