

MINUTES OF MEETING
CAPITAL REGION COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Capital Region Community Development District was held Thursday, May 12, 2011 at 6:30 p.m. at the Southwood Community Center, 4675 Grove Park Drive, Tallahassee, Florida.

Present and constituting a quorum were:

Barry Brooks	Chairman
Wayne Toothman	Vice Chairman (by telephone)
Eli Nortelus	Supervisor
Glenda Herrera-Gray	Supervisor

Also present were:

James A. Perry	District Manager
Joe Brown	District Counsel
Abe Prado	St. Joe Company
Robert Berlin	Operations Manager – GMS, LLC
Norman Robertson	Atkins
Kevin Mulshine	MBS Capital Markets
Ed Bulleit	MBS Capital Markets
Several residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Brooks called the meeting to order at 6:30 p.m.

SECOND ORDER OF BUSINESS

The Pledge of Allegiance

Mr. Brooks led the pledge of allegiance.

THIRD ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the April 14, 2011 Meeting
- B. Balance Sheet as of March 31, 2011 and Statement of Revenues & Expenditures for the Period Ending March 31, 2011
- C. Treasury Report – March 31, 2011
- D. Allocation of Assessments
- E. Check Register

Mr. Brooks stated the first item is approval of the consent agenda. In our minutes of the last meeting there were a few blanks and staff has tried to go through and contact the supervisors to fill those out. I don't think there is anything material in nature that was missed so we can approve it even with those blanks.

On MOTION by Ms. Herrera-Gray seconded by Mr. Nortelus with all in favor the consent agenda items were approved.

FOURTH ORDER OF BUSINESS

Acceptance of the Minutes of the April 14, 2011 Audit Committee Meeting

Mr. Brooks stated item four is acceptance of the minutes of the April 14, 2011 audit committee meeting. They are in your package.

On MOTION by Mr. Nortelus seconded by Ms. Herrera-Gray with all in favor the minutes of the April 14, 2011 audit committee meeting were accepted.

Mr. Brooks stated we are going to flip flop a couple of items, item 5 we are going to take after item 6 because we are very fortunate to have Kevin Mulshine present today and he has brought another partner with him to help us walk through the update regarding a possible refinancing of some of our bond issues. This is an item we took up for discussion in front of the board during last year's meetings and we gave them instruction to go out and check the market and gave them a target for what kind of percentage we were looking for in any kind of refinancing possibility. Kevin has pulled some information together and is back with us

SIXTH ORDER OF BUSINESS

Update Regarding Refinancing

Mr. Mulshine stated we are going to go quickly through the first ten slides because this board has actually reviewed this three times which is the current outstanding debt so if anyone has a question please stop and ask. In very basic terms the district has three pieces of debt outstanding, the first piece of debt issued in 2001 is secured by about 800 residential units and a lot of things around the Town Center, the Twin Oaks Apartments, the Publix Center across the road and those bonds were secured by the debt service assessments that appear on everybody's

tax bill once a year. 2002 bonds are secured by the next units that have been coming online and then there is the 2008 bonds, which are all on St. Joe undeveloped properties at this time. We actually came to you last year with a refunding opportunity and you said hold off because the 2001 bonds were callable starting this past week, May 1, we could have accomplished the refunding a year ago but it was inefficient because of all the extra costs of doing what is called an advance refunding so you said hold off we want to maximize savings. Now we are coming back to give a status update of where it stands for the 2001 bonds. Frankly, the same kind of opportunity will come along for the 2002 bonds next year as long as market conditions hold.

With that as the background what we really wanted to do is flip to your tab, which will go into the proposed refunding of bonds. You were outbidding each other when we were here when you were giving us targets of how much savings. What we have done is we ran numbers as if you did a refunding today and right now there is \$8,090,000 of bonds secured by assessments in the series 2001 bonds and I believe people if they look at their tax bill can actually see what bond they are being assessed for because some residents are assessed for 2001 bonds some are assessed for 2002 bonds and only St. Joe is assessed for the 2008 bonds. We are only talking about the 2001 bonds right now. There is \$8 million outstanding the average coupon is 6.8% and the debt service is \$746,000 a year and the way that is paid is \$396 on every townhome, single family homes range from \$700 to \$1,100 when you add it all up it is about 800 homes and the Town Center property is about \$746,000 a year. We did some sizing on some refundings and we can actually reduce the interest rates down to around 5.5% to 5.9%. What we gave is conservative and aggressive scenarios based upon various bids. We are trying to work in between markets that would accept this from banks to other kinds of retail investors. The important number is the third line down in the second box, which is projecting maximum annual debt service. Under a worse case scenario it would reduce by \$45,000 down to \$701,000 and under a better scenario it would reduce down to around \$671,000 and that actually represents about a 10% reduction in the debt service. If somebody has a \$1,000 assessment it would reduce it down to about \$900. We start to begin to have real savings. You gave us a target last time of 7 ½% reduction in everyone's assessment. What will happen is everybody's assessment gets reduced prorata when the principal and interest payments go down.

The next page is the reduction of assessments under two scenarios and because I know the apartment numbers off the top of my head \$396 a year would be reduced by about \$36 or

close to 10% right now. It would even reduce more if you look at the next chart under the more aggressive scenario, which we hope to achieve but those are the scenarios we are looking at.

In the section "future actions" I wanted to discuss real briefly where we have been and where we have to go. In order to get the lowest possible interest rate you try to get the highest possible rating on the bonds. The bonds are non-rated and now that there are homeowners in place it is a much more secure bond so we hope the refunding bonds would get an investment grade rating. There is only one rating agency of the three major rating agencies that actually provide ratings for these things and that is Standard & Poor's. Standard and Poor's actually asked our firm as a service to spend the last two months going through all 37 rated deals that were rated in the past year in the State of Florida on community development districts and do what we call surveillance reports which is literally taking apart the assessment roll for every one of them to make sure they are still comfortable with their ratings. We got over that process and now we are submitting this package for Capital Region. The important issue on the timing is that the security for the bonds is everybody's payment of their assessment which shows up on the tax bill and we just got through the tax collection cycle of April 1, the due date for taxes and assessments. What we are trying to do if you look under future actions is work with the rating agencies. As I said we completed all the surveillance on existing bond issues for Standard & Poor's and we have actually been working with the tax collector's office and Mr. Brooks and some of his staff has been working very hard with us to literally take all 800 or 900 folio numbers that are assessed for the 2001 bonds and check all their collection history. What we are trying to reconcile through now is about 5% of the home buyers did not pay on time on April 1 so we are trying to find out why and then learn the tax certificate sale procedure so we can understand when those taxes become paid which is important for the rating agency because the tax bill is the cash register for the district. We are working on that and we are also working on one of the top ten tax payers has been delinquent for two years so we are trying to work through that issue. When we are looking to go to the rating agencies we like to hand out a package and we like to work with the tax collector's office to get a schedule of exactly when we would expect about 100% of the district's assessments to be collected.

The process would be to start on the document preparation. One important issue for the manager and attorney is what we always try to do is keep what will happen with a refunding same as you refund your mortgage the interest rate will go down therefore, your principal and

interest payments go down but sometimes the principal amount goes up slightly. If the principal amount goes up at all we have to notice all 800 taxpayers as to the increase in principal even though the annual payment will be less. We are trying hard to keep the principal under the current balance so we wouldn't have to go through the notice process and you guys will just work on the transaction that will lower the assessments. The important issue of timing is (1) we just got through the tax collection cycle (2) what kind of drives it towards being a good time is interest rates but you want to try to get something done before the budget process is done because we are going to save people money and we would like to do that before you certify your roll and I'm thinking August or September.

Mr. Perry stated it is September 15th.

Mr. Mulshine stated you try to get it done in this window so if you do save money it can be reflected on this year's coming tax bill.

On the next two pages you will see what we call bond summary and a lot of paper goes behind this that we send, it is part of the rating agency package and you will see in here everything from the amount of debt outstanding to the top ten taxpayers, which is very material, you will see the tax collection from last year's history, so you get a feel for the information we try to bring up to the rating agencies and what they are focusing on.

The following page is we met with every one of your top ten taxpayers and took pictures of their properties. Your largest taxpayer, 11% of your assessments are paid by the Twin Oaks Apartments, the Publix Center is the second largest taxpayer as far as the assessments go. One of the issues is Datamaxx has been paying slow but they are one of your largest payers so that is one of the issues we are dealing with, with the rating agencies. We just wanted to bring that to your attention again because we would like to go formally submit a rating package and we wanted to keep you up to date on where we have been and what we are doing.

Mr. Brooks stated at this point if any supervisors have questions of Kevin regarding his presentation to us today, after that the audience will get a chance to ask any questions they would like but also the next item and the reason I reversed the order is that given we have been working with Mr. Mulshine on this potential refinancing since last year I would like to ask if the supervisors would consider a motion if it is acceptable to allow MBS to move forward on looking at the bond refinancing proposal that he has brought to the table as long as he meets

those targets we set last year. Are there any questions from the supervisors? Are there any questions from the audience?

Mr. Powell stated the interest rate change you said 5.9% I wasn't sure what the change was going to be from what to what.

Mr. Mulshine stated the original bonds were issued at 7% and that is pretty much the same market rate for non-rated bonds but if we can get the rating we can move that down to about 5.5% fixed for the remaining 20 years. Your assessment is for 30 years you have already paid 10 years so there is 20 years left. It would still be a 20-year assessment.

Mr. Brooks stated we kind of keep in tune with this whole project because that is our job to try to do the best funding that we can for our infrastructure so the market has started producing some savings so we want to make sure we are taking advantage of it. We appreciate MBS' and Kevin Mulshine's help in keeping us on track.

Thank you, Kevin.

FIFTH ORDER OF BUSINESS

Consideration of Engagement Letter from Kevin Mulshine

Mr. Brooks stated I would entertain a motion to go ahead and give MBS the approval from the board to pursue this refinancing option for us.

On MOTION by Mr. Nortelus seconded by Ms. Herrera-Gray with all in favor MBS Capital Markets was approved to pursue refinancing options.
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SEVENTH ORDER OF BUSINESS

Consideration of Project Completion and Assessment Finalization Resolutions

A. Series 2003B Bonds Resolution 2011-05

Mr. Brooks stated we have a few items the attorney has brought to us for some cleanup of some of our existing bond resolutions and payouts, etc.

Mr. Brown stated all four of these resolutions basically do the same thing for the 2003B Bonds the 2004, 2005 and 2006 BANs. What we are doing is finalizing assessments under Chapter 170 and also declaring the project complete for purposes of Chapter 170 and for the bond indenture. For each one of these series there is a described project and there is backup to the resolutions that describes the project for each one. Our district engineer, CH2M Hill actually

Fred Greene, provided engineering certificates certifying these projects as complete. Once you have those you can declare the project complete under the indenture, which is one of the things you are required to do and also for purposes of Chapter 170 once you declare the project complete you are required to finalize assessments. For these resolutions and those bond series and BAN series which all operated like lines of credit I think each one had a \$10 million cap and what we are doing is for each one determine how much of that you actually drew on and those assessments have all been paid off so we are not finalizing any assessments that actually exist on property anymore, all these have reached maturity and have been paid off so you take that final number of principal amount of assessment that was paid off and you are finalizing the assessment for each one of those in that amount. This is really sort of cleanup there aren't any ramifications here, we are not changing anything we are just checking the boxes for purposes of the statute and indenture so that these have been approved and they are in the district's records.

Mr. Brooks stated a BAN is a bond anticipation note.

Mr. Brown stated that is right. With BANs they can be a future issue of bonds, you could take the BANs out you pay off the BANs and the assessments will be part of that future bond issue. In this case the BANs matured and the indenture for the BANs required if they reached maturity they haven't been taken out by a future bond series then you collect the assessment at that time to pay off that outstanding principal amount. Essentially the BANs for the lifetime is interest only.

On MOTION by Mr. Nortelus seconded by Ms. Herrera-Gray with all in favor Resolution 2011-05 was approved.

B. Series 2004 BAN Resolution 2011-06

Mr. Brooks stated item B is series 2004-BAN, Resolution 2011-06.

On MOTION by Ms. Herrera-Gray seconded by Mr. Nortelus with all in favor Resolution 2011-06 was approved.

C. Series 2005 BAN Resolution 2011-07

Mr. Brooks stated item C is series 2005 BAN, Resolution 2011-07.

On MOTION by Mr. Nortelus seconded by Ms. Herrera-Gray with all in favor Resolution 2011-07 was approved.

D. Series 2006 BAN Resolution 2011-08

Mr. Brooks stated item D is series 2006 BAN, Resolution 2011-08.

On MOTION by Mr. Nortelus seconded by Ms. Herrera-Gray with all in favor Resolution 2011-08 was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

1. Memorandum

2. Community Garden

Mr. Brown stated I will just touch on the community garden and Robert will touch on this too. Last meeting the board approved the site location for the community garden and I have been in touch with Ms. Guffey who is here tonight and she provided me some information and I have talked to her about what I need so I can start putting together the license agreement that will be in place between the district and the community garden group for their use of that property for that purpose. I hope we will have a proposed final license agreement in the June agenda package for the whole board to see and she has indicated to me that they might actually hope to start construction of the garden in mid June after our meeting.

Mr. Nortelus stated have they discussed the groundbreaking?

Mr. Brown stated Robert will talk about the groundbreaking.

Mr. Berlin stated I have a special use application for the groundbreaking on Saturday. What it entails is I believe there are three or four small tents for shade to sign up people who want to buy. There will be some coffee and I think a few people are going to say a few words. I will have the sound system set up and I will be there for the whole event and I will break it down and bring it back. They would like to have 100 people come there, you might get 5 to show up, it may rain we don't know. Normally there would be a deposit of \$450 and I would like to ask the board to waive that. The district has no infrastructure in this area, there is no reason to think

that any damage would be caused by these homeowners to the property or anything so I see no reason to require the deposit unlike we do for off sight events such as Pops.

Mr. Nortelus asked how much parking do you have?

Mr. Berlin stated you have more parking on that site than on any other site in Southwood that is adjacent to that site, which is one of the reasons why that site was recommended. You have on street parking from Merchants Row to Shumard on both sides of Four Oaks heading south, you have it on the north side from Merchants Row to Baringer Hill on the east side you have some parking in front of the townhouses on Merchants Row on the south side. Then you have parking in the Town Center and I can't remember the exact number of parking spaces we put in when we built this but you have a significant amount of parking and you have an opportunity here as you are looking to authorize the use of that property to see whether the homeowners that are putting this together will in fact do as they said they were going to do and park in those areas and across the street you have a controlled intersection so it is easy to cross and there shouldn't be any problems. We have run from the Breast Cancer Walk to the Autism Walk and everything through there with a lot more people than what will be there tomorrow without any problems, without any additional parking. I'm not anticipating spending district money to rope off the medians I don't believe that is necessary. The vast majority are homeowners who live here and I feel they know not to park on the medians. I will be out there and I will talk to anybody who parks in the median. I talked to a gentleman today and he told me to move on and I did but that was a Florida Highway Patrolman that was parked in the median. I don't expect to see any problems and hopefully the weather will be good.

Mr. Toothman stated basically they are going to have a little ceremony out there and they submitted an application and I would like to request that we waive the fees for that and move forward with allowing them to have their presentation on Saturday.

Mr. Ritchie stated I have spoken with one of the organizers and I'm definitely supporting the community garden concept. I was told this is not a groundbreaking.

Mr. Brooks stated there are no permits and no construction going on.

<p>On MOTION by Mr. Toothman seconded by Ms. Herrera-Gray with all in favor the special use permit for the celebration event of the community garden was approved and the fees were waived.</p>

B. Engineer**1. NOPC 7 Update**

Mr. Robertson stated on the NOPC 7 update no change has happened since the last meeting. There was no motion made by the commissioners and we are not exactly sure when that is going to take place.

Mr. Brooks stated we did execute a letter drafted by our attorney, sent it to the city and county commissioners based on the direction the board gave last meeting, which said city and county commission here is our position on the NOPC 7 we also now have a traffic study that substantiates our position and we would encourage completion of the collector infrastructure in Southwood in total as soon as possible, specifically, immediately the Orange Avenue connection to Biltmore.

Mr. Powell stated I want to comment on the traffic study. Carolyn Bibler sent me a copy of the study and I was curious to look at the impacts on Grove Park Drive. I live at the corner of Grove Park Drive and Salinger so I experience a lot of this traffic and I was very surprised that the study didn't even look at the level of traffic on Grove Park Drive. The study did not consider a solution to the traffic problem at the other end of the community, which would mean extending Biltmore to School House Road. I was curious as to how the commission could approve the study missing so much information on the impact on the community and it looked like the commission had preordained that this study would support a solution at one end of the community and ignore the other end of the community. I used the data in the study to take a look at the impact on Grove Park Drive. The study indicated on the order of 2,000 cars per day were on Southwood Plantation Road, which is the basis for all this traffic coming into the community but when you look at the impact on Grove Park Drive, which includes both the people in the community that are getting in and out but also the people coming into the community to go to either the schools or to offices there is over 2,600 cars per day using Grove Park Drive. I'm very disturbed with the results of this study and the commission's support of a solution that I think is incomplete and seems to satisfy what St. Joe wants to do without really looking at it objectively as to how can we solve something that is best for the community.

Mr. Nortelus stated I totally agree with you this is a concern I brought up at the last meeting and it is something that is not over yet. Apparently we are going to wait for the response from the city on what they are going to proceed to do and we talked about funding to do

an additional study and focus on that side because I was concerned that as you mentioned the focus was on one side of Southwood as opposed to the other side, which I think is impacted severely. It is not a done deal yet we are going to look at that side.

Mr. Powell stated one point I forgot to make is the designation of collector roads apparently somewhere along the way Grove Park was designated as a collector road. Carolyn sent me a drawing of what a collector road is supposed to have, what it is considered to have, a collector road is supposed to be a relatively wide road, it has a shoulder, sidewalks on both sides. Grove Park Drive in no way can be considered a collector road, it is a very narrow road, there is no shoulder, there are very steep curves on each side, in fact the road is so narrow it is a real problem if you have a lot of traffic and anybody on a bicycle happens to be going along a car cannot pass that cyclist there is not enough room. The traffic is really bad and there was an accident there a few days ago. There is no room if there is an accident for people to get off the road so that traffic can get around the accident. It is a big issue.

Ms. Herrera-Gray stated I agree with Eli they suggested doing additional studies for that area but they would rather wait and do a full study once we see what was going to be the outcome with the city.

Mr. Nortelus stated the point was we can't just look at that issue because then you have the issue whereby the area by the state buildings. We wanted to instead of allocating something here and something there let's wait and see and do a full study.

Ms. Herrera-Gray stated a total study would be cheaper instead of doing extra sites.

Mr. Robertson stated I did speak with Carolyn yesterday briefly and I plan on writing a formal response in an email and wanted to make sure I understood. My understanding of your concern is that the report did not comment on extending Biltmore and School House Road they were concerned that what it did do was direct traffic onto Hemingway and Grove Park Drive and your concern is that Grove Park Drive is not adequate for that traffic. Am I correct in my assessment of what you were saying? You are correct the PUD the first version and revised version of 2003 did state that that section of Grove Park Drive from Hemingway to Terrebonne and all the way back up to Baringer Hill is considered a minor collector. You are correct in stating that a minor collector as the city states is to have at least 11 foot driving lanes and 5 foot bike lane and if the bike lane is not there, the driving lanes need to be wider. The PUD is a document that the city approved that did state that this was a minor collector. I'm thinking the

reason they allowed this to be considered a minor collector was that the bike trails through Central Park are in place of the bike lanes on Grove Park Drive and some of this is speculation on why they did that rather than the road and it may have been an attempt to encourage those to use Central Park rather than the roadway. The reason the road is so narrow and the purpose of that and I do know this to be a fact is that road is narrow in an effort to calm traffic, it was intended to be a minor collector road which slowed traffic and that is what the PUD states and that is why the report mentioned using that because according to the PUD that is the direction to get from the east side of Southwood to the west side to the schools. We did talk at great length about that section and expressed the concern of Biltmore coming down to School House Road and we discussed it and looked at the models and what the models originally showed and I don't want it to look like we ignored it, we didn't, and I apologize if that is how the report came out but the reason we did not include it is after looking through it, it was determined that was going to be minimal impact. The model showed it was already not carrying the load that Hemingway and Grove Park Drive was going to carry and the model included a school that is not there now and a larger version of JB II. I just wanted you to understand our thinking behind it and for a \$5,000 study it is something that we couldn't put too much more into without going over budget so we focused our efforts on an area that was a true concern not only from the resident point of view but from the PUD itself and there was really no appropriate method to get to Conley School and that is why the people are coming through the neighborhood. That is why we focused our efforts there and it was not an attempt to say no these roads aren't needed, I think anyone who looks at the PUD can state that all the roads that are in there are going to have an improvement on traffic and that is why they were designed that way. We were merely taking the budget that was given and focusing on the largest concern at that point. It was not an attempt to disregard your concern.

Ms. Bibler stated I did talk with Norm for maybe an hour about this exact issue and what I explained to him and I think I did in an email to all the supervisors was the fact that the same thing Mark was saying was that we felt as though as the CDD's engineer it was Atkins responsibility to look at the things that are in the petition that has been signed by 350 of us here in Southwood to say look at these things and give us your feedback on them. Whether their feedback agreed with the intent of the petition or not they should have addressed it and they should have addressed it in a way that used the data they have gotten. I'm not saying they don't

need any more data to look at further of course they would but even with the data they have it appears to me that it is fairly easy to determine how many cars were coming around Grove Park from both sides but mostly from the Salinger side, how many of those were school traffic because anybody going down there is behind the school traffic. To me the numbers looked like they were 60% of that traffic was going around Grove Park. I feel that was something they should have at least brought out in their report, it is not any more data they need to gather and again they knew that and saw that but yet they still have taking 60% of the traffic off Grove Park and putting it on new roads, School House Road connecting to Biltmore, if they really felt like that wouldn't have an impact then say that but to me it feels like it would have an impact. That is where I was in our conversation and I still feel that way. I am also a little concerned that based on what was presented I feel the supervisors wrote a letter to the commissioners that to me sounded like it was kind of leaning toward, well we will be happy with what's going on connecting Orange Avenue to Southwood Plantation Road. That is where I had a problem.

Mr. Brooks stated a copy of the letter should be on our website.

Mr. Perry stated I will double check but it should be.

Mr. Brooks stated I reviewed the letter and I approved the letter and I signed it. I think what we did for the benefit of the neighbors is you have to understand the position of the CDD, in this capacity we are in an advisory role, we don't have any say over the expenditures on how these roads get done, how the roads were designed, whether they were minor collectors, major collectors or whatever, we were dealt the hand we were dealt with. It was the neighbors that brought it to our attention that the developer of Southwood was trying to get some sort of amendment passed to the DRI, which would have changed some of the timing potentially of when some of these roads would have been done. That is where the CDD's involvement came from and it became more of an advisory role kind of representing the interests of the neighborhood. A motion by the supervisors asked our engineer to substantiate some of the information that we got from the neighbors concerning the traffic. That is what that study did that we saw last month and that Atkins presented to us. Clearly in the presentation based on what they presented to us as professional engineers looking at the data gave us guidance that the northern part of the community, specifically around the schools and Mossy Creek was significantly impacted by leaps and bounds if you had to triage the traffic in our community would get first treatment. As we said this is kind of a first salvo that the supervisors are going to

get involved with and we are going to encourage the city and county to help us out immediately and get this road completed immediately but we also recognized in that letter that the supervisors also support completion of all the collector roads within our community and we want it done as soon as possible. While we didn't feel that we had the factual information to substantiate and I hear what you are saying and our engineer told us we really didn't focus on that and didn't have the facts and figures to substantiate anchoring that south side portion of our community Supervisors Nortelus and Herrera-Gray want to pursue that and we plan to. We really want to try to help out the other side of the community given those numbers that came in from our engineer. Understand we are with you we are not fighting against you. We are trying to get the traffic problems resolved as well and given our lack of jurisdiction it is kind of tough for us. We are just advisory.

Ms. Bibler asked you said you are waiting on something from the city, what are you waiting on?

Mr. Brooks responded the city has our letter, they have our traffic study, as you pointed out in previous meetings the city does this traffic data stuff they have a lot of this stuff because they put these measures out there. We pay city taxes, we pay CDD taxes, we pay county taxes so the argument is really this is something the city should be doing, and these are city streets. The CDD doesn't want to spend a lot of money specific out of the CDD budget when we should get the city money. Hopefully, the city will take a look at the numbers and maybe take a look at some of the data they have and if they can supply more information about the rest of the district then so be it and we will go from there.

Ms. Bibler stated I wasn't being facetious. I was asking, is there someone in the city in charge of looking into this and getting back to you with an answer?

Mr. Brooks stated I encourage you to contact your city commissioners, contact your county commissioners that is who this letter went to so that is who is ultimately going to have a say on whether St. Joe or the city or whoever gets forced to build this infrastructure. The answer is both the city and county commissioners and that is who we are waiting to hear back from to get a response. Is there anybody else that you think we would hear back from?

Mr. Robertson asked from that letter? I don't think from the letter. As far as the question that you have as it relates specifically to the letter?

Ms. Bibler stated what I heard was that the CDD is concerned, you have written this letter you said this is the worst place, can you help here, etc. But at the same time what you said was you were also concerned about the south end, which I know you are, because you are one of the people affected by that. But what you said was that we are concerned about that but we want to hear back from the city about this north thing. My question is when do you think that is going to happen? The next thing that I know is going to happen with regard to the NOPC is that the city commission is going to rule on it. I don't believe they are going to be getting back with you on anything.

Mr. Brooks stated they don't have to, that's the problem.

Mr. Brown stated I think what you are waiting to hear back from the city on is that the board doesn't get to decide about NOPC 7 or anything else at that point but eventually the city will make a decision and the city's decision can impact what the district wants to do or try to do next. If the city says no to NOPC 7 and St. Joe build these roads right now well then there is probably no need to do another traffic study and figure out where the district might be able to get some resources to do something if anything at all versus maybe the city does say we approve NOPC 7 but there is an agreement for Orange Avenue that everybody has mentioned and discussed. That might impact what the district then decides to spend its money on studying and looking at for instance from this refinancing if some funds can be generated out of that or from additional assessments or whatever, what improvements the district might want to try to take on itself if they can identify issues with additional studies and have the resources to try to create a fix.

Mr. Brooks stated we are in the same box that you are, Carolyn. It is great that we do have a political body that can speak on the whole and that is what we are trying to do but we are also trying to balance the fact and we are trying not to spend CDD resources on something that really should be handled either by the developer or by the City of Tallahassee through our taxes we pay the city. I don't like the idea that that is a minor collector, that is ridiculous but that was approved the city and St. Joe back before anybody lived here and it may be something that we can as a community get together and start making some strong recommendations on how to improve that situation. It is not something that this board can unilaterally resolve.

Mr. Nortelus asked when is the city going to come back? Do you have a date the city is going to come back?

Ms. Bibler stated my understanding is that it is in St. Joe's court to first of all I think they said they wanted to meet with the county first to see if the county is going to allow them to connect Orange Avenue like that and I believe that is happening. From a meeting I had with Kristen Dozier she was under the impression that after that meeting took place the county in the person of Tony Park said okay, we will allow that to happen but the very first thing that needs to happen is Blair Stone and Biltmore needs to be extended at least up to Orange Avenue. What they want to do is get people off that really bad portion where the pond is and that way people would get on Orange Avenue and cut down Biltmore and they wouldn't cut off that connection that is there now. They want them to agree to that and also the county has another issue that involves a traffic light. I think the next thing is getting with the city and submit something to the city as far as what you actually plan to build and then once that happens and I guess there would be some agreement about actually doing it and then at that time the city commission meeting will be set back up and whatever changes need to be made to the NOPC to reflect the agreements that are made.

Mr. Brooks stated thank you for sharing that with us because that is news to us. Again, we really are not at the table. We have given Norm direction as staff to keep us in tune as best we can and work with other staff members on it. I think Wayne was also trying to help on this issue as well. We are working with you we are trying to. Hopefully, it will be in our favor. If it is not then like Joe said we will see what other alternatives are out there for us.

Ms. Bibler stated I don't think you are really waiting on anything other than the city commission meeting actually happening, I don't think you are going to get a response from the city.

Mr. Brooks stated I don't think I ever expected any kind of a formal response from the city because we don't have any standing.

Ms. Bibler stated I don't agree that you don't have standing but you don't have any legal standing to force them to do anything.

Mr. Nortelus asked would it help if we somehow had some type of follow-up? Not to get too much into the weeds of this but to see if they at least got the letter, someone has opened it and read it. We are an elected body, they are an elected body and there is a level of respect.

Mr. Brooks stated as chairman I will be glad to make contact with the mayor and I will be glad to make contact with John Dailey and ask them if they got it and ask if they have any questions.

Mr. Johnson asked does Mr. Ziffer on the commission still live in Southwood?

Mr. Brooks responded as far as I know he does.

Mr. Johnson asked you can't get any kind of intermediary in helping the residents here pursuing that from the city point?

Mr. Brooks stated I think they have engaged him and I think Carolyn has engaged him.

Mr. Johnson stated I thought that would be one place to go right there.

Mr. Brooks stated I will follow-up as chairman to make sure they got our letter and go from there.

Ms. Bibler stated what I heard was that you deal with the north issue and getting that done and then you were going to wait to hear back from the city and then after that we would address the other issue. I now understand what you meant is if the NOPC is approved or not that one of the issues that is going to return whether the NOPC is approved or not and agreements can be made that are satisfactory to St. Joe the city and hopefully the residents at least that is what I heard.

Mr. Prado stated I wanted to address one of the things that you mentioned in talking about the letter. Your letter indicated that St. Joe was requesting a change to entitlement of this road. Our position and the city's position and I know there is disagreement with the rest of the group but the disagreement gets into the interpretation of the language and the words behind the language but our position is that we are not requesting a change to any timing of the agreement, we are actually agreeing to arguably stricter language than what is in there currently. The current language stipulates that certain roads have to be under construction by a certain date. The current proposed language stipulates completion of the roadways at the same time as the adjoining undeveloped parcels get developed. That has been interpreted to me that in 2020 if St. Joe is not going to do anything until 2020. What I stated was that if we don't develop any parcels that abut any of those roads until 2020 I won't be sitting here much longer for one thing so I won't even venture to guess what that person might be and the development as a whole might not be here because if we don't sell any more houses for 9 years that is not a very good

incentive for any developer to come in. I just wanted to address the semantics of your letter versus the interpretation that has been provided by us and which the city has agreed with.

Mr. Brooks stated and that is the city staff that has agreed with all that not the city commission.

Mr. Prado stated the commission hasn't voted on it.

Mr. Brooks stated I appreciate your point as the developer's perspective on it and we have our perspective.

2. Conservation Encroachment

Mr. Robertson stated just a quick update on what has taken place since the last meeting. I believe at the last meeting you were notified about the encroachment in the conservation easement just south of Unit 17 at the corner of Blair Stone and Four Oaks. Robert Berlin has worked together with staff and several individuals and the city to come up with a plan for restoration and submitted that plan to the city and currently the city is in contact with FDEP and they are working out the details on what they are willing to accept as far as a restoration plan. At this point we are waiting on a response from them.

Mr. Berlin stated we have done everything but the city has told me that we will be the first to know.

Mr. Brooks asked have the homeowners participated in the remediation? Are they aware of what is being talked about?

Mr. Berlin responded they are not a part of that because it is not on their property. They really don't have a dog in the fight so to speak as far as the restoration.

Mr. Brown stated I have spoken to Jerry Wise and Jerry Wise is generally aware and told him what we are trying to do is figure out what the city and/or DEP want and once we have done that I will be getting in touch with him and his neighbor to talk about it in more detail. I think what we are doing right now is sort of in a holding pattern just waiting to hear back from DEP's review of the proposed remediation.

Mr. Nortelus stated at the last meeting I don't know if it was someone in the audience or someone up here mentioned a floating dock. I walked down to see what was going on and I didn't see a dock.

Mr. Brown stated there was a boat and the boat got moved back out of the conservation area.

Mr. Wise stated I just want you to know that I am one of the landowners on the lake.

Mr. Van Stratum stated we understand we are on a preserve but we live right here where there really does not seem to be any indications and there were no markers. I know they came in and surveyed recently and put some tags there. I have lived there three years and I have been paying people to mow back there, when the water is down I have gone out and cut tree limbs out and cleaned it up and brought it back to a natural condition. I kind of resent the fact that I am being portrayed as a perpetrator. We moved in the area because we like Southwood we like the natural environment we like having the wildlife there, we encourage it. I have looked at the alligators out there, I watch the birds, I like to see people walk back in there and I have seen water moccasins out there, I have seen alligators, I have grandchildren and I have dogs and I put up a nice fence to enclose the area. We have improved it. I understand and we appreciate what you are doing we are part of the community. I would like to know what's going on. If I'm going to be hit with a bill for restoration I would like to know what that is all about because I have already spent a significant amount of time, energy and money to clean up that mess, which I understand was supposed to be maintained by someone else. Please as you go forward I would appreciate it if you would take into consideration what we have invested in making that nicer.

Mr. Brooks stated on behalf of the board we appreciate your stewardship. It is an indication issue but I have talked with staff about how we can kind of move forward. It is not going to help you out it is not going to help Mr. Wise out right now but maybe we can move forward in the entire community to share information about the conservation areas, do's and don'ts within conservation areas, try to work with the HOA to get that type of information out.

Mr. Van Stratum stated show where the conservation areas are and wetlands.

Mr. Brooks stated one of the first things our property manager is going to speak to some of this stuff, he asked me if we could get a survey done to help identify in there. It had been done before but something visible so we did that and took that on as a CDD and got that identified. But remember we are held to the standards of the state or the city, it is not us coming up with what you can and can't do in conservation areas we just end up being responsible for it.

Mr. Van Stratum stated I don't disagree with anything you are doing. We bought in here because we liked the community; we embrace what you are trying to do. We felt we were going

the extra mile to clean up an area that people want to walk through. There are snakes and gators and nests and old talus and tree limbs and we hauled it out of there. Thank you for doing your job.

Mr. Wise asked is there a contact in the city that you are dealing with?

Mr. Brooks stated let me let staff address some of these issues. I think they had some points that they can give you a contact name. You can work through our staff to help you keep in tune with what is going on. It is one of those things that we are at the mercy of one of the environmental agencies to tell us what has to be done.

Mr. Brown stated where it stands right now is we are waiting for DEP and the city to tell us what needs to be done. There is nothing else happening out there right now.

Mr. Van Stratum stated we would appreciate it if you would advocate for us. We are not environmental criminals.

Mr. Brown stated we really don't have a whole lot of say.

Mr. Robertson stated I spoke with DEP and they said this is a pretty common occurrence in other neighborhoods and that it usually is someone who is unsuspecting. They are doing it from a lack of information. They are looking at it as somebody who had good intentions.

Mr. Brown stated as a point of information I know Mr. Brooks has mentioned wanting to try to get some education out there for the whole community because there are a lot of conservation and preservation areas within the district. As a practical matter there is no way to mark out, survey and let everyone know exactly where your lot ends and there is a common area and then a conservation area starts. I do think getting some education out there like the chairman has suggested is a great idea. Unfortunately it is one of those things and then everybody can realize it so everybody is more aware that if you are walking off your lot you are not just going to the stormwater pond you might be going into a conservation or preservation area.

Mr. Ritchie stated I'm not aware of your issue but I have pointed out in the past that there have been boats parked down in this area in the conservation area so this has been brought to people's attention and this was an accident waiting to happen. It was called to the attention of some previous supervisors.

Mr. Brown stated the conservation easement I don't think has any prohibition about boats. There are prohibitions and they are outlined in the conservation easement. People can go on the property; boats can go on the property. It is if you are excavating if you are destroying

plant life so if you can walk through and not destroy anything and put your boat in I don't think there is anything the city would say in the conservation easement that prohibits it.

Mr. Ritchie asked do they have a permit? I have seen boats down there chained and locked. I have a boat I can put there tomorrow if you are telling me that is okay. It is an indicator that there may be a misunderstanding.

Mr. Brooks stated I think that is where I'm trying to go is to get some information out there. I don't think we want to have any boats left overnight out in the water. I think they need to be up on the people's property. I know from past supervisors that there have been people who have been fishing these lakes before Southwood was even imagined that have had boats out there they had chained up. I think Robert comes into contact with some of these. We are working with Fish & Game to try to resolve a lot of that but it is really an educational opportunity for us to share with our neighbors what makes Southwood so great like you identified, are the conservation areas, the parks and we need to all understand how to use them and how to be good stewards of our environment. If we see a problem and Bruce thank you, bring it to our attention, bring it to Robert's attention and we will do the best that we can do to try to resolve it. That is all we can do to move forward.

Mr. Rojas stated I am Jerry's neighbor and live next door to him on that lake. I think the point we are missing is that yes it is a conservation area but somebody needs to look at cleaning that up. If that lake were the same as Central Park everyone would say we have to clean it up. There are invasive plants and trees there choking off the lake and although technically what they did was not correct there is a problem because although we don't own that land that land does need to be cleaned up. I think it is something the homeowners have to start looking at because if the neighbors with a lot of effort and a lot of hard work because I watched them do it can't do it then the homeowners association has to look at a lake and say we have too many lily pads choking off the lake there are too many invasive plants that shouldn't be there and maybe we can't do it but you can.

Mr. Brooks stated I think that is a reasonable request of this board and we will make sure that we develop some sort of strategies to look at our conservation areas not just the Central Park Lake. I know we do and I know All Pro does a lot of work in there but I hear what you are saying about some of the items you have pulled out and we will ask staff to take a look at those

issues and come back with some sort of recommendation on some sort of program or process that the CDD can do to help monitor that situation a little better.

A resident stated I live on Shady View Lane also and I realize between my property line and the lake is common area. Who is responsible for maintaining that common area?

Mr. Brooks stated again that is the educational thing that we have to get out there and Southwood is kind of like a can or worms it is kind of like street trees.

Mr. Berlin stated the common area belongs to the district and we maintain it.

A resident stated okay, I have about seven pine trees that are tall enough to fall on my house that have been hit by lightning and the arborist said I had to come in and maintain my trees on my property so there is a real strong possibility they need to come down. Is that something I report to you?

Mr. Berlin stated you can say that to us. The conservation is an easement and use of the common area language is very clear unless it is a life safety issue trees like that are removed and left as snags for the woodpeckers and the birds. We just did that this past week on one by the bridge. We meet with the city biologist and city arborist if there is a question and with the attorney to make sure that it is not a life safety issue. That has been a problem in the past. We do it all the time. In fact I'm looking at one in the morning.

Mr. Brooks stated so the answer is yes.

Mr. Berlin stated that is our responsibility let us know.

Ms. Herrera-Gray stated I have also gotten calls about the other side of Shady View and I don't know if you guys are in charge of that, not the lakefront of Shady View but the other side of Shady View that goes to conservation, 4004 and 4008, who mows that because they were also asking.

Mr. Berlin stated that is private property to the base of that land that is not owned by the district. Some people have fences up on top of the hill but it is their property and they don't mow the bottom.

Mr. Brooks stated if you have any issues like that get with staff. I'm hoping to schedule some sort of agenda item at one of our future meetings where we can do a detail about conservation do's and don'ts and also maybe share ideas on how to get the information out there.

C. Property Management Report

1. All Pro Reports

Mr. Berlin stated the All Pro reports are included in your package.

2. Operations Memorandum

Mr. Berlin stated you have my memorandum.

3. Variance Report

Mr. Berlin stated we have stormwater ponds A and B at 111 all the work has been completed on those. They may have been inspected by the city and we have the operating permit for 290. Infrastructure, you saw they were pouring some concrete along Grove Park. The city is having some sort of problem with concrete I don't know what it is. They poured some they tore it out and came back. It looks like they have worked that out. Next we will start on the roadways with them.

The action report there were none last month. We had some vandalism and it will be in next month's report. Special events 4th of July just prior to coming over here Art of Living has sent in their second draft on the application. This one contains basically the permitting that has been turned over to the city for the fireworks display. It is not formalized it is not approved. In talking with my contacts at the city all that is in there. I expect by the June 9th meeting we will have everything but probably the notices of insurance for a couple of the vendors which usually goes right down to the wire to get those. Other than that they are moving ahead with that.

Wheels at Work that does not affect the district just make note that is occurring at Orange and Four Oaks in that general area on city property. They bring out the big trucks for the kids and that does not affect us. We do have a letter I made mention of that before.

Newberry Park meeting in the park we know it has been accepted. I apologize we have not set the bench yet; we have the bench and hope to get that done this month.

I have the water test results but I should have that complete. Central Park bridge maintenance, was supposed to start, thank goodness it didn't we had some vandalism two nights ago and they knocked the remaining caps off and threw them in the water. It is an ongoing thing. We are just getting ready to replace them all.

D. Manager – Report on Number of Registered Voters

Mr. Perry stated we are required by Florida Statutes to report to you the number of registered voters within the district and the number is 2,857. This is just for informational purposes. You are not required to do anything with that.

Our meeting next month will be the start of the budget process. For those of you who haven't been involved with it before we will propose a budget for the board to approve and then at least 60 days later probably the August or September meeting the board will formally adopt a budget. We will be going over with the board in detail the proposed budget and staff is working through those numbers right now.

NINTH ORDER OF BUSINESS

Other Business

Mr. Nortelus stated at the last meeting we actually put it in the agenda we got an update on what is going on with Town Center. Is it still on schedule for June?

Mr. Prado stated they are running a little behind and I think they are trying to coincide with opening it up either just before or right with 4th of July festivities.

Mr. Brooks stated the Wharf is coming into Coach's old spot in Town Center.

Mr. Nortelus asked the second thing and it got to me late and was brought to my attention is has St. Joe changed the policy with the summer camp as far as residents being able to use the pool?

Mr. Prado stated the pool is exclusively the property owners there and the reason for the change is because previously St. Joe paid all of the HOA assessments. We have since started charging property owners for the HOA assessments. That is their facility, that is an HOA facility. With the property owners paying for the assessments over there maintaining that pool themselves with their assessments I guess the best thing to tell you is it would be similar to us opening up this facility for summer camp property owners.

Mr. Brooks stated I think that would be fine with us.

Mr. Prado stated with it being turned over to the HOA and property owners actually paying assessments we couldn't justify opening it up.

Mr. Nortelus stated at the end of the day it is private now. You have to be invited as a guest of someone in order to use the facilities.

TENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Brooks stated we have now joined the Association of Special Districts which is going to allow us to benefit from the collective statewide with all the special districts and the CDD part of that special district association is trying to be really developed. As part of that they have a conference this year in June just after our next meeting and if someone would offer a motion I would like to move that we would support our vice chair, Mr. Toothman, if his schedule permits and Robert Berlin our property manager with sufficient budget to allow for their travel consistent with all the Florida statutory travel per diems and regulations. I estimate in total it would be no more than \$3,000. The reason I'm suggesting Wayne is he is going to be assuming the chairmanship next and I think if there are any educational opportunities or opportunities to get best practices I think it would be good for him to hear that and participate in those discussions and opportunities.

On MOTION by Mr. Nortelus seconded by Ms. Herrera-Gray with all in favor an amount not to exceed \$3,000 was allocated for Mr. Berlin and Mr. Toothman to attend the conference in Key Largo sponsored by the Florida Association of Special Districts.

Mr. Nortelus asked we can't look at the summer camp issue can we?

Mr. Perry stated I don't see how you can do that under the district.

Mr. Prado stated just so you know the membership issue the problem has always been enforcement. It takes a lot of resources to manage. Just look at the budget for this facility, now you have a facility in the middle of nowhere that creates a nightmare to staff it and we have problems here with complaints of people who don't have bands and who don't belong here and you go way out there it becomes a bigger problem. The concept of a membership was one that logistically and staff-wise and resource-wise memberships would be prohibitive.

ELEVENTH ORDER OF BUSINESS

Audience Comments

Mr. Ritchie stated I would like to learn more about the process of getting some things approved such as getting use of land. I learned this week that the groundbreaking ceremony isn't a groundbreaking ceremony where it says in the minutes it is final approval and it says somewhere else it is not. It raises concerns and flags for me about the board having all the information when it makes decisions and about the public knowing when it is their time to have

input. I need to learn more before I think I can say anything without sounding uninformed. I hope you will work with me to help me understand it.

Ms. Bibler stated I would like to thank the board and All Pro for putting flags all the way around Mossy Creek Pond to distinguish where the littoral zone is so they don't mow it and they haven't been mowing it and it is wonderful.

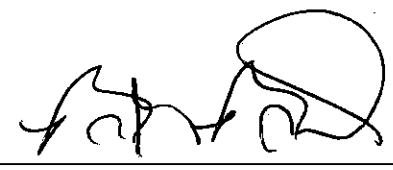
TWELFTH ORDER OF BUSINESS

Next Scheduled Meeting – June 9, 2011 at 6:30 p.m. at the Southwood Community Center

Mr. Brooks stated the next meeting is June 9, 2011 at 6:30 p.m. and will be back here at the Southwood Community Center.

On MOTION by Ms. Herrera-Gray seconded by Mr. Nortelus with all in favor the meeting adjourned at 7:57 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman