

MINUTES OF MEETING
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Thursday, March 29, 2018 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:

Don Lyons	Vice Chairman
Kathleen Blessing	Supervisor
Robert Martyn	Supervisor

Also present were:

Dave deNagy	District Manager
Jason Walters	District Counsel (by phone)
Ernesto Torres	GMS
Joseph Loretta	Genesis Architectural Design Services
1 Resident	

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 11:11 a.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Consideration of Proposals for Architectural Services

Mr. deNagy stated we went out seeking an architectural firm to work on the pool amenity project at Heron Isles, and we received one proposal from The Genesis Group. Joe Loretta is here today with the Genesis Group.

Mr. Loretta stated I have been talking with Jim Lucas off and on for the past couple months. He is your CDD Engineer, and he was asking what is necessary to create a pool here for the Heron Isles Community.

Mr. Loretta continued stating I am landscape architect and have been with Genesis for 16.5 years. We are a full service civil engineering, planning design firm with offices in Jacksonville, Tampa, and Tallahassee. I probably have 10 amenity centers that we have either constructed, are under construction, or we have in design over the past four or five years. Enclave and Amelia Island are moving forward with Phase 2 and are going to have an Amenity Center as well. I have been talking with Jim, and Jim is the engineer of record for development called Cross Creek in Clay County that I was the initial land planner for that development and project manager for all the amenities including the entry features, the pool amenity, and so forth on that project. It is a 10-acre amenity center site that we are going to build on half of that site. We have a \$4 million amenity center serving a 1200 unit development. There is a 6,000 sq. ft. pool, 10,000 sq. ft. building, tennis courts, etc. I read some minutes from your December meeting. I think there are around 850 units connected to a development.

One of the difficulties here is the Florida Department of Health dictates the pool size for a CDD based on the total number of homes. There is a lot of pool engineering, hydrology, and how it all works, but a simple rule of thumb is 4.5 sq. ft. at a 4' depth on average per total number of homes. I think you are around 850 homes, and that is going to require a 3,300 – 3,500 sq. ft. pool. That is a pool that on average would be 4' in depth, so if there is a Baja shelf or a zero entry, the pool would have to grow larger to make that happen. Once you go over 2,500 sq. ft. pool, the Department of Health requires restroom facility for the site. Women's has to have four toilets and one handicapped toilet. Men's has to have one handicapped toilet, two urinals, each have two sinks I believe. That is the minimize size criteria. In talking through this, I know right now some of the pools being worked on are maybe \$115 to \$120 per sq. ft. for construction of the pool. So a 3,500 sq. ft. will cost at least \$400,000 for the pool itself. The building may cost at \$200,000 to \$250,000. You have to hardscape around the pool, and you have to design and permit. It is going to be very difficult to make it all happen with a \$750,000 thought process off \$1 million bond. Jim did come back and ask is there a way to get a waiver on some of this. Theoretically there is, you can ask for a variance for the Department of Health and request a smaller pool, but my pool engineer is actually on the variance board for the Department of Health, and he went this past year with a similar request for a smaller pool for a development. It is a very similar situation. They were denied, and so I called up the head of the Department of Health who oversees this. He said you can apply, but typically these things aren't approved.

You may have a little bit of a unique situation where you don't have that big of a piece of property where we could make a request to try to come up with a smaller pool. You could always go out and just build a children's splash pad and circumvent a lot of the criteria, but for a pool itself, the strong likelihood is we are put into a position of 3,500 sq. ft.

I have been talking with Jim back and forth and responded to this RFQ. This goes through some of my qualifications, my resume, and different projects I have worked on. The most recent one is Pine Lakes, which is under construction. It is in North Jacksonville. I have a very good relationship with the Planning Director for Nassau County. I am also involved in the Urban Land Institute, and I am the technical advisor for that. One of the questions I have on this project is what is going to be the necessary permitting requirements with Nassau County. You already have some parking spaces there. It is kind of intriguing. A typical municipality would consider the Amenity Center almost like a stand-alone commercial project. You still have to go through a full set of development review through the municipality to get it permitted, then you need a separate building and pool permit – two building permits for the building and pool.

Mr. deNagy stated regarding funding for the project, the initial thought process was to have about \$700,000 to \$800,000 in construction funds, but Jim came back, I guess after working with you, and decided a more realistic number would be \$1.25 million for construction. It would be roughly \$1.5 million to \$1.6 million in debt for a 3,500 sq. ft. pool without having to go back and try to have it modified. It sounds like, from what Joe is telling us, that those modifications are difficult, if impossible, to get. What we are trying to do this morning is to engage an architectural firm so we can move this process forward. Once we do that, we can get some idea of the concept of what the amenities would look like and all the restroom facilities that are needed. Jason, at our next meeting (May 3), given that we engage the architect today, we can talk with MBS further about getting the funding process going and moving forward.

Mr. Walters responded I think that is going to be important to understand final number concepts. If we have a construction funding budget of X, what does that look like on the assessment side, and then we can pull rough operational costs as well so we come forward with a budget and what the annual impact would look like per household.

Mr. deNagy stated the board would still have an opportunity, even at that point, to go ahead or not proceed. I know there was discussion of having a public workshop to invite

residents to hear the conceptual plans and get some idea financially how it would impact their assessments each year.

Mr. Walters stated we need to have a firmer concept and budget concept to present to homeowners if we are going to have that kind of public hearing. We can say not only is this essentially what we are looking at, but this is the cost. That way they can be informed and look to the board in terms of moving forward or not. It is sounding more and more like the budget is going to be a little bit more dictated by the Code requirements of sizing and so forth.

Mr. deNagy opened the discussion up to the board for questions.

Mr. Lyons stated this company seems to be more in touch with pools in general. The 3,500 seems to be the number that we have to deal with. The Amenity Center I think is going to be the point where we are going to have some discussion about the size. I don't want just a bathroom there. They would want some kind of meeting room. I don't see any reason why we can't go ahead and engage the firm to do this.

Mr. Martyn asked we are only talking about the pool area and not the pool area and soccer field, right? We are just talking about that one area?

Response of "Yes."

Ms. Blessing stated it would have to Amenity Center, bathrooms, the pool, and parking spaces.

Mr. deNagy stated I don't know if you are familiar with the Amelia Concourse community, but they have a similar situation. Their social room is relatively small, maybe half the size of this room, and they have restroom facilities. It is not very big, we do have our CDD meetings there, which would be a nice thing for Heron Isles. Residents could attend as well.

Mr. Martyn asked that would eliminate current restrooms, right?

Mr. Lyons asked you mean take out the others? I don't think so.

Mr. Loretta stated unless we are looking at redesigning the whole thing, I would just leave those restrooms as is. The pool will have to be separately fenced, so those who are in the tot lot would just go to that restroom. No reason to take away stuff you have already done. I feel like we will work to incorporate the gazebo that is out there. The gazebo could be the entrance gateway into the Amenity Center. We are not going to be able to add too much parking out here. That is one of the questions we need to make sure we are going to be fine with Nassau County –

that they are not going to require a significant number of parking spaces for an Amenity Center this size.

Mr. deNagy stated if the board would ahead, and maybe we could take a motion to engage Genesis. Going forward from that, if we engage our architect today, we would then run back to Jim Lucas. He would then need to work with Genesis and prepare an Engineer's report that would outline the costs for the potential project, and then bring that back to the board. Also, that would be something we would provide MBS, and they could start working on the funding process.

Mr. Walters responded I think today's action would be approve the engagement of the Genesis Group today, and we would then negotiate the contract. Given the time constraints, I think it would be helpful to authorize the chair or at least one board member to work with staff to negotiate that contract so that we are not bringing it back at the next meeting, because then we are still at Step 1. The negotiation is based on the rates charged by the architect and the Scope of Services we are looking for for this project, whether that be a flat fee or what other stipulations we want to include. We need to have that set out in a formal contract when we engage them.

Mr. Loretta brought to the attention of the board Concept 6. We have basically an entry tower and walls on each side, but then there is 1,800 sq. ft. fitness center, which could turn into your meeting room. That restroom facility would just have to grow by one stall. That building there, if you did want a meeting room, could be similar to the minimum size building you would be able to get away with with that meeting room.

Mr. deNagy stated so we could also potentially design this social hall for expansion in the future?

Mr. Loretta responded yes.

Mr. deNagy stated we may want to phase in the costs as well so it is not everything at once.

Mr. Lyons stated we have to look at the advantages and disadvantages of that.

On MOTION by Mr. Lyons seconded by Ms. Blessing with all in favor to engage the Genesis Group and authorize Don Lyons to negotiate the contract was approved.

Mr. Walters stated we will work with Genesis Group, Jim, and MBS to come up with a more distinct proposal that the board can consider, and then we can go whatever direction we need to from there in terms if we want public input.

Mr. deNagy stated to get a feel for the timing of all this, I am assuming we want to try to get our funding in place this year so that it impacts assessments in November. If that is the case, we have a timeline based on when we put our tax roll together and our budget. The hard part is the first part of our budget is due by June 15, so that will mean we have to figure out what debt assessment we are talking about for the capital part of this project, and then on the other side our maintenance which would be pool chemicals, keeping the pool clean, and security. That will have to be factored into our budget approval by June 15. I am not saying it can't be done, but it is a tight window at this point. After June 15, if everyone is settled on the debt and the O&M numbers, we want to put those at a high end. Given that does happen, it is going to initiate a letter to the residents to let them know we are going to have an assessment increase. We want to do that anyway because you have talked about having a public workshop to talk about this project. We do that assessment, we do the raise assessment, we send the letter out, we have a public meeting about the pool, we do all that, we do to adopt our budget, then we can tweak our budget downward from what we approved or at the level we do approve that, and then move forward and levy the assessments.

Mr. Lyons asked will we need another contract to search for a pool cleaning company?

Mr. deNagy responded I have some contacts from other districts we can reach out to about that. I will come back to the board and advise on the different maintenance items that we would want to consider as part of our budget.

Mr. Lyons asked as far as security goes, can Genesis take care of the fencing and whatever may be required for this?

Mr. Loretta responded typically we just show a 4' fence that surrounds it, and you have to have a secure gate lock. A lot of times my clients take care of the locking situation themselves, but it is complicated. Nassau County may be a little bit more lenient, but really in the end, you really have to have a push panic button on the backside. What we have done recently is on the backside of the gates that come in, there is a screen mesh that picks up so people can't reach their hands over and push the gate in. You can have a keypad to get in and on the backside just a typical panic bar to get out. The likelihood is that we are going to have two gated accesses to get

in. One will probably go through some sort of architectural portion of it, and then we will probably have a second gated on the side in some form.

Mr. deNagy stated but that whole security system will be part of the initial capital project?

Mr. Loretta responded yes. On our projects, we really haven't put in security cameras or anything like that. Some developments have. We can add that in or look to add some of those elements in if that is something you want. Typically the security is just a gate and a fence that wraps around this, and it is maintained by the CDD.

Mr. Lyons stated can you give us a proposal with and without the security cameras and stuff?

Mr. Loretta responded yes.

Mr. Lyons stated we already have cameras on the other areas of this park. I am sure we would want to continue that around the pool area. If necessary, would the board be okay with the gazebo coming down or being moved if we had to have that footprint in order to get this pool and center in there.

Ms. Blessing responded yes.

Mr. Martyn responded yes.

Mr. Lyons stated we are looking at maybe having May 3 as being the timeframe where we present a concept?

Mr. deNagy responded if that is at all possible.

Mr. Lyons stated with that in mind, are there any other elements you would like to add – architectural design theme?

Ms. Blessing stated if you could maybe put a suggestion if for some reason we don't go with the pool and we want to go with everything else, like the child splash area, just a cost estimate on that. I think that would be good either way. They are used a lot, I am not sure about the pool. We have a number of little kids that would probably love something like that. So if you could give us an estimate of that too.

Mr. Loretta stated once you are getting up to the \$1 million range, it is giving us a little bit more play. If we can get a zero entry built into a pool, then you can maximize a little bit by having a zero entry there with some vertical jets and kid elements built right into the pool versus a separate splash pad. But if we get rid of the gazebo, we may be able to still add a splash pad,

and that can be a separate phased element. We will show a couple of options with a cost estimate. I will meet with Nassau County to gauge what their permitting requirements are going to be at that time as well. I am assuming this first work effort will just be an initial conceptual design and cost. Within that cost we will have a final soft cost and then hard costs and so forth.

Mr. deNagy stated I think that is good because the board wants to have a public workshop to allow residents to come and provide their input.

Mr. Lyons asked do you think we can get that Amenity Center in three different sizes, starting from 800 up to 2000 for the club portion?

Mr. Loretta responded yes.

Mr. deNagy stated the size of the amenity will dictate what the funding is going to be.

Mr. Lyons stated for putting in the parking, do you want to go ahead and plan for them to expand the parking over to the other side? We were planning on putting parking over there anyway.

Mr. Loretta stated one of the most cost effective ways to add parking is to come in with angled parking. If we could come in with angled parking right here, we could come in with five or six spaces and let the sidewalk wrap around it.

Mr. Lyons asked If we do expand the parking lot, is that built into the overall pricing that we are talking about here?

Mr. deNagy stated I would defer that to Jim and ask how he would conceptualize that.

Mr. Lyons I want to ask Jim if we can cut back that tree line that is between the two sides of the park. In the middle it is right up against the road. If we could cut that back, then we could make a nice parking area in between the two parks.

Mr. Loretta stated typically I presume when I see a bunch of trees like that it is all wetlands, but you just don't know. If you could get angled parking along that stretch, that would be a great asset.

Mr. deNagy stated we can talk with Jim to see how that fits into the overall plan.

Mr. Loretta asked will I be coordinating the proposal with you (Mr. deNagy)?

Mr. deNagy asked Mr. Walters, do you want Joe with the Genesis Group to coordinate with me or you directly?

Mr. Walters stated in terms of?

Mr. deNagy responded the initial contract.

Mr. Walters responded I think probably the best thing to do is to have a quick group call with Don, you, and myself and the folks with the Genesis Group.

Mr. Loretta stated I will get the proposal started, and we will figure out who it goes to. It is no big deal.

Mr. deNagy stated just send it to me, and we will coordinate a time to have a conference call about that.

FOURTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

FIFTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Supervisor Requests

There were no supervisor requests.

Audience Comments

There were no audience comments.

SIXTH ORDER OF BUSINESS

Next Scheduled Meeting

Mr. deNagy stated our next scheduled meeting will be a May 3, 2018 at 10:30 a.m. at this location.

SEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Lyons seconded by Mr. Martyn with all in favor the Meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman