

**MINUTES OF MEETING
RIVER HALL
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the River Hall Community Development District held a Regular Meeting on August 1, 2024 at 3:30 p.m., at the River Hall Town Hall Center, located at 3089 River Hall Parkway, Alva, Florida 33920.

Present were:

Ken Mitchell
Robert Stark
Daniel J. Block
Paul D. Asfour

Chair
Vice Chair
Assistant Secretary
Assistant Secretary

Also present:

Chuck Adams
Cleo Adams
Shane Willis
Greg Urbancic (via telephone)
Charlie Krebs
Frank Savage (via telephone)
Grady Miars (via telephone)
Maritza Stonebraker
Robert Rewis

District Manager
District Manager
Operations Manager
District Counsel
District Engineer
Barraco & Associates
GreenPointe
Berger, Toombs, Elam, Gaines & Frank
Fire Chief

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 3:30 p.m. Supervisors Asfour, Mitchell, Stark and Block were present. Supervisor Morash was not present.

SECOND ORDER OF BUSINESS

Public Comments (3 minutes per speaker)

No members of the public spoke.

THIRD ORDER OF BUSINESS

Presentation of Audited Annual Financial Report for Fiscal Year Ended September 30,

**2023, Prepared by Berger, Toombs, Elam,
Gaines & Frank**

Mr. Adams distributed the Report, which was received earlier in the week. He stated that it was submitted to meet statutory requirements. Any material changes can be submitted to the State.

Ms. Stonebraker presented the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023 and accompanying disclosures. There were no findings, recommendations, irregularities or instances of noncompliance; it was an unmodified opinion, otherwise known as a clean audit.

Mr. Stark noted that the letter on Pages 31 and 33 includes the report date as "July XX." Ms. Stonebraker stated the date will be revised.

Mr. Asfour asked Ms. Stonebraker's opinion about Note F regarding Economic Dependency, on Page 29. Ms. Stonebraker stated that this type of note is typically included when a CDD receives funding from the Developer, whether through direct funding or through assessments if the Developer still owns lots in the CDD.

Mr. Adams stated that, in the Fiscal Year 2025 budget to be adopted next month, the off-roll assessment for Operations is \$160,000, which is solely Developer funded. He believes the Developer still owns some of the on-roll platted property, which is a material portion of a \$737,000 annual budget. Mr. Asfour stated he was thinking of the bond assessments and asked if the amount still off roll can be determined and if it could be in the millions. Mr. Adams replied affirmatively and noted that, in those instances, the CDD is solely the collection agent for the assessments and the revenue is transmitted to the Trustee, which makes payments to the bondholders; that is secured by the land. Mr. Asfour voiced his opinion that the off-roll collection procedure, in the event of a collection, is quite a bit more complex and expressed concern that the CDD would be at risk for the off-roll bond assessments.

Mr. Adams stated that there are no off-roll bond assessments for the 2020-A bonds. In the 2021 bonds, off-roll assessments will be approximately \$71,000 and on-roll assessments will be approximately \$1.357 million for Fiscal Year 2025. In the 2023-A bonds, off-roll assessments will be approximately \$73,000 and approximately \$527,000 will be on roll.

Discussion ensued regarding assessments outstanding.

Mr. Adams stated that, after the meeting, he can calculate the total outstanding off-roll bond related assessments based on amortization schedules.

Mr. Miars stated that large payments have been made in conjunction with incremental bond issuances in order to reduce the off-roll assessments; most will be extinguished in the transition. Mr. Adams stated that these will be discussed in conjunction with the Assessment Methodology.

A. Consideration of Resolution 2024-10, Hereby Accepting the Annual Financial Report for the Fiscal Year Ended September 30, 2023

On MOTION by Mr. Asfour and seconded by Mr. Block, with all in favor, deferring consideration of Resolution 2024-10 to the September 5, 2024 meeting, was approved.

FOURTH ORDER OF BUSINESS

Update: Superior Waterway Services, Inc. Treatment Report – Andy Nott (to be provided at the meeting)

Mr. Mitchell stated Mr. Nott is not present. Mr. Mitchell reported seeing algae in many of the ponds. Mrs. Adams stated that she observed algae in the spikerush. A Board Member stated that he observed algae in the middle of some of the ponds.

Mr. Willis will submit a work order for the algae.

FIFTH ORDER OF BUSINESS

Developer Update

Mr. Miars reported the following:

- There has been a massive seasonal drop off in home sales throughout the state.
- At River Hall Country Club, 70 sales have been completed year-to-date but sales remain on pace to match last year’s total sales of 101. Traffic has fallen to four or five per week; an increase is expected in September. In Hampton Lakes, there have only been 20 sales year-to-date compared to 85 last year, in part because Lennar had sold through their allotment and the new phase of lots just became available.

- The fence and electrical permits for the rear gate were issued by Lee County. Camera and telemetric systems should be installed soon. Staff is working to secure a parking spot for Emergency Management Services (EMS) near the Sales Center.
- The permit for the pickleball courts is expected to be issued soon. Construction is scheduled to begin on September 1, 2024. Construction will take approximately 60 days and will likely be complete by the end of 2024.
- Mr. Barraco and Mr. Morash are working on issues related to access; they or Mr. Krebs will discuss a Report that was prepared by an independent traffic engineer.
- A Development Order (DO) is pending for just under 95 lots in the Country Club and 202 townhomes. The permit should be issued in the next few weeks.

Mr. Mitchell asked if the only two builders in the community are Lennar and Pulte.

Mr. Miars stated that Pinnacle is still building; others still own lots and a resident owns nine or ten lots. He stated that 69 actual sales have been completed in the Country Club, with an average price of just under \$500,000. Pulte's price averages just under \$400,000 for smaller attached homes, and Lennar is slightly less.

Mr. Asfour asked how many lots that benefited from the previous bond issuances are still owned by Mr. Miars' company. Mr. Miars stated that GreenPointe owns lots in Parcels C and H that are closing with Pulte next month. Some lots are also owned in K2; every lot GreenPointe owns in that issuance is under contract with either Pulte or Lennar and they are either closing in bulk or on a takedown schedule.

Mr. Stark asked about a drawdown mortgage offered by Pulte, whereby a deposit is paid and a mortgage document created. Mr. Miars stated, in order to put lots under contract, a deposit of 10% of the value of the lot is released toward construction, and, in return, they record a mortgage applying Lee County taxes for the CDD. He stated that every builder, including Lennar, records a mortgage instrument, versus a note, so a recorded instrument exists in the event that the Developer does not perform its duties.

Mr. Miars confirmed that Pulte has lots in C, Z, H, N and part of Hampton Lakes East. He confirmed that Lennar has lots in J, K2 and more than half of Hampton Lakes East. He estimated that Lennar has 65% of Hampton Lakes East, whereas Pulte has approximately 35%. He noted that Lennar closes faster.

Discussion ensued regarding the number of lots that Pulte and Lennar are buying in the Country Club. Mr. Miars stated that Pulte will close on lots in the Country Club in H and C on or around August 15, 2024; Z was delayed due to an issue that has since been resolved, and Z will most likely close toward the end of 2024. The only takedown in the Country Club will be done by Lennar; those lots in K2 will likely be purchased by the end of 2024.

SIXTH ORDER OF BUSINESS

Continued Discussion/Update: Proposed Traffic Control Project on Parkway for Proposed Townhome Project

Mr. Krebs stated that Mr. Barraco emailed himself and Mr. Adams regarding the Traffic Report. The Report essentially shows that what the CDD was asking for would not drastically decrease the vehicle wait times; however, he does not think Mr. Barraco understood his suggestion regarding moving the median because the Report looks at the median from a “traffic moving” perspective, such that moving it would not necessarily improve the circulation but moving the median would eliminate U-turns.

Mr. Mitchell stated the CDD does not want anyone driving the wrong way, for example, driving south in a northbound lane. Mr. Krebs stated he does not think that would happen; he noted that someone entering the community and wanting to visit Yellow Jasmine must make a U-turn at that median, whereas an open median would allow drivers to line up and turn left. Mr. Miars will speak with Mr. Barraco regarding this suggestion.

The Board and Staff discussed the Report, the median and traffic circulation.

The consensus was to eliminate the need for drivers to make a U-turn.

SEVENTH ORDER OF BUSINESS

Update: Lee County’s Sunshine Extension Project

There was no update. Mr. Asfour recalled that Mr. Barraco previously discussed this and had indicated that the route most people are concerned about is unlikely to happen because the County and the State are unlikely to grant the easements.

This item will remain on the agenda.

EIGHTH ORDER OF BUSINESS

Presentation of Supplement #3 to River Hall Community Development District Engineer’s Report (Dated October 25, 2005) and Supplement #1 (Dated November 15, 2019; Revised July 2, 2020) and Supplement #2 (Dated February 2, 2023; Revised July 25, 2023)

Mr. Adams stated that Staff is beginning the process for the Series 2024 Project.

Mr. Savage presented Supplement #3 to River Hall Community Development District Engineer’s Report (Dated October 25, 2005) and Supplement #1 (Dated November 15, 2019; Revised July 2, 2020) and Supplement #2 (Dated February 2, 2023; Revised July 25, 2023), and noted the following:

- The Report is meant to define the next phase of River Hall, the “2024 Project”, and the corresponding assessment area known as “Assessment Area 5”.
- The Report includes the recent Lee County zoning resolution, which increased the allowable density from 2,695 units to 3,244 units.
- The 2024 Project generally consists of infrastructure supporting 95 single-family units in Parcel L and 202 multi-family townhome units in the townhome parcel near the front of the community.

Mr. Block asked if the water and sewer capacity can accommodate the additional units, given the current low water pressure in the CDD. Mr. Block stated that question is analyzed and must be adequately answered through the permitting process.

Mr. Savage stated that the location of Parcel L and additional detail are shown on Pages 5 through 8 of the Report.

- The CDD can only fund public improvements that will be owned and maintained by the CDD or conveyed to other public entities. The CDD will construct and/or acquire drainage, the surface water management system, on-site utilities, perimeter boundary and landscaping.
- The updated 2024 Project Order of Magnitude Cost Estimate totaling \$9,888,000, found on Page 11 of the Report, is the basis utilized in the Assessment Methodology.

Discussion ensued regarding verbiage on Page 13 related to use of the 2024 Project area by the general public and implementation of a reasonable user fee implemented by the CDD.

Mr. Urbancic stated that, while portions of the verbiage may be removed or deleted, the CDD will enter into tax covenants that determine how CDD assets must be used and assets will be used consistent with applicable tax law. If the CDD develops improvements using tax-exempt bonds, they must be public improvements and public access must be provided for to the extent applicable to those particular assets. For example, access must be given to a road built with tax-exempt bonds.

With regard to an amenity center built with tax exempt financing, Mr. Adams stated that general public access must be available but the CDD can charge a reasonable user fee based upon the assessments paid by property owners.

NINTH ORDER OF BUSINESS

Presentation of Fifth Supplemental Special Assessment Methodology Report

Mr. Adams presented a summary of the Fifth Supplemental Special Assessment Methodology Report for Assessment Area 5. He reviewed the pertinent information and discussed the Development Program, CIP, Financing Program, Assessment Methodology, lienability tests, special and peculiar benefits to the units, Equivalent Residential Unit (ERU) weightings, True-up Mechanism and the Appendix Tables. He noted the following:

- The Report relates to the 2024 Project for which the total costs estimated in the Engineer’s Report total \$9,888,000.
- The total par amount of bonds, including the costs of financing, capitalized interest and debt service reserve, is \$12,100,000.
- The Assessment Area 5 development program envisions 297 residential dwelling units, to include 202 townhomes and 95 single-family homes.
- The CDD’s existing Capital Improvement Series 2021A-2 Refunding Revenue Bonds applicable to Parcel L, which were previously issued by the CDD and are outstanding as of the date of this Report, in the total amount of \$208,890.39, will be prepaid by the Developer prior to issuance of bonds.

Mr. Stark asked that “Parcel H” be redesignated for clarity, because Bishop’s Boulevard in the Country Club is already designated as “Parcel H”.

Mr. Adams stated that he will make the adjustment.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2024-08, Declaring Special Assessments; Indicating the Location, Nature and Estimated Cost of Those Improvements Which Cost is to be Defrayed in Whole or in Part by the Special Assessments; Providing the Portion of the Estimated Cost of the Improvements to be Defrayed in Whole or in Part 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 a Public Hearing to Consider the Advisability and Propriety of Said Assessments and the Related Improvements; Providing for Notice of Said Public Hearing; Providing for Publication of this Resolution; Providing for Conflicts, Providing for Severability and Providing an Effective Date

Mr. Adams presented Resolution 2024-08. Mr. Asfour voiced his opposition to the CDD undertaking any additional debt.

On MOTION by Mr. Stark and seconded by Mr. Block, with Mr. Mitchell, Mr. Stark and Mr. Block in favor and Mr. Asfour dissenting, Resolution 2024-08, Declaring Special Assessments; Indicating the Location, Nature and Estimated Cost of Those Improvements Which Cost is to be Defrayed in Whole or in Part by the Special Assessments; Providing the Portion of the Estimated Cost of the Improvements to be Defrayed in Whole or in Part 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 a Public Hearing to Consider the Advisability and Propriety of Said Assessments and the Related Improvements; Providing for Notice of Said Public Hearing; Providing for Publication of this Resolution; Providing for Conflicts, Providing for Severability and Providing an Effective Date, was adopted. (Motion passed 3-1)

ELEVENTH ORDER OF BUSINESS

Consideration of Resolution 2024-09, Setting a Public Hearing to be Held on September 5, 2024 at 3:30 P.M. at River Hall Town Hall Center, 3089 River Hall Parkway, Alva, Florida 33920, for the Purpose of Hearing Public Comment on Imposing Special Assessments on Certain Property Within the District Generally Described as the River Hall Community Development District in Accordance with Chapters 170, 190 and 197, Florida Statutes; Providing for Conflicts, Providing for Severability and Providing an Effective Date

Mr. Adams presented Resolution 2024-09.

On MOTION by Mr. Stark and seconded by Mr. Block, with Mr. Mitchell, Mr. Stark and Mr. Block in favor and Mr. Asfour dissenting, Resolution 2024-09, Setting a Public Hearing to be Held on September 5, 2024 at 3:30 P.M. at River Hall Town Hall Center, 3089 River Hall Parkway, Alva, Florida 33920, for the Purpose of Hearing Public Comment on Imposing Special Assessments on Certain Property Within the District Generally Described as the River Hall Community Development District in Accordance with Chapters 170, 190 and 197, Florida Statutes; Providing for Conflicts, Providing for Severability and Providing an Effective Date, was adopted. (Motion passed 3-1)

TWELFTH ORDER OF BUSINESS

Consideration of Goals and Objectives Reporting [HB7013 - Special Districts Performance Measures and Standards Reporting]

Mr. Adams presented the Memorandum explaining the requirement for the CDD to develop goals and objectives. He presented the Performance Measures/Standards & Annual Reporting Form developed for the CDD, which explains how the CDD will meet the goals. There will be no additional charge for District Management services related to these reports.

On MOTION by Mr. Block and seconded by Mr. Stark, with all in favor, the Goals and Objectives developed and the Performance Measures/Standards & Annual Reporting Form, were approved.

THIRTEENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of June 30, 2024

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2024.

It was noted that the Sheriff’s Department will resume patrols at the beginning of the school year; the expense is budgeted accordingly.

The financials were accepted.

FOURTEENTH ORDER OF BUSINESS

Approval of July 11, 2024 Regular Meeting Minutes

The following change was made:

Line 96: Delete “Treelined”

On MOTION by Mr. Asfour and seconded by Mr. Stark, with all in favor, the July 11, 2024 Regular Meeting Minutes, as amended, were approved.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

A. District Engineer: Hole Montes

Mr. Krebs stated that far more gopher tortoises were removed than originally estimated; four burrows are still active, and trapping will be complete no later than August 16, 2024. Passarella quoted a not-to-exceed amount for the relocation.

Discussion ensued regarding the trapping process and fence installation.

B. District Counsel: Coleman, Yovanovich & Koester

There was no report.

C. District Manager: Wrathell, Hunt and Associates, LLC

Mrs. Adams reported the following:

- The protected species sign proof was executed on July 29, 2024; the total cost was \$625.

- On July 17, 2024, District Counsel sent the letter to the HOA regarding swimming.
- MRI will be finished at the end of this week, weather permitting. Brenda advised that the Board approved their contract at a threshold of 50% blockage and higher but MRI cleaned 40 structures at 25% blockage in error but at no additional cost to the CDD.

- **NEXT MEETING DATE: September 5, 2024 at 3:30 PM [Adoption of FY2025 Budget, Levy of Assessments, Adoption of Bond Resolution]**

- **QUORUM CHECK**

Supervisors Asfour, Mitchell, Stark and Block confirmed their attendance at the September 5, 2024 meeting.

D. Operations Manager: Wrathell, Hunt and Associates, LLC

Mr. Willis reported the following:

- He will email to ensure that Sheriff’s patrols resume when school begins.
- Robert Nelson advised that the mowing problems inside River Hall will be addressed.
- The proposal to add Bougainvillea to the landscaping contract has been requested.

In response to a Board Member’s question, Mrs. Adams stated the berm repair on Hampton Boulevard is complete.

SIXTEENTH ORDER OF BUSINESS

Public Comments: Non-Agenda Items (3 minutes per speaker)

No members of the public spoke.

SEVENTEENTH ORDER OF BUSINESS

Supervisors’ Comments/Requests

There were no Supervisors’ comments or requests.

EIGHTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Asfour and seconded by Mr. Block with all in favor, the meeting adjourned at 4:41 p.m.


Secretary/Assistant Secretary


Chair/Vice Chair