

FALLSCHASE

COMMUNITY DEVELOPMENT DISTRICT

October 11, 2021

BOARD OF SUPERVISORS

REGULAR MEETING

AGENDA

Fallschase Community Development District
OFFICE OF THE DISTRICT MANAGER
2300 Glades Road, Suite 410W•Boca Raton, Florida 33431
Phone: (561) 571-0010•Fax: (561) 571-0013•Toll-free: (877) 276-0889

October 4, 2021

Board of Supervisors
Fallschase Community Development District

ATTENDEES:
**Please identify yourself each
time you speak to facilitate
accurate transcription of
meeting minutes.**

Dear Board Members:

The Board of Supervisors of the Fallschase Community Development District will hold a Regular Meeting on October 11, 2021 at 10:30 a.m., at 2810 Remington Green Circle, Tallahassee, Florida 32308. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Update/Status: Boundary Amendment
4. Presentation of Amended and Restated Engineer's Report on District Improvements and Estimated Probable Construction Cost
5. Presentation of Amended and Restated Master Special Assessment Methodology Report
6. Consideration of Resolution 2022-01, Authorizing the Issuance of its Fallschase Community Development District Special Assessment Bonds, Series 2021 (the "Series 2021 Bonds"); Determining Certain Details of the Series 2021 Bonds and Establishing Certain Parameters for the Sale Thereof; Approving the Form of and Authorizing the Execution and Delivery of a Master Trust Indenture and a First Supplemental Trust Indenture; Appointing a Trustee Under the Master Trust Indenture; Authorizing the Negotiated Sale of the Series 2021 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Contract with Respect to the Series 2021 Bonds and Awarding the Bonds to the Underwriter Named Therein; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum Relating to the Series 2021 Bonds and its Use by the Underwriter in Connection With the Offering for Sale of the Series 2021 Bonds; Approving the Execution and Delivery of a Final Limited Offering Memorandum Relating to the Series 2021 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Continuing Disclosure Agreement; Providing for the Application of Series 2021 Bond Proceeds; Authorizing the Proper Officials to do all Things Deemed Necessary in Connection with the Issuance, Sale and Delivery of the Series 2021 Bonds; Making Certain Declarations; Providing for Severability and an Effective Date and for Other Purposes

- 7. Consideration of Ancillary Financing Agreements
 - A. Completion Agreement
 - B. Collateral Assignment
 - C. Declaration of Consent
 - D. True-Up Agreement
- 8. Acceptance of Unaudited Financial Statements as of August 31, 2021
- 9. Approval of August 30, 2021 Public Hearing and Regular Meeting Minutes
- 10. Staff Reports
 - A. Attorney: *van Assenderp Law*
 - B. Engineer: *Moore Bass Consulting, Inc.*
 - C. Manager: *Wrathell, Hunt and Associates, LLC*
- UPCOMING MEETING DATES:
 - I. November 1, 2021 Landowners’ Meeting [Board Members are not required to attend]
 - II. March 7, 2022 Regular Meeting at 10:30 A.M.

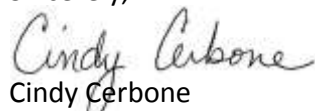
○ QUORUM CHECK

William Lamb	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
Jeff Phipps	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
Lewis Singletary	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
Rick Singletary	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO
Richard Yates	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> PHONE	<input type="checkbox"/> NO

- 11. Audience Comments/Supervisors’ Requests
- 12. Adjournment

Should you have any questions and/or concerns, please feel free to contact me directly at (561) 346-5294.

Sincerely,


 Cindy Cerbone

District Manager

TO ATTEND BY TELEPHONE
CALL-IN NUMBER: 1-888-354-0094
PARTICIPANT PASSCODE: 801 901 3513

FALLSCHASE

COMMUNITY DEVELOPMENT DISTRICT

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**FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
AUGUST 31, 2021**

**FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
AUGUST 31, 2021**

	Major Funds General	Total Governmental Funds
ASSETS		
Cash	\$ 10,584	\$ 10,584
Due from Developer	10,171	10,171
Total assets	\$ 20,755	\$ 20,755
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 8,233	\$ 8,233
Due to Developer	4,179	4,179
Accrued wages payable	1,800	1,800
Accrued taxes payable	138	138
Total liabilities	14,350	14,350
 DEFERRED INFLOWS OF RESOURCES		
Deferred receipts	10,171	10,171
Total deferred inflows of resources	10,171	10,171
 Fund balances:		
Unassigned	(3,766)	(3,766)
Total fund balances	(3,766)	(3,766)
 Total liabilities, deferred inflows of resources & fund balances	 \$ 20,755	 \$ 20,755

**FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE PERIOD ENDED AUGUST 31, 2021**

	Current Month	Year to Date	Adopted Budget	% of Budget
REVENUES				
Developer contribution	\$ -	\$ 24,891	\$ 66,699	37%
Interest	-	10	-	N/A
Total revenues	<u>-</u>	<u>24,901</u>	<u>66,699</u>	37%
EXPENDITURES				
Supervisors	1,600	2,600	6,000	43%
FICA	122	199	459	43%
Management/accounting/recording	2,000	22,000	24,000	92%
Legal	-	-	9,000	0%
Engineering	-	-	3,500	0%
Audit	-	5,000	5,100	98%
Arbitrage rebate calculation	-	-	750	0%
Dissemination agent	-	-	1,000	0%
Trustee	-	-	6,500	0%
Telephone	17	183	200	92%
Postage	-	-	600	0%
Printing & binding	42	458	500	92%
Legal advertising	-	-	1,200	0%
Annual district filing fee	-	-	175	0%
Insurance	-	6,188	6,400	97%
Contingencies	-	-	400	0%
ADA website compliance	-	-	210	0%
Website	-	705	705	100%
Total expenditures	<u>3,781</u>	<u>37,333</u>	<u>66,699</u>	56%
Excess/(deficiency) of revenues over/(under) expenditures	(3,781)	(12,432)	-	
Fund balance - beginning	15	8,666	-	
Fund balance - ending	<u>\$ (3,766)</u>	<u>\$ (3,766)</u>	<u>\$ -</u>	

FALLSCHASE

COMMUNITY DEVELOPMENT DISTRICT

9

DRAFT
MINUTES OF MEETING
FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT

The Board of Supervisors of the Fallschase Community Development District held a Public Hearing and Regular Meeting on August 30, 2021 at 11:00 a.m., at 2810 Remington Green Circle, Tallahassee, Florida 32308.

Present at the meeting were:

Richard Yates	Chair
Rick Singletary	Vice Chair
William Lamb	Assistant Secretary
Lewis Singletary	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Craig Wrathell (via telephone)	Wrathell, Hunt and Associates, LLC (WHA)
Jamie Sanchez	Wrathell, Hunt and Associates, LLC (WHA)
Michal Szymonowicz (via telephone)	Wrathell, Hunt and Associates, LLC (WHA)
Ken van Assenderp (via telephone)	District Counsel
Roger Wynn	District Engineer
Eddie Bass	District Engineer
Fred Harris (via telephone)	Greenberg Traurig, P.A.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 11:02 a.m. Supervisors Yates, Rick Singletary, Lamb and Lewis Singletary were present in person. Supervisor Phipps was not present.

SECOND ORDER OF BUSINESS

Public Comments

There were no public comments.

- **Presentation/Consideration of Amended and Restated Engineer's Report on District Improvements and Estimated Probable Construction Cost**

This item, previously the Seventh Order of Business was presented out of order.

40 Mr. Wynn stated the Engineer's Report covers what is casually known as the Fallschase
41 Residential and summarized the development project as follows:

42 ➤ The total area of the CDD is 375 acres.

43 ➤ Phases I, II and III are currently under construction and have been annexed into the City;
44 Staff is in the process of performing as-built surveys and recording plats.

45 ➤ Phases IV, V and VI are currently in the permitting stage with Leon County; it is
46 anticipated that Phases IV, V and VI will also be annexed.

47 ➤ In addition to the six phases and the multi-family projects, an undeveloped and
48 currently unplanned area on the east side of the property will likely be built out to
49 accommodate 411 single-family units.

50 ➤ The total cost of improvements for all phases, excluding the multi-family projects, is \$45
51 million, as outlined on Page 11.

52 ➤ The "Lot Distribution and Phasing" Table, on Page 8, is also notable.

53 The following question was asked and answered:

54 Mr. van Assenderp: Would you confirm for the Board that, near the very end of your
55 Report, you indicated you made many monitorings of the construction materials and
56 construction procedures and found that they comport with the purpose of the District and the
57 requirement.

58 Mr. Wynn: That's correct.

59 Discussion ensued regarding the completed as-builts, project completion time frames,
60 the review and inspection processes by Engineering Staff and the City, plat recordation, etc.

61 Mr. Wynn recapped that there is an ongoing inspection process and a final inspection
62 process, which has not yet occurred; once the as-builts are reviewed, they would be submitted
63 to the City, with the Compliance Report, and an environmental inspector from the City would
64 conduct the final inspection.

65

66 **On MOTION by Mr. Rick Singletary and seconded by Mr. Lamb, with all in**
67 **favor, the Amended and Restated Engineer's Report on District Improvements**
68 **and Estimated Probable Construction Cost, was approved.**

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71 ■ **Presentation/Consideration of Amended and Restated Master Special Assessment**
72 **Methodology Report**

73 **This item, previously the Eighth Order of Business, was presented out of order.**

74 Mr. Szymonowicz presented the Master Special Assessment Methodology Report dated
75 August 30, 2021 and highlighted the following:

76 ➤ The Report is an amendment and restatement of the prior Master Methodology
77 Reports. It was updated to conform to the changes in the Development Plan, as well as the
78 updated Engineer's Report dated August 29, 2021 that was previously presented by Mr. Wynn.

79 ➤ The Report takes exactly the same approach as the prior Reports and apportions the
80 benefit of the public infrastructure improvements to the different land uses that are now
81 projected to be developed in the CDD and specifically singles out the multi-family homes.

82 ➤ Although the multi-family project, within what is referred to as Phase IA, will cost
83 roughly a total of \$43,790, the multi-family units that are slated to be developed will enjoy
84 additional benefits as a result of the infrastructure that will be built in other Phases, specifically
85 Phases I through VI, and there will be an additional benefit of \$1,516,876 that will be accruing
86 to the multi-family uses.

87 ➤ Mr. Szymonowicz segregated the benefits of the capital infrastructure program (CIP)
88 that are accruing to the multi-family uses and subtracted it out from the cost estimates of the
89 balance of the CIP that is accruing to the benefit of the single-family uses and derived what
90 proportion of the total CIP should therefore be considered to be benefiting the single-family
91 versus multi-family uses in the exact same proportion apportioned to the principal amounts of
92 the bonds as well as annual debt service to the different unit types.

93 ➤ The calculations represented in Table 7, on Page 16, showed the bond allocations of the
94 different unit types in the CDD.

95 ➤ In terms of dollar value, the infrastructure that benefits the multi-family uses is
96 significantly less than that which benefits the single family uses, as outlined in the Engineer's
97 Report.

98 Mr. Szymonowicz gave a detailed explanation of Appendix Tables 1 through 7, on Pages
99 13 through 16 of the Report.

100 Asked about the bond assessment allocation per unit and the annual bond assessment
101 payment per unit for the 40' single-family product type, Mr. Szymonowicz stated \$42,426.06 is
102 for each 30' lot's principal portion of the bond and \$3,138.86 is the annual assessment that
103 would be required to pay the \$42,426.06 within the 30-year repayment period on the bonds.

104 Mr. Wrathell stated it was important to mention that the Master Methodology shows a
105 financing model of the Engineer's CIP, which sets the maximum par amount of bonds and
106 maximum annual debt assessment for each of the product types; however, when the bonds are
107 issued, the debt assessment will be significantly lower than what is reflected in the Report
108 because Management will coordinate with the Bond Underwriters to structure the final sizing
109 of the bonds and a Supplemental Special Assessment Methodology Report would be produced
110 and utilized to market the bonds. The Supplemental Special Assessment Methodology would be
111 presented at an upcoming meeting prior to being used for marketing purposes and would be
112 followed by a final Supplemental Methodology Report that will represent the final parameters
113 of the bonds. The intent of the Report is to define the special and peculiar benefit the property
114 owners will receive, related to the CIP, and it would not be possible to build the development
115 without putting the infrastructure in place and the Developer will execute a Completion
116 Agreement with the CDD to privately fund the balance of the CIP.

117 Asked about the timing, Ms. Cerbone stated that the Underwriter, Mr. Bill Reagan,
118 provided the following timeline, depending on the Board's approval of the updated Engineer's
119 and Master Methodology Reports today:

- 120 ➤ Week of September 30, 2021: Drafts of the Master and Supplemental Trust Indenture,
121 bond resolutions and other documents would be sent by the Underwriter.
- 122 ➤ Week of October 1, 2021: Staff would prepare a draft offering document.
- 123 ➤ Week of October 11, 2021: Board meeting to approve the documents and Preliminary
124 Off Limited Offering Memorandum (PLOM).
- 125 ➤ End of October: Schedule an additional Board meeting.
- 126 ➤ Week of November 15, 2021: Schedule the bond closing.

127 Mr. Wrathell stated the timeline was a likely summary and the Underwriters would
128 coordinate with Mr. Yates to assemble due diligence items, which can be time-consuming.

129 Mr. van Assenderp made the following points:

- 130 ➤ Mr. Szymonowicz and Mr. Wynn submitted excellent Reports.
- 131 ➤ Additional taxes would be imposed by the County and the City.
- 132 ➤ The debt assessment is a special assessment that will be reduced substantially and is
133 based on the special apportionment of benefits to the property.

134 ➤ The law states that once infrastructure, including roads, water and sewer, drainage etc.,
135 is in place, it serves as a special benefit, which flows to all of the properties in the CDD.

136 ➤ The Board should acknowledge that every property within the jurisdiction of the CDD
137 receives a list of special benefits, namely, added use of the property, added enjoyment of the
138 property, increased property values, marketability and decreased insurance premiums that the
139 property would not otherwise have because it would still be raw property and those
140 improvements are needed before homes can be constructed.

141 ➤ The law states the apportionment of the special benefits, followed by the translation of
142 the special benefit to the dollar amount allocated per parcel of property, all the special
143 assessments that the Tax Collector will collect and that it will be sent to pay the bond investors.

144 ➤ Article 4, Section 10 of the Constitution of Florida states that homeowners can lose their
145 properties if they fail to pay a tax or a special assessment and the Tax Collector may sell tax
146 certificates to recoup losses.

147

148 **On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with**
149 **all in favor, the Amended and Restated Master Special Assessment**
150 **Methodology Report, dated August 30, 2021, was approved.**

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153 **▪ Update: Bond Financing**

154 **• Consider Engagement of GT Law as Bond Counsel**

155 **This item, previously the Ninth Order of Business, was presented out of order.**

156 Mr. Harris presented the revised Greenberg Traurig proposal letter to serve as Bond
157 Counsel and highlighted the following:

158 ➤ This is a short-form Engagement Agreement.

159 ➤ Greenberg Traurig served as Bond Counsel in the previous financing.

160 ➤ The fee has been adjusted accordingly for the Series 2021 financing.

161 ➤ Greenberg Traurig will provide all the Supplemental Indentures, opinions, etc.

162

163 **On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with**
164 **all in favor, engagement of Greenberg Traurig P.A., to serve as Bond Counsel,**
165 **and the Engagement Agreement, was approved.**

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168 **THIRD ORDER OF BUSINESS**

Presentation of Audited Financial Statements for Fiscal Year Ended September 30, 2020, Prepared by Lanigan & Associates, P.C.

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173 Ms. Cerbone presented the Audited Financial Statements for Fiscal Year Ended
174 September 30, 2020 and noted the pertinent information. There were no findings,
175 recommendations, deficiencies on internal control or instances of non-compliance; it was a
176 clean audit.

177 Mr. van Assenderp stated a few technical changes would be made to the subsequent
178 Audit, per the preparers of the Audit.

179 Asked for a clarification of the Audited Report, Ms. Cerbone stated it is a financial view
180 of the CDD, as of September 30, 2020. The State of Florida requires CDDs to have an external
181 party examine the financial transactions that have occurred within the CDD.

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183 **FOURTH ORDER OF BUSINESS**

Consideration of Resolution 2021-05, Hereby Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2020

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188 Ms. Cerbone presented Resolution 2021-05.

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190 **On MOTION by Mr. Yates and seconded by Mr. Lewis Singletary, with all in**
191 **favor, Resolution 2021-05, Hereby Accepting the Audited Financial Statements**
192 **for the Fiscal Year Ended September 30, 2020, was adopted.**

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195 **FIFTH ORDER OF BUSINESS**

Public Hearing on Adoption of Fiscal Year 2021/2022 Budget

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198 **A. Proof/Affidavit of Publication**

199 The affidavit of publication was included for informational purposes.

200 **B. Consideration of Resolution 2021-06, Relating to the Annual Appropriations and**
201 **Adopting the Budget for the Fiscal Year Beginning October 1, 2021, and Ending**
202 **September 30, 2022; Authorizing Budget Amendments; and Providing an Effective**
203 **Date**

204 Ms. Cerbone reviewed the proposed Fiscal Year 2022 budget and stated no changes
205 were made since the last meeting.

206 Mr. van Assenderp stated, when the bonds are issued, not only must Bond Counsel
207 render an opinion on taxes, securities and related matters but District Counsel must also render
208 an opinion on the CDD’s behalf, confirming that all the proper steps were taken by CDD Staff
209 and the processes met all legal requirements. The fees would be declaration of facts paid out of
210 the bond proceeds.

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On MOTION by Mr. Rick Singletary and seconded by Mr. Lamb, with all in favor, the Public Hearing was opened.

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No members of the public spoke.

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On MOTION by Mr. Rick Singletary and seconded by Mr. Lamb, with all in favor, the Public Hearing was closed.

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Ms. Cerbone presented Resolution 2021-06 and read the title.

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On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with all in favor, Resolution 2021-06, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

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SIXTH ORDER OF BUSINESS

Consideration of Landowners’ Funding Agreement

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Ms. Cerbone presented the Landowners’ Funding Agreement between the CDD and Red Hills Property Holdings LLC and 2nd Elevated Development, LLC.

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On MOTION by Mr. Rick Singletary and seconded by Mr. Lamb, with all in favor, the Landowners’ Funding Agreement, was approved.

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241 SEVENTH ORDER OF BUSINESS

Presentation/Consideration of Amended and Restated Engineer’s Report on District Improvements and Estimated Probable Construction Cost

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This item was presented following the Second Order of Business.

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248 EIGHTH ORDER OF BUSINESS

Presentation/Consideration of Amended and Restated Master Special Assessment Methodology Report

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This item was presented following the Second Order of Business.

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254 NINTH ORDER OF BUSINESS

Update: Bond Financing

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- Consider Engagement of GT Law as Bond Counsel

257 This item was presented following the Second Order of Business.

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259 TENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of July 31, 2021

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Ms. Cerbone presented the Unaudited Financial Statements as of July 31, 2021

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264 On MOTION by Mr. Lewis Singletary and seconded by Mr. Rick Singletary, with
265 all in favor, the Unaudited Financial Statements as of July 31, 2021, were
266 accepted.

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269 ELEVENTH ORDER OF BUSINESS

Approval of June 7, 2021 Regular Meeting Minutes

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272 Ms. Cerbone presented the June 7, 2021 Regular Meeting Minutes. District Counsel
273 previously submitted changes to Management. Mr. van Assenderp reviewed the two items that
274 needed to be changed.

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276 On MOTION by Mr. Rick Singletary and seconded by Mr. Lewis Singletary, with
277 all in favor, the June 7, 2021 Regular Meeting Minutes, as amended to
278 incorporate edits previously submitted to Management, were approved.

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281 TWELFTH ORDER OF BUSINESS

Staff Reports

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283 A. **Attorney: *van Assenderp Law***

284 There was nothing further to report.

285 B. **Engineer: *Moore Bass Consulting, Inc.***

286 There was nothing further to report.

287 C. **Manager: *Wrathell, Hunt and Associates, LLC***288 • **NEXT MEETING DATE: October 4, 2021 at 11:00 A.M.**289 ▪ **Consider Change of Meeting Time to 10:00 A.M.**

290 Ms. Cerbone asked if the Board was amenable to changing the meeting time to 10:00

291 a.m. The Board agreed to 10:30 a.m.

292

293 **On MOTION by Mr. Lewis Singletary and seconded by Mr. Rick Singletary, with**
294 **all in favor, changing the meeting time from 11:00 a.m., to 10:30 a.m., was**
295 **approved.**

296

297

298 Mr. van Assenderp stated that Mr. Wynn and Mr. Szymonowicz have been assisting
299 District Counsel to modify a legal description in a petition to contract the boundary of the CDD
300 for transmission to the County.

301 ○ **QUORUM CHECK**

302 The next meeting would be held on October 4, 2021 at 10:30 a.m., unless rescheduled
303 or cancelled.

304

305 **THIRTEENTH ORDER OF BUSINESS****Audience Comments/Supervisors Requests**

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307 There were no audience comments or Supervisors' requests.

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309 **FOURTEENTH ORDER OF BUSINESS****Adjournment**

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311 There being nothing further to discuss, the meeting adjourned.

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313 **On MOTION by Mr. Lamb and seconded by Mr. Lewis Singletary, with all in**
314 **favor, the meeting adjourned at 12:15 p.m.**

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Secretary/Assistant Secretary

Chair/Vice Chair

FALLSCHASE

COMMUNITY DEVELOPMENT DISTRICT

10C11

FALLSCHASE COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS FISCAL YEAR 2021/2022 MEETING SCHEDULE

LOCATION

2810 Remington Green Circle, Tallahassee, Florida 32308

DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 4, 2021 CANCELED	Regular Meeting	10:30 AM
October 11, 2021	Regular Meeting	10:30 AM
November 1, 2021	Landowners' Meeting	10:30 AM
March 7, 2022	Regular Meeting	10:30 AM
April 4, 2022	Regular Meeting	10:30 AM
June 6, 2022	Regular Meeting	10:30 AM
August 1, 2022	Public Hearing & Regular Meeting	10:30 AM