

**MINUTES OF MEETING
TRANQUILITY
COMMUNITY DEVELOPMENT DISTRICT**

The continued meeting of the Board of Supervisors of the Tranquility Community Development District was held on Wednesday, **March 23, 2022** at 2:00 p.m. at 2000 S. Washington Avenue, 2nd Floor, Titusville, Florida.

Present and constituting a quorum were:

Gary Allen, Jr.	Chairman
Kenneth W. Belshe	Vice Chairman
William I. Livingston	Supervisor
David C. Lusby	Supervisor

Also, present were:

George Flint	District Manager, GMS
Nika Hosseini	District Counsel, Cobb Cole
David M. Rothman	Bryant Miller Olive, PA
Sara Zare <i>by phone</i>	Underwriter, MBS Capital Markets
Rodney M. Honeycutt	District Engineer, Honeycutt & Associates
Mark Watts <i>by phone</i>	District Counsel, Cobb Cole
Lo Etienne <i>by phone</i>	BMO Law

The following is a summary of the discussions and actions taken at the March 23, 2022 Tranquility Community Development District's Continued Board of Supervisor's Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order at 2:00 p.m. Four Supervisors were in attendance at the meeting constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no public members present.

THIRD ORDER OF BUSINESS

**Consideration of Resolution 2022-13
Authorizing the Issuance of Bonds and
Authorizing the Commencement of
Validation Proceedings**

The order of Items 3 and 4 were changed.

Mr. Rothman summarized Resolution 2022-13 and noted the issuance of bonds will not exceed \$72,825,000 of special assessment bonds. He noted Section 1 authorizes the Board to issue the bonds in the amount not to exceed \$72,825,000 and this also provides the bonds will be secured by the master indenture, which is Exhibit A. He stated the term of each bond will be approved by the Board in a separate resolution. Section 2 approves the form of the Master Trust Indenture, attached as Exhibit A. Mr. Rothman added this agreement is in substantial form and can be changed. Section 3 appoints the Master Trustee as US Bank. Section 4 authorizes the validation of the bonds by Cobb Cole as District Counsel and or Bryant Miller Olive as Bond Counsel in the maximum amount of the \$72,825,000. It was noted the hearing could be 60-90 days and then a 30-day appeal period before they could issue bonds. Mr. Flint added it could be up to 120 days. During this time, they will be working on preparing all necessary documents.

On MOTION by Mr. Belshe, seconded by Mr. Lusby, with all in favor, Resolution 2022-13 Authorizing the Issuance of Bond and Authorizing the Commencements of Validation Proceedings, was approved.

FOURTH ORDER OF BUSINESS

Imposition of Assessments

A. Consideration of Master Engineers Report

Mr. Flint noted there was a report for the Board dated March 17, 2022 from Honeycutt and Associates. Mr. Honeycutt summarized the report for the Board. He noted there was less than 350 acres. The site location, design, contingencies, and amenities were described. The probable cost of the infrastructure is broken into 8-10 categories with a total. He noted the funding and ownership were listed in the report. He added the report shows the agencies for permits is included for the project and exhibits were included. It was noted that the \$55,000,000 is the projected cost for the entire project. The Board asked the question about the estimated cost. Mr. Watts made additional comments. Mr. Flint noted it was an estimate of the cost and it could change based on conditions.

On MOTION by Mr. Belshe, seconded by Mr. Livingston, with all in favor, the Master Engineers Report, was approved.

B. Consideration of Master Assessment Methodology

Mr. Flint noted this was in the agenda Table 1 and is the proposed development plan for Phase 1. He added it is subject to change based on marketing and other factors. He noted that the plan is a combination of hotel, commercial, apartment, condos, and single family. He stated there are two different single family product types of 50's and 70's. The total number of units is 2,954 and 2,035 ERUs.

Table 2 estimates the infrastructure cost of \$55,821,546 and they removed the cost of the central amenity from the commercial and from the apartments under the assumption they will not benefit from the central amenity. However, they would benefit from the roads, the stormwater, common areas, the path of recreational parks and other types of amenities. He added for purposes of looking at benefits and allocating cost they have pulled the central amenity out of the costs applied to the apartments and commercial. He noted the bond sizing has an added one year max annual debt service as a reserve, 24 months of capitalized interest, 2% underwriters discount, cost of issuance, and a par amount of \$72,825,000. He stated that the cost assumptions are very conservative for purposes of imposing a master lien. The interest rates are currently lower than reflected in the report, but this allows for Board flexibility when issuing bonds and validating. Table 4 allocates the benefit and tables are split in recognition that they are not spreading the central amenity cost to the commercial hotel and apartments. Table 5 is the allocation of total benefit and par debt to each product type. Table 6 is the par debt and assessments. The net and per unit assessment amounts reflected are likely higher than they will be when they issue bonds. The amounts listed serve as ceilings for purposes of the assessment process.

The Board asked about if the unit count isn't what is in the report. Mr. Flint replied they would do more than one bond issue. He added the first issuance would be called Assessment Area 1 and that will be the single-family lots. He added that there are 285 anticipated single-family lots. He used the example, if there ends up only being 260 constructed, the developer will end up in a true up agreement and would require them to pay down the equivalent of the 15 units they are not contracting.

Mr. Flint noted that they would prepare a Supplemental Assessment Methodology for each bond issue and based on the development plan and product mix at the time, that will dictate the

true up agreement. Mr. Flint noted that they will set a public hearing and changes can be made to the reports if needed.

On MOTION by Mr. Livingston, seconded by Mr. Lusby, with all in favor, the Master Assessment Methodology Report, was approved.

C. Consideration of Resolution 2022-14 Declaring Special Assessments

Mr. Flint stated this expresses the District's intent to levy assessments. Mr. Watts explained this is the next step in the process to move forward with levying the assessments.

On MOTION by Mr. Lusby, seconded by Mr. Livingston, with all in favor, Resolution 2022-14 Declaring Special Assessments, was approved.

D. Consideration of Resolution 2022-15 Hearing for Special Assessments

Mr. Flint noted this resolution is setting the public hearing. Mr. Watts explained this resolution requires a 30-day published notice of a hearing. Mr. Flint explained the process of the notices and suggested a hearing date of May 11, 2022 at 2:00 p.m.

On MOTION by Mr. Belshe, seconded by Mr. Livingston, with all in favor, Resolution 2022-15 Hearing for Special Assessments set for May 11, 2022 at 2:00 p.m., was approved.

The Board discussed the meeting schedule, and it was determined that an April meeting would not be held. The May meeting would be held for public hearings.

FIFTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Belshe, seconded by Mr. Lusby, with all in favor, the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman