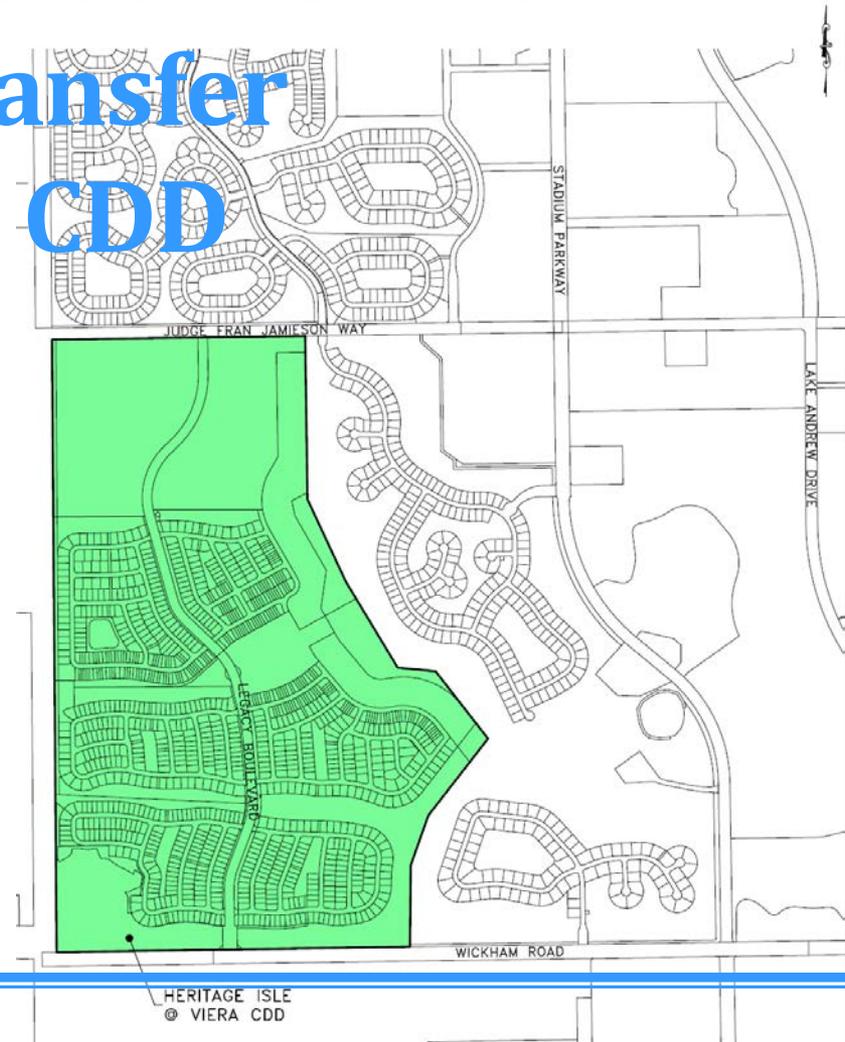


Proposal to Dissolve District Association & Transfer Infrastructure to CDD

Presented to the:

Heritage Isle District Association, Inc.'s
Resident Advisory Committee and
Community Residents

December 1, 2014



Why are we here?

-We want your thoughts on a long-standing idea that might save the residents money and make the community operate more efficiently.

(BTW – Did you know that there are six different “associations/entities” that you pay for? These include:

Central Viera Community Association, Inc.

Heritage Isle District Association, Inc.

Heritage Isle at Viera Community Development District

Heritage Isle Residential Villages Association, Inc.

Condominium Associations, and

Heritage Isle Club, LLC)

-The proposal is preliminary, and we haven't done all of the research, but we wanted to get your input early on before moving forward.

Here's the proposal:

- (1) The Heritage Isle District Association, Inc. (“**District Association**”) would be dissolved.
- (2) The CDD would take over the District Association’s remaining infrastructure (and option to buy the club).
- (3) All other remaining District Association duties would go to other community associations.

Some background . . .

- The CDD is a special purpose unit of local government established to finance & maintain public infrastructure for Heritage Isle.
- The CDD presently owns and operates:
 - All of the lakes and stormwater system,
 - Conservation areas,
 - Common areas and parks,
 - Landscaping,
 - Irrigation,
 - Sidewalks,
 - Street lights,
 - Pedestrian bridge, and
 - Entry monuments.
- By contrast, the District Association maintains only the roads/entry bridge, gatehouse, and circle fountain (with an option to acquire the clubhouse)

What's in it for you?

- ***Potential Cost Savings / Efficiency*** – There are several potential cost savings:
 - You wouldn't have to pay for the administration of the District Association because it wouldn't exist anymore
 - The CDD would be able to manage all of the community's public infrastructure, thereby creating more efficient management
 - The CDD is able to issue tax exempt bonds to finance projects, typically at better rates than other means of borrowing (e.g., future road re-pavement projects, a potential acquisition of the clubhouse, etc.)
 - The CDD is able to purchase goods on a tax exempt basis

What's in it for you? (cont.)

- ***Sovereign Immunity*** – Unlike the District Association, the CDD enjoys sovereign immunity protection, which helps protect the community in the event of a lawsuit
- ***Transparency*** – The CDD must have open meetings and records, and is subject to governmental oversight and accounting standards
- ***More Stable Revenue Stream*** – Unlike the District Association, the CDD is able to collect its money on the tax roll
- ***Earlier Turnover*** – The CDD's Board is already controlled by elected residents

Public/private considerations . . .

- **Numerous CDDs in Florida successfully operate roads and clubhouses**
- **“Soft Gates” for Roads**
 - Retain visible presence
 - Continue to have the option for security officers / surveillance cameras
 - Continue to document those entering and exiting the community
 - Experiences at other communities
- **Amenity Clubhouse**
 - Open to “patrons” who pay annual user fee established by CDD’s Board
 - User fees are typically equal to annual debt and O&M assessment
- **Public Records**
 - CDD would maintain only those records necessary for operation of the facilities, and typically just the same information that would be available through a “411” call

Next Steps

- We are early in the process of evaluating the proposal, and there are still a lot of questions. That said, we wanted your input up front.
- Here are some likely next steps:
 - CDD's Board to authorize the proposal;
 - Continue to speak with involved parties, including club owners, associations, HOA counsel, bond lawyer, underwriter, etc.;
 - HOA's counsel is reviewing legal issues relating to transfer;
 - HOA adopt a declaration amendment;
 - CDD adopt an amended improvement plan and authorize the transfer;
 - CDD acquire the remaining HOA public infrastructure and adopt appropriate rules and/or policies; and
 - CDD and HOA would transfer other operational aspects (e.g., transfer of maintenance agreements, amend budgets, address insurance, update recorded disclosures, etc.)

Questions?