



**SOUTH BAY
COMMUNITY DEVELOPMENT
DISTRICT**

**HILLSBOROUGH COUNTY
REGULAR BOARD MEETING
OCTOBER 14, 2022
1:00 P.M.**

Special District Services, Inc.
The Oaks Center
2501A Burns Road
Palm Beach Gardens, FL 33410

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AGENDA
SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT
Sunset Grill and Beach Bar
602 Bahia Del Sol Drive
Ruskin, Florida 33570
REGULAR BOARD MEETING
October 14, 2022
1:00 P.M.

- A. Call to Order
- B. Proof of Publication.....Page 1
- C. Establish Quorum
- D. Additions or Deletions to Agenda
- E. Approval of Minutes
 - 1. September 9, 2022 Regular Board Meeting.....Page 2
- F. Old Business
 - 1. Discussion Regarding Paid Parking Rate Study.....Page 6
- G. New Business
- H. Reports
 - 1. Manager’s Report
 - a. Financial Report.....Page 7
 - 2. Legal Report
 - a. Memo to South Bay Board of Directors.....Page 13
 - b. Consider Resolution 2022-05 – Authorizing Debt Special Assessments to be Prepaid.....Page 17
 - 3. Engineer’s Report
 - 4. Chairman’s Report
 - 5. POA Report
- I. Administrative Matters
 - 1. Announce Amended Budget for November 11, 2022
- J. Comments by the Public for Matters not on the Agenda
- K. Board Members Comments
- L. Adjourn

**SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD MEETING
SEPTEMBER 9, 2022**

A. CALL TO ORDER

The September 9, 2022, Regular Board Meeting of the South Bay Community Development District (the “District”) was called to order at 1:01 p.m. at the Sunset Grill and Beach Bar located at 602 Bahia del Sol Drive, Ruskin, Florida 33570.

B. PROOF OF PUBLICATION

Proof of publication was presented that indicated Notice of the Regular Board Meeting had been published in the *Tampa Bay Times* on September 29, 2021, as part of the District’s Fiscal Year 2021/2022 Meeting Schedule, as legally required.

C. ESTABLISH A QUORUM

It was determined that the following Supervisors constituted a quorum and was in order for the meeting to commence:

Chairman	Brett Vogeler	Present
Vice Chairman	Leah Popelka	Present
Supervisor	Kelly Evans	Present
Supervisor	W. Thomas Grimm	Present via phone
Supervisor	Mary Madden	Present

The following staff were in attendance:

District Manager	William Crosley	Special District Services, Inc.
	Michelle Krizen	Special District Services, Inc.
General Counsel	David Smith (via phone)	GrayRobinson, P.A.
District Engineer	Rick Brylanski (via phone)	Hole Montes, Inc.

Also present were John McEneaney, John & Theresa Aldrich, Christine Trimmer, Tom Gurry, Rick Soran and Kat Rose.

D. ADDITIONS OR DELETIONS TO THE AGENDA

There were no additions or deletions to the agenda.

E. APPROVAL OF MINUTES

1. August 12, 2022, Public Hearing & Regular Board Meeting

The August 12, 2022, Public Hearing & Regular Board Meeting minutes were presented for consideration.

A **motion** was made by Ms. Popelka, seconded by Ms. Evans and passed unanimously approving the minutes of the August 12, 2022, Public Hearing & Regular Board Meeting, as presented.

F. OLD BUSINESS

Mr. Crosley reported that the Board cannot approve paid parking rates/fees until a rate study has been performed and reviewed by the Board. Pave Mobility, the proposed paid parking vendor will provide the rate study at no cost to the District. The study should be available at the October meeting and a public hearing could take place in November, if the Board approves the rates from the study at the October meeting.

A discussion ensued regarding residents paying for parking. Ms. Popelka indicated she was opposed to resident/taxpayers paying for parking, as they already pay a road maintenance assessment as part of CDD assessments. Mr. Smith advised this would legally be acceptable as long as the Board could review the approved annual budget and can establish that the residents are already paying a road maintenance assessment. As long as it is a fair and equitable assessment, that would be permitted.

The company in charge of the paid parking has a system that can allow some license plates to be exempt from paying. Questions were raised about who would manage the list of vehicles that would be considered exempt. Ms. Madden will work with the POA on developing a list and procedures for specific vehicles being placed on the exempt list. The District Board is only acting at the request of the POA for paid parking.

A **motion** was made by Ms. Popelka, seconded by Ms. Evans and passed unanimously that the Board will discuss the rate study and determine what rates are appropriate for parking to evaluate by the payments residents make and create an operational process so they will not be double charged.

Ms. Madden commented about the TECO lights in Antigua Cove. Mr. Cloud previously reported that he objected to specific language in the contract that requires the District to convey the land over to TECO and he did not recommend signing the agreement. Mr. Smith will consult with Mr. Cloud in order to clarify the specific language that is the issue. Mr. Smith will then speak with TECO to see if he can get the issue resolved. Mr. Crosley explained, that the roads were planned, designed and permitted for the existing photometrics and that he has observed the trees have grown to the point where they are significantly obstructing the photometrics that were originally planned and suggested that the POA look at the growth over the past 5-7 years to determine if trimming the trees could help increase light to that area in the immediate future.

G. NEW BUSINESS

Mr. Grimm asked about the sewer capabilities for future planned units in Antigua Cove. Ms. Evans explained a force main contract had been signed and would begin work shortly.

Mr. Brylanski went over the Phase 3B plat that Lennar provided and stated that the language was consistent with the previous plat that he approved. He has no objections to the Chairman executing the Phase 3B plat.

A **motion** was made by Ms. Evans, seconded by Ms. Popelka and passed unanimously approving the Phase 3B plat and for the Chairman to execute same.

H. REPORTS

1. Manager's Report

a. Financial Report

There was no Financial Report at this time.

2. Legal Report

Mr. Smith went over items that needed to be addressed by the Board prior to turnover. He indicated that he would provide a timeline for how and when the Board could accomplish those tasks.

3. Engineer's Report

Mr. Vogeler asked for the status of the items to bundle for funding. Mr. Brylanski indicated he was working on getting a quote from Proway. Ms. Madden requested that another speed bump be added to the list.

4. Chairman's Report

There are continued concerns about having someone on site to address District matters. There was discussion about separating the funds and having a Field Maintenance line item not go to the POA. The community needs local onsite presence in the community. This item will need to be an ongoing conversation for next year's budget.

5. POA Report

POA Manager Christine Trimmer reported that they had been working on increasing security. They have interviewed and selected Allied Universal and have hired John 4-8 daily. The community does not have a security vehicle. The residents would like one so the POA is looking into purchasing one in the near future.

I. ADMINISTRATIVE MATTERS

Unauthorized signs are still on District property. The POA should communicate with the owners of the signs to guide them through the process for approval. Tom Grimm recalled that the Lennar signs are the only approved signs. All the signs by the seawall are on CDD property. The POA needs to come up with a review process for signage and approval. The District Engineer will need to sign off on each request as part of the approval process.

J. COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

There were no comments from the public for items not on the agenda.

K. BOARD MEMBER COMMENTS

There were no further comments from the Board Members.

L. ADJOURNMENT

There being no further business to come before the Board, a **motion** was made by Ms. Popelka, seconded by Ms. Evans adjourning the Regular Board Meeting at 2:15 p.m. That **motion** passed unanimously.

Secretary/Assistant Secretary

Chair/Vice-Chair

RATE SURVEY

Fort Myers Beach

\$5 per hour – no limit

Clearwater Beach

\$3.00 per hour – 5 Hour Limit (\$15)

Sarasota Beach

\$3.00 per hour – \$23 Daily Max

Madeira Beach

\$3.00 per hour – 5 Hour Limit (\$15)

St. Pete Beach

\$3.60 per hour – 5 Hour Limit (\$15)

Little Harbor, Ruskin Recommended

Mon. – Thur. \$3 per hour \$18 max

Fri. – Sun. \$5 per hour - \$25 max

Special Events: \$10 - \$30 Flat Rate

Restaurant Validation: 2 Hours free parking for Verified Rest. Customers (> \$20)

South Bay
Community Development District

**Financial Report For
September 2022**

**SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT
MONTHLY FINANCIAL REPORT
SEPTEMBER 2022**

	Annual Budget 10/1/21 - 9/30/22	Actual Sep-22	Year To Date Actual 10/1/21 - 9/30/22	Year To Date Budget 10/1/21 - 9/30/22
REVENUES				
Administrative Assessments (On-Roll)	74,855	0	74,843	74,855
Administrative Assessments Off-Roll	152,137	18,524	152,137	152,137
Maintenance Assessments On-Roll	120,841	0	120,933	120,841
Maintenance Assessments Off-Roll	245,607	29,905	245,607	245,607
Debt Assessments - A1 On-Roll	649,473	0	649,912	649,473
Debt Assessments - A1 Off-Roll	209,670	0	188,696	209,670
Other Revenue	0	0	8,000	0
Other Revenue - Riverton Sale	0	0	464,164	0
Interest Income	420	0	690	420
TOTAL REVENUES	\$ 1,453,003	\$ 48,429	\$ 1,904,982	\$ 1,453,003
O & M EXPENDITURES				
Supervisor Fees	10,000	800	5,200	10,000
Payroll Taxes Employer	800	61	398	800
Engineering	15,000	0	27,709	15,000
Engineering - Roadways	0	0	6,953	0
Surveying	1,000	0	0	1,000
Management	35,208	2,934	35,208	35,208
Legal	70,000	0	46,975	70,000
Legal - Extraordinary/Litigation	40,000	0	14,190	40,000
Assessment Roll	6,000	6,000	6,000	6,000
Audit Fees	7,000	0	7,000	7,000
Arbitrage Rebate Fee	1,950	0	1,950	1,950
Travel Per Diam	1,250	0	278	1,250
Insurance	9,000	0	10,725	9,000
Legal Advertising	3,200	0	3,108	3,200
Miscellaneous	2,500	246	2,979	2,500
Postage	750	40	611	750
Office Supplies	1,500	75	1,148	1,500
Dues Subscriptions	175	0	175	175
Website Management	2,000	167	2,000	2,000
Trustee Fees	9,000	0	0	9,000
Continuing Disclosure Fee	5,000	0	5,000	5,000
Property Taxes	390	0	389	390
Methodology Report	0	0	5,000	0
Document Storage	1,200	0	0	1,200
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 222,923	\$ 10,323	\$ 182,996	\$ 222,923
MAINTENANCE EXPENDITURES				
POA Maintenance	240,000	20,000	240,000	240,000
Seawall Repairs Reserve As Of 9-30-21: \$36,200)	39,000	0	42,500	39,000
Sod	38,000	0	30,755	38,000
Repayment Of Electrical Services	3,443	0	0	3,443
Miscellaneous Maintenance	5,000	0	0	5,000
Roadway Maintenance (Reserve As Of 9-30-21: \$129,668)	0	0	240,645	0
Parking Lot Rehabilitation	33,750	0	35,448	33,750
TOTAL MAINTENANCE EXPENDITURES	\$ 359,193	\$ 20,000	\$ 589,348	\$ 359,193
TOTAL EXPENDITURES	\$ 582,116	\$ 30,323	\$ 772,344	\$ 582,116
REVENUES LESS EXPENDITURES	\$ 870,887	\$ 18,106	\$ 1,132,638	\$ 870,887
Payment To Trustee A-1 Bond)	820,174)	0	802,372)	820,174)
BALANCE	\$ 50,713	\$ 18,106	\$ 330,266	\$ 50,713
County Appraiser & Tax Collector Fee	16,905)	0	16,297)	16,905)
Discounts for Early Payments	33,808)	0	30,855)	33,808)
EXCESS/ SHORTFALL)	\$ -	\$ 18,106	\$ 283,114	\$ -
Carryover From Prior Year	\$ -			\$ -
NET EXCESS/ SHORTFALL)	\$ -	\$ 18,106	\$ 283,114	\$ -

Notes

Seawall Expenditures (Non-Budgeted) Are Deducted From Seawall Reserve. - Balance As Of 9/30/21 Was \$36,200. \$3,500 deducted from Reserve in 21/22.
 \$464,164 was received for Riverton Sale on 10/26/21.
 Fiscal Year 2020/2021 Sale Of Riverton Legal Fees: \$36,390
 Fiscal Year 2021/2022 Sale Of Riverton Legal Fees: \$8,490
 Fiscal Year 2020/2021 Sale Of Riverton Legal Advertising Fees: \$4,514
 Fiscal Year 2021/2022 Roadway Maintenance Deducted From Reserve: \$110,977.35 - Reserve Balance As Of 9/30/21 Was \$129,668. Expenditure As Of 9/30/22 = \$240,645.35

Available Funds As Of 9/30/21	\$ 33,529.61
Bank Balance As Of 9/30/22	\$ 491,211.29
Accounts Payable As Of 9/30/22	\$ 13,699.22
Accounts Receivable As Of 9/30/22	\$ 5,000.00
Reserve For Seawall Repairs As Of 9/30/22	\$ 32,700.00
Reserve For Maintenance As Of 9/30/22	\$ 303,792.65
Available Funds As Of 9/30/22	\$ 146,019.42

Reserve For Maintenance	\$464,164.00
	-\$36,390.00
	-\$8,490.00
	-\$4,514.00
	-\$110,977.35
	\$303,792.65

South Bay Community Development District
Expenditures
July through September 2022

	<u>Date</u>	<u>Invoice #</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Expenditures					
511.122 · Payroll tax expense					
	08/02/2022	PR 08.12.22		MTG 08.12.22 CK 08.18.22 (Payroll Taxes)	61.20
	09/12/2022	PR 09.09.22		MTG 09.09.22 CK 09.13.22 (Payroll Taxes)	61.20
Total 511.122 · Payroll tax expense					<u>122.40</u>
511.131 · Supervisors Fee					
	08/02/2022	PR 08.12.22		MTG 08.12.22 CK 08.18.22 (Supervisor Fees)	800.00
	09/12/2022	PR 09.09.22		MTG 09.09.22 CK 09.13.22 (Supervisor Fees)	800.00
Total 511.131 · Supervisors Fee					<u>1,600.00</u>
511.310 · Engineering					
511.321 · Engineering - Roadways					
	07/31/2022	88947	Hole Montes	For Services Rendered From July 1, 2022 to July 31, 2022	1,020.00
	08/31/2022	89105	Hole Montes	For Services Rendered From August 1, 2022 to August 31, 2022	720.00
Total 511.321 · Engineering - Roadways					<u>1,740.00</u>
511.310 · Engineering - Other					
	08/31/2022	89104	Hole Montes	For Services Rendered From August 1, 2022 to August 31, 2022	390.00
Total 511.310 · Engineering - Other					<u>390.00</u>
Total 511.310 · Engineering					<u>2,130.00</u>
511.311 · Management Fees					
	07/31/2022	2022-0704	Special District Services, Inc.	Management July 2022	2,934.00
	08/31/2022	2022-0807	Special District Services, Inc.	Management Aug 2022	2,934.00
	09/30/2022	2022-0918	Special District Services, Inc.	Management Sept 2022	2,934.00
Total 511.311 · Management Fees					<u>8,802.00</u>
511.315 · Legal Fees					
	07/31/2022	11093992	Gray Robinson	General Representation - July 2022	1,644.00
	08/31/2022	11099215	Gray Robinson	General Representation - August 2022	3,000.00
Total 511.315 · Legal Fees					<u>4,644.00</u>
511.318 · Assessment/Tax Roll					
	09/29/2022	2022-1520	Special District Services, Inc.	Assessment Roll Preparation per agreement 2022	6,000.00
Total 511.318 · Assessment/Tax Roll					<u>6,000.00</u>
511.320 · Audit Fees					
	07/19/2022	17398027	Carr Riggs Ingram	4th and Final Progress Payment FY 20/21 Audit	500.00
Total 511.320 · Audit Fees					<u>500.00</u>
511.441 · Travel & Per Diam					
	07/31/2022	2022-0704	Special District Services, Inc.	Travel June 2022	70.20
Total 511.441 · Travel Per Diam					<u>70.20</u>
511.480 · Legal Advertisements					
	07/27/2022	0000236981	Tampa Bay Times	Notice of PH Reg Board Mtg	852.00
Total 511.480 · Legal Advertisements					<u>852.00</u>
511.512 · Miscellaneous					
	07/31/2022	2022-0704	Special District Services, Inc.	Chargeback: champion self storage	1,030.00
	07/31/2022	2022-0704	Special District Services, Inc.	Document Storage June 2022	17.89
	07/31/2022	2022-0704	Special District Services, Inc.	Conference Calls June 2022	46.85
	08/02/2022	PR 08.12.22		MTG 08.12.22 CK 08.18.22 (Payroll Processing)	52.60
	08/31/2022	2022-0807	Special District Services, Inc.	Mailouts July 2022	70.00

South Bay Community Development District
Expenditures
July through September 2022

	<u>Date</u>	<u>Invoice #</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
	08/31/2022	2022-0807	Special District Services, Inc.	Document Storage	19.81
	09/12/2022	PR 09.09.22		MTG 09.09.22 CK 09.13.22 (Payroll Processing	52.60
	09/30/2022	2022-0918	Special District Services, Inc.	Document Storage Aug 2022	61.25
	09/30/2022	2022-0918	Special District Services, Inc.	Conference Calls Aug 2022	57.43
	09/30/2022	2022-0918	Special District Services, Inc.	Travel Aug 2022	75.00
Total 511.512 · Miscellaneous					<u>1,483.43</u>
511.513 · Postage and Delivery					
	07/31/2022	2022-0704	Special District Services, Inc.	FedEx June 2022	28.55
	07/31/2022	2022-0704	Special District Services, Inc.	Postage June 2022	7.96
	08/31/2022	2022-0807	Special District Services, Inc.	FedEx	12.36
	08/31/2022	2022-0807	Special District Services, Inc.	Postage	222.94
	09/30/2022	2022-0918	Special District Services, Inc.	FedEx Aug 2022	39.83
Total 511.513 · Postage and Delivery					<u>311.64</u>
511.514 · Office Supplies					
	07/31/2022	2022-0704	Special District Services, Inc.	Copier June 2022	43.65
	07/31/2022	2022-0704	Special District Services, Inc.	Meeting Books June 2022	32.00
	08/31/2022	2022-0807	Special District Services, Inc.	Copier July 2022	404.10
	09/30/2022	2022-0918	Special District Services, Inc.	Copier Aug 2022	43.05
	09/30/2022	2022-0918	Special District Services, Inc.	Meeting Books Aug 2022	32.00
Total 511.514 · Office Supplies					<u>554.80</u>
511.750 · Website Management					
	07/31/2022	2022-0704	Special District Services, Inc.	Website July 2022	166.66
	08/31/2022	2022-0807	Special District Services, Inc.	Website Aug 2022	166.66
	09/30/2022	2022-0918	Special District Services, Inc.	Website Sept 2022	166.66
Total 511.750 · Website Management					<u>499.98</u>
511.882 · Common Area Maintenance					
	07/01/2022	2022-07-01	Little Harbor POA (Monthly	Common Area Maintenance	20,000.00
	08/01/2022	2022-08-01	Little Harbor POA Monthly	Common Area Maintenance	20,000.00
	09/01/2022	2022-09-01	Little Harbor POA Monthly	Common Area Maintenance	20,000.00
Total 511.882 · Common Area Maintenance					<u>60,000.00</u>
512.315 · Legal -Extraordinary/Litigation					
	07/31/2022	11093993	Gray Robinson	Little Harbor Development LP, et al v. South Bay CDD	960.00
	08/31/2022	11099217	Gray Robinson	Little Harbor Development LP, et al v. South Bay CDD	180.00
Total 512.315 · Legal -Extraordinary/Litigation					<u>1,140.00</u>
516.055 · Roadway Maintenance					
	07/08/2022	7600	Pro Way Paving Systems LLC	Install Concrete Sidewalk/ADA/CurbDetectable Warning Surface Striping Stop Signs.....	30,710.00
Total 516.055 · Roadway Maintenance					<u>30,710.00</u>
Total Expenditures					<u>119,420.45</u>

**South Bay Community Development District
Balance Sheet
As of September 30, 2022**

	<u>Operating Fund</u>	<u>Debt Service Fund (05)</u>	<u>Debt Service Fund (15)</u>	<u>Capital Projects Fund</u>	<u>Gen Fixed Assets Fund</u>	<u>Long Term Debt Fund</u>	<u>TOTAL</u>
ASSETS							
Current Assets							
Checking/Savings							
Seacoast Bank	491,211.29	0.00	0.00	0.00	0.00	0.00	491,211.29
Total Checking/Savings	491,211.29	0.00	0.00	0.00	0.00	0.00	491,211.29
Total Current Assets	491,211.29	0.00	0.00	0.00	0.00	0.00	491,211.29
Other Assets							
Investments - Principal Account (2015-B1)	0.00	0.00	0.04	0.00	0.00	0.00	0.04
Investments - Interest Account (A1)	0.00	0.00	0.20	0.00	0.00	0.00	0.20
Investments - Revenue Account (2005)	0.00	8,772.44	0.00	0.00	0.00	0.00	8,772.44
Investments - Prepayment Account (B1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Prepayment Account (A1)	0.00	0.00	4,877.78	0.00	0.00	0.00	4,877.78
Investments - Reserve Account (B2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Interest Account (B1)	0.00	0.00	0.20	0.00	0.00	0.00	0.20
Investments - Interest Account (B2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Revenue Account (2015-1)	0.00	0.00	342,884.11	0.00	0.00	0.00	342,884.11
Investments - Reserve Account (2015-A1)	0.00	0.00	411,125.63	0.00	0.00	0.00	411,125.63
Investments - Reserve Account (2015-B1)	0.00	0.00	0.57	0.00	0.00	0.00	0.57
Investments - Revenue Account (2015-2)	0.00	0.00	96,936.73	0.00	0.00	0.00	96,936.73
Investments - Reserve Account (2015-A2)	0.00	0.00	516,470.00	0.00	0.00	0.00	516,470.00
Investments - Reserve Account (2015-B2)	0.00	0.00	253,995.40	0.00	0.00	0.00	253,995.40
Investments - Sinking (2015-1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00
A/R Non Ad Valorem Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A/R B-1 Bond Assessments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land	0.00	0.00	0.00	0.00	16,812,056.00	0.00	16,812,056.00
Infrastructure	0.00	0.00	0.00	0.00	28,197,947.00	0.00	28,197,947.00
Accumulated Depreciation	0.00	0.00	0.00	0.00	-6,066,554.00	0.00	-6,066,554.00
Amount Available In DSF (2005)	0.00	0.00	0.00	0.00	0.00	8,772.44	8,772.44
Amount Available In DSF (2015)	0.00	0.00	0.00	0.00	0.00	1,626,290.66	1,626,290.66
Amount To Be Provided	0.00	0.00	0.00	0.00	0.00	21,749,936.90	21,749,936.90
Total Other Assets	5,000.00	8,772.44	1,626,290.66	0.00	38,943,449.00	23,385,000.00	63,968,512.10
TOTAL ASSETS	496,211.29	8,772.44	1,626,290.66	0.00	38,943,449.00	23,385,000.00	64,459,723.39

South Bay Community Development District
Balance Sheet
As of September 30, 2022

	<u>Operating Fund</u>	<u>Debt Service Fund (05)</u>	<u>Debt Service Fund (15)</u>	<u>Capital Projects Fund</u>	<u>Gen Fixed Assets Fund</u>	<u>Long Term Debt Fund</u>	<u>TOTAL</u>
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
Reserve For Seawall Repairs	32,700.00	0.00	0.00	0.00	0.00	0.00	32,700.00
Reserve For Maintenance (Previous)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve For Maintenance	303,792.65	0.00	0.00	0.00	0.00	0.00	303,792.65
Due To Bondholders	0.00	6,755,000.00	0.00	0.00	0.00	0.00	6,755,000.00
Accounts Payable	13,699.22	0.00	0.00	0.00	0.00	0.00	13,699.22
Total Accounts Payable	350,191.87	6,755,000.00	0.00	0.00	0.00	0.00	7,105,191.87
Total Current Liabilities	350,191.87	6,755,000.00	0.00	0.00	0.00	0.00	7,105,191.87
Long Term Liabilities							
Special Assessment Debt (2005)	0.00	0.00	0.00	0.00	0.00	6,755,000.00	6,755,000.00
Special Assessment Debt (2015A-1)	0.00	0.00	0.00	0.00	0.00	7,560,000.00	7,560,000.00
Special Assessment Debt (2015B-1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Assessment Debt (2015A-2)	0.00	0.00	0.00	0.00	0.00	4,895,000.00	4,895,000.00
Special Assessment Debt (2015B-2)	0.00	0.00	0.00	0.00	0.00	4,175,000.00	4,175,000.00
Total Long Term Liabilities	0.00	0.00	0.00	0.00	0.00	23,385,000.00	23,385,000.00
Total Liabilities	350,191.87	6,755,000.00	0.00	0.00	0.00	23,385,000.00	30,490,191.87
Equity							
Investment In General Fixed Assets	0.00	0.00	0.00	0.00	45,010,003.00	0.00	45,010,003.00
Retained Earnings	33,529.61	-6,746,234.62	8,989,416.85	0.00	-6,066,554.00	0.00	-3,789,842.16
Current Year Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income*	112,489.81	7.06	-7,363,126.19	0.00	0.00	0.00	-7,250,629.32
Total Equity	146,019.42	-6,746,227.56	1,626,290.66	0.00	38,943,449.00	0.00	33,969,531.52
TOTAL LIABILITIES & EQUITY	496,211.29	8,772.44	1,626,290.66	0.00	38,943,449.00	23,385,000.00	64,459,723.39

Notes

Roadways Expenditures Were Deducted From (9-30-21) Maintenance Reserve (\$129,668).

Seawall Expenditures Are Deducted From Seawall Reserve. Balance As Of 9/30/21 Was \$36,200.

* For Balance Sheet: Eligible Roadways & Seawall Expenditures Are Added To Operating Fund Net Income Amount.

Current 2021/2022 Amount = \$133,168.

* For Balance Sheet: Reserve For Maintenance is Subtracted From Operating Fund Net Income Amount.

Current Amount = \$303,792.65.

MEMORANDUM

TO: South Bay Board of Directors
FROM: David L. Smith
DATE: October 3, 2022 Client-Matter Number: 40242-2
SUBJECT: Agenda Items - Fiscal Year 2022-2023

Board Members,

This memorandum is for the purpose of summarizing the primary issues that need to be addressed and resolved in the upcoming fiscal year for South Bay CDD prior to turnover of control. (See below.) For your ease of reference, I will consolidate here issues on which you have been briefed, at least in part, via various other memoranda previously.

The point is to resolve these matters while we have a Board, which has the institutional knowledge associated with most of these issues. It is also important to address these issues while we have the District Management, District Counsel and District Engineer with that background knowledge.

These items are identified as follows, with additional information to be provided subsequently so that each can be addressed thoroughly:

I. Harborside Suites Issues

A. Amendment to Settlement Agreement. The original Settlement Agreement with Harborside Suites was dated November 1, 2013. Since then, many of the requirements and conditions have been met or are no longer relevant. In order to provide a clear go-forward basis governing the District's relationship with Harborside Suites, it is important that we revise the Settlement Agreement to reflect the current state of affairs.

B. Harborside Seawall Repairs. Harborside Suites has previously undertaken to repair the seawalls along the eastern and southern edge of its properties contiguous to the Harborside Cove Marina. The question is whether this is part of a District-wide seawall repair obligation or is simply the obligation of Harborside Suites. Both the Settlement Agreement and the Seawall Repair and Assessment Methodology will need to be reviewed in answering this question.

II. Global Title and Survey Issues

A. District Engineer Efforts. The District Engineer has been gathering all available surveys that have been generated in conjunction with transfers and sales of property within the District. It is the goal to consolidate those surveys and get an overall understanding of the exact locations of the various boundaries of the property. It may nonetheless be necessary to incur expense for completion of this survey work. The survey and title work was not done with great care by the Developer and yet those matters have significant ramifications for many of the issues identified in this memorandum and otherwise applicable to the District.

B. Ownership Obligations. Many of the issues discussed herein relate to the actual ownership of the various properties comprising the District and the obligations attendant to that ownership. It is for this reason that the District needs to consider whether it wants to obtain a global title insurance policy to clarify once and for all the exact ownership situation. It could very well be that this title work, if done in conjunction with the above-referenced survey work could be immensely valuable on a go-forward basis. It is, however, not an inexpensive process.

III. Pending Litigation

A. SunTex Marinas. There is existing litigation with the successor-in-interest to Little Harbor Ltd. We need to attempt to resolve this litigation in conjunction with addressing other issues related to the property owned or controlled by SunTex Marinas.

B. SunTex Marinas Access. As per a recent settlement in conjunction with the T-Docks, the District agreed to attempt to assist Little Harbor Ltd. address its access issues. We will need to elaborate exactly what those problems are and what path there may be to their resolution. We do not currently know whether the new owner is fully aware of these issues. Nonetheless, it is in at least their interest to get these matters resolved.

C. Personal Injury Suit on Property Near Pier. There was a claim asserted with regard to a fall by a visitor on the property located near the pier in the Tiki Hut. There is a need to clarify the exact ownership of that property, which has bearing on whose obligation it is to defend and/or pay any associated damages that may become due. As you can see, a lot of these matters are inter-related.

IV. Assessment Methodology Review

A. Changes in Use. We need to evaluate whether the initial development concept has vestigial impact on the Assessment Methodology which should be corrected. That is, there was a resort concept initially. We need to determine whether the allocation of certain expenses was attendant to the resort amenities concept and was included in the Assessment Methodology.

B. Zoning and Land Use Changes. We need to review the various zoning and land use changes associated with the property to determine whether it has altered the potential development on various parcels, thereby possibly altering the allocation of assessments among the parcels.

C. Changes per Settlement Agreements. We need to review each Settlement Agreement and determine whether any of those obligations have been altered by virtue of related subsequent developments.

That then would need to be translated through to any implications it has on the assessment methodology. In all events, it is important that the new Board understand what obligations are still outstanding.

D. Board Action. We need to review the various actions taken by the Board to determine whether they have any impact on the applicable assessment methodology in allocation of assessments, or otherwise impact the District.

E. Seawall Maintenance Decisions. We need to summarize exactly what decisions have been made with regard to seawall maintenance and what that impact has with respect to the allocation of assessments on a go-forward basis, if any.

F. Existing Agreements. There are certain existing agreements that create contractual obligations regarding seawall maintenance and other matters. We need to evaluate those in terms of what impact, if any, they have on a global seawall maintenance approach for governance of the District.

G. Additions, Deletions or Changes to Infrastructure. We need to evaluate whether there have been any changes to the available infrastructure and any associated amenities that create financial obligations that must be assessed against all or portions of the property owners of the District.

V. Seawall Access Easement Agreement

A. Ownership and Methodology Outcomes. Depending upon the ownership determination and the methodology evaluations described above, we will need to determine exactly what the maintenance obligations are for the District and what they are for private property owners.

B. Execution and Recording of Agreement. Once the items identified in paragraph A above are determined, we need to get the Seawall Access Easement Agreement executed and recorded in the public records so this is established on a go-forward basis clearly for all concerned.

VI. Notice and Opportunity to be Heard

A. Sufficient Notice. It is important that all property owners receive notice of these pending decisions so that they may have an opportunity to provide input in that process. This summary is a continuing effort to make sure the notice is provided through the agenda process to all concerned in order to meet this goal.

B. Opportunity to be Heard. Part of the due process requirements for the District is that in addition to providing notice there must be a legitimate and sufficient opportunity for the property owners to provide their input and provide any evidence or argument related to the issues to be determined by the Board. Accordingly, we need to set specific time periods for such participation to occur so that all members have that opportunity and the Board has the benefit of all of the information related to the decision the Board must make.

VII. Turnover of Control

A. Completion of Above Information Gathering. It is in part and parcel in connection with the turnover of control that we complete all of the above-referenced items so that the membership has had an

opportunity to participate and that there is clarity on exactly what will occur on a go-forward basis and what items remain for the new Board to determine.

B. Process. There is a process that must be followed in order to make sure that turnover occurs in a manner consistent with applicable law. Essentially, it is that all relevant parties must have notice and opportunity to be heard before a decision is made. This will be elaborated on as will the other items above.

jsl

RESOLUTION 2022-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING DEBT SPECIAL ASSESSMENTS TO BE PREPAID BY THE SURRENDER OF BONDS SECURED BY SUCH DEBT SPECIAL ASSESSMENTS; PROVIDING FOR ADDITIONAL PROCEDURES FOR PREPAYMENTS IN KIND; PROVIDING FOR GENERAL AUTHORIZATION; AUTHORIZING THE ISSUANCE OF APPROPRIATE NOTICES AND THE RECORDING OF A LIEN RELEASE; AND ADDRESSING SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

RECITALS

A. *Background*

WHEREAS, the South Bay Community Development District (the “*District*”) is a local unit of special-purpose government established by ordinance adopted by the Board of County Commissioners in and for Hillsborough County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “*Act*”), and is validly existing under the Constitution and laws of the State of Florida;

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including, but not limited to, earthwork and clearing; stormwater management improvements; roadways; entrance, landscape and irrigation improvements; water and sewer improvements; and wetland mitigation within or without the boundaries of the District;

WHEREAS, pursuant to the Master Trust Indenture dated as of April 1, 2004 (the “*Master Indenture*”), as supplemented and amended by that certain Second Supplemental Trust Indenture dated as of March 15, 2005 (together with the Master Indenture, the “*2005 Indenture*”), each between the District and U.S. Bank Trust Company, N.A. (successor in trust to Wachovia Bank, National Association), the District issued its (i) Capital Improvement Revenue Bonds, Series 2005A (the “*2005A Bonds*”), (ii) Capital Improvement Revenue Bonds, Series 2005B-1 (the “*2005B-1 Bonds*”) and (iii) Capital Improvement Revenue Bonds, Series 2005B-2 (together with the 2005B-1 Bonds and the 2005A Bonds, the “*2005 Bonds*”) to fund the planning, design and construction of all or a portion of the improvements described in the District’s capital improvement plan (the “*Project*”), as set forth in the Updated Engineer’s Report dated March 8, 2005 prepared by Hole Montes, Inc., as supplemented and amended from time to time;

WHEREAS, following the issuance of the 2005 Bonds, delinquencies occurred in the payment of certain special debt assessments securing the 2005 Bonds (the “*2005 Special Assessments*”) by various landowners within the District burdened by such 2005 Special Assessments (the “*2005 Special Assessment Delinquencies*”);

WHEREAS, in light of the 2005 Special Assessment Delinquencies, Events of Default, as defined and described in the 2005 Indenture, occurred and continued, and the Trustee and the District, upon consultation and advice with the majority Beneficial Owner of the 2005 Bonds (the

“2005 Bondholder”), took certain remedial actions, including foreclosure of the 2005 Special Assessments, against the various, third party landowners within the District whose property was subject to the 2005 Special Assessments;

WHEREAS, to provide the opportunity for the orderly and continued development of the Project within the District, permit the District to resolve delinquencies related with such 2005 Special Assessment Delinquencies, and provide the District additional time within which to retire the obligations originally evidenced by the 2005 Bonds, the District and the Trustee, with the consent of the 2005 Bondholder, agreed, *inter alia*, to affect a bond exchange and exchange a portion of the Outstanding Series 2005 Bonds for new bonds issued under the terms of that certain Third Supplemental Trust Indenture, as amended, and Fourth Supplemental Trust Indenture, each dated March 1, 2015 and each between the District and the Trustee (the new bonds collectively referred to as the “2015 Bonds,” and together with the unexchanged portion of the 2005 Bonds, the “Bonds”) (the resultant special assessments securing the Bonds, the “Debt Assessments”);

B. Prepayment in Kind

WHEREAS, the Board of Supervisors of the District (the “Board”) finds that it is in the best interests of the District to allow a landowner or an entity on behalf of a landowner whose lands within the District are subject to Debt Assessments to surrender the corresponding Bonds held by such landowner or entity for cancellation, along with the waiver of associated interest, and receive a corresponding reduction in the amount of Debt Assessments imposed on such landowners’ land (herein referred to as a “*Prepayment in Kind*”);

WHEREAS, such finding is based in part on the fact that the cancellation of additional Bonds and waiver of associated interest will help to reduce the District’s overall debt position and better enable the District to meet its financial obligations in the future; and

WHEREAS, the District desires to authorize the Prepayment in Kind method for prepayment of Debt Assessments and recognize a corresponding credit against the Debt Assessments imposed equal to the principal amount of the Bonds so surrendered for cancellation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. RECITALS. The recitals stated above are incorporated herein and are adopted by the Board as true and correct statements.

SECTION 2. GENERAL AUTHORITY. This resolution is adopted pursuant to the provisions of Florida law, including Chapters 170 and 190, Florida Statutes.

SECTION 3. AUTHORIZATION FOR PREPAYMENT IN KIND. The District herein confirms that resolutions of the District associated with the levy of the Debt Assessments does not preclude the payment of the Debt Assessments through the surrender of Bonds; *however*, the District herein confirms that in addition to a landowner’s right to prepay Debt Assessments imposed on such landowner’s lands within the District with cash, any landowner, or entity on behalf of an identified landowner, may effect the equivalent of Prepayment in Kind by the

surrender of Bonds secured by such Debt Assessments to the District for cancellation. For avoidance of doubt, the Prepayment in Kind may only be made by one series of Bonds as it relates to the same series of Debt Assessments. Such Prepayment in Kind shall apply only to special assessments securing the 2015 Bonds.

A landowner, or entity on behalf of an identified landowner, who avails itself of a Prepayment in Kind, will receive a credit against the Debt Assessments of the same series imposed on such landowner's land equal to the principal amount of the Bonds so surrendered for cancellation. Upon cancellation, the District shall have no obligation to pay, nor shall it have the obligation to credit said landowner with the interest that has accrued on such Bonds surrendered.

SECTION 4. ADDITIONAL PROCEDURES FOR PREPAYMENT IN KIND. In connection with any Prepayment in Kind, the Board hereby (i) approves and accepts any such Prepayment in Kind *via* the Trustee's DTC Custodial Account; and (ii) authorizes a corresponding credit for Debt Assessments. Additionally, and also in connection with any Prepayment in Kind, the District Manager is authorized and directed to prepare or cause to be prepared estoppel letters or any other documents necessary or convenient to affect such Prepayment in Kind.

SECTION 5. GENERAL AUTHORIZATION. The Chairman, Vice Chairman, Secretary, Assistant Secretaries, Manager, Counsel, Engineer, and Bond Counsel for the District are hereby authorized and directed, upon the adoption of this Resolution 2022-05, to do all acts and things required of them to affect the receipt of any Prepayment in Kind, corresponding cancellation of Debt Assessments, and/or any other transaction described herein, and all acts and things that may be desirable or consistent with the requirements or intent hereof. The Chair and Secretary are hereby further authorized and directed to execute any and all documents necessary to affect the transactions. The Vice Chair shall be authorized to undertake any action herein authorized to be taken by the Chair, in the absence or unavailability of the Chair, and any Assistant Secretary shall be authorized to undertake any action herein authorized to be taken by the Secretary, in the absence or unavailability of the Secretary.

SECTION 6. NOTICES. Any beneficial owner of the Bonds who wishes to affect a Prepayment in Kind is requested to take all necessary steps to affect the Prepayment in Kind and to assist with the identification and dissemination of all necessary notices related thereto and through the Depository Trust Company.

SECTION 7. LIEN RELEASE. When all steps necessary to affect a Prepayment in Kind contemplated herein have occurred, the District Manager is hereby directed to cause to be recorded in the Official Records in and for Hillsborough County, Florida, a Notice of Release of Assessments for the properties for which the Debt Assessments have been prepaid.

SECTION 8. SEVERABILITY. If any section or part of a section of this Resolution is declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

SECTION 9. CONFLICTS. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

SECTION 10. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this 14th day of October, 2022.

SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT

Attest:

By: _____
Secretary/Assistant Secretary

By: _____
Chairman/Vice Chairman, Board of Supervisors