

**MINUTES OF MEETING  
WENTWORTH ESTATES  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Wentworth Estates Community Development District was held on Thursday, May 14, 2020 at 8:30 a.m., at the TPC Tour Club, 9800 Treviso Bay Boulevard, Naples, Florida 34113.

**Present and constituting a quorum:**

Joe Newcomb	Chairman
Paul Zotter	Assistant Secretary
Robert Cody	Assistant Secretary
Andrew Gasworth	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Attorney
Bruce Bernard	Asset Manager, Calvin Giordano & Associates
Jimmy Messick	District Engineer

**Audience:**

Steve Barger  
Jeffrey Torto  
Natalia Armstrong

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE  
TRANSCRIBED IN *ITALICS*.**

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

District Manager James P. Ward called the meeting to order at approximately 8:39 a.m. He reported with the State of Emergency in Florida, and pursuant to Executive Orders 20-52 and 20-69 issued by Governor DeSantis on March 9, 2020 and March 20, 2020 respectively, and pursuant to Section 120.54(5)9b)2., Florida, Statutes, this meeting was being held utilizing communication media technology due to the current COVID-19 public health emergency. He explained all Members of the Board and Staff were present via videoconference or telephone; no persons were present in the on-site meeting room location. He asked all speakers to state their names for the record prior to speaking. He conducted roll call; all Members of the Board were present constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Consideration of Minutes**

**March 12, 2020 – Regular Meeting**

Mr. Ward stated the second order of business was consideration of the March 12, 2020 Regular Meeting Minutes. He asked if there were any additions, corrections, or deletions to these Minutes; hearing none, he called for a motion.

*Mr. Paul Zotter: On page 3 it talks about the two side entrances off 41. I am a little confused about what two side entrances we have off of 41 coming into Treviso Bay.*

Mr. Ward responded Mr. Bruce Bernard would be better able to answer this question but was unable to join the meeting.

*Mr. Zotter: Maybe it's referring to the entrances coming in from the sales center area which we look at as being the construction entrance and then the other entrance that went into the old sales center.*

*Mr. Ward: That's the only thing I can think of also.*

*Mr. Andrew Gasworth: I have a question on page 6. Highlighted in the middle it said, "On MOTION made by Mr. Paul Zotter, seconded by Mr. Robert Cody, and with all in favor, it was decided to move forward with actively trying to purchase this property." I don't remember that. All I remember was us voting on getting an appraisal and talking to the seller about his potential price. I don't remember us saying that we were going to actively try to purchase the property. Am I incorrect on that?*

*Mr. Zotter: I absolutely remember it as it's written.*

*Mr. Gasworth: I do not.*

*Mr. Joe Newcomb: Andy I agree with you. We were going to look into it. We were going to get some new appraisals done and then bring it back to see if it's a worthwhile conversation to have.*

*Mr. Bob Cody: That's what I though we were doing also.*

Discussion ensued regarding whether or not this was the actual motion made. Mr. Ward indicated the motion box would reflect exactly what somebody said, but this was an opportunity to add, change, or delete from the minutes. He suggested maybe something, "the first step will be to obtain an appraisal of the property and further steps can be taken once we have received those appraisals".

Mr. Joe Newcomb: Or future consideration based on the appraisal

It was decided to move forward with actively trying to purchase this property, the first step will be to obtain an appraisal on the property and future steps will be taken once the appraisal is received." The Board agreed to this amendment.

Mr. Urbancic noted the paragraph prior to the motion needed to be changed to reflect the change in the motion.

Mr. Ward agreed. He asked if Mr. Zotter approved of the change in the motion.

*Mr. Zotter: That's fine. My preference would be to go with what was accurately said based on the recording, but to continue things going, I'm fine with that.*

**On MOTION made by Mr. Paul Zotter, seconded by Mr. Joe Newcomb, and with all in favor, the March 12, 2020 Regular Meeting Minutes were approved as amended.**

**THIRD ORDER OF BUSINESS**

**Consideration of Resignation**

**Acceptance of Resignation of James Oliver (Seat 4) from Board of Supervisors, which the resignation was effective April 9, 2020**

Mr. Ward indicated Mr. Oliver's resignation, as a matter of law, was effective as of the date it was submitted which was April 9, 2020. He called for a motion to accept Mr. Oliver's resignation for the purpose of inclusion in the record.

**On MOTION made by Mr. Joe Newcomb, seconded by Mr. Paul Zotter, and with all in favor, the Resignation of James Oliver was accepted for purposes of inclusion in the record.**

**I. Appointment of Board Member Replacement for Seat 4, whose term expires 11/2020.**

Mr. Ward explained when an individual resigns from the Board, the statute permits the Board to appoint someone to fill the unexpired term of the resigned individual; in this case the vacated seat, Seat 4, expires November 2020. He noted the early qualifying period for this seat begins the last week of May and the qualifying period begins the first week of June. He stated there may be one or more individuals who qualify for this seat. He stated the Board could fill the vacant seat now or the Board could leave the seat vacant. He asked for the Board's preference. He noted if the Board chose to fill the seat this could be done by a simple motion and second.

*Mr. Gasworth: Are you saying we can put a name in now or we need to wait?*

*Mr. Ward: You may put someone on the Board today and they will be sworn in, obviously, after the meeting because we are not there in person today. Or you can wait. You may do one of those two things. It's a little unusual because you're so close to an election at this point. Someone will have to qualify for that seat in the next couple of weeks anyway, but if you put them on today they would still have to qualify for that seat or you can do either as you deem appropriate. It's really up to you what you want to do.*

*Mr. Zotter: Do we run into any issues between now and the election that you perceive leaving that position vacant? As far as having a quorum, having the proper voting.*

*Mr. Ward: Over the next couple of months we have a Budget Hearing in June which is important, so if we are not going to have a quorum from the four of you that's going to be a problem. We will get into*

*the discussion of the property out front over the next couple of months if you decide to move forward today. Beyond those two items, I don't have a lot of items on the Agenda over the next couple of months, so again, I don't want to steer you one way or another. This is really your decision on what you want to do. This is clearly a Board decision.*

*Mr. Andrew Gasworth: When you say discuss are you talking about us talking on line, or having a short discussion right now?*

*Mr. Ward: I'm talking about the discussion now.*

Mr. Ward indicated if the Board wished to appoint an individual to the Board today, the Board should discuss the matter; however, if the Board did not wish to appoint a new Board Member today this Item could be continued to future Agendas until the Board was ready to appoint a new Member.

*Mr. Gasworth: I think we have someone who has been coming to the Meetings, who has gone ahead and done everything he needs as far as paperwork goes, who is very interested. He is currently acting as liaison to the CDD. Can we discuss this person for a minute? Obviously, I'm talking about Steve Barger. I know him well. He is very, very active in the community. He is active on multiple committees. He works with Natalia Armstrong and sits with her on her committees. I think he would be a good add to the group. He's very open minded; doesn't have an agenda. I don't know if we want to discuss him or if someone else has other people.*

Mr. Newcomb agreed Steve Barger was a good choice.

Discussion ensued regarding Steve Barger's qualifications and residency. The Board agreed Mr. Barger was a good choice.

Mr. Ward noted the audience remained muted unless it was a public comment portion of the meeting. He noted there were three audience members present. He asked if there was any public comment from audience members.

Mr. Steve Barger indicated he would be pleased to join the CDD Board.

Ms. Natalia Armstrong indicated she supported Mr. Barger's appointment to the Board. She noted Mr. Barger was currently acting as liaison between the CDD and the HOA.

Mr. Zotter asked if there would be any conflicts of interest due to Mr. Barger serving on other Boards/Committees.

*Mr. Ward: Legally there is no prohibition against it, but from an operating perspective, the District has generally taken the position that the interface between the homeowner's association and the District goes through the office of the Manager which is consistent with the way a governmental agency works. Mr. Barger is welcome to do whatever he wants with the HOA. He just cannot represent the CDD on any matter in front of the HOA. That has to be done either through my office or the Board directly.*

*Mr. Zotter: In that regard, if I'm hearing that correctly, if I heard Ms. Armstrong say he is currently a liaison between the Board and the CDD, would he be – I guess the question to Steve would be is he*

*willing to accept what you just explained to us in order to become a Member on the Board of Supervisors for the CDD?*

*Mr. Barger: Yes, I would accept that.*

**On MOTION made by Mr. Andrew Gasworth, seconded by Mr. Joe Newcomb, and with all in favor, Mr. Steve Barger was appointed to fill the unexpired term of Seat 4.**

Mr. Ward welcomed Mr. Barger to the Board. He asked Mr. Barger to call him following the Meeting to receive instructions regarding the Oath of Office and appropriate paperwork.

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2020-4**

**Consideration of Resolution 2020-4 Re-Designating of the Officers of the District**

Mr. Ward indicated Resolution 2020-4 re-designated the Officers of the District. He explained this was done when there was a resignation and a new Board appointee, or after an election. He noted Mr. Oliver was the Vice Chairperson and as such the Vice Chairperson was now vacant. He reported Mr. Newcomb served as Chairperson and the remaining Board Members served as Assistant Secretaries, while he served as Secretary and Treasurer. He explained Chairperson and Vice Chairperson responsibilities included conducting meetings and signing documents, Secretary and Treasurer responsibilities were administrative, and the Assistant Secretaries typically attested to the Chairperson's and Vice Chairperson's signatures.

Mr. Newcomb stated he felt an existing Board Member who had CDD experience should be appointed as Vice Chairperson; Steve Barger should be appointed as an Assistant Secretary.

Mr. Zotter agreed. He noted next to Mr. Newcomb he had served on the Board the longest and he was willing to serve as Vice Chairperson.

Mr. Gasworth recommended appointing Mr. Robert Cody as Vice Chairperson.

Mr. Cody indicated he was in favor of Paul Zotter as Vice Chairperson.

Mr. Ward stated if this were the consensus, the motion would be to adopt Resolution 2020-4 with Mr. Newcomb as Chairperson, Mr. Zotter as Vice Chairperson, and the remaining Board members as Assistant Secretaries, and Mr. Ward as the Secretary and Treasurer. He called for a motion.

**On MOTION made by Mr. Joe Newcomb, seconded by Mr. Andrew Gasworth, and with all in favor, Resolution 2020-4 was adopted as above, and the Chair was authorized to sign.**

**FIFTH ORDER OF BUSINESS****Consideration of Acceptance of the Audited Financial Statements****Consideration of the Acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2019**

Mr. Ward stated the Auditor had not joined the Meeting. He noted these Audited Financial Statements could be accepted for inclusion in the record or the Statements could be continued to the June Agenda for review. He stated as of September 30, 2019, there was nothing in the Audited Financial Statements of any significance; the Statements were essentially the same as last year with updated information. He noted the Statements had been filed with the Auditor General and the Department of Banking and Finance as a matter of law. He noted he had no preference; if the Board wished to hear from the Auditor this could be arranged in June; if the Board were comfortable not hearing from the Auditor a motion to accept the Financial Statements would be in order.

Discussion ensued; there were no questions regarding the Financial Statements; therefore, it was decided to accept the Financial Statements for inclusion in the record.

**On MOTION made by Mr. Joe Newcomb, seconded by Mr. Andrew Gasworth, and with all in favor, the Audited Financial Statements were accepted for the purposes of inclusion in the record.**

Mr. Ward noted if any Board Member had a question regarding these Financial Statements following the meeting, he would be happy to answer said question or arrange for a conference call with the Auditor individually.

**SIXTH ORDER OF BUSINESS****Staff Reports****I. Attorney**

*Mr. Urbancic: Other than the parcel matter, I didn't have anything else to report, but I can hold that until later, if we want to discuss that later on the Agenda.*

*Mr. Ward: Yes, that's under my report, so you and I can do that when we do the Manager's Report.*

**II. Engineer**

Mr. Ward noted Calvin, Giordano and Associates assigned a new District Engineer to this project, Mr. Jimmy Messick, who was present on the phone. He stated Mr. Keyser left CGA. He noted he did not know Mr. Messick but was advised Mr. Messick was well qualified. He asked if Mr. Messick would say a few words.

*Mr. Jimmy Messick: Good morning. I just wanted to thank you. I'm taking over the Wentworth Estates CDD from Curt Keyser. I have been working in engineering since 2005 with municipalities and boards for the whole time, so I am looking forward to working with you guys and thank you very much.*

Mr. Ward thanked Mr. Messick and welcomed him to the CDD.

### III. Asset Manager

Mr. Ward stated Mr. Bruce Bernard was having difficulty joining today's meeting. He asked for any questions regarding the Asset Manager Report to be held until following the Meeting.

Mr. Jimmy Messick stated Bruce Bernard called his personal cell phone and was present via speaker phone; therefore, if there were any questions, Mr. Bernard could answer said questions through his (Mr. Messick's) personal connection.

Mr. Ward stated Mr. Bernard was welcome to provide his report. Mr. Bernard began speaking, but it was difficult to hear Mr. Bernard. Mr. Ward indicated Mr. Bernard should give his report at another time.

### IV. Manager

#### a. Continued Discussion on the Appraisal for the Commercial property at the entrance to the Community.

Mr. Zotter asked if Mr. Barger would be permitted to participate in today's discussion. Mr. Ward responded Mr. Barger was a member of the audience for today's Meeting and could hear the discussion. He asked for the audience members to be unmuted, but to hold questions and comments until after the Board's discussion.

Mr. Ward stated following the last meeting an appraisal was obtained for the commercial property situated at the entrance to the community. He stated the property was approximately 9.7 acres and was actively on the market for roughly \$5.7 million dollars. He indicated according to the realtor's website the property was planned for two small restaurant sites right next to U.S. 41, a hotel/storage facility behind the restaurants (these were unpermitted land uses at the moment), and an ALF (assisted living facility) on the west side. He reported the appraisal was done by Julian Stokes, an extremely experienced appraiser. He indicated the appraisal price came in at roughly \$4.938 million dollars which included the \$500,000 plus dollars owed on the property for the CDD's capital assessments. When the appraiser does these appraisals with CDD debt, they appraise at the number \$4.938 Million less the Capital Assessments, so it's really \$4.4 Million plus the Capital Assessments added it brings the price to \$4.938 million. He noted next the Board should consider whether it wished to move forward with possible property acquisition. He asked if there were any Board comments or questions.

*Mr. Cody: If the CDD were to pursue the acquisition of the property, what could the CDD do or not do with it?*

*Mr. Ward: Once it becomes a governmental property, it's use is limited to those that are of a public nature. So, at the low end of that, you could make it a preserve. At the opposite end of that spectrum you could make it an active playground of some sort, maybe a small admin building for community use if you needed that for whatever reason. Tennis courts, ball fields, soccer fields, dog parks, whatever, those kinds of things. You cannot use it for any private activity. You can't build buildings on it that get leased out to private entities. A not for profit is substantively more difficult also, but*

*generally it's public uses of a governmental agency. So, anything you would normally see a city, or a county do, are the kinds of things we can do as long as it's open to the public.*

*Mr. Urbancic: I agree with Jim. And depending on whether we used it for certain uses, like recreational uses, I don't think this district has that authority yet from the County, so as part of what we have to do in order to do those uses, we might have to go into the County and get those special powers.*

*Mr. Cody: So, if we were to acquire it, we could just leave it as a preserve area. Clean it up and just let it be natural.*

*Mr. Ward: Correct.*

*Mr. Cody: I drove by several times recently down to Tivoli and they've got the golf course, and I think it's a hell of an introduction to their community. I think Treviso Bay is so great I would hate to see a hotel or a gas station or anything like that. So, from our standpoint we could simply landscape it into a park and let it be a part of, what I call the natural showing off of our community. Is that right?*

*Mr. Ward: Correct.*

*Mr. Zotter: I'm on board with what you're talking about. A couple of questions here and things to think about for all of us is as we move with the possibility of acquiring this property, is I do agree that considering the nature of it being government funded in the sense and therefore being subject to public use. I do see a passive park setting is the direction to go. Looking at some of the things that Jim just said as far as hotels, storage, restaurants, AFL – I assume that's assisted living kind of facility?*

*Mr. Ward: Yes. ALF is assisted living, Yes.*

*Mr. Zotter: Looking at approximately 10 acres, I cannot emphasize enough what can be built on 10 acres of property, and that for us, even the CDD or even the HOA, for us as a community to pass up the possibility of acquiring that property is just something that we will kick ourselves for doing down the road. And while it might seem painful to do this and hit our pocketbooks to some extent. I think in the long run it is the direction we really need to continue exploring here. I'll leave it at that.*

*Mr. Gasworth: I agree with Paul wholeheartedly. In giving it some thought, I think it would be a great asset where we could do a lot of good for the community by potentially moving our bocce courts over there, maybe even moving pickleball over there. There's issues with expanding pools, for this one tiny pool for a lot of condos. If we move pickleball over there we can expand that pool, so there is a lot of good to this. I know I sound like I'm against it, but I'm absolutely not against it. I just want to understand the cost if we want to take this property. In my opinion we would have to build a wall. I do not think it could be open to the street, otherwise it's open to pretty much anyone who wants to walk over there. If it's community property, if it's Treviso Bay, it should be walled in. That has to be added to the cost. If we want to add the pickleball, a dog park, walking trails, biking trails, it's another thing. Treviso Bay does not have good biking trails at all. It would be nice to have something. Jim do we have to come up with a plan and add that into the total cost when we try to figure out what this would cost?*



*Mr. Ward: Yes. You would need to do that. Step 1 is deciding whether you want to purchase it, and then step 2 – we need to see if we can come to an agreement with the seller on whether or not they would want to sell it to us for the appraised price. \$5.7 to \$5 million is really not a very big difference in this market right now. There is an opportunity here if you want to do it, especially knowing that most of the uses planned for that site, with the public health emergency we are enduring now and probably will for a long time, those uses are really not going to happen any time in the near future. But yes, you will have to come up with some kind of a plan. I will give you around – this property costs \$5 million. I ran just a very quick set of numbers this morning before the call. Including \$3.5 million dollars for improvements on the property, whatever you want to call it, on a unit basis that works out, assuming we levy an assessment that's equal on all units, that works out to be \$420 dollars a unit a year for 30 years. It would be a long financing, but that is what it would be. The number is a little smaller than I thought it was going to be on a per unit basis. So Andy, that will just kind of put you in a ballpark on what \$3.5 million dollars added to your acquisition price will get you.*

*Mr. Gasworth: That's what I was looking for.*

*Mr. Newcomb: Are you figuring around a \$5 million dollar acquisition.*

*Mr. Ward: Yes, as a round estimate. \$5 million in acquisition, \$3.5 million for improvements, and doing a full-fledged 30-year financing on this adds obviously costs to it. It turns out to be about \$600,000 dollars a year in debt service which is right around \$420 per unit per year.*

*Mr. Zotter: So, you're looking at a total of about \$8.5 million financed over 30 years coming to somewhere around \$420 dollars per unit. Is that what I heard?*

*Mr. Ward: Yes. Pretty much. If you look at an acquisition cost of \$5 million, \$3.5 million in improvements, turns out to be roughly a \$9.8 million dollar bond issue when you add capitalized interest, a reserve account, all of the things to it. The important part of it is \$5 million for the acquisition, \$3.5 million for improvements, turns out to be \$420 dollars a unit a year for thirty years.*

*Mr. Newcomb: With this market, the way it is, the bond financing, is that doable?*

*Mr. Ward: The market's there. It isn't the best market I've ever seen. The interest rate is kind of good, but there are not a lot of buyers out there right now. The difficult part about this financing is that we have a covenant that we cannot do any more financings without the consent of the existing bondholder. The existing bondholder is Hancock Bank and when we did the refinance a couple years ago, as in all bond issues, this is not unusual for you all. There is always a covenant that they need to sign off on additional future financings. That is a threshold that we would need to get past.*

*Mr. Zotter: Could that be a problem?*

*Mr. Ward: I don't know the answer to that question. The market is very – it changes on a daily basis at the moment, so I just don't know. It's not something I would put up as a hurdle at this point and say don't move forward. I would just say that's something we would need to keep in our pocket and make sure it gets dealt with if we can come to an agreement with the seller.*

*Mr. Newcomb: So, the \$550,000 dollars that's included – where did that come from?*

*Mr. Ward: When you do a bond issue there is a number of component parts. You have Capitalized Interest, that's the amount of interest you need to fund before we can go on the tax roll. That's a certain amount of money. You have a debt service reserve account to fund which we have in all bond issues, and then there is the cost of issuance. The underwriter's fee and the cost of the professional team: the bond counsel, underwriters, the trustee, all of that other stuff that it takes to do a bond issue, so when you look at an \$8.5 million dollar improvement cost, that turns out to be roughly a \$9.8 million dollar financing.*

*Mr. Newcomb: I probably didn't ask the question correctly. When you came up with the appraised value and you said included in that would be the \$550,000 that's currently owed.*

*Mr. Urbancic: That's the existing debt on the property, that's assessed on that property.*

*Mr. Newcomb: And that debt is in his lap at this point?*

*Mr. Ward: Correct, so the financing would obviously necessitate the District to pay that portion of the assessment off. We would finance the full \$5 million, take a half million and pay the debt off to the existing bondholder for that.*

*Mr. Newcomb: What does it cost in fees to maintain that property each year, the way it is right now, to the existing owner.*

*Mr. Ward: I think his assessment is about \$100,000 dollars a year.*

*Mr. Newcomb: I totally agree with you that in today's market nothing is going to happen there for a while. I just think we have to – in my personal opinion, if it were me, I'd have to do a lot of homework, maybe have a conversation with the government department, if they would be willing to put a building in there. If you guys want to keep it a green space. Greg, you may know what kind of liabilities we could encumber by doing that. Then I would assume it's going to take a majority vote from the homeowners?*

*Mr. Urbancic: No, you would not need a vote. But you will have a public hearing when we levy the assessments, so all the owners would receive notice that we are going to take this action and have the opportunity to come and speak.*

*Mr. Newcomb: I just see some hurdles, big hurdles, that I think we need to address before we push forward on this. I'm not directly opposed to the idea. I just think we are not prepared to make that decision at this point.*

*Mr. Zotter: What sort of hurdles?*

*Mr. Newcomb: Just what I just finished saying #1; #2 the idea of financing in today's market, that's not going to be an easy situation; #3 I personally think we have to somehow get some input from the homeowners here if they are willing to bite off another \$420 dollars a year for the next 30 years. As transient as this area is, nobody stays for 30 years. I mean, it's Florida, nobody does it. I don't know if they are willing to take on that \$420 bucks for five years if it's something that they are never going to use. I agree that aesthetically it will make the place look better. I definitely 100% agree with that. Those are some of the hurdles I see.*

*Mr. Cody: Why don't we take a month and pursue this with some of the questions you just brought up Joe. If the CDD were to acquire, even if we left it raw other than the initial finishing off, just making it into grassland, there is maintenance and upkeep required. Either we as the CDD have to do it, or we reach an agreement with the HOA. Is there a proper time that maybe we can talk to the HOA to say if we were to acquire it, these are the costs that somebody is going to have to pick up?*

*Mr. Ward: The way the HOA is currently working is, assets that belong to the CDD are coming back to us. It doesn't really matter. If it goes into the HOA or the CDD, the costs are there. The key is twofold. With respect to the financing and everything, it's almost a chicken and egg thing. There is not much we can do until you decide whether you want to buy it. We can go ask questions of the bank all day long and they are going to go, "we might, we might not, we won't give you a guarantee." The bond market is going to be the same way. The second thing is, they are going to want to know what you are going to do on this land, so if you say we don't know yet, it's kind of another unknown at this point. The operating costs is the same. I could tell you what it's going to cost to maintain as a preserve or depending upon what you want to do with it, it changes your operating costs. The liability question, Joe, is – it's obviously there. Governmental agencies have sovereign immunity power in this State, so we're limited in terms of our liability with respect to – our insurance rates are really very good and I would not think you would see an appreciable increase in our insurance premiums by adding this land to our insurance policy. You will see some increased costs, obviously the cost of financing, \$420 dollars per year, add to it maybe another \$110 or \$120 for your operations, the fact that the \$100,000 dollars that's being paid by this commercial parcel now for operations now falls back on the remaining residents, so you will see an increase in your assessments going forward if you decide to do this. If you just double it and say it might be \$800 dollars in total, that's a good ballpark. I can't tell you if it's going to be \$600 or \$900, but it's a ballpark that will get you in at this point.*

*Mr. Cody: That's added cost to be picked up by the homeowners, so that's my point.*

*Mr. Newcomb: From personal experience, I have properties all over Naples, and some of them who have the high fees have seen their property values tank because people don't want to pay the fees, so they keep lowering their prices on the purchase. It's either that or the transfer fees. At Fiddler's Creek they are up to \$30,000 dollars on a transfer fee simply because their fees are so darn high. You can buy a condo down there for \$80,000 dollars that the original owner probably paid \$350,000 for, and then you have a \$30,000 dollar transfer fee. So, we have to be a little cautious about how much the fees run here. I will say that our fees, for the amenities that we have comparatively speaking throughout Naples are on the cheap side. I will give us that. To me, that's one of the attractions here.*

Mr. Gasworth, I agree with that 100%, that's been my hold back as well.

Mr. Newcomb asked if this would ever come up to a vote by the residents. Mr. Ward responded in the negative. He stated the CDD could obtain input from the residents, but it was ultimately the CDD's decision. He noted if the CDD chose to move forward with the acquisition a public hearing would be required regarding assessments. He stated the public hearing would be the decision point; if the CDD voted yes then Staff would move forward with the bond issue, financing, improvements, etc.

*Mr. Zotter: I understand what everybody is saying. Joe there are certainly ways each of us can say we talked with numerous people, and people say buy, don't buy. The HOA has access to doing many surveys that can assess in getting more accurate ideas about that. I know it's quite clear where I stand on acquiring that property out there. I think you just have to drive up and down 41 and look at what is coming up and the fear of a McDonald's, restaurants, any combination of things that Jim has mentioned as possibilities, it really is troublesome to me. It concerns me to no end that, when I think about selling my property someday down the road, that somebody drives right past it because of what has now been built out in front there, and we missed the opportunity to prevent that sort of thing. \$420 dollars, yeah, that might be difficult to say we'd get stuck with that for the next 30 years, but it sure didn't seem to be too much of a problem when everybody got hit with \$2,300 dollars for fixing up the golf course. And we haven't seen the end of that. I just say move forward with this. Jim, we look to you quite a bit. What are your thoughts?*

*Mr. Ward: I don't do political decisions. I will tell you in terms of your assessment levels overall in relation to other properties in Collier County, for CDDs, they are consistent with where they are right now. Your operating assessments are a little higher than normal for some CDDs, but not significant numbers based upon the value of the assets that you are maintaining. I will also tell you that many communities have a lot of these assets that are in HOAs being maintained. So, you flip where you put the money is all you are really doing at this point. Personally, if you ask me the question, is \$400 dollars a year going to make a difference when you look at the entire value of this community, which is probably well over \$400 million dollars, if I was making the decision personally on my own home I would go "eh, not a bad number." But I will tell you, it's not an essential governmental purpose for an acquisition. It might, I think be a good idea to consider it simply because of its location in the context of this community and protecting your overall values, but what you want to do out there is really up to you whether you want to pursue it. I will tell you, in my experience, you will get your communities opinions that go from A to Z on this: buy it, don't buy, do this, do that, yes we want bocce ball, no we don't, yes we want bicycling, etc. It will be all over the board, that is a given. And this is not an easy process. I will tell you this is a very difficult process to go through to try and buy it from basically a seller who is not the most willing at this point and to get this developed.*

*Mr. Newcomb: Listening to everyone's thoughts I think maybe we should start into the process. We can always stop at any point if it becomes overwhelming for everybody, but I think at this point we go ahead and start the process.*

*Mr. Zotter: I think you're right. I think we all what to buy this property. I think we are all a little concerned over what might come out of that, but to stop the wheels from spinning at this point might not be a good thing to do as opposed to what you say. Jim, I'm assuming there are a number of things down the road that if we say we don't like this, we can stop it.*

*Mr. Urbancic: I think a lot of that is going to be how we structure the deal. Clearly, we have to get the seller to agree. I've talked with the broker and he knew of our interest. I think there were some members of the HOA that had already reached out and discussed with them. I think they are hungry to get an offer. There is a question of whether or not we can bridge the gap with their price. They have dropped their price significantly since the first time we started talking about this. Maybe 12, 15, 16 months ago. So, there has been a price drop and there have been changes in the economy. I think there are going to be changes in the local commercial real estate market that will probably benefit us. I think Jim alluded to that earlier. When we structure the deal, I think we would have some due diligence time in order to try to resolve some of these things and go through the processes*

*we need to go through. I think you're right Paul, in that process in our structure we would have the chance to basically pull the plug and say maybe this isn't the right thing once we get some comments, but at the end of the day, we do have to agree, not only on price, but that same structure with the seller, so that the seller agrees to give us that time. I'm not saying they will, or they won't, I don't know, but I don't think we'll know until we actually have those discussions.*

*Mr. Zotter: You said the HOA actually inquired about this. That tells me there was support from that side.*

*Mr. Urbancic: I think there were some inquiries made and some questions made of the broker given the rendering, the conceptual plan, and as Jim had mentioned, I'm not sure that all the uses they show on the conceptual plan are permitted under today's zoning ordinance. I haven't looked at that, but that's what I've been told. I think there were some questions and some comments and when I discussed with the broker, who I know, who is a really good broker in town. He had known that there was some interest on the CDD side. How he figured that out I don't know. It may have been from the HOA members. Could read our minutes. Things like that. But I know there was contact from the HOA side.*

*Mr. Zotter: Is there any tax or any benefits to dedicating the property as green preserve. I know that sometimes if you dedicate to a government, or Collier County, and say we will not build on this property, it will be dedicated as passive reserve, that there might be some financial benefit to doing that. Does that exist? Anybody know?*

*Mr. Ward: Greg and I will both refrain from providing tax advice on this. There are provisions of the federal code that do give property owners some benefits, but that is only in a condemnation proceeding which this will not be a condemnation proceeding. Beyond that I can't tell you. I don't know if Greg knows of any other way to do that, but we tend to stay out of that realm of discussion.*

*Mr. Urbancic: I don't know of anything either. We could consult with somebody if we had to, but in terms of real estate taxes, if we own it, and it's used for a public purpose, we wouldn't incur and real estate taxes, but from a federal tax standpoint I don't know.*

*Mr Joe Newcomb: Basically, we're a government entity buying so, that may send the tax benefits out the window.*

*Mr. Zotter: Based on what I've heard and the numbers that I'm hearing, I would still say let's keep moving forward. Mr. Newcomb agreed.*

*Mr. Gasworth: How do you figure the interest rate on a 30-year bond? How does that work? It's different from a mortgage I assume.*

*Mr. Ward: It's actually quite similar. The way you calculate the amortization is very similar to a mortgage. The numbers I have you earlier, I used an interest rate of 4%. That was the market three weeks ago. I don't know what it is this morning. As I said. But it is a municipal financing, so it's tax free financing to whoever is the purchaser of that debt, so they get a benefit from that. AAA rates right now are obviously well under that, but this is a CDD doing it, so you are going to see a difference because of that. But it's calculated based on a mortgage. So, you take whatever you want to finance and run a standard mortgage analysis and you can figure out a yearly rate for it.*

*Mr. Gasworth: That's what I did, and I just come up with a lower number. That's the only reason I asked.*

*Mr. Ward: You are going to because you probably don't have all the costs included in doing the financing, and I'll be glad to share with you this, as I said I did a really quick down and dirty spreadsheet this morning, so I can send it over to you if you'd like to look at it. It's not hard.*

*Mr. Gasworth: I'm just confused because when I do the calculation, a \$10 million dollar loan, over 30 years, at 4%, divided by 1,400 houses, I come up with a much lower number, so I am curious.*

*Mr. Ward: We will send it over to you.*

*Mr. Zotter: How many units are there again?*

*Mr. Ward: Without the commercial piece in there, it's 1,433.*

*Mr. Newcomb: Can I get a copy of that breakdown as well?*

*Mr. Ward: I'd be glad to. This is really rough, so you can't criticize it, but I'll send it over to you. I do want to make this clear, if we are going to pursue the acquisition, then we need to have the authority to actually negotiate an agreement with this seller for this land if that's what you would like to do. Greg and I will obviously put in all the caveats of what we can't do and the timing and all of the other stuff, but this would be a decision point. If you want to pursue the acquisition it would be a motion. Basically, the motion that was in the Agenda from before, so it's a motion to authorize your Staff to negotiate an agreement with the seller for the acquisition of this property. Staff will determine the business points that will obviously then come back to you at some point.*

*Mr. Zotter: I would like to make that such motion.*

*Mr. Newcomb: At what point in time do you come up with the offer price Jim?*

*Mr. Ward: During the negotiation with the seller.*

*Mr. Newcomb: So, this is the buildup to that negotiation?*

*Mr. Ward: Correct.*

*Mr. Cody: Will we have the opportunity at some point to approve that or disapprove?*

*Mr. Ward: Yes. Obviously one of the points of the agreement will be that Greg and I would have to bring that to you for approval at some point in the near future. You are authorizing us to proceed to negotiate an agreement for the acquisition of the property, subject to the terms and conditions that we negotiate in the agreement with the seller.*

Mr. Ward asked if Mr. Barger had any questions or comments.

*Mr. Barger: You made a comment earlier that property purchased by the CDD can only be used for public use. Is that the general public or our community?*

*Mr. Ward: Well, I'll answer the question in two parts. If we do a tax-free financing over it, the IRS defines the public as the general public. If we do a taxable financing on the piece, it's only limited by our State law requirements. I am not of the opinion that it would have to be open to the general public unless we charged some kind of a fee for permitting their use, assuming you are doing an active facility.*

*Mr. Barger: I think that's significant, how would we proceed with that? Which way would we go?*

*Mr. Ward: It depends on the use. Step one would be to come up to some kind of an acquisition agreement. You all do need to decide what you're going to do with it. If it's going to be a substantively more active facility as I've heard on the call today, then you will definitely be limited to its uses if it's tax free financing. Normally a CDD would do tax free financing.*

*Mr. Barger: Are we compromising our negotiating position when we publish our minutes?*

*Mr. Ward: Unfortunately, that is a little bit of a difficult thing. The answer is yes, you compromise your position, but there is no way not to do that. The negotiation is handled by Staff, so Greg and I will handle that. That part of that is not within the context of the public record itself, but obviously the agreement would be when it goes back to the Board. The good part about this is we do have an appraisal on this property, so our ability to wiggle through that number is very, very constrained. You have a seller here that obviously is \$700,000 dollars over our appraised number, so I don't think he's going to go below the appraised price. The question really will become, will he be in a position to sell this property for the appraised price of \$4.938 million.*

*Mr. Zotter: So, we are all looking at a price of approximately \$5 million to purchase this property. So, with regard to what Steve – I think what you're saying is – I think we all know what number we're talking about. Whether or not that's out in the open at this point, it almost doesn't matter. If the guy decides he wants \$5.9 million dollars it doesn't matter, we know what we're talking about.*

*Mr. Barger: Just to be clear, if we build bocce courts and dog parks and swimming pools, they would be open to the general public?*

*Mr. Ward: Correct, subject to we would establish that they would have to pay, but yes, it would be limited.*

*Mr. Zotter: If we do the financing via the government. If we do commercial funding, then you could change that.*

*Mr. Ward: Correct. With some limitations, but yes.*

*Mr. Zotter: Deciding what to put on there right now we could all be going crazy here, because some of us don't see swimming pools. Some of us don't necessarily see bocce courts, some of us see just a very passive place with paths to ride a bike through with a few picnic benches and a lot of trees to make the front pretty. We could go crazy here debating that as opposed to just do we want to get that property and kind of figure out what we're going to do with it in the next few meetings.*

*Mr. Joe Newcomb: I think if we go ahead and start pursuing it we can figure out all those things later down the road, as long as we have a lot of outs to the contract built into the contract or the offer, then – because right now we have too many unknowns since we don't know what this guy will sell the property for or what his plans are. I think we need to get some finite answers first, but as long as it's built into the offer Jim, that we have a million ways to get out of this if we need to, I think we'd be okay to start the process. I agree with Steve and those were great questions Steve, great points. I don't think we want the general public coming onto our property. I think you want to avoid that at all cost, and then we'd have to position somebody out there to collect fees. You can't make any money on it. Am I right about that Jim, as a government entity you are not allowed to make a profit on it?*

*Mr. Ward: Yeah, that's not possible.*

*Mr. Gasworth: But again, I think if we word the offer correctly with a lot of outs, then I don't see the harm in pursuing it.*

Mr. Ward asked if there were any additional questions or comments; there were none.

**On MOTION made by Mr. Paul Zotter, seconded by Mr. Andrew Gasworth, and with all in favor, Staff was authorized to negotiate an agreement with the seller for the acquisition of this property.**

- b. Report on Number of Registered Voters as of April 15, 2020**
- c. Financial Statements January 31, 2020 (Unaudited)**
- d. Financial Statements February 29, 2020 (Unaudited)**
- e. Financial Statements March 31, 2020 (Unaudited)**

Mr. Ward reported there were 746 registered voters in the District. He noted the District had long since passed the threshold of why the number of registered voters was reported, but there was no provision in the Statute to suppress the reporting after the two thresholds were met. He indicated there was no action required from the Board.

## **SEVENTH ORDER OF BUSINESS**

### **Supervisor's Requests and Audience Comments**

Mr. Ward asked if there were any audience comments.

*Mr. Jeffrey Torto: I'm a new resident, part time, I live in Boston. My background is in commercial real estate. I work at a large real estate investment management firm where we manage about \$110 billion in commercial properties globally. Question for you on the land purchase is why not engage a broker to represent us -- I'm not a broker -- just to make sure the pricing is correct? We're looking at our portfolio, and just this first quarter because of COVID, we think we are going to see 5% to 10% declines, and it would be much more so on land. So, I think an appraisal is nice, but it's probably already way behind on where the real market is. I would anticipate that pricing would be much less than that. That would be my recommendation.*



*Mr. Ward: Governments have done it both ways, I will tell you that, and Greg may want to help me with this one, but most governments do not use a broker for these land acquisitions because they are really based on an appraisal. Obviously, this appraisal was done April 5, 2020, a little more than a month ago, so we could get that updated. You will not find that governments will pay more than the appraised price and if you want to engage a broker and subject the District to those fees for doing that. I don't have any opinion on that. I'll let Greg chime in.*

*Mr. Urbancic: We certainly could, and I can make some recommendations if we want to engage one. I guess the only thing I would say is there would be another fee involved and sometimes those fees are worth paying, but I will also say that one of the comments I was asked by the broker who has it listed was, are you guys represented by a broker because that may help us close the gap in terms of the price. There are those considerations and a cost/benefit analysis that we would have to do. If the Board is interested in talking with one or engaging one, I certainly can make recommendations, but this is sort of that cost/benefit we would have to do on it. Part of the challenge is, sometimes our arms are tied behind our backs as a government negotiating these types of real estate contracts because we are almost an open book. They can come listen to the audio of this meeting or look at our minutes, and so that's what makes it a challenge overall.*

Mr. Ward asked if there were any other Board or audience questions or Supervisor's requests; there were none.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

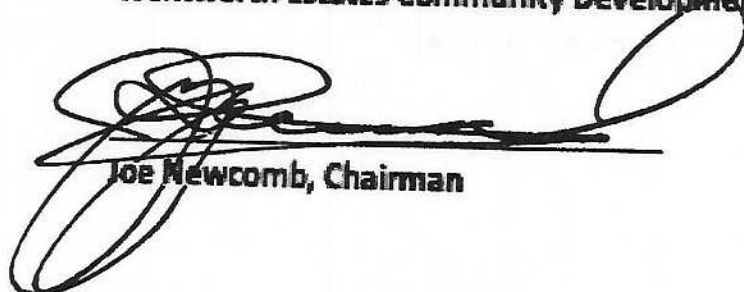
Mr. Ward adjourned the meeting at 10:00 a.m.

**On MOTION made by Mr. Joe Newcomb, seconded by Mr. Andrew Gasworth, and with all in favor, the meeting was adjourned.**

**ATTEST:**

**Wentworth Estates Community Development District**

  
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James P. Ward, Secretary

  
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Joe Newcomb, Chairman