



KILINSKI | VAN WYK

# Nokomis Groves Community Development District

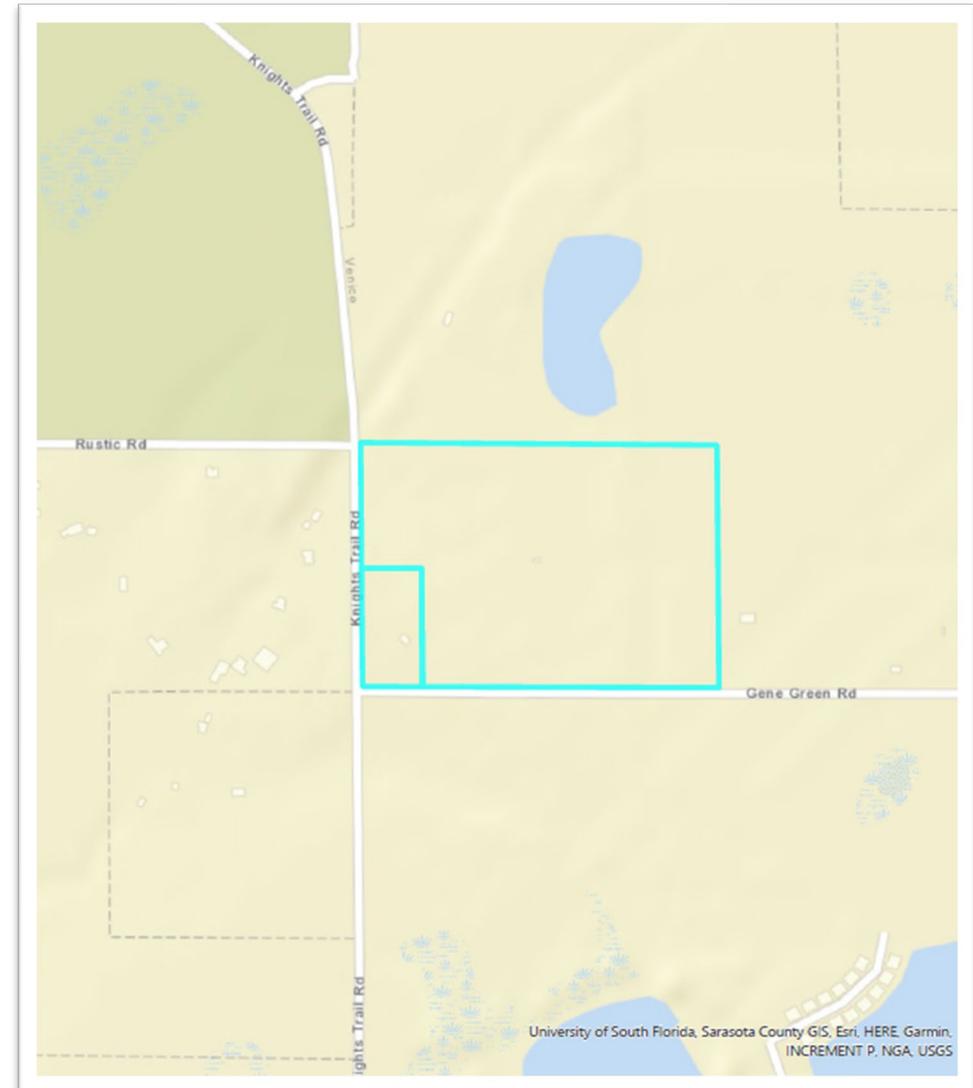
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City of Venice, Florida

# Nokomis Groves CDD

Approximately \$13.1 million in planned public improvements, including:

- Stormwater management systems
- Water, sewer, and reclaim utilities
- Roadways
- Landscaping and irrigation
- Hardscape, entry features, and signage
- Undergrounding of conduit
- Common areas and community space
- Recreational amenities
- Other improvements permitted under Chapter 190, *Florida Statutes*



# Key Advantages of CDDs

- **Results in a higher quality project while enjoying cost savings**
  - Tax-exempt bonds can be issued at favorable rates
  - Costs are spread out over time
  - Results in more competitive home prices and an overall higher quality project
- **Results in a stable revenue stream with default advantages/protections including safeguards for the City**
- **Results in higher property values**
- **Transparency and Accountability: CDDs are subject to Sunshine law and Public Records law**

# CDDs are Superior Maintenance Entities

- **Availability of funds: CDDs collect assessments on the County tax roll resulting in reliable and predictable funding**
- **CDDs enjoy sovereign immunity protection**
- **CDDs are eligible for FEMA and other emergency funding**
- **CDDs retain professional staff and vendors to operate the District and maintain improvements**
- **Enhanced level of management and upkeep results in higher property values with fewer complaints to the City**

# CDDs vs. HOAs

	CDD	HOA/Developer
<b>Infrastructure</b>	<b>Costs less – tax-exempt bonds keep initial constructions costs low</b>	<b>Costs more</b>
<b>Future Cost Savings</b>	<b>Costs less – tax-exempt bonds keep refurbishment costs low</b>	<b>Costs more</b>
<b>Default Protection</b>	<b>Yes – Funds managed by Trustee</b>	<b>No</b>
<b>Funds Collected on Tax Roll</b>	<b>Yes</b>	<b>No</b>
<b>Sovereign Immunity Protection</b>	<b>Yes</b>	<b>No</b>
<b>Resident Control</b>	<b>Faster turnover to residents</b>	<b>Slower turnover to residents (90%+ buildout)</b>
<b>FEMA/Emergency Funds</b>	<b>Yes</b>	<b>No</b>
<b>Accountability</b>	<b>Sunshine/Public Records law applies</b>	<b>Sunshine/Public Records law does not apply</b>
<b>Long-term Value</b>	<b>More control over ability to maintain value</b>	<b>Less control over ability to maintain value</b>

# Key Advantages: Default Protection

- **CDD money is held by a certified Trustee in a Trust Estate (e.g. U.S. Bank, Regions Bank, etc.)**
- **Money can only be used through strict requisition process and consistent with federal and state tax law**
- **All requisitions are required to be signed/certified by District Chairperson and Engineer**
- **In the event of default, money is held by the Trustee, not the developer**
- **The money can be used to continue the project, maintain the public improvements, and pay foreclosure costs**

# City Retains All Powers – CDD Limitations

- **CDDs have limited authority (“local unit of special purpose government”)**
- **City retains all of its powers (i.e. zoning, permitting, policing, etc.)**
- **Approving the CDD does not approve zoning/entitlements**
- **CDD has to comply with applicable laws, including City ordinances**
- **No debt of the CDD can be a debt of the City – Section 190.016, F.S.:**
  - **“A default on the bonds or obligations of a district shall not constitute a debt or obligation of a local general-purpose government or the state.”**
- **No administrative costs to City**
- **CDD debt is not disclosed on City financial statements**

# Benefits to the City of Venice

- **CDDs offer a stable financing source for new developments and public projects**
- **Allows new on-site and off-site public infrastructure improvements to be constructed without the use of City funds or bonding capacity**
- **No financial burden on residents outside of the CDD – the project pays for itself**
- **Ensures the project is funded because bond proceeds are available up front and deposited into a managed trust account**
- **Results in increased tax base for the City**
- **More stable/reliable maintenance entity**



# Benefits to District Residents

- **Enhanced project, including recreational amenities, professional landscaping, etc.**
- **Access to tax-exempt bond market for new projects and future refurbishment of existing improvements**
- **Assessments are required to be disclosed in marketing materials and sale contracts**
- **Residents have the option to prepay at any time without penalty**
- **Liability for assessments limited to individual parcels**
- **The CDD outlives the developer**
- **Earlier resident involvement**
- **CDD is professionally managed – higher level of care than HOA**
- **Property values maintained at higher level**
- **CDDs are very transparent – Sunshine law & Public Records law applies, required website, disclosures, etc.**
- **Residents decide their own level of service at an earlier stage**

# CDD Transparency

- **Financial considerations required to be disclosed in sales contracts**
- **Mandatory public website where meeting agendas and financial statements are posted**
- **Subject to Sunshine law & Public Records law**
- **All meetings & public hearings must be publicly noticed/advertised**
- **Minutes of each meeting are kept and posted on the website pursuant to Sunshine law**
- **Mailed notice for all assessment public hearings – published notice for all public hearings**
- **Public procurement laws apply**
- **Recorded notice of establishment is required**
- **Recorded disclosure of public financing is required**
- **Recorded notice of special assessments is required**
- **Annual audit required by statute**
- **Required public depository reports**



# Establishment Criteria\*

1. **Petition statements are true and correct**
2. **CDD establishment is consistent with Comprehensive Plan**
3. **CDD is developable as one functional interrelated community, based on size, compactness, and contiguity**
4. **CDD facilities will be compatible with existing community services and facilities**
5. **Area subject to the CDD is amenable to separate special district government**
6. **CDD is the best alternative for delivery of community development services and facilities**

\*Establishment criteria pursuant to Section 190.005(1)(e), *Florida Statutes*

# Nokomis Groves

Community Development District

QUESTIONS?



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