

MINUTES OF MEETING
STOREY DRIVE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Storey Drive Community Development District was held Thursday, September 2, 2021 at 9:30 a.m. at the Offices of GMS-CF, 219 East Livingston Street, Orlando, Florida.

Present and constituting a quorum:

Adam Morgan	Chairman
Ashley Baksh	Assistant Secretary
Brent Kewley	Assistant Secretary

Also present were:

Jason Showe	District Manager
Kristen Trucco	District Counsel
Steve Sanford	Greenberg Traurig

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and called the roll. Three Board members were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Showe: There are no members of the public here to provide comment.

THIRD ORDER OF BUSINESS

**Approval of Minutes of the July 15, 2021
Board of Supervisors Meeting &
Acceptance of Minutes of the July 15, 2021
Landowners' Meeting**

Mr. Showe: These are included as part of your agenda packet and we can take any corrections or changes, or a motion from the Board to approve those minutes.

On MOTION by Mr. Morgan, seconded by Mr. Kewley, with all in favor, the Minutes of the July 15, 2021 Board of Supervisors Meeting and Acceptance of Minutes of the July 15, 2021 Landowners' Meeting, were approved.
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FOURTH ORDER OF BUSINESS

Consideration of Professional Engineer Services with Poulos & Bennett, LLC

Mr. Showe: At your last Board meeting, the Board selected them as the vendor, so this is the formalized contract in line with that bid that they presented and was selected by the Board. Both Counsel and I can take any questions on that agreement, we are just looking for a motion from the Board to approve.

On MOTION by Mr. Morgan, seconded by Mr. Kewley, with all in favor, the Professional Engineer Services Agreement with Poulos & Bennett, LLC, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2021-23 Bond Delegation Resolution

Mr. Showe: Steve is on the call to go ahead and walk you through that.

Mr. Sanford: Good morning everyone, this is Steve Sanford from Greenberg Traurig serving as your Bond Counsel. In May of this year the Board adopted an authorizing resolution in the principal amount of \$14,020,000 and it was always contemplated that we would come back to the Board with a more detailed resolution as we get closer to the finish line. This is what Resolution 2021-23 is. It is a delegation resolution, and the reason we call it that is that we set forth certain parameters in the resolution specifically in section 3 of the resolution. When the bonds are priced, and if they fall within the parameters set by the whole Board, then the Chair or the Vice Chair is authorized to execute a Bond Purchase Contract without the need for a special meeting. In addition to that aspect of the resolution, we are asking the Board to approve certain documents and I will quickly go through what they are. There is a bond purchase agreement, which I mentioned, that is the contract between the District and FMS as your Underwriter. That spells out the different conditions that close on the bonds and requires the District to make certain representations regarding the bonds and has requirements or deliverables. The next exhibit is the draft copy of the Preliminary Limited Offering Memorandum. That is the tool that is used by the underwriter to market the bonds. It is preliminary because it first goes out in the form with a lot of blanks in it. Once the bonds are actually priced and sold, then that Preliminary Offering Memorandum gets finalized and is delivered to the investors. The next exhibit is the continuing disclosure agreement. That is an agreement between the District. GMS is your dissemination agent and developer. That is required under SEC rules to provide annual information about the project, the development and the bonds and also with certain events that has material that has to be disclosed. It creates a level

playing field because the Limited Offering Memorandum, which I just mentioned, speaks only of a certain date so as things change it keeps the agreement and the obligations under it. It keeps everyone on the same playing field. The next exhibit is the Supplemental Trust Indenture. That is the actual document that is going to have all of the bond terms and redemption provisions. For every series of bonds that the District issues there would be a separate Supplemental Indenture and that is between the District and US Bank as the trustee. Lastly, the documents are prepared by District counsel and there is an acquisition agreement that basically is between the developer and the District. It specifies the terms of which the District will buy completed infrastructure. With this completion agreement, the notion is that if the bond process is not sufficient or complete, the developer has an obligation under that agreement to complete the project. The True-Up agreement is between the District and the developer and that just means that if the platting changes to where there is less capacity to pay Debt Service, then that poses obligation on the developer to make a payment that is equalized with True-Up. The revenue strain to Debt Service on the bonds. The last agreement is the Collateral Assignment Agreement and that is the agreement stating that if there was ever a default, the developer pledges to the District all of its rights and entitlements. If there was ever a default and there was a foreclosure the Trustee would act on behalf of the bond holders. The parameters that I mentioned earlier that we are issuing up to \$11,000,000 special assessment bonds and that does not bind the District to issue that amount of bonds. That is just the not-to-exceed amount. The other parameters can't exceed the maximum rate permitted. We don't set it that high, we set it at 4.5% arbitrage yield so if for any reason the market got screwy and we couldn't sell the bonds at that arbitrage yield then we would have to come back to the Board. I think there is enough cushion in the 4.5% that makes that unlikely to happen. Lastly, compensation is one of the parameters for the underwriter and that is 98 cents on the dollar. The Underwriter buys the bonds for 98 cents on the dollar and then turns around and sells the bonds for a dollar and that difference is the compensation to pay for the underwriter. Unless anyone has any questions, it would be my recommendation to move to adopt Resolution 2021-23.

Mr. Morgan: So, what is the exact amount of the bond issuance going to be?

Ms. Trucco: My understanding right now is that it is not finalized yet but it is not-to-exceed \$11,000,000, is that correct?

Mr. Sanford: We don't have a final number yet.

Mr. Morgan: I see this number of \$9,685,000.

Mr. Showe: That is what is in the preliminary, so I think that is what is anticipated. Until we know the final terms and the final rate it is hard to get.

Mr. Morgan: We went from a resolution that said \$14,000,000 to \$11,000,000 and the original preliminary estimate was \$14,000,000, wasn't it?

Mr. Showe: That is based on you assessing for all of the infrastructure that is available. You will look at your marketing and what you want to market the CDD assessments at so you bring it down.

Mr. Morgan: It is not-to-exceed \$11,000,000, but most likely is going to be \$9,685,000.

Mr. Showe: Correct.

Ms. Trucco: Steve, do you have anything to add to that point?

Mr. Sanford: I am not sure I am understanding the question. Is someone saying there is another number floating around?

Mr. Showe: The question was just about where we think we are going to end up issuing and I think it is closer to the \$9,685,000 than the \$11,000,000. We use the \$11,000,000 as a ceiling incase the rates change or we need to issue more.

Mr. Sanford: That is correct.

On MOTION by Mr. Morgan, seconded by Mr. Kewley, with all in favor, Resolution 2021-23 Bond Delegation Resolution, was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Trucco: The only report I have for the Board is that we have successfully validated the bonds. We had to go to court to get a judgement allowing us to issue bonds. The judge just last week entered the final judgement approving us to validate bonds. We are able to move forward with this first bond issuance.

Mr. Morgan: Did he issue in his order the same up to \$11,000,000?

Ms. Trucco: In the final judgement? That may have been the \$14,000,000. I can quickly verify for you in a moment. If you want to do the Engineer's Report, I can find that for him.

B. Engineer

There being none, the next item followed.

C. District Manager’s Report

i. Balance Sheet and Income Statement

Mr. Showe: We have the financial report and there is not a lot there. It shows the balances at this point.

ii. Ratification of Funding Requests #4 - #6

Mr. Showe: We have the ratification of funding request #4 through #6. These are costs that we spent in getting the District up and running that will be funded by the developer. Is there a motion to ratify those?

On MOTION by Mr. Morgan, seconded by Ms. Baksh, with all in favor, Funding Request No. 4 through 6, were ratified.

SEVENTH ORDER OF BUSINESS

Other Business

Ms. Trucco: The final judgement was for \$14,920,000 so that is what you are thinking about.

Mr. Showe: That validation sets you at a cap for the whole District in perpetuity. Even if you issue the \$9,600,000 and you come back later and go “We need another 2-3,” you’ve got up to that \$14,000,000.

Mr. Morgan: They were somewhere around 10.5 million, but when we did the assessments, we couldn’t assess that amount and that is why we dropped it to 9.6 million.

Mr. Showe: Correct. That is market capacity and what you want to market the homes at.

EIGHTH ORDER OF BUSINESS

Supervisor’s Requests

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Adjournment

Mr. Showe adjourned the meeting.

On MOTION by Mr. Morgan, seconded by Ms. Baksh, with all in favor, the meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman