

**MINUTES OF MEETING
ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Artisan Lakes Community Development District was held on Tuesday, August 22, 2017, at 3:00 p.m. at the Artisan Lakes Clubhouse, located at 4725 Los Robles Court, Palmetto, Florida 34221.

Present and constituting a quorum:

Andrew Miller	Chairman
JD Humpherys	Assistant Secretary
Karen Goldstein	Assistant Secretary
Adam Painter	Assistant Secretary
Kenneth Stokes (arrived late)	Vice Chairman

Also present were:

James Ward	District Manager
Jere Earlywine	District Counsel (via telephone)
Jeremy Fireline	District Engineer
Bret Sealy	MBS Capital Markets

Audience present:

Dave Truxton	Land Development Project Manager
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FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 3:35 p.m. and all members were present at roll call with the exception of Supervisor Stokes.

SECOND ORDER OF BUSINESS

Consideration of the Minutes

Mr. Ward stated copies of the minutes of the June 13, 2017, meeting had been previously distributed. He called for any additions, corrections or deletions to these minutes. Hearing none, he asked for a motion to approve them.

On MOTION made by Mr. Humpherys, seconded by Mr. Miller, with all in favor, the Minutes of the regular meeting on June 13, 2017, were approved.

THIRD ORDER OF BUSINESS

Public Hearings

a) Fiscal Year 2018 Budget

Mr. Ward explained the procedure for the Public Hearings and called for a motion to open the first Public Hearing.

On MOTION made by Mr. Miller, seconded by Mr. Humpherys, with all in favor, the Public Hearing was opened.

Mr. Ward said there was one member in the audience from Taylor-Morrison. He stated he had received no written comment or testimony with respect to the Public Hearing. Mr. Ward asked Mr. Truxton if he had a comment, and he nodded he did not. Mr. Ward called for a motion to close the Public Hearing.

On MOTION made by Mr. Humpherys, seconded by Mr. Miller, with all in favor, the Public Hearing was closed.

Mr. Ward called for discussion from the Board and indicated there had been no changes in the Budget.

Mr. Humpherys asked about the actual expenses exceeding the budget in the General Fund, specifically, Professional Management Year End Anticipated, \$29,167, which was above the \$20,000 budgeted. Mr. Ward explained it was probably his staff who had not calculated correctly and he charged whatever his contract stated.

Hearing no further discussion, Mr. Ward asked for a motion to adopt Resolution 2017-6, the Annual Budget for Fiscal Year 2018.

On MOTION made by Mr. Miller, seconded by Ms. Goldstein, with all in favor, Resolution 2017-6 was adopted.

b) Fiscal Year 2018 Imposing Special Assessments; Adopting an Assessment Roll; Approving the General Fund Special Assessment Methodology; and Setting an Operations and Maintenance Cap for Notice Purposes only.

Mr. Ward called for a motion to open the Public Hearing.

On MOTION made by Mr. Humpherys, seconded by Mr. Miller, with all in favor, the Public Hearing was opened.

Mr. Ward said there was only one member in the audience, Mr. Truxton, who had no comment. He stated he had received no written comment or testimony with respect to the Public Hearing and asked for a motion to close the Public Hearing.

On MOTION made by Mr. Humpherys, seconded by Ms. Goldstein, with all in favor, the Public Hearing was closed.

Mr. Ward asked the Board to consider the adoption of Resolution 2017-7 which imposed the Special Assessment, certified the Assessment Roll, and approved the General Fund Assessment Methodology for Fiscal Year 2018.

Mr. Humpherys asked a question concerning Resolution 2017-7, saying it appeared to continue to additional pages which had not been included. Mr. Ward explained how the pages continued.

Hearing no further questions, Mr. Ward called for a motion to adopt Resolution 2017-7.

On MOTION made by Mr. Humpherys, seconded by Mr. Miller, with all in favor, Resolution 2017-7 was adopted.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2017-8
Designating the Dates, Times and
Location of Fiscal Year 2018 Meetings**

Mr. Ward said meetings had been scheduled for the first Thursday of each month at 3:30 p.m. at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221. He said if a meeting was not necessary, it would be canceled.

The Board discussed this meeting time and what days would work. It was decided to continue with the first Thursday of each month.

At this point, Mr. Stokes joined the meeting.

Mr. Ward called for a motion to adopt Resolution 2017-8.

On MOTION made by Mr. Miller, seconded by Mr. Humpherys, with all in favor, Resolution 2017-8 as described above was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2017-9

Mr. Ward stated this item started the special assessment process for the issuance of the District's next series of bonds. He said the process was a two-step process. Step one was the presentation of the engineer's report, which identified the costs for the proposed infrastructure to be issued for that series of bonds. He stated he would go through the methodology related to the assessments for the next series of bonds, and then he would ask the Board to adopt a resolution which set a public hearing date, time, and location for the actual adoption of the assessments. This would trigger a 30-day notification process to the landowner, and the District would begin the process of levying these assessments.

Mr. Ward asked Mr. Fireline to review the engineer's report, specifically the cost estimates and the infrastructure costs.

Mr. Fireline referred to a map to illustrate his report. He stated the 2017 project was finishing off payment for infrastructure which was part of the 2013 project. It included some recent structure which was finishing now, and it also included the engineer's estimates for the cost and improvement for the remainder of the Esplanade project. The total value of the public infrastructure in the 2017 project was \$3, 960,705, leaving the remaining improvements within Esplanade \$2,948,105. On the map, the areas highlighted orange and green were constructed in 2013, and blue was in 2017. He stated the unshaded area represented future improvements. He said there were 807 lots planned for Esplanade, which was consistent with the 2013 report; and presently, 388 lots had been platted, which left 419 lots to be platted in future phases. He said his report included all of the improvements necessary to build out Esplanade. He then called for questions.

Mr. Humpherys thanked Mr. Fireline for the map and said it was very helpful.

Mr. Earlywine asked Mr. Fireline to confirm that the costs set forth in the report were reasonable and consistent with the market and that the plan was feasible based on the information available.

Mr. Fireline stated estimates in the report were based on current invoices received and unit price costs which have been seen in the area. He said his company felt in their best judgment that the estimates were adequate, and the level of funding moving forward was appropriate. He said the project was feasible as planned.

Mr. Truxton said for the benefit of talking through the map, he clarified orange was the first 182 lots which were platted, green was the second 46 lots platted.

Mr. Fireline stated what the map showed was platted phases: Orange was platted Phase 1 of 182 lots and included Artisan Lake Parkway Phase 1; green was platted Phase 2 completed in 2015, 46 lots; blue plus sub phase D was platted Phase 3, everything finished currently.

Mr. Humpherys asked what the definition of finished was and did it mean certified to an owner. Mr. Fireline responded substantially yes.

Mr. Earlywine stated the current bonds were levied in Phase 1.

Mr. Truxton stated in summary the initial bond issue was for 311 units. He said the developers platted more than 311 units, and this was a true up of this.

Mr. Ward asked for further questions from the Board. He then explained the methodology, which he said was the same as used for the Series 2013 Bonds. It reflected the concept that all of the project assessments were levied on a per acre basis initially, unless and until the lot was platted, and then the debt was assigned to a platted lot based upon the

methodology which had been used for the Series 2013 Bond issuance. Specifically, he brought the Board's attention to the first table, Page 1, Table 6, where there were 454 planned development units which was consistent with Mr. Fireline's report. He said the Equivalent Assessment, EAU factors, were the same factors which were utilized for the issuance of the 2013 bonds. Based upon Mr. Fireline's cost estimates for the construction of the infrastructure, which equated to roughly an \$8,000,080 par issuance of bonds. He said that was taken and allocated across the product lines which were anticipated to be constructed, which gave the par debt per unit which ranged from \$13,300 to \$23,300 a unit. He said he calculated the estimated annual debt service with the collection costs. He said these should be considered the maximum amount of bonds that could be issued in the next series of bonds. He said fewer bonds could be issued once they got to that point. He said he expected the amount to be lowered to keep them consistent with the 2013 bonds.

Mr. Ward continued with the next table on the next page which gave a breakdown of the product types which were allocated to the 2013 bonds and the remainder of the 807 units, which was 454. He stated some of the debt of the 2013 A3 Bonds would be overlapping on the property on which assessments were being levied. He said that property would have both pieces of debt. He said probably as a lot was sold, the developer would choose to prepay the overlapping bonds. He said this affected 35 units. He said on Page 13, Table 3, was the allocation of the existing debt on the 2013 Bonds to all of the platted units. He said all of the A1 and A2 Bonds were now allocated fully to the 2013 Series Bonds.

Mr. Truxton clarified with the exception of the 2013 Series A3 Bonds which were not part of the analysis. Mr. Ward said that was correct.

Mr. Ward called for questions.

Mr. Earlywine said for the assessments to be valid there were two requirements which must be met under Florida law: There must be sufficient benefit from the project to justify the assessments, and secondly, they must be fairly recently allocated across the benefitted parcels. He stated the report spoke to both of those requirements being met. He said essentially the original unit types were still being tracked as used in the original report. Mr. Ward stated that was correct.

Mr. Truxton said on behalf of the developer, the Board was not issuing the debt today, this was just setting up the future issuance for a bond debt to be able to be issued.

Mr. Ward suggested a Public Hearing date of October 5, 2017, and explained once the date was picked, it could not be changed. After some discussion, the Board decided on November 2, 2017, at 3:30 p.m. Mr. Ward called for a motion to adopt Resolution 2017-9.

On MOTION made by Mr. Humpherys, seconded by Mr. Stokes, with all in favor, Resolution 2017-9 as described above was adopted

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SIXTH ORDER OF BUSINESS

Staff Reports

- a) District Attorney No report.
- b) District Engineer No report.
- c) District Manager

Mr. Ward stated he had sent the Board a supplemental agreement for MBS Capital Markets to act as the underwriter for the next series of bonds. He said the agreement was consistent with what had been used in the past. He said Mr. Sealy from the firm was present and would answer any questions.

Mr. Truxton asked if par value was principal and did not include interest. Mr. Ward said that was correct

On MOTION made by Mr. Humpherys, seconded by Mr. Miller, with all in favor, the agreement with MBS Capital Markets was approved.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Ward asked if there was any business from the Board.

Mr. Truxton gave an update on the east end plat and said it would be going before the Commission in September for the recording of the lots. He said Artisan Lakes Parkway would be extended. He said those were the improvements scheduled to the end of the year.

Mr. Earlywine stated Phase 3 of Esplanade, the utilities, had just been acquired. He stressed the importance of keeping track of Segment 2 for Artisan Lakes Parkway so it was acquired before the County got it.

Mr. Truxton said Artisan Lakes Parkway 2 before going to the Board may have some future expenses. Mr. Ward said Mr. Truxton had the authority to do that.

Mr. Ward asked for further discussion from the Board, and there was none.

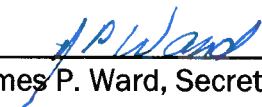
SEVENTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned at 4:12 p.m.

On MOTION made by Mr. Miller, seconded by Ms. Goldstein, with all in favor, the meeting was adjourned.

Artisan Lakes Community Development
District



James P. Ward, Secretary



Michael Bachman, Chairman