

MINUTES OF MEETING
CANOPY
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Canopy Community Development District was held Tuesday, December 4, 2018 at 11:00 a.m. at Dorothy B. Oven Park, 3205 Thomasville Road, Tallahassee, Florida.

Present and constituting a quorum were:

Tom Asbury	Chairman
Gregg Patterson	Vice Chairman
John "Al" Russell	Assistant Secretary
Colleen Castille	Assistant Secretary

Also present were:

Darrin Mossing	District Manager
Jennifer Kilinski	District Counsel
Abraham Prado	GPI
Darrin Mossing, Jr.	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. Mossing called the meeting to order at 11:20 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the November 6, 2018 Meeting

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the minutes of the November 6, 2018 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2019-04
Ratifying the Action of the Board Regarding
the Issuance of the Series 2018A Bonds**

Ms. Kilinski stated this is a resolution ratifying actions staff took in finalizing and executing the bond documents. We didn't have any substantive changes.

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor Resolution 2019-04 was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-05 Amending Resolution 2018-16

Mr. Mossing stated Resolution 2018-16 was the resolution that levied our operating and maintenance assessments on the property within the District. The 93 platted lots were certified to the Leon County tax collector for collection and they are on people's November 1, 2018 property tax bill and are set for collection on the dates set by the uniform method. Also included in that resolution were the due dates for the direct assessments for the administrative assessment and our bond issues for Assessment Area 2 and Assessment Area 3. In that resolution we put our standard dates with 50% due May 1, 25% due February 1 and 25% due May 1. The Landowner has requested that we amend those dates for the direct assessments to fit with the flow of funds that the District needs, which is the O&M portion being collected at 1/12 every month and the debt service payments are May 1 and November 1. The request was to make the due dates 30 days prior to those due dates and in talking with Counsel we are very comfortable with those dates being 50% April 1 and 50% by September 30. There will be no negative ramifications to the District in terms of its cashflow.

Mr. Asbury asked the property taxes we paid on the lots that are sold to a third party or held by the developer, when they pay is that part of this?

Mr. Mossing stated no. People pay their property tax bill and those funds go to the County tax collector and there are various taxing authorities on that bill. Canopy Community Development District is one of them and when the County collects those funds, they allocate that to all the different taxing authorities and send us a check. The tax collectors sends between eight to ten distributions depending on when tax bills are paid. We get that money direct and deposit it into the checking account.

Mr. Asbury asked is that part of the interest payment on the A-1 Bonds?

Mr. Mossing stated the A-4 Bonds are for those lots. The tax bill is only for the A-1, A-2 and A-3 Bonds. A-1 and A-2 consist of Assessment Area 2 that is the 257 lots. Assessment Area 3 is the 651 planned lots in the future. That is all that is on there. A-1 and A-2 are two

separate bond issues but really one assessment area, those bonds are secured by the same 257 lots. The A-2 Bonds are the pay down bonds. The A-1, 2 and 3 bonds are interest only for Fiscal Year 2019.

Mr. Asbury stated in essence those are paid by the developer.

Mr. Mossing stated yes, you receive the bill. The District will send the Landowner the bill with those payment dates.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor Resolution 2019-05 was approved.

SIXTH ORDER OF BUSINESS

Consideration of Construction Funding Agreement for Welaunee Boulevard Project

Ms. Kilinski stated items 6 and 7 are related. The Board previously considered approval in substantial form of an interlocal agreement between the District, the City and Blueprint for certain representations as it relates to construction of Welaunee Boulevard. You may recall that Welaunee Boulevard construction was not part of the bond funding, it is a reimbursable of segments 2 and 3 from Blueprint to the City and the draft of the interlocal we looked at before may have been constructed by the developer on its own or by the District. Friday I received a redraft of the interlocal agreement that Blueprint is set to consider next week, which is why you have it on the agenda that changes the interlocal terms a bit to recognize the District will agree to construct Welaunee Boulevard segments 2 and 3 and seek reimbursement from Blueprint. As you know the District's sole funding source would be either bond proceeds, which this not a qualified project or the developer. The construction funding agreement is for the anticipated funding of construction, design and CEI services related to Welaunee Boulevard construction project, which we will talk about a little bit more with specificity in the interlocal. I thought it prudent to consider the construction funding agreement before we start talking about the District agreeing to construct something for which it has no funds and that is what this is meant to cover, the idea that the District would submit invoices to the developer for construction of Welaunee Boulevard. Once the District gets money back from Blueprint through this funding agreement it would immediately turn around within 15 days and submit reimbursement to the developer for the funding that is provided to the District for such construction. It will cover design services, which GPI has already started to undertake for some of the design of portions of that roadway,

the actual construction of the roadway and CEI services, which are required by Blueprint to cover the ongoing construction.

This is an agreement between Ox Bottom Mortgage Holdings and the District for construction of the project, of Welaunee segments 2 and 3 project.

Mr. Asbury stated the District will bid it out and the developer will pay for it.

Ms. Kilinski stated that is right. Then Blueprint will reimburse the District and the District will reimburse the developer. Blueprint will fund the City, the City will fund the District and the District will fund the developer.

Mr. Mossing stated at the end of the project.

Mr. Asbury stated they will reimburse as it goes.

Ms. Kilinski stated because Blueprint isn't agreeing to reimburse until 2022 or the completion of a segment of the project that is still being debated. It will be reimbursed no later than 2022 and each segment within 90 days of completion of the segment. They have the segments outlined in here as, entire phase of segment 2 or 3 Welaunee Boulevard and it has certain phasing based on the design plans. The District will be reimbursed within 90 days of completion and acceptance by the City of those improvements, which acceptance cannot be unreasonably withheld.

Mr. Asbury stated I don't want to get in a position where I'm building segment 3, which is all the way to the end of the property when we were talking of just going to the roundabout.

Ms. Kilinski stated that is the phasing language now, it has coordinates.

Mr. Asbury stated I want to make sure I'm not locking myself into something. What we are doing here is just saying that we are okay with you trying to bring the construction funding agreement together.

Ms. Kilinski stated the construction funding agreement stands on its own as compared to the interlocal. The construction funding agreement is just funding from the developer recognizing the District is anticipated to build Welaunee Boulevard, these segments, and so long as the District is building these segments pursuant to the interlocal agreement, which is attached to the construction funding agreement, the developer is going to fund that and the District will reimburse you as soon as we get funding from Blueprint. That is all it is because we can't award a project for which we have no funding. The District is going to bid Welaunee and needs a funding source to do that and that will be the funding source.

Mr. Asbury stated that will be the developer and the developer then becomes part of this agreement?

Ms. Kilinski stated not the interlocal agreement. Blueprint has nothing to do with the construction funding agreement whatsoever.

Mr. Asbury stated the only way as the developer I am willing to agree with it is if the City is willing to reimburse it in the manner to go to the roundabout. Then I want them to reimburse it now, not 2020.

Ms. Kilinski stated payment is going to be due within 90 days of submission of an authorized pay request, but in no event later than December 31, 2020.

Mr. Asbury stated there is still more negotiations to be had between the developer and the District.

Ms. Kilinski stated it wouldn't be signed until this is approved because there is no funding necessary if the interlocal doesn't get executed.

Mr. Asbury asked what are we agreeing to right now? What am I obligating myself to as the developer?

Ms. Kilinski stated the next agenda item is the interlocal agreement in substantial form. I was going to go over the changes I got this morning from Blueprint recognizing that Blueprint needs the District's blessing on the interlocal agreement contemporaneously with their blessing or shortly thereafter. Otherwise we are holding up their project. We could come back as a Board sometime before the holidays or even thereafter and have a final form of interlocal agreement. Blueprint would then approve the interlocal subject to the District approving the final form, or we can talk about the changes that I got this morning, approve the interlocal agreement in substantial form with the Chairman authorized to execute the final version on behalf of the District and then we can bring back the final form so long as it is within the parameters set sometime in January or February. I'm comfortable with either approach because I know the Developer's Counsel has made comments, which I have incorporated to his satisfaction in the latest draft of the interlocal. The only thing we have outstanding is they have a requirement in the interlocal that the District follows City and Blueprint's bidding guidelines. Two issues with that, one is we have already adopted rules that set forth our guidelines that are not 100% consistent with the City's and two, we have already bid out a portion of this project in Units 4 and 5 so going back and changing all of those evaluation criteria is not impossible but it is a little bit of a challenge for the District. We have negotiated some that is specific to women and

minority business enterprise requirements is the big difference between ours and theirs, they have some aspirational thresholds they wanted in it but it is not their project that they are bidding it is our project. Our meeting today was to approve this criteria, which would add 5 points to a minority business enterprises with a 10% threshold aspirational goal that we would seek your approval to include within our RFP packages for any Welaunee Boulevard project. That is the biggest thing that we have left to finish up in terms of what Gary Hunter thought his comments had been. They had liquidated damages in here if the District didn't finish the project on time, those have been removed. Their segmentation has been added to clarify when the projects would be reimbursed at what stages.

Mr. Asbury stated in theory I'm okay with the idea and I'm okay with the District saying yes let's move forward with this project. As the developer there are a lot of questions I have to make sure that we don't put ourselves in a position of completing if the phasing does get in there, that the City has appropriated the money and how is that going to be done. As long as all of that is still in negotiation phase I'm okay.

Ms. Kilinski stated that would be the idea. One, the District and developer absolutely aligns in terms of the expectations of reimbursement funding because the District doesn't have another funding source so if the developer is not comfortable moving forward because they are not going to fund the District, the District would absolutely not be comfortable moving forward either. I know you don't have these changes in front of you, I just got them about an hour before I came into the meeting but because Blueprint is very much energized right now to trying to complete this next week, and my recommendation is, so that we, the District, are not holding up the process would be to approve, there are not a lot of changes from the one in the agenda package, there are a few that I would highlight for you but I recommend that we move forward in approval of the construction funding agreement, the interlocal in substantial form with final sign-off by the Chairman who has the most intimate knowledge about some of those negotiations that are going on in terms of funding and segmentation of road. If there is a major, substantive change one way or the other then we will need to come back and convene this Board anyway. If it is something way outside these parameters that we are discussing today, then we will bring you back together to consider those.

Mr. Asbury stated I'm okay with that.

Mr. Patterson asked on the 90 days reimbursement, how does that trigger? For instance, if the developer is through with a phase does it have to go through a process with the County or is there a period of time it has to go through before the 90 days start?

Ms. Kilinski stated what we tried to do is anticipate some of those loopholes. What will happen is the District will be bidding the project so it will be a District contractor who is building the road. We have agreed in this interlocal agreement to City approved requisition forms, we will use their forms to submit those invoices, those requisitions to them so there is no question of the paperwork not matching and then they will have 90 days to review, accept and reimburse the District for any of those forms that are submitted as long as the documentation is submitted correctly. We are relying a lot on our engineering firm, who is also the design firm, who will also be overseeing the District's contractors constructing the roadway.

Mr. Asbury asked is that in there? One of the things you said is, right now the interlocal agreement says the funding won't be available until the end of 2020 and 90 days after they sign-off on the entire section and it is approved and accepted by the City, then 90 days later they will fund it.

Ms. Kilinski stated yes, but not before 2020.

Mr. Asbury stated not as draws. Earlier you were acting like it may be a draw.

Ms. Kilinski stated somebody asked that question but I said no, not draws. Complete segmentation. There are three different segments that are anticipated here in the interlocal agreement. Once those are completed within 90 days of all of that being completed and being authorized is when the District will be reimbursed.

Mr. Asbury stated we have to agree on phasing because we don't want to do all three of them we only want to do a portion of it to get to the roundabout.

Ms. Kilinski stated the last email transmission I had, which was Sunday from the developer representatives on the phasing, that is where the phasing concept came from, which is included in Blueprint and the City's latest version.

Mr. Prado pointed out on the map the three phases and stated phase 1 is not the subject of this agreement because that was developer funded 100% up to Crestline; from Crestline to what we are calling station 22, which is roughly the Holy Comforter piece where it is constructed and that is one phase.

Mr. Asbury asked is that going to be Phase 1?

Mr. Prado stated Phase 1 for purposes of the agreement, yes. The second component would be picking up where it ends currently and we will need to confirm this station number to be exact, and it will take you from wherever it is currently to just on the other side of Dempsey Mayo, at the roundabout at Dempsey Mayo. That will be the second phase of the construction. The third phase would be from that roundabout to the project limits.

Mr. Asbury asked then that map will now get put in here.

Mr. Prado stated there is a version of the map already in there but it needs to be updated.

Ms. Castille asked will you change the segmentation numbering on there?

Mr. Prado stated we will need to add just one more. Blueprint is only responsible for 50% of this section but it is built up to somewhere over here and there will have to be an additional numbering prorated to reflect the actual. There is one conditional component that we see added to this map to make that clearer. We will double check those stations to make sure they match that phasing.

Ms. Castille stated it seems like the map should reflect what is in the document.

Mr. Asbury stated I'm good with that.

Mr. Russell asked if the City finds something to question in the receipts or whatever after it was submitted do they start the 90 days over again?

Ms. Kilinski stated the prompt payment act requires them to reimburse based on documentation that is correctly submitted. I would imagine based on the prompt payment policies if 75% is correct they would reimburse that part and the part in dispute would go to dispute resolution and you would submit supplemental documentation to get that number right. The entire invoice wouldn't go back it would be the part of the invoices that they are questioning.

Mr. Russell asked then do they have another 90 days?

Ms. Kilinski stated I think prompt payment would probably come into play. We have prompt payment policies in here it would come into play, which would give them 20 days to make changes to that now correctly submitted invoice.

Items six and seven should be taken together because the interlocal is an exhibit to the funding agreement.

On MOTION by Ms. Castille seconded by Mr. Russell with all in favor the construction funding agreement for the Welaunee Boulevard Project between the District and Ox Bottom Mortgage Holdings, LLC was approved in substantial form subject to the Chairman's final execution.

SEVENTH ORDER OF BUSINESS

Consideration of Updated Interlocal Between the District, City and Blueprint for Welaunee Boulevard

This item approved under item six.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer – Ratification of Capital Funding Request no. 8

Mr. Mossing stated we have listed funding request no. 8 in the amount of \$444,906.19 that was Sandco's pay application nos. 10 and 11. That funding request has been submitted to the developer for funding.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor capital funding request no. 8 in the amount of \$444,906.19 was ratified.

C. Manager

Mr. Mossing stated the January meeting is scheduled for January 15th, which is different than our normal first Tuesday of the month. The first Tuesday is January 1st and we were going to go a week later to the 8th and this room wasn't available so we scheduled it for the 15th. We will send out a reminder.

Mr. Asbury asked can you send out something more than a reminder, can you send out an invitation and it will hit all our phones.

Mr. Mossing stated okay.

i. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

ii. Consideration of FY19 Funding Request No. 2

On MOTION by Mr. Russell seconded by Mr. Patterson with all in favor FY19 funding request no. 2 in the amount of \$9,712.08 was approved.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Supervisors Requests

There being none,

On MOTION by Ms. Castille seconded by Mr. Russell with all in favor the meeting adjourned at 11:59 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman