

PALENCIA'S CDD and POA

- What are they?
- What is the difference between them?
- Who does what in our community?

A short tutorial



A CDD?? ***WHAT'S A CDD??***

A CDD or COMMUNITY DEVELOPMENT DISTRICT is a local, special purpose governmental unit established pursuant to and regulated by Florida statute.

A CDD GENERALLY FINANCES, OWNS AND MANAGES INFRASTRUCTURE AND AMENITIES WITHIN THE BOUNDARIES OF THE CDD.

WHAT IS A CDD?

CONTINUED

- CDD's are established pursuant to a 1980 Florida Statute that was enacted as a result of Florida's efforts to effectively and efficiently manage its growth.
- There are some 600 CDD's in Florida, with over 70% established between 2003 and 2008.
- CDD's have issued more than \$6 Billion in municipal bonds to finance the construction of their infrastructure.
- A CDD is a public entity. The Board of Supervisors that govern a CDD are elected officials who are subject to the Sunshine Laws of the State of Florida. In the interest of openness in government, these Sunshine Laws restrict when Supervisors may discuss public business among themselves. Supervisors may not discuss any business *among themselves* that may come before the full Board, except in meetings open to the public and for which reasonable notice of the meeting has been given.

HOW DOES THE CDD WORK?



- Briefly stated, the CDD issues bonds and the proceeds from these bonds are used to finance the development of infrastructure for that particular community.
- Examples of infrastructure funded by these bonds are roads, water, storm water and sewer facilities. The funds are also used to develop recreational facilities such as tennis courts, fitness centers, pools, walking and biking paths, boardwalks, etc.
- The residents of that community then pay the debt on those bonds through their taxes. The repayment of the bond debt is ***part*** of the CDD annual assessment.

HOW IS ANNUAL CDD ASSESSMENT COMPUTED?

- There are two parts to the annual CDD assessment:
 - **Debt Repayment.** Property owners of the community are obligated to repay the debt on bonds issued to finance the infrastructure of their community. The dollar amount of the debt repayment charge paid by property owners varies based on an assessment. This assessment, which varies by neighborhood within the community, is established at the time the bonds are issued and does not vary from year to year.
 - **Operation and Maintenance.** This charge pays for the operation and maintenance of such things as the amenity centers and pools, tennis center, the landscaping and maintenance of common grounds, boardwalks, streets and culverts, ponds and lakes, community security, etc. Operation and Maintenance costs will vary from year to year, as will the assessment for them.

The sum of these two assessments is what appears on each property owner's tax bill. In addition to the amounts paid by residents, commercial properties in Palencia, as well as the golf course, contribute to the operations and debt service .

WHAT ABOUT *PALENCIA'S CDD?*

- Palencia's CDD is the ***MARSHALL CREEK CDD (MCCDD)***.
- The MCCDD has issued two series of long term bonds valued at approximately \$31 million. This money has been used to finance some of the infrastructure and amenities at Palencia.
- These bonds were issued for 30 year terms and will mature in 2030 and 2032.
- *At build-out, Palencia is expected to include some 1,650 single and multi-family homes.*

WHO RUNS THE MCCDD?



- As with other CDD's, the MCCDD is managed by a Board of Supervisors, comprised of 5 members.
- These Supervisors are elected by the community residents.
- The term of service for all elected Supervisors is 4 years. A Supervisor must be 18 years old, a registered voter and a resident of the District.

WHAT IS THE MCCDD RESPONSIBLE FOR?

- **It is the responsibility of the MCCDD (*NOT THE POA*)** to manage virtually all of the ongoing operations at Palencia. All those things that were financed by the MCCDD bonds, things such as streets, boardwalks, fitness and tennis centers, pools, etc. are the responsibility of the MCCDD. The crews that maintain common areas and those individuals that work at the fitness, pool and tennis centers are employees of the **MCCDD**.

WHAT IS THE OTHER CDD I KEEP HEARING ABOUT?

- To the north of and contiguous to Palencia is a separate development called Palencia North.
- This development has its own separate CDD called the **SWEETWATER CREEK CDD**.
- The Sweetwater Creek CDD has its own Board of Supervisors, separate from the MCCDD, that manage the infrastructure and those facilities developed using funds from the bonds they issued.
- The map which follows provides a rough idea of the boundaries between the MCCDD and the Sweetwater Creek CDD.
- As of November 2018, the Sweetwater Creek CDD's Board of Supervisors will be comprised primarily of property owners. It is expected to include about 750 homes at build-out.

PALENCIA

A HINES COMMUNITY
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NORTH



SWEETWATER CREEK CDD

SANTA TERESA
NORTH LOOP PKWY

THIRD HOLE

VISTA NORTE

NORTH LOOP PKWY

GUARD
SHACK

NORTH LOOP
PKWY

MARSHALL CREEK CDD

PRACTICE RANGE

This site plan is an artistic conception and is not intended as a legal description of the property or to constitute an offer of insurance or any other financial product. It is a general reference only and the actual details shown herein may vary depending upon actual field conditions and other factors. Please to build our this project as proposed are subject to change without notice.



NOT TO SCALE

IS THERE A CONNECTION BETWEEN MCCDD & SWEETWATER CREEK CDD?

- In 2006 an INTERLOCAL AGREEMENT was executed between MCCDD & Sweetwater Creek CDD (SCCDD).
- Among other things, this agreement called for a sharing of some amenities between the residents of the two developments. This sharing includes both use and operating expenses of the shared amenities.
- Some of the shared amenities include the pools, fitness centers, tennis facilities and boardwalks. Security expenses are also shared.
- The Kensington and Las Calinas developments are not part of Palencia nor this agreement.



WHAT IS THE PALENCIA POA?

- The POA is the Palencia Property Owners Association.
- The POA is a *private*, not for profit corporation, unlike the CDD, which is a *public* entity.
- The responsibilities of Palencia's POA are limited to:
 - ☐ Covenant restrictions and enforcement, including levying fines on property owners not maintaining property in accordance with covenant requirements
 - ☐ Architectural control
 - ☐ Administration of the Village Center Lawn Maintenance Agreement

The POA has its own Board of Directors, completely separate from the MCCDD. The Board members are not subject to the restrictions imposed by the Sunshine Law. The 5 board members are property owners elected by the community.

IS THERE ALSO A POA ASSESSMENT?

- POA expenses are covered by a general assessment to all property owners levied once a year, currently set at \$100 for FY 2019.
- Enrolled property owners of single family homes of the Village Center are also billed each month under a separate lawn maintenance agreement with the POA.

WHEN ARE MEETINGS HELD?

- The MCCDD typically holds public meetings on the third Wednesday of each month at 4PM. These meetings are currently held in the MCCDD Amenity Center, located at 625 Palencia Club Drive.
- The POA also typically holds monthly public meetings, usually the 4th Wednesday of the month. These meetings are also held in the MCCDD Amenity Center.

Information about the dates and times of these meetings, as well as unofficial summaries of recent meetings, are posted at www.Palenciaonline.com .

WHICH MEETING SHOULD I ATTEND?

- Residents are urged to attend all public meetings that effect our community.
- For questions regarding Lifestream or Village lawn care matters, as well as issues regarding covenant enforcement or architectural matters, attendance at the PPOA meeting is appropriate.
- For all other issues, the MCCDD meeting is most appropriate.
- Questions by Village residents concerning *individual* lawn care matters should be directed to the service provider.

As of December 1, 2018 the Hines Palencia Property Managers Office will no longer be operating in Palencia. After hundreds of hours of research and interviews as well as listening to a variety of presentations, the CDD Board has selected First Service-Residential, a national property management company to assume the CDD duties and can be reached at 904-810-0520. Leland Management was selected by the Board to assume the duties of the POA. They will have an on-site office located at 571 Market Street.

OTHER ASSOCIATIONS

- In addition to the MCCDD and the Palencia POA, there are other associations managed by and effecting those individuals in various Condominiums in the community.
- Residents of the Villas of Augustine Island, Avila, Palencia Village Townhomes, Promenade Condominiums, Village Lofts and Village Square pay additional assessments for their condominiums and townhomes.

WHAT ABOUT THE GOLF CLUB AND FACILITIES?

The Palencia Club, including dining and golfing facilities, is privately owned by Hampton Golf. Its funding, costs and staffing are completely separate from the MCCDD and POA.