

**CYPRESS PRESERVE
COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS
SPECIAL MEETING
AUGUST 26, 2019**

CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT AGENDA

Monday, August 26, 2019

10:00 A.M.

The Land O' Lakes Branch Library
Located at 2818 Collier Parkway Land O' lakes, FL 34639

District Board of Supervisors	Chair	Brian Howell
	Vice-Chairman	Eric Davidson
	Supervisor	Debby Nussel
	Supervisor	Kathleen Casey Swanson
	Supervisor	Vacant
District Manager	Meritus	Brian Lamb
District Attorney	Straley Robin Vericker	Vivek K. Babbar
District Engineer	Florida Design Consultants	Al Belluccia

All cellular phones and pagers must be turned off while in the meeting room

The meeting will begin at **10:00 A.M.** The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. Agendas can be reviewed online at: <http://cypresspreserveccd.com/blog/> or by contacting the Manager's office at (813) 397-5120 at least seven days in advance of the scheduled meeting. Each individual is limited to **three (3) minutes** for public comments. The Board of Supervisors or Staff is not obligated to provide a response at the meeting and may need additional time to research issues or concerns brought up at the meeting.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. No motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (813) 397-5120, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 711, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

Board of Supervisors
Cypress Preserve Community Development District

Dear Board Members:

The Special Meeting of Cypress Preserve Community Development District will be held on **August 26, 2019 at 10:00 A.M.** at the Land O’ Lakes Branch Library located at 2818 Collier Parkway Land O’ Lakes, FL 34639. The following is the Agenda for the Meeting:

Call-In Number: 1-866-906-9330

Access Code: 4863181

1. CALL TO ORDER/ROLL CALL

2. AUDIENCE QUESTIONS AND COMMENTS ON AGENDA ITEMS

3. BUSINESS ITEMS

- A. Consideration of Master Supplemental Assessment Methodology Report – AA2..... Tab 01
- B. Consideration of Resolution 2019-12; Declaring Special Assessments- AA2 Tab 02
- C. Consideration of Resolution 2019-13; Setting Public Hearing for Levying Imposing
Special Assessments Tab 03

4. SUPERVISORS REQUESTS

5. AUDIENCE QUESTIONS, COMMENTS AND DISCUSSION FORUM

6. ADJOURNMENT

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (813) 397-5120.

Sincerely,

Brian Lamb
Meritus

CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT

MASTER ASSESSMENT METHODOLOGY REPORT

ASSESSMENT AREA TWO



DMS District
Management
Services
A Meritus Company. Solutions for Better Communities.

Report Date:

August 26, 2019

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I. INTRODUCTION

The Cypress Preserve Community Development District (the “District”) authorized staff to prepare reports and resolutions, schedule public assessment hearings and undertake other efforts as required to enable consideration of special assessment liens on private benefiting properties within a designated assessment area known as “Assessment Area Two” (AA2). The benefit determination will be derived and quantified from the District’s Capital Improvement Program (CIP). The CIP has been developed in conjunction with the District Engineer’s Report which provides descriptions and an estimated cost of the public improvements and community facilities planned by the District. The implementation of the CIP will allow the Developer to proceed with the Development Plan at the anticipated density and intensity. Options will be available for the issuance of tax-exempt Special Assessment Revenue Bonds (“Bonds”) levied against AA2 to support qualifying costs associated with the benefiting portion of the CIP with respect to AA2.

The District plans to issue more than one series of Bonds. This Master Assessment Methodology Report (herein, the “Report”) relates to the second assessment area in the District, AA2, and is intended to identify the Maximum Assessment parameters under current plans for future bond issuances specific to that area only. Supplemental reports will be issued to reflect the factors for the related issuance of a specific series of bond(s) pertaining to AA2.

The Bond(s) will be repaid from and secured by non-ad valorem assessments levied on those properties benefiting from the improvements within Assessment Area Two. Non-ad valorem assessments will be collected each year to provide the funding necessary to remit Bond debt service payments, and to fund operations and maintenance costs related to the capital improvements maintained by the District.

In summary, this Report will determine the benefit, apportionment, and financing structure for the Bond(s) to be issued by the District in accordance with Chapters 170, 190 and 197, Florida Statutes, as amended, to establish a basis for the levying and collecting of special assessments based on the benefits received and is consistent with our understanding and experience on this subject.

II. DEFINED TERMS

“Assessable Property:” – All property within the District that receives a special benefit from the CIP.

“Assessment Area One” (AA1) – 275.64 gross acres within the District identified by legal description within the District as defined by the District Engineer’s Supplement #1 to the Engineer’s Report which now contemplates 489 Units⁽¹⁾.

“Assessment Area Two” (AA2) – 166.47 gross acres within the District identified by legal description within the District as defined by the Engineer’s Report which now contemplates 343 Units.

“Capital Improvement Program” (CIP) – The public infrastructure development program as outlined by the Engineer’s Report.

“Developer” –Cypress Preserve 841, LLC.

⁽¹⁾ The original plan contemplated 487 units.



“Development Plan” – The end-use configuration of Platted Units and Product Types for Unplatted Parcels within the District.

“District” – Cypress Preserve Community Development District, 443.39 gross acres with current Development Plans for up to 832 Units.

“Engineer Report” – *Engineer’s Report for Cypress Preserve Community Development District*, dated March 27th, 2019.

“Equivalent Assessment Unit” (EAU) – A weighted value assigned to dissimilar residential lot product types to differentiate assignment of benefit and lien values.

“Maximum Assessments” – The maximum amount of special assessments and liens to be levied against benefiting assessable properties to be used to secure and repay the Bonds.

“Platted Units” – Private property subdivided as a portion of gross acreage by virtue of the platting process.

“Product Type” – Classification assigned by the District Engineer to dissimilar Lot products for the development of the vertical construction. Determined in part as to differentiated sizes, setbacks and other factors.

“Unplatted Parcels” – Gross land acreage intended for subdivision and platting pursuant to the Development Plan.

“Unit(s)” – A planned or developed residential lot assigned a Product Type classification by the District Engineer.

“AA2 Master Report” or “Report” – This *Master Assessment Methodology – Assessment Area Two Report*, dated August 26th, 2019 provided to support the benefit and Maximum Assessment Liens on private developable property within Assessment Area Two.

III. OBJECTIVE

The objective of the AA2 Master Report is to:

- A. Recite key elements of the District’s CIP Phase 2 construction and/or acquisition plan; and
- B. Determine a fair and equitable method of spreading the associated costs to the benefiting properties within AA2 and ultimately to the Planned Units therein as contemplated in the current Development Plan; and
- C. Provide a basis for the placement of a Maximum Lien on the assessable lands within AA2 benefiting from the CIP.

IV. DISTRICT & ASSESSMENT AREA TWO OVERVIEW

The District encompasses 443.39 acres located in Pasco County, Florida within Sections 8, 16 and 17, Township 25 South, Range 18 East. The Developer of the property within AA1 and AA2 has created the overall Development Plan in conjunction with the District Engineer outlined within the Engineer’s Report. The CIP for the District contemplated two



phases for construction and/or acquisition. The first phase will occur within the AA1 boundaries consisting of 275.64 gross acres, and the Development Plan for AA1 projects 489 Platted Units. AA2 boundaries consist of 166.47 gross acres and the AA2 Development Plan anticipates 343 Units. The complete Development Plan will consist of 832 Units as detailed within Table 2. All 832 Units in the two phases of the Development Plan are contained within AA1 or AA2.

V. CAPITAL IMPROVEMENT PROGRAM (CIP)

The District Engineer has identified the infrastructure and respective estimated costs to complete the CIP as detailed in the Engineer's Report. The CIP includes drainage & surface water management system, on-site roadways, on-site utilities, off-site utilities & roadway improvements, professional fees, and environmental & recreational improvements. The total cost of the CIP for the complete Development Plan is estimated at \$26,619,828.

It is imperative to note that the costs within Phase 1 (\$16,872,879) and Phase 2 (\$9,746,950) of the CIP and Development Plan have two benefit categories, "Unique" and "Common". Unique Costs are defined by the Engineer as costs benefiting those Units or Planned Units specifically within the defined areas of AA1 or AA2, whereas Common Costs benefit all Units or Planned Units within AA1 and AA2, collectively within the District.

The District anticipates that as each phase of the Development Plan are constructed, the Unique Costs and relative shares of Common Costs will be funded utilizing both Bond Proceeds and Developer contributions.

VI. DETERMINATION OF SPECIAL ASSESSMENT

There are three main requirements for valid special assessments. The first requirement demands that the improvements to benefited properties, for which special assessments are levied, be implemented for an approved and assessable purpose (F.S. 170.01). As a second requirement, special assessments can only be levied on those properties specially benefiting from the improvements (F.S. 170.01). Thirdly, the special assessments allocated to each benefited property cannot exceed the proportional benefit to each parcel (F.S. 170.02).

The District's CIP contains a "system of improvements"; all of which consist of approved and assessable purposes (F.S. 170.01) which satisfies the first requirement for a valid special assessment, as described above. Additionally, the improvements will result in all private developable properties receiving a direct and specific benefit, thereby making those properties legally subject to assessments (F.S. 170.01), which satisfies the second requirement, above. Finally, the specific benefit to the properties is equal to or exceeds the cost of the assessments to be levied on the benefited properties (F.S. 170.02), which satisfies the third requirement, above.

The first requirement for determining the validity of a special assessment is plainly demonstrable; eligible improvements are found within the list provided in F.S. 170.01 and the Capital Improvement Program consists solely of such eligible improvements. However, certifying compliance with the second and third requirements necessary to establish valid special assessment requires a more analytical examination. As required by F.S. 170.02, and described in the next section entitled "Allocation Methodology," this approach involves identifying and assigning value to specific



benefits being conferred upon the various benefitting properties, while confirming the value of these benefits exceed the cost of providing the improvements. These special benefits include, but are not limited to, the added use of the property, added enjoyment of the property, probability of decreased insurance premiums and the probability of increased marketability and value of the property. The Development Plan contains a mix of single-family home sites and villas. The method of apportioning benefit to the planned product mix can be related to development density and intensity where it “equates” the estimated benefit conferred to a specific residential unit type. This is done to implement a fair and equitable method of apportioning benefit.

The second and third requirements (proven benefit and maximum assessment level) are the key elements in defining a valid special assessment. A reasonable estimate of the proportionate special benefits received from the CIP is demonstrated in the calculation of an equivalent assessment unit (EAU), further defined in the next section.

The determination has been made that the duty to pay the non-ad valorem special assessments is valid based on the special benefits imparted upon the property. These benefits are derived from the acquisition and/or construction of the District’s CIP. The allocation of responsibility for the payment of special assessments, being associated with the Bond liens encumbering AA2, has been apportioned according to a reasonable estimate of the special benefits provided, consistent with each land use category. Accordingly, no acre or parcel of property within the boundary of AA2 will be assessed for the payment of any non-ad valorem special assessment greater than the determined special benefit particular to that property.

VII. ALLOCATION METHODOLOGY

The CIP benefits all assessable properties within the District proportionally. The level of relative benefit can be compared through the use of defining “equivalent” units of measurement by product type to compare dissimilar development product types. This is accomplished through determining an estimate of the relationship between the product types, based on a relative benefit received by each product type from the CIP. The use of Equivalent Assessment Unit (EAU) methodologies is well established as a fair and reasonable proxy for estimating the benefit received by private benefitting properties. One (1) EAU has been assigned to the 40’ residential use product type as a baseline, with a proportional increase or decrease relative to other planned residential product types and sizes. Table 2 outlines EAUs assigned for residential product types under the current development plan. If future assessable property is added or product types are contemplated, this report will be amended to reflect such change.

The method of benefit allocation is based on the special benefit received from infrastructure improvements relative to the benefitting Assessable Property by use and size in comparison to other Assessable Property within the District. According to F.S. 170.02, the methodology by which valid special assessments are allocated to specifically benefited property must be determined and adopted by the governing body of the District. This alone gives the District latitude in determining how special assessments will be allocated to specific Assessable Property. The CIP benefit and special assessment allocation rationale is detailed herein and provides a mechanism by which these costs, based on a



determination of the estimated level of benefit conferred by the CIP, are apportioned to the Assessable Property within the District for levy and collection. The allocation of benefits and maximum assessments associated with the CIP are demonstrated on Table 3 thru 6. The Developer may choose to pay down or contribute infrastructure on a portion or all of the long-term assessments as evaluated on a per parcel basis, thereby reducing the annual debt service assessment associated with any series of Bonds.

VIII. ASSIGNMENT OF MAXIMUM ASSESSMENTS

This section sets out the manner for which special assessments will be assigned and imposed upon the land within AA2. Assessments will be assigned to Assessable Property on a gross land acreage basis until such time as the developable acreage is platted. The new parcels will then be reviewed as to use and product types. Pursuant to Section 193.0235, Florida Statutes, certain privately or publicly owned “common elements” such as clubhouses, amenities, lakes and common areas for community use and benefit are exempt from non-ad valorem assessments and liens regardless of the private ownership.

It is useful to consider three distinct states or conditions of development within a community. The initial condition is the “undeveloped state”. At this point the infrastructure may or may not be installed but none of the units in the relevant Development Plan have been platted. This condition exists when the infrastructure program is financed prior to any development. In the undeveloped state all of the lands within AA2 receive benefit from the CIP and all of the assessable land within AA2 would be assessed to repay any bonds. While the land is in an “undeveloped state,” special assessments will be assigned on an equal acre basis across all the gross acreage within AA2. Debt will not be solely assigned to parcels which have development rights, but will and may be assigned to undevelopable parcels to ensure integrity of development plans, rights and entitlements.

The second condition is “on-going development”. At this point, if not already in place, the installation of infrastructure has begun. Additionally, the Development Plan has started to take shape. As lands subject to special assessments are platted and fully-developed, they are assigned specific assessments in relation to the estimated benefit that each platted unit receives from the CIP, with the balance of the debt assigned on a per acre basis as described in the preceding paragraph. Therefore, each fully-developed, platted unit would be assigned a maximum par debt assessment pursuant to its Product Type classification as set forth in Table 8. It is not contemplated that any unassigned debt would remain once all the lots associated with the improvements are platted and fully-developed; if such a condition was to occur, the true-up provisions within this report would be applicable.

The third condition is the “completed development state.” In this condition the entire Development Plan for AA2 has been platted and the total par value of the Bonds has been assigned as specific assessments to each of the platted lots within AA2.



IX. FINANCING INFORMATION

The District will finance implementation of the CIP through the issuance of the Bonds secured by benefiting properties within AA2. Several items will comprise the bond sizing such as capitalized interest, a debt service reserve, issuance costs and rounding as shown on Table 7. The Underwriter has provided factors utilized in this assumption and are conservative in an effort to identify the Maximum Assessment and capacity for special assessment liens anticipated with future bond issuances. Supplemental reports to the AA2 Master Report will apply the methodology and allocation specific to the rates and terms pertaining to a series of Bonds.

X. TRUE-UP MODIFICATION

During the construction period of phase 2 of development, it is possible that the number of residential units built may change, thereby necessitating a modification to the per unit allocation of special assessment principal. In order to ensure the District's debt does not build up on the unplatted developable land, the District shall apply the following test as outlined within this "true-up methodology."

The debt per acre remaining on the unplatted land within AA2 may not increase above its ceiling debt per acre. The ceiling level of debt per acre is calculated as the total amount of debt for each Bond issue divided by the number of gross acres for such phase. Thus, every time the test is applied, the debt encumbering the remaining undivided land must remain equal to or lower than the ceiling level of debt per gross acre. If the debt per gross acre is found to be above the established maximum, the District would require a density reduction payment in an amount sufficient to reduce the remaining debt per acre to the ceiling amount based on the schedule found in Exhibit A, the Preliminary Assessment Roll, which amount will include accrued interest to the first interest payment date on the Bonds which occurs at least 45 days following such debt reduction payment.

True-up tests shall be performed upon the acceptance of each recorded plat submitted to subdivide developed lands within AA2. If upon the completion of any true-up analyses it is found the debt per developable acre exceeds the established maximum ceiling debt per developable acre and there is not sufficient development potential in the remaining acreage of AA2 to produce the EAU densities required to adequately service Bond debt, the District shall require the immediate remittance of a density reduction payment, plus accrued interest as applicable, in an amount sufficient to reduce the remaining debt per acre to the ceiling amount per developable acre and to allow the remaining acreage to adequately service Bond debt upon development. The final test shall be applied at the platting of 100% of the development units within AA2.

True-up payment requirements may be suspended if the landowner can demonstrate, to the reasonable satisfaction of the District and bondholders, that there is sufficient development potential in the remaining acreage within AA2 to produce the densities required to adequately service Bond debt. The Developer and District will enter into a true-up agreement to evidence the obligations described in this section.



All assessments levied run with the land and it is the responsibility of the District to enforce the true-up provisions and collect any required true-up payments due. The District will not release any liens on property for which true-up payments are due, until provision for such payment has been satisfactorily made.

XI. ADDITIONAL STIPULATIONS

Meritus Districts was retained by the District to prepare a methodology to fairly allocate the special assessments related to the Districts CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation Methodology described herein was based on information provided by those professionals. Meritus Districts makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

Meritus Districts does not represent the District as a Municipal Advisor or Securities Broker nor is Meritus Districts registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Meritus Districts does not provide the District with financial advisory services or offer investment advice in any form.



TABLE 1

CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT BUILDOUT COMMUNITY DEVELOPMENT PROGRAM COSTS					
COMBINED ASSESSMENT AREAS ONE & TWO					
ITEM	PHASE I UNIQUE AA1	MASTER/ COMMON AA1	PHASE II UNIQUE AA2	MASTER/ COMMON AA2	TOTAL
Engineering Design, Permitting, Surveying, Testing	\$950,695	\$28,500	\$394,177	\$0	\$1,373,372
Earthwork	\$3,092,433	\$0	\$1,913,289	\$0	\$5,005,722
Storm Water Management	\$1,595,009	\$0	\$930,610	\$0	\$2,525,619
Roads	\$2,247,808	\$0	\$1,483,068	\$0	\$3,730,876
Off-Site Improvements	\$620,082	\$0	\$0	\$0	\$620,082
Potable Water & Fire	\$615,900	\$0	\$483,778	\$0	\$1,099,678
Sanitary Sewer	\$1,394,477	\$0	\$461,769	\$359,105	\$2,215,351
Reclaimed Water	\$273,021	\$0	\$243,401	\$0	\$516,422
Recreational/Amenity	\$756,429	\$1,043,571	\$0	\$0	\$1,800,000
Landscaping/Irrigation/Hardscape	\$691,758	\$0	\$732,650	\$0	\$1,424,408
Environmental Mitigation Area	\$130,320	\$179,788	\$0	\$0	\$310,108
Permit Fees and Impact Fees	\$1,998,755	\$0	\$1,447,989	\$0	\$3,446,744
Contingency	\$1,254,333	\$0	\$1,297,114	\$0	\$2,551,447
	\$15,621,020	\$1,251,859	\$9,387,845	\$359,105	\$26,619,829



TABLE 2

CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT PLANNED DEVELOPMENT PROGRAM				
ASSESSMENT AREA ONE				
PRODUCT	LOT SIZE	UNITS	PER UNIT EAU ⁽²⁾	TOTAL EAUs
Villa 30'	30	100	0.75	75.00
Single Family 40'	40	173	1.00	173.00
Single Family 50'	50	216	1.25	270.00
TOTAL		489		518.00
ASSESSMENT AREA TWO				
PRODUCT	LOT SIZE	UNITS	PER UNIT EAU ⁽²⁾	TOTAL EAUs
Villa 30'	30	186	0.75	139.50
Single Family 40'	40	110	1.00	110.00
Single Family 50'	50	47	1.25	58.75
TOTAL		343		308.25
⁽¹⁾ EAU factors assigned based on Product Type as identified by district engineer and do not reflect front footage of planned lots.				



TABLE 3

DEVELOPMENT PROGRAM COST/BENEFIT ANALYSIS	
PROJECT COSTS	\$9,746,950
TOTAL PROGRAM EAUS	308.25
TOTAL COST/BENEFIT	<u><u>\$31,620</u></u>

Table 3 Notations:

1) Benefit is equal to or greater than cost as assigned per Equivalent Assessment Unit ("EAU") as described above.

TABLE 4

DEVELOPMENT PROGRAM *NET* COST/BENEFIT ANALYSIS					
PRODUCT TYPE	EAU FACTOR	PRODUCT COUNT	EAUs	NET BENEFIT PER PRODUCT TYPE	PER PRODUCT UNIT
Villa 30'	0.75	186	139.50	\$14,310	\$76.93
Single Family 40'	1.00	110	110.00	\$11,284	\$102.58
Single Family 50'	1.25	47	58.75	\$6,027	\$128.22
		<u>343</u>	<u>308.25</u>	<u>\$31,620</u>	

Table 4 Notations:

1) Table 4 determines only the anticipated construction cost, net of finance and other related costs.



TABLE 5

CONSTRUCTION COST AND BENEFIT						
PRODUCT TYPE	EAU FACTOR	PRODUCT COUNT	EAUs	PERCENTAGE OF EAUs	TOTAL AMOUNT PER PRODUCT TYPE	TOTAL AMOUNT PER LOT
Villa 30'	0.75	186	139.50	45.3%	\$4,411,028.47	\$23,715
Single Family 40	1.00	110	110.00	35.7%	\$3,478,230.33	\$31,620
Single Family 50	1.25	47	58.75	19.1%	\$1,857,691.20	\$39,525
		343	308.25	100%	\$9,746,950	

TABLE 6

CONSTRUCTION COST FUNDING SOURCES					
PRODUCT TYPE	PRODUCT COUNT	PER PRODUCT TYPE		PER UNIT	
		DEVELOPER FUNDED	SERIES 2019 BONDS	DEVELOPER FUNDED	SERIES 2019 BONDS
Villa 30'	186	\$0	\$4,411,029	\$0.00	\$23,715.21
Single Family 40	110	\$0	\$3,478,230	\$0.00	\$31,620.28
Single Family 50	47	\$0	\$1,857,691	\$0.00	\$39,525.35
	343	\$0	\$9,746,950		



TABLE 7

CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT CDD ASSESSMENT ANALYSIS		
FINANCING INFORMATION - FINANCING INFORMATION BOND SERIES		
Coupon Rate ⁽¹⁾		5.50%
Term (Years)		30
Principal Amortization Installments		30
ISSUE SIZE		\$11,520,000
Construction Fund		\$9,746,950
Capitalized Interest (Months) ⁽²⁾	12	\$633,600
Debt Service Reserve Fund	100%	\$745,080
Underwriter's Discount	2.00%	\$230,400
Cost of Issuance		\$160,000
Rounding		\$3,970
ANNUAL ASSESSMENT		
Annual Debt Service (Principal plus Interest)		\$745,080
Collection Costs and Discounts @	6.00%	\$47,558
TOTAL ANNUAL ASSESSMENT		\$792,638
⁽¹⁾ Based on conservative interest rate, subject to change based on market conditions.		
⁽²⁾ Based on capitalized interest 12 months.		



TABLE 8

**CREEK PRESERVE
COMMUNITY DEVELOPMENT DISTRICT
CDD ASSESSMENT ANALYSIS**

ALLOCATION METHODOLOGY - SERIES 2019 LONG TERM BONDS ⁽¹⁾								
PRODUCT	PER UNIT EAU	TOTAL EAUs	% OF EAUs	UNITS	PRODUCT TYPE		PER UNIT	
					TOTAL PRINCIPAL	ANNUAL ASSMT. ⁽²⁾	TOTAL PRINCIPAL	ANNUAL ASSMT. ⁽²⁾
Villa 30'	0.75	139.50	45.26%	186	\$5,213,431	\$358,712	\$28,029	\$957
Single Family 40'	1.00	110.00	35.69%	110	\$4,110,949	\$282,855	\$37,372	\$1,277
Single Family 50'	1.25	58.75	19.06%	47	\$2,195,620	\$151,071	\$46,715	\$1,596
TOTAL		308.25	100.00%	343	11,520,000	792,638		

⁽¹⁾ Allocation of total bond principal (i.e., assessment) based on equivalent assessment units. Individual principal and interest assessments calculated on a per unit basis. 12 month Capitalized Interest Period.
⁽²⁾ Includes principal, interest and collection costs.

EXHIBIT A

The maximum par amount of Bonds that may be borrowed by the District to pay for the public capital infrastructure improvements is \$11,520,000.00 payable in 30 annual installments of principal of \$4,475.76 per gross acre. The maximum par debt is \$69,201.66 per gross acre and is outlined below.

Prior to platting, the debt associated with the Capital Improvement Plan will initially be allocated on a per acre basis within the District. Upon platting, the principal and long term assessment levied on each benefited property will be allocated to platted lots and developed units in accordance with this Report.

ASSESSMENT ROLL			
TOTAL ASSESSMENT:		<u>\$11,520,000.00</u>	
ANNUAL ASSESSMENT:		<u>\$745,079.80</u>	(30 Installments)
TOTAL GROSS ASSESSABLE ACRES +/-:		<u>166.47</u>	
TOTAL ASSESSMENT PER ASSESSABLE GROSS ACRE:		<u>\$69,201.66</u>	
ANNUAL ASSESSMENT PER GROSS ASSESSABLE ACRE:		<u>\$4,475.76</u>	(30 Installments)
		PER PARCEL ASSESSMENTS	
Landowner Name, Hillsborough County Folio ID & Address		Gross Unplatted Assessable Acres	Total PAR Debt Total Annual
Cypress Preserve 841, LLC 3658 Erindale Drive Valrico, FL 33596-6311 Tampa, FL 33609		166.47	\$11,520,000.00 \$745,079.80
Totals:		<u>166.47</u>	<u>\$11,520,000.00</u> <u>\$745,079.80</u>



RESOLUTION NO. 2019-12

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THE PUBLIC IMPROVEMENTS WHICH COST IS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE PUBLIC IMPROVEMENTS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; AUTHORIZING THE PREPARATION OF A PRELIMINARY ASSESSMENT ROLL; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "**Board**") of the Cypress Preserve Community Development District (the "**District**") has determined to construct and/or acquire certain public improvements (the "**2019 Project**") set forth in the plans and specifications described in the Engineer's Report dated March 27, 2019 (the "**Engineer's Report**"), which is incorporated by reference as part of this Resolution and available for review at the offices of Meritus Districts, 2005 Pan Am Circle, Suite 300, Tampa, Florida 33607 ("the **District Office**");

WHEREAS, the Board finds that it is in the best interest of the District to pay the cost of the 2019 Project by imposing, levying, and collecting special assessments pursuant to Chapter 190, Uniform Community Development District Act of 1980, Chapter 170, Supplemental Alternative Method of Making Local and Municipal Improvements, and Chapter 197, Florida Statutes (the "**Assessments**");

WHEREAS, the District is empowered by Chapters 190, 170, and 197, Florida Statutes to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the 2019 Project and to impose, levy, and collect the Assessments;

WHEREAS, the District hereby determines that benefits will accrue to the certain property within Assessment Area Two of the District, the amount of those benefits, and that the Assessments will be made in proportion to the benefits received as set forth in the Master Assessment Methodology Report (Assessment Area Two) dated August 26, 2019, (the "**Assessment Report**") incorporated by reference as part of this Resolution and on file in the District Office; and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefits to the certain property improved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE DISTRICT THAT:

1. The foregoing recitals are hereby incorporated as the findings of fact of the Board.
2. The Assessments shall be levied to defray the cost of the 2019 Project.

3. The nature of the 2019 Project generally consists of public improvements consisting of stormwater management facilities, public roadways, landscaping and irrigation, and water/wastewater facilities, all as described more particularly in the Engineer's Report.
4. The general locations of the 2019 Project are as shown in the Engineer's Report.
5. As stated in the Engineer's Report the estimated cost of the 2019 Project is approximately is \$9,746,950 (hereinafter referred to as the "**Estimated Cost**").
6. As stated in the Assessment Report the Assessments will defray approximately \$11,520,000 of the expenses, which includes the Estimated Cost, financing related costs, capitalized interest, a debt service reserve and contingency, all which shall be financed by the District's proposed Special Assessment Revenue Bond, Series 2019.
7. The manner in which the Assessments shall be made is based upon an allocation of the benefits among the parcels or real property benefited by the 2019 Project as set forth in the Assessment Report. As provided in further detail in the Assessment Report, the Assessments will be levied initially on a per acre basis in Assessment Area Two since the 2019 Project increases the value of all the lands within the District. On and after the date benefited lands within the District are specifically platted, the Assessments as to platted lots will be levied in accordance with the Assessment Report, that is, on a combination of a front foot basis and a per unit basis. Until such time that all benefited lands within the District are specifically platted, the manner by which the Assessments will be imposed on unplatted lands shall be on a per acre basis in accordance with the Assessment Report.
8. In the event the actual cost of the Project exceeds the Estimated Cost, such excess shall also be paid by the District from additional assessments or contributions from other entities. No such excess shall be required to be paid from the District's general revenues.
9. The Assessments shall be levied in accordance with the Assessment Report referenced above on all lots and lands, within the District, which are adjoining and contiguous or bounding and abutting upon the 2019 Project or specially benefited thereby and further designated by the assessment plat hereinafter provided for.
10. There is on file at the District Office, an assessment plat showing the area to be assessed, with the plans and specifications describing the 2019 Project and the Estimated Cost, all of which shall be open to inspection by the public.
11. The Chair of the Board has caused the District Manager to prepare a preliminary assessment roll, a copy of which is attached in the Assessment Report, which shows the lots and lands assessed in Assessment Area Two, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment is divided. The preliminary assessment roll is part of the Assessment Report which is on file at the District Office.
12. In accordance with the Assessment Report and commencing with the year in which the District is obligated to make payment of a portion of the Estimated Cost of the 2019 Project acquired by the

District, the Assessments shall be paid in not more than thirty annual installments payable at the same time and in the same manner as are ad valorem taxes and as prescribed by Chapter 197, Florida Statutes; provided, however, that in the event the non-ad valorem assessment method of collecting the Assessments is not available to the District in any year, or the District determines not to utilize the provision of Chapter 197, Florida Statutes the Assessments may be collected as is otherwise permitted by law.

PASSED AND ADOPTED this 26th day of August, 2019.

Attest:

**Cypress Preserve
Community Development District**

Assistant Secretary

Chair/Vice Chair of the Board of Supervisors

RESOLUTION NO. 2019-13

A RESOLUTION OF THE BOARD OF SUPERVISORS OF CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON OCTOBER 1, 2019 AT 2:30 P.M. AT THE LAND O'LAKES BRANCH LIBRARY, LOCATED AT 2818 COLLIER PARKWAY, LAND O'LAKES, FLORIDA 34639, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING A SPECIAL ASSESSMENT ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors (the "**Board**") of the Cypress Preserve Community Development District (the "**District**"), has previously adopted Resolution No. 2019-12 entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CYPRESS PRESERVE COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THE PUBLIC IMPROVEMENTS WHICH COST IS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE PUBLIC IMPROVEMENTS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; AUTHORIZING THE PREPARATION OF A PRELIMINARY ASSESSMENT ROLL; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with Resolution No. 2019-02 a preliminary assessment roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes; to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of Meritus Districts, 2005 Pan Am Circle, Suite 300, Tampa, Florida 33607 ("**District Office**").

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF THE DISTRICT:

1. There is hereby declared a public hearing to be held on October 1, 2019 at 2:30 p.m., at the Land O'Lakes Branch Library located at 2818 Collier Parkway, Land O'Lakes, Florida 34639, for the purpose of hearing comment and objection to the proposed special assessment program for District improvements as identified in the preliminary assessment roll, a copy of which is on file. Affected parties may appear at that hearing or submit their comments in writing prior to the meeting to the District Office.
2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197 Florida Statutes, and the District Manager is hereby authorized to place said notice in a newspaper of general circulation within Pasco County (by two publications one week apart

with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give (30) thirty days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Office. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 26th day of August, 2019.

Attest:

**Cypress Preserve
Community Development District**

Assistant Secretary

Chair/Vice Chair of the Board of Supervisors