

**HARBOUR WATERWAY
SPECIAL DISTRICT
Agenda**

Tuesday
March 13, 2018
7:00 pm

Resurrection Episcopal Church
12355 Fort Caroline Rd.
Jacksonville, FL. 32225

- I. Introduction**
 - a. Call to Order
 - b. Roll Call / Quorum

- II. Administrative**
 - a. Approval of Minutes
 - i. Minutes from February 13, 2018*

- III. District Business**
 - a. Spoil Site – Reed Island
 - i. Rezoning Process*
 - 1. Comments from Department of Economic Opportunity*
 - ii. Resolution 2018-02, BB&T Funding Proposal*
 - b. Waterway Rules & Dock Approvals
 - i. Wally & Mary Lovely (Revised) – 11350 Beacon Drive*

- IV. Financial**
 - a. HWSD non-Ad Valorem Assessment
 - i. 2017 non-Ad Valorem Assessment*
 - b. Approval to disburse funds

- V. District Schedule**
 - a. Next Scheduled Board Meeting
 - i. April 10 – Resurrection Episcopal Church*

- VI. Other Business**
 - a. Legal and Compliance Issues

- VII. Comments and Questions from Audience**

- VIII. Adjournment of HWSD Meeting**

HARBOUR WATERWAY SPECIAL DISTRICT

TUESDAY, MARCH 13, 2018

MEETING MINUTES

Introduction

The Harbour Waterway Special District (HWSD) meeting of the Board of Supervisors was held at the Resurrection Episcopal Church on March 13, 2018. The meeting was called to order at 7:38 PM by Robert Birtalan. In attendance were Robert Birtalan, Michael Levi and Stanley Pipes. It was noted that there was a quorum present. Harbour Waterway Special District attorney Wayne Flowers was present. Kathryn Amason was present as recording secretary.

Administrative

Approval of Minutes from February 13, 2018 – Motion made to approve the minutes as written; motion passed.

District Business

Spoil Site – Reed Island:

Rezoning Process:

Comments from Department of Economic Opportunity – The letter from the Florida Department of Economic Opportunity was presented to the board. There were no comments. The 31 day period has ended, so the property rezoning has officially been completed.

Resolution 2018-02, BB&T Funding Proposal – The resolution gives the board authorization to proceed with the loan. The principal amount is not to exceed \$475,000 at a 4.5% interest rate with a 10 year term. An amortization table was presented to the board for a principal amount of \$450,000, which shows the total repayment amount to be \$592,084.78. Motion made to approve Resolution 2018-02; motion passed. Closing must occur by April 30th to allow for the repayment of the 2012 & 2013 series notes on May 1st.

Waterway Rules & Dock Approvals:

Wally & Mary Lovely (Revised) – 11350 Beacon Drive – The floating dock was pushed 10 feet out into the canal, which drew complaints from the neighbor Hal West. Stanley Pipes mediated the

dispute and a compromise was reached. The revised plans have the floating dock 5 feet from the bulkhead. The board approved the revised plans as presented.

Financial

HWSD non-Ad Valorem Assessment:

2017 non-Ad Valorem Assessment - Status - 93.7% of the assessment has been collected, for a total distribution of \$186,944.35. Several properties remain outstanding.

Approval to disburse funds – Motion made to approve disbursements for administrative and legal services totaling \$3,697.50; motion passed. Lewis, Longman & Walker reduced the bill for legal services by \$2,000. After the projected debt service, the projected revenue from the 2017 assessment, and the proceeds from the BB&T 2018 revenue note, the total of the disposable funds remaining in the BB&T checking account is \$328,736.22.

District Schedule

Next Scheduled Board Meeting – The next meeting will be April 10, 2018 at Resurrection Episcopal Church.

Other Business

Legal and Compliance Issues – The legislative session ended yesterday. Anything relating to special districts will be known before the April board meeting.

Robert Birtalan is on the Waterways Commission. He described a pending ecological restoration project for Big Fishweir Creek, which has funds coming from the state, city and the Florida Navigational District. There is no maintenance agreement to keep up with the site. The proposal before the Waterways Commission passed and will go to City Council for approval. If the HWSD put a public access boat ramp in the canal, it could become eligible for public money to assist with dredge costs. The board discussed that the other half of the Reed Island site could be gifted to the HWSD in lieu of like kind monetary assistance. Robert Birtalan suggested bringing the issue to City Councilman Al Ferraro, who is the City Council representative on the Waterways Commission. A meeting would need to be noticed to discuss the issue. The addition of the city's parcel would avoid the need for a levee to be built on Reed Island.

The budget needs to be completed for submission to the city. Stanley Pipes will compile the budget, accounting for funds to purchase the other Reed Island parcel.

Dredge America contacted Stanley Pipes. They were asked for a proposal for a small dredge to be completed next year. They will give the board information on geo-textile tubes as well.


Comments and Questions from the Audience

There were no comments.

Adjournment

The meeting was adjourned at 8:07 PM. The next monthly Board of Supervisors meeting is scheduled for April 10, 2018.

Respectfully submitted,



Kathryn Amason
Recording Secretary



Stanley H Pipes, Jr.
Secretary / Treasurer

HARBOUR WATERWAY SPECIAL DISTRICT
RESOLUTION NO. 2018-02

A RESOLUTION OF THE HARBOUR WATERWAY SPECIAL DISTRICT, DUVAL COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF ITS TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2018 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$475,000, IN ORDER TO FINANCE THE PURCHASE OF PROPERTY TO BE USED AS A DREDGE SPOIL SITE AND A PORTION TO BE USED FOR DREDGING OF CANALS, AS MORE FULLY DESCRIBED HEREIN; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF THE NOTE TO BRANCH BANKING AND TRUST COMPANY PURSUANT TO THE TERMS AND CONDITIONS OF THE LOAN PROPOSAL AND AGREEMENT; APPROVING THE EXECUTION AND DELIVERY OF SAID LOAN AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Harbour Waterway Special District, Duval County, Florida (the "District") is a dependent special district duly created and existing pursuant to Ordinance 2010-725 E (the "Ordinance") of the City of Jacksonville, Florida (the "City") and the Constitution and laws of the State of Florida; and

WHEREAS, the District was created for the purpose of maintaining the system of canals located in the Harbour neighborhood, the Harbour North neighborhood, the Harbour Cay neighborhood and the Harbour Island neighborhood (collectively, the "Canals"); and

WHEREAS, the District is authorized by the Ordinance to levy and collect special assessments, sometimes referred to as non-ad valorem assessments, levied upon real property within the District pursuant to Resolution No. 2017-02 (the "Assessments"), and to borrow money, issue bonds, Note or other obligations secured by the Assessments to finance all or some portion of the costs of maintaining the Canals; and

WHEREAS, the District finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience, and safety of the District and its inhabitants and in the public interest to provide for the financing to purchase property in order to deposit dredge material and develop said property for the aforementioned purpose and provide a portion for future dredging of the Canals (the "Projects") through the issuance of its not to exceed \$475,000 Taxable Special Assessment Revenue Note, Series 2018 (the "Series 2018 Note"), secured by the Loan Proposal and Agreement between the District and Branch Banking and Trust Company (the "Loan Agreement") in substantially the form attached hereto as Exhibit A; and

WHEREAS, debt service on the Note will be secured by the Assessments, and the Assessments shall be sufficient to pay all principal of and interest and prepayment premium, if any, on the Note, as the same becomes due, and to make all deposits or payments required by this Resolution and the Loan Agreement; and

WHEREAS, the District has no ad valorem taxing power and, therefore, shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made under this Resolution or the Loan Agreement. The Note shall not constitute a lien on any property owned or situated within the limits of the District other than the Assessments; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE DISTRICT, as follows:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the Florida Constitution; Section 125.325, Florida Statutes; Chapter 163, Part I, Florida Statutes; Chapter 189, Florida Statutes; the Ordinance; and other applicable provisions of law.

SECTION 2. AUTHORIZATION OF THE NOTE. Subject and pursuant to the provisions of this Resolution, an obligation of the District to be known as "Harbour Waterway Special District, Duval County, Florida, Taxable Special Assessment Revenue Note, Series 2018" is hereby authorized to be issued under and secured by this Resolution and the Loan Agreement related thereto in the principal amount of not to exceed \$475,000, for the purposes of financing the Projects and paying the transaction costs associated with the Series 2018 Note.

SECTION 3. AUTHORIZATION OF THE PROJECTS. The financing of the Projects in the manner herein provided is hereby authorized.

SECTION 4. NEGOTIATED SALE. Due to the characteristics of the Note, prevailing market conditions, the critical importance of the timing of the sale of the Note, the ability of the District to access direct purchase with the Bank and for the District to receive the benefits of lower interest rates and issuance costs, it is hereby determined that it is in the best interest of the District to accept the offer of the Bank to purchase the Note at a private negotiated sale. Prior to the issuance of the Note, the Issuer shall receive from the Bank a Purchaser's Certificate and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes.

SECTION 5. AMOUNT OF THE NOTE. The principal amount of the Series 2018 Note shall not exceed \$475,000. The Note shall be made as a taxable borrowing, which shall include costs of issuance incurred by the District according to the terms and conditions set forth in the respective Loan Agreement with such changes, insertions and omissions as may be approved by the Chairman or Secretary / Treasurer of the Board of Supervisors of the District (the

"Board"). The redemption provisions, if any, relating to the Note shall be as provided in the Loan Agreement.

SECTION 6. TERMS OF THE NOTE. The Secretary/Treasurer of the Board is hereby authorized to award the sale of the Series 2018 Note to the Bank on his determination that the commitment for the purchase of the Series 2018 Note is within the following parameters: (i) the final maturity of the Series 2018 Note shall not be later than May 1, 2028, (ii) the interest rate of the Series 2018 Note shall not exceed 4.50%, and (iii) the principal amount of the Series 2018 Note shall not be in excess of \$475,000.

SECTION 7. APPROVAL OF THE LOAN AGREEMENT AND NOTE. The Chairman, or the Vice-Chairman, as attested by the Secretary/Treasurer, or any other appropriate officers of the District are hereby authorized and directed to execute and deliver the Loan Agreement relating to the Note, to be entered into by and among the District and the Bank in substantially the form attached hereto as Exhibit A, and execute and deliver the Note in substantially the form attached to the Loan Agreement, with such changes, insertions and omissions as may be approved by the Chairman, Vice-Chairman or Secretary/Treasurer, the execution thereof being conclusive evidence of such approval.

SECTION 8. OTHER INSTRUMENTS. The Chairman, Vice-Chairman, Secretary/Treasurer and other District officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution and the Loan Agreement or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Note, this Resolution and the Loan Agreement and they are hereby authorized to execute and deliver all documents which shall be required by Note Counsel or the Bank to effectuate the sale of the Note. All action taken to date by the officers, attorneys and any other agents and employees of the District in furtherance of the issuance of the Note is hereby approved, confirmed and ratified.

SECTION 9. ADDITIONAL INFORMATION. The Note and the Loan Agreement shall not be executed and delivered unless and until the District has received all information required by Section 218.385, Florida Statutes.

SECTION 10. PAYMENT OF PRINCIPAL AND INTEREST; LIMITED OBLIGATION. The District promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Note shall not be or constitute a general obligation or indebtedness of the District as a "bond" within the meaning of Article VII, Section 12 of the Florida Constitution, but shall be payable solely from the Assessments in accordance with the terms of this Resolution and the Loan Agreement. No holder of the Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to pay

the Note, or be entitled to payment of the Note from any funds of the District except from the Assessments.

SECTION 11. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

Adopted this 13th day of March, 2018.

BOARD OF SUPERVISORS FOR THE
HARBOUR WATERWAY SPECIAL
DISTRICT

By: 
CHAIRMAN

ATTEST:

By: 
SECRETARY OF THE BOARD

EXHIBIT A

FORM OF LOAN PROPOSAL AND AGREEMENT



Governmental Finance
1201 Main Street 7th Floor
Suite 700
Columbia, S.C. 29201
Office: (803) 251-1328

March 7, 2018

Stanley H. Pipes
Secretary/Treasurer
Harbour Waterway Special Assessment District
11554 Starboard Drive
Jacksonville, FL 32225

Dear Mr. Pipes:

Branch Banking and Trust Company (“BB&T”) is pleased to offer this proposal for the financing requested by Harbour Waterway Special Assessment District (“District”).

- (1) **Project:** Assessment Bond, Series 2018
- (2) **Amount to Be Financed:** \$450,000
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

| <u>Term</u> | <u>Taxable Rate</u> |
|-------------|---------------------|
| 10 Years | 4.50% |

Principal & interest payments shall be due annually commencing May 1, 2019 and shall continue each May 1 thereafter through final maturity. Interest on the principal balance of the Bond shall accrue based on a 30/360 day count basis. BB&T must approve of the final amortization schedule.

The interest rate stated above is valid for a closing no later than April 25, 2018. Closing of the financing is contingent upon completing documentation acceptable to BB&T and its counsel. BB&T will not be required to present the Bond for any payment regarding this transaction.

Remuneration for our legal review expenses for this financing transaction shall not exceed \$3,500. This Bank Counsel fee shall be paid by the District on behalf of BB&T, either through financing proceeds or by the District directly. All applicable taxes, permits, costs of counsel for the District and any other costs shall be the District’s responsibility and separately payable by the District.

The transaction will be prepayable in whole with a one percent prepayment penalty. As an alternative, the District may choose for the transaction to be noncallable prior to May 1, 2023 then prepayable in whole at any time without penalty, thereafter. Any amount due hereunder not paid when due shall bear interest at a default rate equal to the interest rate on the Series 2018 Note plus 2% per annum from and after five (5) days after the date due.

- (4) **Financing Documents:**

It shall be the responsibility of the District to retain and compensate counsel to appropriately structure the financing documents according to Florida State statutes. BB&T shall also require the District to provide an

unqualified bond counsel opinion. BB&T and its counsel reserve the right to review and approve all documentation before closing.

BB&T will require audited financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

(5) Security:

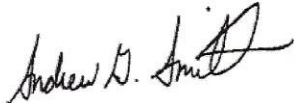
The Bond will be secured through special assessments of the District.

BB&T shall have the right to cancel this offer by notifying the District of its election to do so (whether or not this offer has previously been accepted by the District) if at any time prior to the closing there is a material adverse change in the District's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the District or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T.

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer. Please call me at (803) 251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

Branch Banking and Trust Company

A handwritten signature in black ink, appearing to read "Andrew G. Smith". The signature is fluid and cursive, with a large, stylized initial "A" and "S".

Andrew G. Smith
Senior Vice President

BB&T BANK LOAN PROPOSAL

03/07/2018

TAXABLE OPTION:

| | | | |
|--------------------|---------------|---------------------------|-------------------|
| Principal Balance | \$ 468,500.00 | PRINCIPAL | \$ 450,000 |
| | | ISSUANCE FEES (Estimated) | \$ 15,000 |
| Annual Rate | 4.500% | UNDERWRITING FEES | <u>3,500</u> |
| Number of Payments | 10 | Total Loan Amount | 468,500 |

| | | PAYMENT DUE DATE | INTEREST | PAID PRINCIPAL | LOAN PAYMENT | OUTSTANDING BALANCE | PERIODS REMAINING |
|----|----|---------------------|---------------------|---------------------|---------------------|------------------------|----------------------|
| 1 | 1 | 01-May-19 | (21,082.50) | (38,125.98) | (59,208.48) | 430,374.02 | 10 |
| 2 | 2 | 01-May-20 | (19,366.83) | (39,841.65) | (59,208.48) | 390,532.38 | 9 |
| 3 | 3 | 01-May-21 | (17,573.96) | (41,634.52) | (59,208.48) | 348,897.85 | 8 |
| 4 | 4 | 01-May-22 | (15,700.40) | (43,508.07) | (59,208.48) | 305,389.78 | 7 |
| 5 | 5 | 01-May-23 | (13,742.54) | (45,465.94) | (59,208.48) | 259,923.84 | 6 |
| 6 | 6 | 01-May-24 | (11,696.57) | (47,511.91) | (59,208.48) | 212,411.94 | 5 |
| 7 | 7 | 01-May-25 | (9,558.54) | (49,649.94) | (59,208.48) | 162,762.00 | 4 |
| 8 | 8 | 01-May-26 | (7,324.29) | (51,884.19) | (59,208.48) | 110,877.81 | 3 |
| 9 | 9 | 01-May-27 | (4,989.50) | (54,218.98) | (59,208.48) | 56,658.83 | 2 |
| 10 | 10 | 01-May-28 | (2,549.65) | (56,658.83) | (59,208.48) | 0.00 | 1 |
| | | | <u>(123,584.78)</u> | <u>(468,500.00)</u> | <u>(592,084.78)</u> | | |

HARBOUR WATERWAY SPECIAL DISTRICT 2017 NON-AD VALOREM ASSESSMENT - DISTRIBUTION REPORT

03/13/2018

| DATE | GROSS TAX | EARLY PAYMENT DISCOUNT | NET TAX | TC FEE | PA FEE | DISTRIBUTION |
|----------------------------|-------------------|---------------------------|-------------------|-------------------|-------------------|----------------------|
| NOVEMBER | | | | | | |
| 1 - 08 | 10,501.71 | (415.05) | 10,086.66 | (201.73) | (151.30) | 9,733.63 |
| 09 - 16 | 20,000.00 | (800.00) | 19,200.00 | (384.00) | (288.00) | 18,528.00 |
| 17 - 27 | 54,000.00 | (2,160.00) | 51,840.00 | (1,036.80) | (777.60) | 50,025.60 |
| 28 - 30 | 83,000.00 | (3,320.00) | 79,680.00 | (1,593.60) | (1,195.20) | 76,891.20 |
| DECEMBER | | | | | | |
| 1 - 08 | 14,125.54 | (523.77) | 13,601.77 | (272.04) | (204.03) | 13,125.71 |
| 09 - 19 | 501.71 | - | 501.71 | (10.03) | (7.53) | 484.15 |
| 20 - 31 | 6,238.74 | (237.54) | 6,001.20 | (120.02) | (90.02) | 5,791.16 |
| JANUARY | | | | | | |
| 1 - 16 | 2,000.00 | (20.00) | 1,980.00 | (39.60) | (29.70) | 1,910.70 |
| 17 - 31 | 4,500.00 | (90.00) | 4,410.00 | (88.20) | (66.15) | 4,255.65 |
| February | | | | | | |
| 1 - 12 | 2,503.38 | (40.00) | 2,463.38 | (49.27) | (36.95) | 2,377.16 |
| 13 - 28 | 4,000.00 | (40.00) | 3,960.00 | (79.20) | (59.40) | 3,821.40 |
| March | | | | | | |
| 1 - 16 | | | - | - | - | - |
| 17 - 31 | | | - | - | - | - |
| April | | | | | | |
| 1 - 15 | | | - | - | - | - |
| 18 - 28 | | | - | - | - | - |
| May | | | | | | |
| 1 - 31 | | | | | | |
| June | | | | | | |
| 1 - 30 | | | - | - | - | - |
| July - August | | | | | | |
| 1 - 31 | | | | | | |
| September | | | | | | |
| 1 - 30 | | | | | | |
| <i>Unpaid Assessments</i> | | | | | | |
| | 13,628.92 | | | | | |
| TOTAL DISTRIBUTION: | 201,371.08 | (7,646.36) | 193,724.72 | (3,874.49) | (2,905.87) | \$ 186,944.35 |
| % Collected | 93.7% | | | | | |
| TOTAL TAX BILLED | 215,000.00 | | | | | |

HARBOUR WATERWAY SPECIAL DISTRICT

Motion to Disburse Funds:

Tuesday, March 13, 2018

| Date | Num | Description | Memo | Amount |
|---|-----|---|--|--|
| CURRENT ASSETS | | | | |
| 01/31/2018 | | BB&T CHECKING ACCOUNT | BEGINNING BALANCE | \$ 310,284.98 |
| | | TOTAL DEPOSITS | February 1 thru 28 | 6,632.81 |
| | | | | TOTAL CURRENT ASSETS \$ 316,917.79 |
| CLEARED DISBURSEMENTS | | | | |
| 02/13/2018 | | Resurrection Episcopal Church | HWSD - Meeting Place (February 13) | (75.00) |
| 02/13/2018 | | Kathryn Amason | HWSD - Administrative Services (January 09) | (150.00) |
| 02/13/2018 | | Lewis Longman & Walker | HWSD - Legal Services (December & January) | (1,825.00) |
| 02/15/2018 | | JaxPort | HWSD - Purchase of Reed Island Property | (302,247.00) |
| | | | | - |
| DISBURSEMENTS - SubTotal | | | | (304,297.00) |
| | | | | TOTAL ENDING BALANCE \$ 12,620.79 |
| OUTSTANDING DISBURSEMENTS / DEPOSITS | | | | |
| | | | | - |
| | | | | SubTotal - |
| REQUESTED DISBURSEMENTS | | | | |
| 03/13/2018 | | Resurrection Episcopal Church | HWSD - Meeting Place (March 13) | (75.00) |
| 03/13/2018 | | Kathryn Amason | HWSD - Administrative Services (February 13) | (150.00) |
| 03/13/2018 | | Lewis Longman & Walker | HWSD - Legal Services (February) | (3,472.50) |
| | | | | - |
| TOTAL REQUESTED DISBURSEMENT: | | | | \$ (3,697.50) |
| | | | | BALANCE SUBTOTAL \$ 8,923.29 |
| | | | | PROJECTED REVENUE FROM 2017 ASSESSMENT \$ 14,877.05 |
| Collected as of 02-28-2018 | | \$ | 183,123 | |
| PROJECTED PROCEEDS FROM 2018 REVENUE NOTE - BB&T | | | | \$ 450,000.00 |
| PROJECTED DEBT SERVICE | | | | |
| 05/01/2018 | | Interest Payment | Series 2012 & 2013 Revenue Notes | (2,064.12) |
| 05/01/2018 | | Last - Principal Payment | Series 2012 & 2013 Revenue Notes | (143,000.00) |
| | | | | - |
| PROJECTED DEBT SERVICE EXPENSE: | | | | \$ (145,064.12) |
| TOTAL HWSD DISPOSABLE FUNDS | | | | |
| BB&T CHECKING ACCOUNT | | ENDING BALANCE after DISBURSEMENTS & DEBT SERVICE | | \$ 328,736.22 |