

MINUTES OF MEETING
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

A workshop meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Tuesday, November 28, 2017 at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, Florida.

Present and constituting a quorum were:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Robert Martyn	Supervisor
Kathleen Blessing	Supervisor

Also present were:

Dave deNagy	District Manager
Jim Lucas	District Engineer
Cheryl Graham	LeLand Management
Daniel Laughlin	GMS

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 10:42 a.m.

SECOND ORDER OF BUSINESS

Discussion of the Amenity and Parking Improvements

Mr. deNagy directed his preface to Mr. Lucas and stated what we are looking at is a bond issue of a million dollars. Of that million dollars, we are looking at spending \$700,000. That is what we are looking at to fund these improvements that we are going to be talking about today. We will need your guidance regarding that number and if it is doable. We talked about the improvements a little bit at the last board meeting, which is why we opted for the workshop today. We are trying to get things nailed down. We will have another meeting on December 20 at 10:30 a.m. hopefully to move forward with financing the improvements. Before we got started, Mr. Lyons had talked a little about whether we were going to poll the residents. I don't know that we necessarily need to poll the residents. You, as the CDD board members, like any

government official, represent your constituents. You can speak on behalf of your constituents. If we were to get into a survey or something of that nature, having experience with surveys, it is very difficult to deal with the results and how you want to proceed. Hopefully you have a general feeling for what the community itself is interested in. If you feel that a majority would approve and would like to have a pool and a small amenity center, I think it would be perfectly fine for you to move forward with it. If you have some question in your mind about whether the community wants to move forward on it we can do a survey. That is going to delay things, obviously, if we do that. We need to nail down what questions we want to ask. Usually on survey results you get a variety of responses particularly if you have that wide-open comment section attached to the survey. My guess is from what we have talked about, and we have had many residents here at our meetings, and we talked about it at the budget meeting, is that I didn't get any sense that there was any disagreement to having an amenity center with a pool. There were some concerns about cost going forward and security and that sort of thing. We would certainly have to address those concerns on top of what we are going to do to fund the pool and amenity center. I think there are some parking improvements we are talking about as well. I will open it up for discussion. You can't take action as a board, we are here pretty much as a public workshop to talk about the amenity and parking improvements. We can take all these comments back with us to our December meeting where you can actually take action on things.

Mr. Rowell stated some of the costs can be absorbed in the HOA side, correct? Right now, it is only like a \$100 a year. Couldn't you increase the HOA to balance out some of the costs for the pool or for the upkeep of the pool?

Ms. Graham responded since it is CDD property, it is really not the association's asset. They don't own it to contribute towards that. The budget has already been set. We would have to amend the budget and get membership approval. It would increase the assessment.

Mr. Lyons stated people are going to be paying for it either way.

Mr. Rowell stated I guess I have a misunderstanding. What is the HOA for?

Ms. Graham responded it is compliance. It is architectural review of any modification post-construction, compliance of owners, working with contractors is still being done through the CDD.

Mr. Rowell asked what is that money used for?

Mr. deNagy stated if I could interject here. I know I have had other Districts where the HOA has, at the request of the CDD, if they have funds have given funds to the District for certain things. For example, if they want security cameras, the HOA may say we will fund that for you, how much is it. If they have the money, they will cut a check and send it to the District. It would be the District's responsibility for the upkeep of the cameras. That is just one example. The HOA and CDD can work hand-in-hand if the HOA has the funds and wants to do something like that. That would probably be more an operating cost as opposed to contributing to the building of the center itself.

Mr. Rowell stated I don't mean contributing to the building itself, but I know other subdivisions, their HOA is paying for the upkeep of the pools and stuff like that.

Ms. Graham stated likely they are not CDDs, and the HOA owns the amenity center, and that is their responsibility. In this case, the CDD owns the recreational area, and the homeowner's association could contribute with board approval and membership agreement to it.

Mr. Lyons stated that is something we are going to have to look at because we are talking about a bond, and that is going to be a one-time pot of money that we are going to have to use. Considering the fact that we have full maintenance – the contract for that is going to be paid someday or another. We are either going to have to put it in our current budget or give the HOA money so they can contract that. I am not sure how to do that.

Mr. deNagy responded I think for the timing of this, the money we take from the bond will go to all the improvements for the parking and the amenity center and the pool. The operating costs we would want to budget for. Given where we are in the fiscal year, we essentially have 10 months left. This is something we would want to budget in our O&M budget for FY19. If we move forward with the pool, we will have those maintenance costs and all the things that go into managing a pool and amenity center. I don't think there will be a lot of maintenance involved in the parking lot. Another think to look at is updating our Capital Reserves. The surface of the pool itself is going to need resurfacing probably sometime in the next 15 to 18 years. We would want to start increasing our Capital Reserves to fund those future expenses for the pool. I think we would have to budget for all the upkeep costs for FY19 budget. I don't think we have planned the pool for FY18 to open. If it opens, it would be sometime late in FY18. We should have a budget sufficient in FY19 to handle all the maintenance.

Mr. Rowell stated at either rate, the HOA isn't going to pay the increase in their CDD fees but charges of taxes will. What I have noticed, especially the last meeting and a couple of times it was mentioned, people are great with the pool, but then they start talking about taxes going up. That is where I think you are going to find your opposition if they realize how much the taxes are going to go up.

Mr. deNagy stated yes, you are going to have a two-fold impact. You are going to have the debt increase because you are going to have another bond, but you are also going to have your O&M costs go up because of the upkeep. Those are things we obviously are going to have to nail down as we proceed.

Mr. Rowell stated even though we are representing the people, maybe the residents need to at least give us an idea.

Ms. Blessing stated they have to give us an idea. I am not going to vote on this pool if they don't give us an idea. This is very expensive and a lifetime of maintenance.

Mr. deNagy stated it is also a nice asset, and it should help increase home values in Heron Isles.

Ms. Blessing responded possibly.

Mr. deNagy asked do you want to talk about what Jim has put together for us? We can start with the amenity and pool, and then we talk about parking or vice versa.

Mr. Lyons stated on the pool and in that area, I don't know what \$700,000 will buy. It was mentioned a lot of people would like to have a building or a structure attached to it, a small amenity center. I have heard that mentioned by several people.

Ms. Graham stated I have heard that same request – some place that meetings and things could take place for owners.

Ms. Blessing stated you can rent that out and make some money on it.

Mr. deNagy stated that would be CDD income. If we have a small social room, I don't know if you are familiar with Amelia Concourse. They have a small social room there, and they do use it and rent it out for community functions, and there is a covered deck with the pool itself that is attached to the social hall with some restroom to the side.

Mr. Lyons stated I would like to see that planned into this just to see if we can fit it in with that overhead budget, the \$700,000 price tag. If we get to the point where we see we can't, something has to be cut, I guess we will start chopping at that. We definitely want the parking.

Mr. deNagy asked Mr. Lucas with a \$700,000 budget what are we looking at? Do you think that is doable?

Mr. Lucas responded let me preface this. You have a box on that property. That doesn't mean that is where it needs to go. What we had to do there is figure out what size pool you need for this size community. I think it is 40 x 60. That's about what you probably should have for a 750 unit complex, which is what you have. It could move around. We did not add another building on there because you already have a building, but the one you have got is strictly a restroom, and it is way off to the side. If you are interested in a pool and a meeting room, I would like to talk to some experts that can do a real quick layout and rough estimate and come back to you. I don't know what else you would want. I need to get a handle on what you want in this community. I know you want parking, and you want something at the other place, and you want this. The physical part is easy. You want a park, I can estimate that. I know we want to put some parking spots there. We need more handicap spots – that I can do. Placing the facilities on site is easy for me to do, but to price a pool and a meeting room, I am going to have to go out and talk to other experts that do that kind of business that I don't do. Certainly that is a lot of money, and I think you can do it for that. You have a certain amount of money and this many jobs, and you want to whittle it down to what you can afford and what you want to live with. Those are the things I can't really tell you at this point in time. It does fit on the property. If you want a pool there, you have plenty of room to do that. We can also add additional parking, but I think the concept we have there minimizes the impact and allows you enough space left over to have a good facility there. If you expand your parking there, it is going to be at the expense of your usable space. We may be able to get another two spots if we extend the parking a little bit further north. I can't come up with a different configuration of getting more parking and giving you the flexibility of what you want to do on the rest of the site. My suggestion is since that is a #1 desire in this community, I need to go to the next step. We used WW Pitt last time. We can talk to somebody to find out how much the pool and building concept would cost. They build them all the time, so getting an estimate should not be that big a cost.

Mr. Lyons stated as far as parking goes, this area right here that connects these two, can we just cut that out and extend the parking so we will have parking spots all through here?

Mr. Lucas responded absolutely. I can also swing that parking further over.

Mr. Rowell stated I would actually recommend rotating it this way to the road and opening it all out to here. That should give you a lot more spaces than just two or three. I have seen them park out there, and they park like 30 vehicles on the grass, so I know you can park.

Mr. Lucas responded that can be done too.

There was general discussion about where parking can be located using drawings/photos available. There was also discussion about the location of restrooms.

Mr. Rowell stated you definitely don't want restrooms that far away from the pool.

Mr. Lucas stated that is the problem you have now because you have a playground between your restroom and whatever you want to build here.

Mr. Rowell stated I would say it would be off of the side of the amenity center.

Mr. Lucas stated so the building then becomes a meeting room/restroom area. That's done all the time. It just so happens that you already have a restroom now.

Mr. Lyons stated I would want all the doors for the restrooms and for entrance into this to be facing the road. I don't want any side doors. We have experience with these side doors over here that we have vandalism over here, and they believe they are being shielded from the road and traffic. If we have doors rights here and the main entrance right here for the amenity center, I think that would work out.

Mr. deNagy asked Mr. Lucas is that all just wetlands or something?

Mr. Lucas responded no, this is a buffer area. The wetlands are way over here. This is just a buffer area to protect. Whatever we do here, any runoff, gets treated within this area before it gets to the wetlands.

Ms. Blessing asked you can't cut into the buffer?

Mr. Lucas responded you really can't. It has been recorded as an easement. It can be changed, but it is a real hard road.

Mr. Rowell asked about restrooms being fenced off.

Mr. Lucas responded you can fence the whole concept if you want. Mr. Lucas asked if there had been any problem with vandalism of the playground equipment?

Ms. Graham responded mostly the building. They climb on it. Onetime they painted it, but we cleaned that off.

Mr. Lucas stated I will go through Dave, I will rotate that and give you additional parking here. I didn't really want to come off the road with another driveway because you already have

this set up. In the meantime, let me work up a footprint here and go back to a couple of people who do this kind of work and get some cost estimates and then come back to you.

Mr. Rowell asked at the same time you are getting cost estimates, can you get actual drawings?

Mr. Lucas responded they will be concept drawings now. If you want to proceed forward, then whoever will prepare the drawings will want to go under contract to do it.

Mr. deNagy stated this is good because we are so early in the fiscal year, we have got a lot of time to work with here.

Mr. Rowell asked can you put this in a CAD drawing?

Mr. Lucas responded we will work in CAD to get this. What I will do is whatever the footprint is, and the most feasible and economical to build, it won't be a box anymore. It will actually be there. After we get that footprint, we can always move it around. We have to meet the handicap rules, and they are pretty stringent.

Mr. deNagy stated you have ADA guidelines for pool entry and all that. How big is the pool?

Mr. Lucas responded roughly 40 x 60. It goes by square footage based on the number of people you want to have, the size of the community.

Mr. Rowell asked how quickly can we expect you to get that information back to Dave?

Mr. Lucas responded you have a meeting in December. Let me work up the footprint with the parking when I get back, and then I will contact a couple of people. I have to get back to Dave on the schedule. I will try to give you some kind of an outline by the December meeting with some kind of a rough idea. I can't promise it at this time, but that's my goal.

Mr. Lyons asked for the soccer field, we are not talking about putting permanent nets or goals on it are we?

Ms. Graham responded I don't know.

Mr. deNagy stated down the road at Amelia Walk, if you drive in, they have a soccer field, but the goals are movable. They can put them anywhere they want to.

Mr. Lucas stated we did this to show you there is room to build. Soccer is not as definable as you think it is. It depends on the age group and size. This is regulation size for older kids, but I have seen in the past is they will go and use half a field for the real small kids. You have room to do that.

Ms. Blessing stated what you could do, if we build an amenity center, is put in games like goals, badminton equipment, and sign it out.

Mr. Lucas said I have 8 parking spots here – 7 and a handicap. You have got some space left over. You have to let me know what your thoughts are in this area.

Mr. Rowell stated I would like to see more parking spots there. It drives me nuts when I drive by, and they are parked on the sidewalk. I just want to go crazy. If they put on some kind of soccer game or community event, that is no parking at all. Nobody is going to come down here to park to walk way down there. Make that lot bigger. We need to add more parking there.

Mr. Lucas stated that one is going to be a little tough, but what I think we can do is rotate it and have parking backing up to the sidewalk here and over here, and that way you have this existing concept and utilize this area here for parking also. There is the question of where to put the driveway. Mr. Lucas used the drawings to illustrate where he was talking about.

Mr. Lyons stated we really don't need to address the soccer field put incorporate it into the \$700,000 budget. We can worry about the soccer field later on. As I see it, our main concern is additional parking, the pool, and the amenity center with the bathroom and see what we can get for our money.

Mr. Lucas stated if you have any residents that work for construction companies, getting parking in is probably what you want to do. You can certainly have a community project where you can clear it and let the community make it happen over time. That sometimes works. You certainly want to have a concept plan of how much parking you can get in here.

Mr. Lyons with additional parking plus the fact we will be taking up this area over here with the pool, then the things that we currently do out there, movie nights, etc., that would have to move over to the field side. But with the parking over there and additional parking on the other side, that would make that a lot easier.

Ms. Blessing said you would need some power.

Mr. Lyons said that is a good comment, we don't have any power over there.

Mr. Rowell stated why couldn't you have movie night at the pool?

Mr. deNagy stated I just thought of this, do you all want night swimming? You can add lights, and this would be the time to do it. I don't think they are that much. You could have the Dive-In Movies. That is real popular among communities that have pools.

Ms. Blessing stated I think it would be safer to have lights at night anyway.

Mr. Lyons stated you know if they can get in there, they are going to go – especially teenagers.

Mr. Rowell stated you have to beef up your security and security cameras.

There was discussion about using roving security, off-duty security officers, and security in general.

Mr. deNagy directed his comment to Mr. Lucas and stated you are going reconfigure the diagram, get with a company that is familiar with the buildings, and come up with an idea of cost hopefully by our December meeting.

Mr. Lucas responded that is my goal. You want to know what you can afford to build and what kind of concept plan you want to go by. From there, then you will have a timeline. If you can afford it, get everybody on board, and then you can proceed to the next step, which would be actually designing, getting it permitted, and getting construction contracts.

Mr. deNagy stated if we are all comfortable with that, and we have the costs, we would need the Engineer's report to provide to MBS so they can work out the financing and get that ball rolling. Jim, would you be available for that meeting on December 20?

Mr. Lucas responded I will look on my calendar, but I am not going out of town.

Mr. Lyons asked do we want to go ahead and do a survey so there will be some information about what the residents want? I have heard from some residents who were very adamant that they didn't want a pool, but I believe I have heard more residents say they do want one.

Ms. Blessing stated can we give them a cost? The beginning of this whole thing was to get an estimated cost.

Mr. Lyons stated do you want to wait and get that before we do a survey?

Ms. Blessing stated I think they should know.

Mr. Rowell stated does it really have to be a survey? Can it be a formed letter of "This is what the CDD board is looking it, this is what the concept would look like, and this is how it is going to affect you. If you have comments, then email (contact name)." This would be less time-consuming than trying to get everybody's responses.

Mr. deNagy stated I don't have emails for everybody. Cheryl, do you for the HOA?

Ms. Graham stated we don't have everybody, but we are trying.

Mr. Lyons stated all we need is one email address so the information from the Internet sample would go to that email address.

Ms. Blessing asked can't it be done on the website? Send out a letter saying this is what we are doing, here is where you go and vote.

Mr. deNagy stated we can put something on the web page, but it would be up to people in the community to point everybody to it.

Mr. Lyons stated then they could vote or make a comment as to yes or no.

Mr. deNagy stated when we come back in December, we will have some idea of cost. Do we want to wait and do it then?

Mr. Lyons stated yes.

Mr. deNagy stated that way we could ask residents if assessments went up, say, \$200, would you be willing to fund a pool or something to that effect.

Mr. Rowell stated I think you should also send them a letter because I don't do all that neighbor stuff. I know if I don't, there are other people that don't.

Ms. Blessing stated I think they should get a letter with a follow-up to answer it online.

Mr. deNagy stated I will get you a cost. We sent the mailed notices out when we did our assessment increases, so I know how much it is going to cost to mail the letters. You probably should just double that because you are going to put return postage for those to send their responses back.

Mr. Rowell asked are you still working on the thing at the end of Commodore Point?

Mr. Lucas responded this is what we have got. I went out there and looked at it. There is a system in place. What happened was we just had so much rain. It didn't drain out. I expected it. I also found out this wetland has an overflow, and the overflow is between the houses that you can access off of Heron Isles Blvd and the recently completed cul-de-sac on Chester. There is a gap in between. There is an overflow there, but when I went out there and looked at it, there is some filter fabric in between, and that has to be removed. I can get somebody to remove that. When they put a sewer line through there, the dirt was kind of kicked up a little bit. I am going to get that reduced. What will happen is the next time we have one of these major events, and the water starts building up in the wetland, it will go out that other overflow as well as the overflow that is already in place.

Mr. deNagy stated he received an email from Greg Matovina stating our plan for the end of Commodore Point has been approved, he has three lots there, and unless other arrangements are made we plan to proceed with construction and sell the two lots. If the CDD is interested in purchasing the two lots, we need to know by the first of next year. He said we have not set a final price on the lots, but they are currently selling in the \$45,000 range. The District, if it wanted to do it, would have to pony up the money to buy the lots.

Mr. Lyons asked are we still on the hook for a fire station, or did we take that completely out?

Mr. deNagy responded I don't know the answer to that.

Mr. Lucas stated I believe the fire station was a site that was included – I don't know of any condition where the CDD has to build it. That is my understanding. There is also some commercial property that is still there along Chester.

Mr. Lyons I am wondering if we still have that commitment to put in a fire station after we complete this.

Mr. deNagy stated I know there are no funds left in the bonds.

Mr. Lucas stated I don't remember any budget to build a fire station.

Mr. Lyons stated so we don't have any real reason that would drive us to purchase those properties?

Mr. deNagy stated there is no obligation on our part. He is simply saying that if we are interested in buying them so we can do a roundabout, we can do so.

Mr. Rowell stated but under HUD that was approved back when the community was first developed, he was to put a cul-de-sac there, which he didn't do. That is what the county was saying that he had to do it.

Mr. Lucas stated they wanted a temporary situation. They did not want any of those houses built because if the road was being extended, then there would be no need for it. Now I understand the county is not interested in extending the road or at least getting somebody else to extend the road to connect to it.

Mr. deNagy stated but I don't know that the county has said that a roundabout needs to be built there.

Mr. Lucas stated they want a turn-around of some sort.

Mr. deNagy stated you had proposed a K-turn using that middle lot.

Mr. Lucas responded right.

Mr. deNagy stated right now, we can do the K-turn because that middle lot is not going to be developed or if the District decided to buy those two lots, then they could possibly build a roundabout there.

Mr. Lucas stated now that it is going to be occupied by a turn-around and houses, the thought process from the county is we can turn around and remove the nuisance, but again it was not their nuisance, it was more your nuisance. You can complain to the county, and the county will understand, but I don't know if they ever send anybody out to look at it. At least it would be tougher for people to use that area the way they are doing it now because now there will be houses there. I think that middle lot, there was never going to be a structure on it. So you have a vista to the lake, but you can't drive to the lake.

Mr. deNagy asked has there been any thought about putting signage, like dead end, so people will know. I think if you turn on the street before you go all the way in to Commodore, there is a roundabout and simply turn around there and go back out if there was a sign in place that said dead end.

Ms. Graham will have a sign put up.

There was general discussion about the area.

Mr. Lyons asked could we see some ideas about getting electricity to the soccer field area.

Mr. Lucas stated that shouldn't be a problem. There is already power for this station here. All we have to do is talk to FP&L and getting service for that spot should not be a problem. As soon as I get the parking reconfigured, then you just have to tell where you want lights.

THIRD ORDER OF BUSINESS

Adjournment

Mr. deNagy stated if there is no objection, I will adjourn today's workshop.



Secretary/Assistant Secretary



Chairman/Vice Chairman