

**MINUTES OF MEETING
VARREA SOUTH
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Varrea South Community Development District held a Regular Meeting on January 13, 2023 at 10:00 a.m., at the offices of Forestar, 4042 Park Oaks Blvd., Suite 200, Tampa, Florida 32610.

Present at the meeting were:

Ryan Zook	Chair
William Conerly	Assistant Secretary
Brian Janek	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Andrew Kantarzhi	Wrathell, Hunt and Associates, LLC (WHA)
Michael Szymonowicz (via telephone)	Wrathell, Hunt and Associates, LLC (WHA)
Jere Earlywine (via telephone)	District Counsel
Tanya Stewart (via telephone)	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:01 a.m. Supervisors Zook, Conerly and Janek were present in person. Supervisors Snyder and Hoppe were not present.

SECOND ORDER OF BUSINESS

Public Comments

There were no public comments.

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Elected Supervisors, Brian Janek [SEAT 3], William Conerly [SEAT 4] and Ryan Hoppe [SEAT 5] (*the following will be provided in a separate package*)

Ms. Cerbone stated the Oath of Office was administered to Mr. Brian Janek and Mr. William Conerly prior to the meeting. Supervisor Hoppe will be sworn in at or before the next meeting. Supervisors Janek and Conerly are already familiar with the following:

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Financial Disclosure Forms**
 - I. Form 1: Statement of Financial Interests**
 - II. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - III. Form 1F: Final Statement of Financial Interests**
- D. Form 8B: Memorandum of Voting Conflict**

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2023-01, Canvassing and Certifying the Results of the Landowners’ Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes, and Providing for an Effective Date

Ms. Cerbone presented Resolution 2023-01 and recapped the results of the recent Landowner’s Election, as follows:

Seat 3	Brian Janek	349 votes	4-year term
Seat 4	William Conerly	349 votes	4-year term
Seat 5	Ryan Hoppe	348 votes	2-year term

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, Resolution 2023-01, Canvassing and Certifying the Results of the Landowners’ Election of Supervisors Held Pursuant to Section 190.006(2), Florida Statutes, and Providing for an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2023-02, Designating Certain Officers of the District, and Providing for an Effective Date

Ms. Cerbone presented Resolution 2023-02. Mr. Zook nominated the following slate:

Ryan Zook	Chair
John Snyder	Vice Chair
Craig Wrathell	Secretary
William Conerly	Assistant Secretary
Ryan Hoppe	Assistant Secretary
Brian Janek	Assistant Secretary
Ryan Hoppe	Assistant Secretary
Cindy Cerbone	Assistant Secretary
Andrew Kantarzhi	Assistant Secretary

No other nominations were made. Prior appointments by the Board for Treasurer and Assistant Treasurer remain unaffected by this Resolution.

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, Resolution 2023-02, Designating Certain Officers of the District, as nominated, and Providing for an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

Presentation of First Supplemental Engineer’s Report

Ms. Stewart presented the First Supplemental Engineer’s Report. She stated the total construction costs are estimated at \$32,160,074, with actual benefits estimated at \$25,607,429.

Ms. Stewart and Mr. Earlywine responded to questions regarding whether the Report includes the previously discussed modifications to the CDD’s boundary or any obligations to the wetlands, along with questions about capital costs and if the project covers the bond proceeds.

Mr. Earlywine recommended approval in substantial form.

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, the First Supplemental Engineer’s Report, in substantial form, was approved.

SEVENTH ORDER OF BUSINESS**Presentation of Preliminary First Supplemental Special Assessment Methodology Report**

Ms. Cerbone presented the Preliminary First Supplemental Special Assessment Methodology Report dated January 13, 2023. She stated that the CDD already has the Master Methodology that was presented and accepted by the Board. The Master Methodology took a lot more of the existing Varrea South CDD as well as the future Varrea North CDD into consideration and what type of benefits could be unique and/or shared. The Preliminary First Supplemental Methodology is specific to the contents of the Engineer's Report presented earlier and accepted by the Board. Asked if this Supplemental Methodology is solely for the first bond issuance, Ms. Cerbone replied affirmatively. She read the following into the record from Section 1.3, on Page 1:

"However, as discussed within this Preliminary First Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within Assessment Area One."

A Board Member asked if there is a cost associated to the incidental benefit to properties outside the boundaries, specifically adding assessments to the commercial properties. Mr. Earlywine stated the benefit determination is drawn off the Engineer's Report and all the infrastructure directly benefits the property where there are boundaries. As far as the commercial property outside, the CDD does not assess it, which is indicative of the fact that the direct benefit lies within CDD boundaries. Ms. Stewart stated the amended version of the Engineer's Report can specify that no assessments will be levied against the commercial properties. Mr. Szymonovicz stated it is virtually unavoidable that properties not meant to be specifically benefitted, such as the residential units to be developed within Varrea South or Varrea North, will benefit from improvements. In assessment methodologies, It is always referred to as an indirect benefit.

Discussion ensued regarding Developer contributions, direct and indirect benefits, infrastructure discounts, commercial properties, Master Methodology and adding a footnote in the Engineer's Report.

Ms. Cerbone stated that Mr. Conerly would like a footnote in the Supplemental Engineer's Report clearly stating, to the extent there is an indirect benefit, it is not an obligation of the properties receiving that indirect benefit to offset the cost of the infrastructure.

Mr. Szymonowicz reviewed the pertinent information in the Preliminary First Supplemental Special Assessment Methodology Report and discussed the Capital Improvement Plan, financing program, assessment apportionment for the Series 2023 bonds, Equivalent Residential Unit (ERU) calculations, True-Up Mechanism and Appendix Tables.

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, the Preliminary First Supplemental Special Assessment Methodology Report, in substantial form, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2023-03, Delegating to the Chairman of the Board of Supervisors of Varrea South Community Development District (The "District") the Authority to Approve the Sale, Issuance and Terms of Sale of Varrea South Community Development District Capital Improvement Revenue Bonds, Series 2023 (2023 Assessment Area), as a Single Series of Bonds Under the Master Trust Indenture (The "Series 2023 Bonds") in Order to Finance the Series 2023 Project; Establishing the Parameters for the Principal Amounts, Interest Rates, Maturity Dates, Redemption Provisions and Other Details Thereof; Approving the Form of and Authorizing the Chairman to Accept the Bond Purchase Contract for the Series 2023 Bonds; Approving a Negotiated Sale of the Series 2023 Bonds to the Underwriter; Approving the Forms of the Master Trust Indenture and First Supplemental Trust Indenture and Authorizing the Execution and Delivery Thereof by Certain Officers of the District; Appointing a Trustee, Paying Agent and Bond Registrar for the Series 2023 Bonds;

Approving the Form of the Series 2023 Bonds; Approving the Form of and Authorizing the Use of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum Relating to the Series 2023 Bonds; Approving the Form of the Continuing Disclosure Agreement Relating to the Series 2023 Bonds; Authorizing Certain Officers of the District to take All Actions Required and to Execute and Deliver All Documents, Instruments and Certificates Necessary In Connection with the Issuance, Sale And Delivery of the Series 2023 Bonds; Authorizing the Vice Chairman and Assistant Secretaries to Act In the Stead of the Chairman or the Secretary, as the Case May Be; Specifying the Application of the Proceeds of the Series 2023 Bonds; Authorizing Certain Officers of the District to Take All Actions and Enter Into All Agreements Required in Connection with the Acquisition and Construction of the Series 2023 Project; and Providing an Effective Date

Mr. Earlywine presented Resolution 2023-03, known as the delegation resolution, which accomplishes the following:

- Delegates authority to the Underwriter to sell the bonds and sets forth the parameters for the bond issuance.
- Approves the form of the Master Trust Indenture.
- Approves the form of Offering Statement for the purpose of selling the bonds.
- Approves the Continuing Disclosure Agreement.
- Outlines the Schedule I Parameters attached to the Resolution.

Asked if the Resolution is a standard document that the Board has seen in the past, Mr. Earlywine replied affirmatively. Asked if the CDD closed on the property that is encumbered by bonds, as owned by DR Horton, Mr. Earlywine stated yes.

On MOTION by Mr. Zook and seconded by Mr. Janek, with all in favor, Resolution 2023-03, Delegating to the Chairman of the Board of Supervisors of Varrea South Community Development District (The "District") the Authority to Approve the Sale, Issuance and Terms of Sale of Varrea South Community Development District Capital Improvement Revenue Bonds, Series 2023 (2023 Assessment Area), as a Single Series of Bonds Under the Master Trust Indenture (The "Series 2023 Bonds") in Order to Finance the Series 2023 Project; Establishing the Parameters for the Principal Amounts, Interest Rates, Maturity Dates, Redemption Provisions and Other Details Thereof; Approving the Form of and Authorizing the Chairman to Accept the Bond Purchase Contract for the Series 2023 Bonds; Approving a Negotiated Sale of the Series 2023 Bonds to the Underwriter; Approving the Forms of the Master Trust Indenture and First Supplemental Trust Indenture and Authorizing the Execution and Delivery Thereof by Certain Officers of the District; Appointing a Trustee, Paying Agent and Bond Registrar for the Series 2023 Bonds; Approving the Form of the Series 2023 Bonds; Approving the Form of and Authorizing the Use of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum Relating to the Series 2023 Bonds; Approving the Form of the Continuing Disclosure Agreement Relating to the Series 2023 Bonds; Authorizing Certain Officers of the District to take All Actions Required and to Execute and Deliver All Documents, Instruments and Certificates Necessary In Connection with the Issuance, Sale And Delivery of the Series 2023 Bonds; Authorizing the Vice Chairman and Assistant Secretaries to Act In the Stead of the Chairman or the Secretary, as the Case May Be; Specifying the Application of the Proceeds of the Series 2023 Bonds; Authorizing Certain Officers of the District to Take All Actions and Enter Into All Agreements Required in Connection with the Acquisition and Construction of the Series 2023 Project; and Providing an Effective Date, authorizing the Board Chair to execute, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2023-04, Setting Forth the Specific Terms of the District's Special Assessment Revenue Bonds, Series 2023; Making Certain Additional Findings and Confirming and/or Adopting a Supplemental Engineer's Report and a Supplemental Assessment Report; Delegating Authority to Prepare Final Reports and Update this Resolution; Confirming the Maximum Assessment Lien Securing the Bonds; Addressing the Allocation and Collection of the

Assessments Securing the Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing for the Supplementation of the Improvement Lien Book; and Providing for Conflicts, Severability and an Effective Date

Mr. Earlywine presented Resolution 2023-04. The Resolution authorizes Staff to lower the assessment amount to match with the final bond pricing and delegates authority to Staff to supplement the Reports with the bond pricing and attach the final Reports to the Resolution.

On MOTION by Mr. Zook and seconded by Mr. Janek, with all in favor, Resolution 2023-04, Setting Forth the Specific Terms of the District’s Special Assessment Revenue Bonds, Series 2023; Making Certain Additional Findings and Confirming and/or Adopting a Supplemental Engineer’s Report and a Supplemental Assessment Report; Delegating Authority to Prepare Final Reports and Update this Resolution; Confirming the Maximum Assessment Lien Securing the Bonds; Addressing the Allocation and Collection of the Assessments Securing the Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing for the Supplementation of the Improvement Lien Book; and Providing for Conflicts, Severability and an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Consideration of Forms of Issuer’s Counsel Documents

Mr. Earlywine presented the following:

- A. Collateral Assignment Agreement**
- B. Completion Agreement**
- C. Declaration of Consent**
- D. Disclosure of Public Finance**
- E. Notice of Special Assessments**
- F. True-Up Agreement**

On MOTION by Mr. Zook and seconded by Mr. Janek, with all in favor, the Collateral Assignment Agreement, Completion Agreement, Declaration of Consent, Disclosure of Public Finance, Notice of Special Assessments and True—Up Agreement, all in substantial form, were approved.

ELEVENTH ORDER OF BUSINESS

Ratification of the Acquisition Agreement

Mr. Earlywine presented the Acquisition Agreement, which was previously executed and approved by DR Horton.

Mr. Zook stated there was an address change and asked if the documents must be revised to show the new address. Mr. Earlywine stated Staff will make a note of the new address for closing purposes.

On MOTION by Mr. Zook and seconded by Mr. Janek, with all in favor, the Acquisition Agreement, recognizing an address change, was ratified.

TWELFTH ORDER OF BUSINESS

Consideration of Resolution 2023-05, Directing the Chairman and District Staff to Request the Passage of an Ordinance by the City Commission of the City of Plant City, Florida, Amending the District's Boundaries, and Authorizing Such Other Actions as are Necessary in Furtherance of that Process; and Providing an Effective Date

Mr. Earlywine presented Resolution 2023-05.

In response to Mr. Conerly's question regarding the impetus for clarifying a boundary, Mr. Earlywine stated it was for planning purposes and making sure that there is clear distinction between the commercial area and the CDD.

Discussion ensued about the commercial property owners being subject to assessments, the CDD's boundary, benefit of the project, a deed and an email forwarded by Ashley.

Ms. Cerbone suggested approving Resolution 2023-05, contingent and subject to Mr. Conerly's written confirmation to District Counsel and the District Manager; Resolution 2023-05 will not be signed today.

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, Resolution 2023-05, Directing the Chairman and District Staff to Request the Passage of an Ordinance by the City Commission of the City of Plant City, Florida, Amending the District’s Boundaries, and Authorizing Such Other Actions as are Necessary in Furtherance of that Process; and Providing an Effective Date, contingent and subject to Mr. Conerly’s review and approval, was adopted.

THIRTEENTH ORDER OF BUSINESS

Consideration of Boundary Amendment Funding Agreement

Ms. Cerbone presented the Boundary Amendment Funding Agreement.

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, the Boundary Amendment Funding Agreement, subject to the approval and execution of Resolution 2023-05, was approved.

FOURTEENTH ORDER OF BUSINESS

Consideration of Form of Interlocal Agreement with Future Varrea North CDD

Ms. Cerbone presented the Interlocal Agreement with the future Varrea North CDD.

Mr. Earlywine stated that the Interlocal Agreement is a draft and speaks to issuing bonds and keeping the debt and operation and maintenance (O&M) assessment the same between the south and north properties. He suggested approval in substantial form.

On MOTION by Mr. Zook and seconded by Mr. Janek, with all in favor, the form of Interlocal Agreement with the future Varrea North CDD, in substantial form, was approved.

FIFTEENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of November 30, 2022

Ms. Cerbone presented the Unaudited Financial Statements as of November 30, 2022.

On MOTION by Mr. Zook and seconded by Mr. Janek, with all in favor, the Unaudited Financial Statements as of November 30, 2022, were accepted.

SIXTEENTH ORDER OF BUSINESS

Approval of Minutes

- A. August 12, 2022 Public Hearing and Regular Meeting
- B. November 1, 2022 Landowners’ Meeting

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, the August 12, 2022 Public Hearing and Regular Meeting and November 1, 2022 Landowners’ Meeting Minutes, as presented, were approved.

SEVENTEENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel: *KE Law Group, PLLC*
- B. District Engineer: *Stantec Consulting Services, Inc.*
- C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - NEXT MEETING DATE: February 10, 2023 at 10:00 A.M.
 - QUORUM CHECK

There were no reports from District Counsel, the District Engineer or District Manager.

EIGHTEENTH ORDER OF BUSINESS

Board Members’ Comments/Requests

There were no Board Members’ comments or requests.

NINETEENTH ORDER OF BUSINESS

Public Comments

There were no public comments.

TWENTIETH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Zook and seconded by Mr. Conerly, with all in favor, the meeting adjourned at 11:01 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair