



Amenity Authority Committee

&

Project Wide Advisory Committee



Joint Meeting

March 20, 2019

Purpose

The **Purpose** of this meeting: To provide the opportunity for the Amenity Authority Committee and Project Wide Advisory Committee to discuss the deferral rate and provide direction to staff on how to proceed, over multiple meetings, with the deferral rate issue.

Discussion Topics

- Amenity Fee
- Prevalent/Prevailing Rate Overview
- Deferral Rate
- Workshop Information
 - 10 Year Forecast
 - Cumulative Deferred Revenue
 - Number of Residents above \$155
- Deferral Rate Discussion

Amenity Fee

- When a resident purchases a home they sign a contract (Declaration of Restrictions) with the Developer to pay a “contractual amenities fee” in exchange for amenity services.
- Per the individual contract, the resident’s amenity fee will be adjusted based on the Consumer Price Index (CPI) either annually or every three years, depending on individual contract.
- The District cannot change any purchase contract/Declaration of Restrictions as it is a contract between the Developer and the purchaser.

Prevalent/Prevailing Rate

- Set by Developer.
- Per contract (Declarations of Restrictions), “the New Owner(s) shall be obligated to pay the prevalent Contractual Amenities Fee that is then in force and effect for new Owners Homesite.”
- Developer increased Prevalent Rate from \$145 to \$159 for every home sale transaction effective October 1, 2018.

Deferral Rate

- The current deferral rate is set at \$155, for homes purchased prior to October 1, 2018, which provides that the owner will pay a maximum amenity fee of \$155 a month.
- July 15, 2010 – Village Center Community Development District Board of Supervisors adopted Resolution #10-18 as recommended by the Amenity Authority Committee.
- May 17, 2012 – Sumter Landing Community Development District Board of Supervisors adopted Resolution #12-03.

VC Resolution #10-18 - Deferral Rate

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE VILLAGE CENTER COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

1. The monthly Amenity Fees for recreational services and the common areas shall not be adjusted above \$155.00 per month for any owners at the time their adjustment is due under the various Declaration of Restrictions until such time as the Village Center Community Development District determines otherwise and may at that time make the adjustment which may include any accrual of adjustments not previously made by the Village Center Community Development District.
2. The non-adjustment to amenity fees is for a maximum of one year from the adoption of this Resolution and any continuation of this policy shall be based upon the fiscal impact and any other criteria as determined by the Village Center Community Development District.

SL Resolution #12-03 - Deferral Rate

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SUMTER LANDING COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

1. The monthly Amenity Fees for recreational services and the common areas shall not be adjusted above \$155.00 per month for any owners at the time their adjustment is due under the various Declaration of Restrictions until such time as the Sumter Landing Community Development District determines otherwise and may at that time make the adjustment which may include any accrual of adjustments not previously made by the Sumter Landing Community Development District.
2. The non-adjustment to amenity fees is for a maximum of one year from the adoption of this Resolution and any continuation of this policy shall be based upon the fiscal impact and any other criteria as determined by the Sumter Landing Community Development District.

ADOPTED THIS 17th DAY OF May, 2012.

Legal Opinion

Per Legal Opinion, dated October 22, 2018 – Deferred Rate vs. New Prevailing Rate

“The Declarations, interlocal agreement, and District resolutions taken together indicate that owners initially charged a prevalent rate exceeding the deferral rate shall continue to pay a rate frozen at the applicable prevalent rate. Owners charged less than the deferral rate shall continue to experience CPI adjustments until the deferral rate is reached. Owners paying the deferral rate at present will continue to pay the deferral rate. The deferral rate may be changed at any time, at which time the foregoing rules would continue to apply with respect to the adjusted deferral rate.”

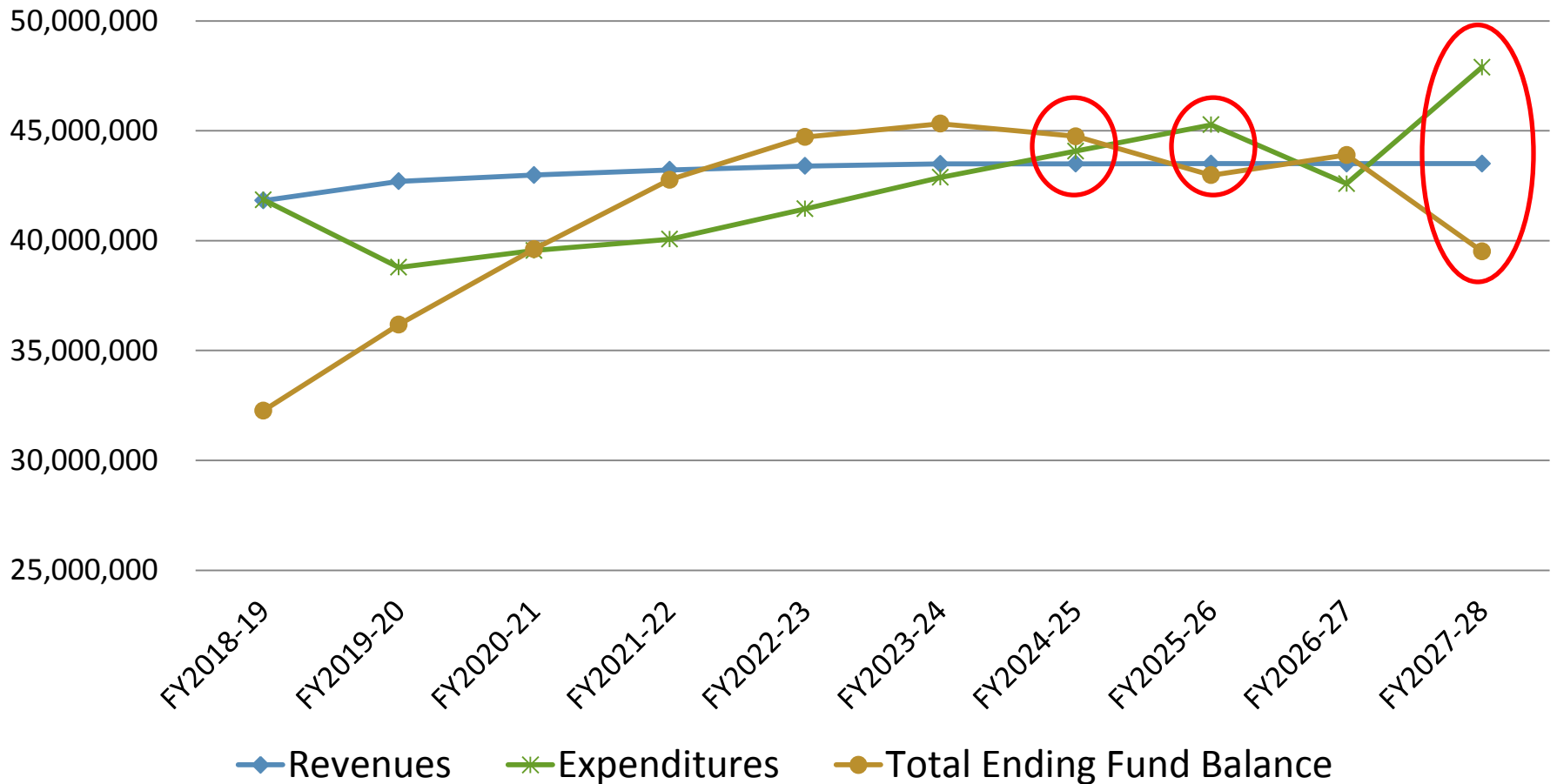
Kevin M. Stone, District Council for VCCDD and SLCDD.

AAC: RAD Fund - Amenity Fee Forecast

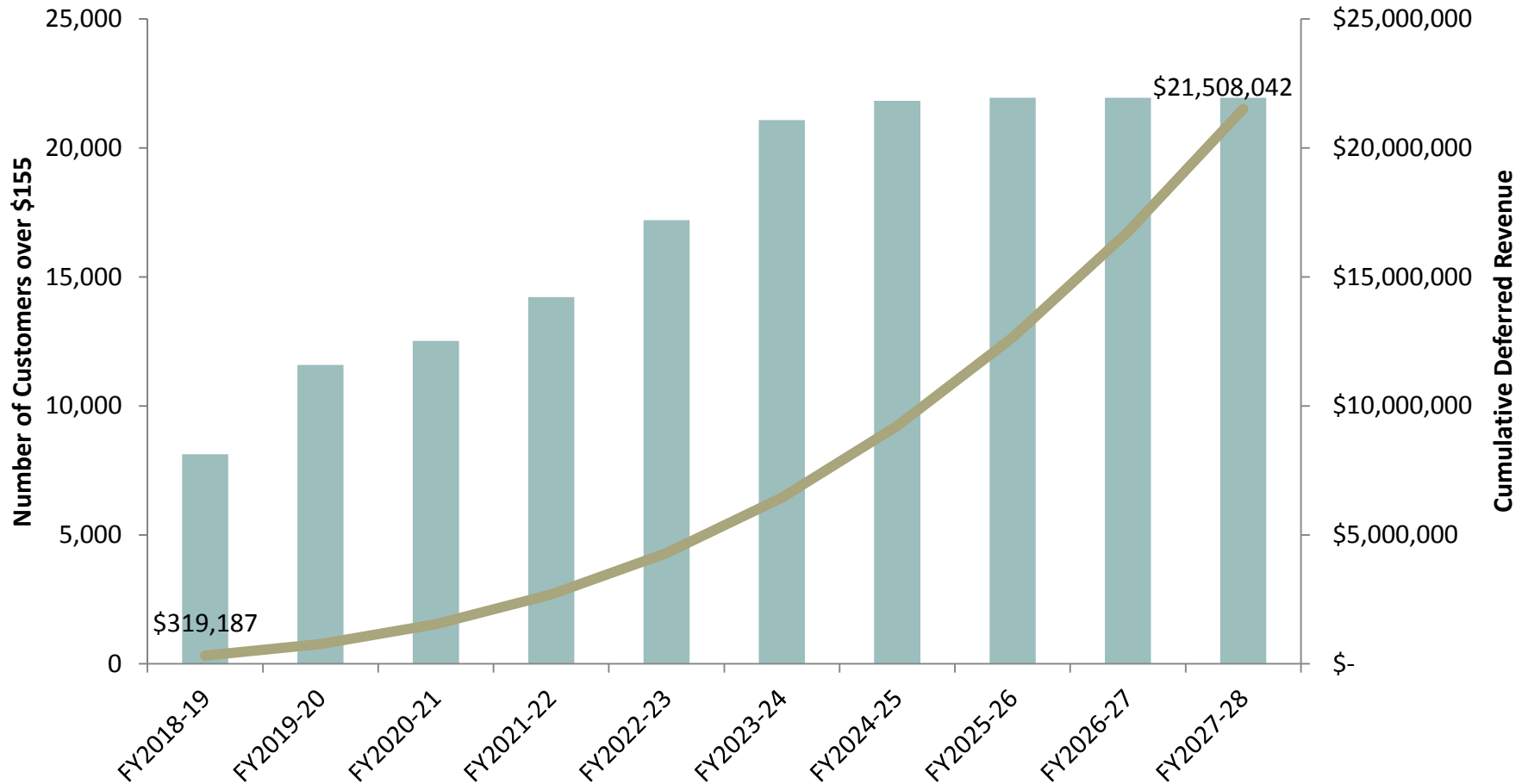
As presented at the AAC Capital Projects Budget Workshop held on January 23, 2019:

- RAD Fund Balance – 10 Year Forecast Chart
- RAD Fund – Amenity Fee Forecast Chart
 - Number of Rooftops above \$155
 - Cumulative Deferred Revenue

RAD Fund Balance - 10 Year Forecast



RAD Fund - Amenity Fee Forecast

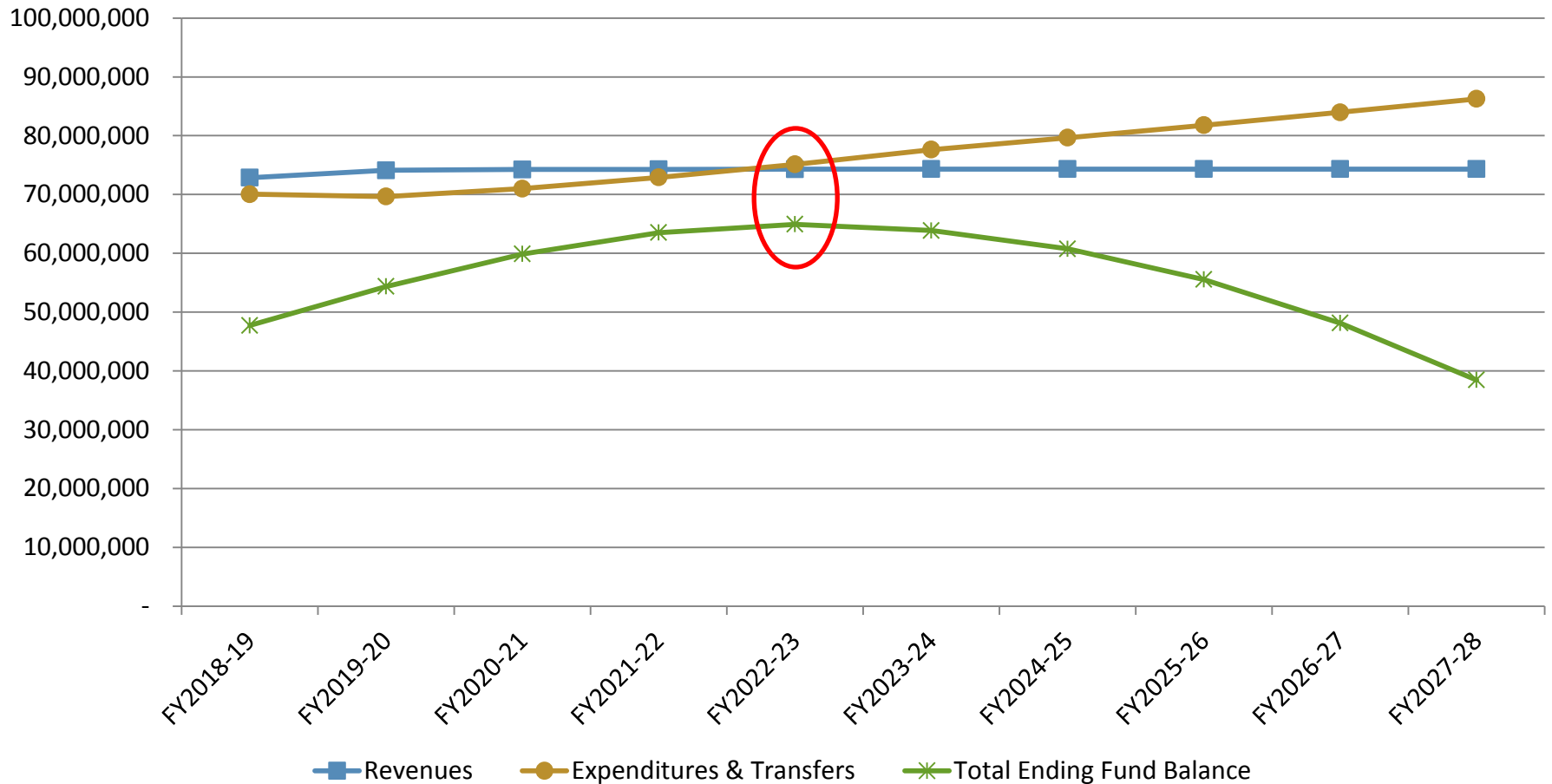


PWAC: SLAD Fund - Amenity Fee Forecast

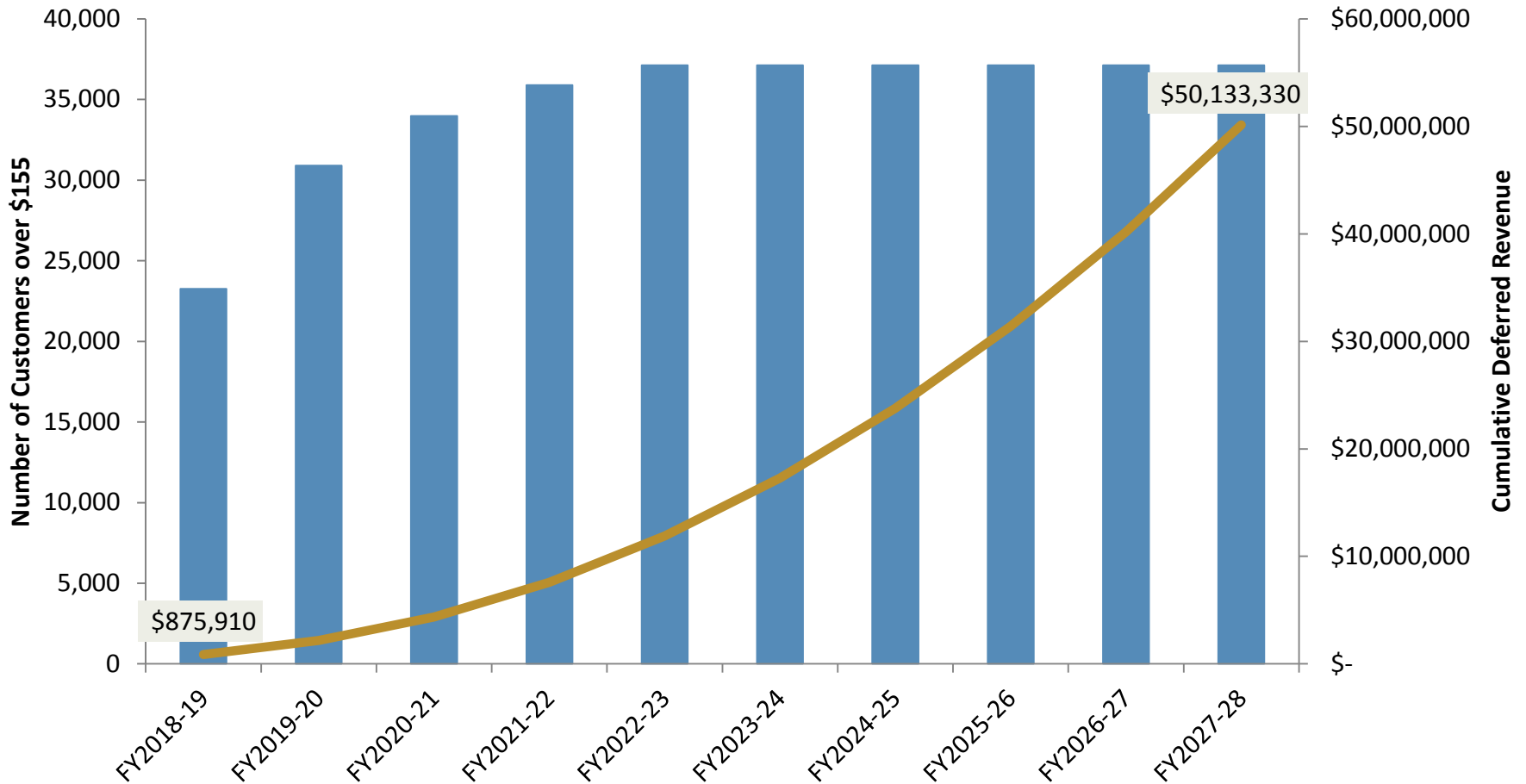
As presented at the PWAC Preliminary Budget Review during the March 11, 2019 PWAC regular meeting:

- SLAD Fund Balance – 10 Year Forecast Chart
- SLAD Fund – Amenity Fee Forecast Chart
 - Number of Rooftops above \$155
 - Cumulative Deferred Revenue

SLAD Fund Balance - 10 Year Forecast



SLAD Fund - Amenity Fee Forecast



Deferral Rate Discussion

- AAC/PWAC Joint Discussion – Deferral Rate
 - Consensus of Direction to Staff

Possible Options:

- 1) Remain at the current deferred rate
- 2) Increase the deferred rate
- 3) Eliminate the deferred rate in accordance to original purchase contract

Thank you!