

MINUTES OF MEETING
MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Middle Village Community Development District was held Monday, October 16, 2017 at 2:00 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065.

Present and constituting a quorum were:

Rocky Morris	Chairman
Michael Steiner	Supervisor
John Jarrett	Supervisor
Rod Swartz	Supervisor
Shawn Vick	Supervisor

Also present were:

Jim Perry	District Manager
Jason Walters	District Counsel
Jay Soriano	GMS Community Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 2:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the September 14, 2017 Meeting**
- B. Financial Statements**
- C. Assessment Receipt Schedule**
- D. Check Register**

Mr. Steiner stated there is a change on page two of the minutes where it says Mr. Morton abstained, it's supposed to be Mr. Swartz. I sent a couple of others into Courtney.

Mr. Swartz stated I just saw something and I'll email it to you.

Mr. Perry stated we are in good financial shape and most of the expenditures have a favorable variance. Under amenities revenue we budgeted \$45,000 and we're already at

\$84,000 and your sister district, likewise, but is not as favorable. Both facilities are being rented quite a bit.

Mr. Morris asked to what do we owe the size of the increase?

Mr. Soriano responded keeping the rooms packed. People rent these rooms a whole year in advance. We are one of the cheapest venues in the area. I've given you the study before showing all that you get here. Compare us to the golf clubs and country clubs at other districts and this is the way to go for a big event. I let Wanda handle everything so that we have one person booking and we don't have any issues. She works hard to make sure every week and weekend we have things going on in this room.

Mr. Perry stated the assessment receipt schedule is at over 100%. The check register presented in the package includes \$30,542.79 of Vesta invoices that we will deduct from that in order for all members to be able to vote so the check register in the consent agenda would be \$199,824.92.

On MOTION by Mr. Morris seconded by Mr. Swartz with all in favor the consent agenda was approved.

FOURTH ORDER OF BUSINESS

Consideration of Approval of Vesta Invoices

Mr. Perry stated the Vesta invoices total \$30,542.79.

On MOTION by Mr. Morris seconded by Mr. Jarrett with Mr. Swartz abstaining a vote the Vesta invoices were approved.

FIFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Walters stated I wanted to provide an update regarding the Village Center parcel. We got notice from the County, and I have spoken to some folks in both the Clerk's office and in the Tax Collector's office, that the sale on the tax certificate has now been set for November 15th. I've been trying to have those conversations with folks in both offices to unravel and

unlock the sequences of how these sales work. It seems like county to county it varies so there's not a standard throughout the state. Each tax collector and county clerk has somewhat of their own ways about viewing things but I did nail down some of the timing issues and one of the things I felt was important was that it's their understanding, as well as ours, that our assessment lien survived that tax deed sale. Generally when you're speaking of liens and how they get extinguished in priorities, so long as you're co-equal or superior, a lower lien or co-equal lien cannot erase your lien and that's always the case with ours. Chapter 190 makes it clear that our liens are co-equal with that of the state, county and other local governments. So we still have that in place. The worrisome part is this is a giant tax certificate. The opening bid is a little over a million dollars. I don't foresee anyone coming in to even sniff at that number so the question becomes what happens if no one bids. The procedures they outlined for me was essentially that if no one comes into that bid there is a 30-day window in which the certificate holder has to come take title. They essentially can turn in their certificates, pay the recording fees and take title to the property. If they don't, there's a 90-day period where the county can come in and take the property. There are some questions there in terms of what they would have to pay. We're kind of working through all those scenarios and I think at some point it's probably going to behoove us from a staff perspective to have a conversation with the certificate holder to say, where are we all going and what is the plan here because there's some scenarios out there it seems where the property can just be in limbo for a while where no one comes in and bids on it, the certificate holder doesn't take it, the county doesn't take it and it then goes onto what they call the lands available for sale, meaning it's just there and someone can come in at any point and get it, but it's for that opening bid, plus interest that's now accruing at a pretty rapid pace. I think the period is three years, after a three-year period it just becomes the county's and I don't think they have to pay a price, in which case we're probably in a better position. The problem is that's three years from now so in a perfect world I think the certificate holder would take that. Amongst the parties that could do it they have the least amount invested for the most return.

Mr. Morris asked is it the entity in Central Florida?

Mr. Walters responded it is. It's a group that does this around the state. This is their business. The name of their company is Kite Tax Lien. I've dealt with them a number of times. They are sophisticated in the business and they should know what they're doing so that was the

curiosity to me that they would put in additional money, six figures worth of additional money if they're going to let it go. That to me seems like a very poor business decision but maybe there is something behind it for them so we will probably end up opening that dialogue and then we will come back at the next meeting hopefully with some further information in terms of what their plans are and what our options will be moving forward.

Mr. Jarrett asked is the property you're talking about at the corner by the clock tower? Is it both sides or just the one side?

Mr. Walters responded just the one side behind the UF building. That goes from the back side of that to the lake. It's about ten acres. The real problem that got this thing upside down in the first place was that it's a really dense piece. It's 202 multi family units. The market for that just wasn't there after the recession. To unravel that, it takes some work to redesign it, re-engineer it and everything else.

Mr. Jarrett asked what about the properties on all four corners of that area? Are most of those all in that situation? At one time it looked like they put where a road would go. Are they going to build something there where the parking lot goes around?

Mr. Walters responded the rest of those quadrants are commercial so the buildings that are already there are the planned development for the rest of those. That landowner is Don Hinson who previously sat on this board. He is not in default, he has paid his assessments every year. My understanding would be that he intends to develop those as originally planned so I don't anticipate those being an issue. We've got park space behind their's but those aren't development parcels behind there so those are pretty much developed parcels, they are just waiting to be sold.

Mr. Morris stated and they are generating revenue to the district.

Mr. Jarrett stated when you look at if they are three-highs and four-highs just like they did across the street and then you add those other commercial areas on those corners, that traffic in that area could be incredible in the next three or four years.

Mr. Walters stated it doesn't look like the high density model is going to work there. We did build those slip lanes to get traffic off the main roads into those commercial pieces so hopefully once it's up and going there will be some logical traffic flow there. The only other piece we're mixing into this, and there's a good chance we will have the folks from MBS on the call for the next meeting, is to the extent Charlie comes in to pay off the rest of that, really

the only piece we're talking about now is this piece and there may be some financing machinations that could help as well.

Mr. Morris asked can you describe to us the formation of and the roll of the special purpose entity?

Mr. Walters responded when this piece stopped paying the landowner made it clear we will give this piece to you, it's not a viable option for us any further. You have a couple options; you can foreclose on that property and take it in the name of the district. The issue with that is was once you do that you wipe out all of your assessment liens and we weren't going to have to foreclose because they were willing to just write us a deed and say, you can have the property, so what we've done here, and in a lot of districts around the state this is not a novel concept, is to create that special purpose entity, an LLC for the sole purposes of holding that property and it's subject to a tri-party agreement between the district, that entity and the trustee. Essentially what that allows us to do is that entity takes title and it holds the property and our liens stay in place because if the district takes title you have merger issues where you can't have your own lien on your own property. Those title and liens merge together so it allowed us to set up an entity, take title to it, the trustee has funded other costs to that entity and the liens stay in place. Obviously we are still where we are but at least we have those liens as an option moving forward. We've done that in lots of projects around the state, it's just a matter of managing your recovery options the best you can.

Mr. Steiner stated I figure that probably the injection of those 300 and some odd units that Charlie is building up there lowers the expectations of viability on another 4-high going in there.

Mr. Walters stated yeah and again, I think the 4-high concept is dead there. Everyone who has looked at it and everyone we have talked to about it has looked at small-lot single-family and town house type options.

Mr. Steiner stated I'm surprised Charlie is putting in as many as he's got down there.

Mr. Walters stated he's got some investors and apparently they've done well.

Mr. Morris stated along the lines of the corner property down here, there was discussion at one point of modifying it to construct an assisted living facility. The idea of it has softened particularly because of the opening of the one down the street.

Mr. Jarrett stated and you also have the one by St. Luke's on Old Jennings.

Mr. Steiner stated and there's two more going to file with Clay County across from the hospital.

Mr. Walters stated look for another update and perhaps even have MBS to participate in the meeting for November.

B. Engineer

There being none, the next item followed.

C. Manager

There being none, the next item followed.

D. Operations Manager – Report

Mr. Soriano stated we just had our fall camp out over at your sister district. It worked out great. We had a little over 200 people at the event and 180 preregistered which has really been my big push over this last year. It makes it extremely hard on the staff members I have helping me out to put these big events on when people unexpectedly show up. We set the price point where it's a nice cheap fun night for the community but I don't want it so cheap that people sign up and don't show up. Cocoa with Claus for the first time in 13 years we will ask for paperwork and payment beforehand. Last year we had a huge problem with people showing up that night and Santa Claus has limited time for the kids. It's not fair to those people that preregister. The community garage sale was this past weekend. We took over setting up advertising, put it on Facebook and then we put out signs Friday and I came through Saturday afternoon to start picking everything up. Traffic was not huge but I think a little bit of that had to do with the fact that it was homecoming weekend so a lot of families were preoccupied. We have a very large event coming up at your sister district, the Spooktacular. This is the large party we do on the basketball courts and there's usually about 500 people or so. That will be this Friday and then we have our normal holiday events, Turkey Trot and Cocoa with Claus.

Our pools are closed for the season. I have received one or two complaints but mostly because it feels like summertime out there. We set up our calendars well ahead of time and it's contracted out. We never thought it was going to be in the mid to high 90s right now and this is the schedule we've had for the last few years. I turned on the heaters to check them out and I was able to get them running for a little while. I can't get them to run for long because the water is warm. The water is 83 degrees and I can only max the heaters out at 85 anyway. Everything is working the way as planned and if we get some cool weather over the next few

weeks, those heaters will be on. We probably won't have to start using covers until November depending on how cool it gets before we have to change the operating hours and pull the covers each morning. When we do, we will send out emails to let everyone know.

Our usage is still pretty high although those numbers dropped off because the pools are closed. The last month we went to the alternating schedule where every other day we were closed. Because of the weather we still had a good amount of people. You'll notice with the numbers of the rentals these rooms stay packed.

Moving on to the operations side. I was able to get an invoice set up and signed for this last year for the fitness equipment. We ended up at \$31,931 so it's a little over \$11,000 under the list price that I prepared you guys for. Right now I'm sitting about \$23,245 under budget. I haven't gotten quotes yet for the reconstruction of the wall for the staff to be able to sit in that room but I don't foresee that being a problem. I think we're going to be well under. This company was a couple thousand dollars more than one of the other quotes I had but I went with them for a couple of reasons. One, I like their equipment so much better. I've worked with them for years and it's a little more durable. That little bit of a price difference when it comes to equipment that may last 10 years compared to something that may only last six years, it really does not play into it for me. The other issue was this was the company that has done the other work for us and they weren't giving us any other discounts or offering us anything for the equipment down there. The other company was trying to pull out everything to give us a low price. These guys said we can't give you a trade in on your equipment but we will help you however we can so they helped me with coordinating to get rid of that equipment. Basically they are going to transport it for free and it worked out with the fire department, they have a fitness room and they are going to take all of the equipment. This company will transport it, drop it off and get everything installed for them. We don't have a date yet. With the cardio equipment it was about six weeks so that would put us somewhere in November so I'm hoping we will have a date in the next couple of weeks and I can let residents know we will be shut down to tear down the wall, create the counter, get the new equipment and limit our downtime.

Mr. Steiner asked have you started getting the word out about requiring them to have the ID?

Mr. Soriano responded we have and when we're in there we let people know. Most people will tell you they are pretty happy with the idea but when it comes to the fact that they come one day without their card and aren't allowed in they are going to be really upset.

Mr. Steiner stated at least they won't be able to say we surprised them.

Mr. Soriano stated and that is part of the staffing plans. By putting in that gate and setting up the office we can have hours where it's open but not quite staffed yet. I would expect less issues but to start off we may just want to mirror exactly what's going on over at phase one. Everyone has liked it and it's worked out well. We can always adjust the schedule after we've gotten everybody used to the change in policy and the expectations for the hours. They are open from 5:00 a.m. to 10:00 p.m. during the week and they shut down for an hour from 1:00 to 2:00 for cleaning. We could alternate that, 5:00 to 10:00 and we shut down 12:00 to 1:00 so there's always a fitness center open. They're open 7:00 to 9:00 on the weekends. What we see over there is a lot of times you can go in and for an hour straight, no one is there. Especially in the summer. You get the early morning crowd and the evening crowd so we can adjust it once we get going but for the first couple of months I say we mirror everything they are doing. I've set the budget up based around that so we can afford it.

The only other open item was the landscape replacements. I've only seen a couple of these go in on your side. Your sister district has gotten a lot of their landscape replacements already. Deerview is the only one I've seen a few grasses go in. If you look down on the landscaping section of my report, they have already given me their numbers for one gallon plants, three gallon plants. Most of these will be things like jasmine or the roadside grasses but we do have some other small hedges that have a little bit of color to them that will go out at the promenade. Whitfield will get quite a bit and will also get sod that's been needed in the playground area. Hopefully this year will be one of the first years we've gotten the full contract amount. In years past we're usually changing them out for other services. This year there wasn't anything else that I had planned so we should have all of those plants and sod going in this month.

Mr. Swartz stated you might want to point out the starting blocks were all redone.

Mr. Soriano stated yes, the starting blocks were powder coated. This was a donation from the master association out at Double Branch. They've had a change in the way they manage things and they have some extra money that's burning a hole in their pocket so they

wanted to donate things. I put them in touch with the swim team rather than going through us as a district that way I don't have issues with people complaining. The swim team is made up of community kids from both sides so the president worked with the swim team. The blocks are now a nice blue and had decals on them that make them look a little more competitive.

Mr. Morris asked what is this rebuild walkway behind amenity center?

Mr. Soriano responded that's the wooden walkway that was taken out during the storm. We had to go do an inspection and there were no structural issues that we found, it was just the planks and the railings so we had to replace quite a bit.

SEVENTH ORDER OF BUSINESS Audience Comments/ Supervisor's Requests

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS Next Scheduled Meeting

Mr. Perry stated the next regularly scheduled meeting is November 13, 2017, at 2:00 p.m. at Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida.

NINTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Morris seconded by Mr. Jarrett with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman