

BACKGROUND PROVIDED BY APPLICANT

BACKGROUND ON COMMUNITY DEVELOPMENT DISTRICTS:

Florida law (section 190.005(2), Florida Statutes) authorizes the establishment of a community development district (CDD) by the Brevard County Board of County Commissioners (Board). Only a county commission may establish a CDD in an unincorporated area with a size of less than 2,500 acres.

CDDs serve their property owners and residents as independent units of local special-purpose government. They operate independently of the county government and the Board in the provision of certain services. While CDDs operate as units of local government, they still do not have all of the powers of a local government. For example, they do not have police powers, zoning, or permitting authority.

A CDD serves a governmental and public purpose by financing, providing, and managing certain basic infrastructure systems, facilities, and services as allowed by Florida law (Chapter 190, Florida Statutes) for the use and enjoyment of the general public. Only property owners within the CDD are assessed through the CDD for these improvements within its boundaries.

Some of the powers of a CDD include the ability to create, operate, and maintain water management systems, water supplies, sewers, wastewater systems, effluent disposal systems, bridges, culverts, and roads within the district. With the consent of the Board, a CDD may also exercise additional special powers, such as plan, establish, acquire, construct, or reconstruct, enlarge, or extend, equip, operate, and maintain additional systems and facilities for parks and recreation; facilities for recreational, cultural, and educational uses; and security for guardhouses, fences and gates, electronic instruction systems, and patrol cars.

The statutory purpose of a CDD is to plan, finance, construct, and/or acquire, operate and maintain community-wide infrastructure in large, planned community developments. As stated in Section 190.002, Florida Statutes, the Legislature found that "...an independent district can constitute a timely, efficient, effective, responsive and economic way to deliver these basic services, thereby providing a solution to the state's planning, management, and financing needs for delivery of capital infrastructure in order to service projected growth without overburdening other governments and their taxpayers." A CDD is not a substitute for the local general-purpose government unit, i.e. the city or county in which the CDD lies.

It is a financing mechanism; it is not empowered to adopt a comprehensive plan, building code, or land development code, or regulate land use, zoning, or land development. A CDD lacks the powers of permitting, zoning, police, and many other authorities possessed by general purpose governments. Future operation and maintenance of District-owned facilities and infrastructure will be funded through maintenance assessments levied against all benefited properties within the District.

A CDD is controlled by a board of supervisors initially elected by the landowners within the CDD and ultimately elected by qualified electors within the boundaries of the CDD.

STAFF'S FINDINGS & RECOMMENDATIONS:

On April 17, 2025, Jen Florida 48, LCC ("Petitioner"), petitioned the Board of County Commissioners of Brevard County, Florida ("County") to establish the Sun Terra Lakes Community Development District ("District"). The authorized agent for Petitioner is Tucker F. Mackie of Kutak Rock LLP. The current property owner within the District is the Petitioner. The attached General Location Map generally depicts the approximate 1,082.242 acre site generally located north and east of the Deer Run Subdivision, west of Babcock Road, and south of Willowbrook Street. The District is proposed to fund infrastructure to support 3,241 residential dwelling units and associated uses.

With respect to development approvals for the underlying development granted by the County Board, both a Large Scale Plan Amendment changing the future land use designation from RES 1:2.5 to RES 4 and a change in zoning from GU & AU to PUD were approved in September of 2004. A Binding Development Plan was also entered into between the County and Petitioner on October 3, 2024 and planned development project approval has been obtained through the County.

The proposed total infrastructure cost estimate for the District is \$135,000,000 to include stormwater management system, roadways, water, wastewater, and reuse systems, undergrounding of conduit, hardscaping, landscape and irrigation, recreational amenities, conservation areas, and offsite improvements (including intersection improvements and signalization and potable watermain and forcemain extensions), within a proposed construction timetable of 2026 to 2037. Of the \$135,000,000 of estimated eligible infrastructure costs, a portion will be funded through the issuance of municipal bonds issued by the proposed District that will be secured by assessments levied on the benefiting lands solely within the proposed District boundaries. The Petitioner will be responsible for all costs that are not funded by the District. Pursuant to Chapter 190, Florida Statutes, the eligible infrastructure cost estimates are to be submitted in good faith, but are not binding, and may be subject to change.

The assessments levied by the District are in addition to all applicable ad valorem taxes that are levied by the County and other taxing authorities. The District will be structured financially to be independent as intended by the Florida Legislature and will not require any additional subsidies from the County or the State of Florida. The District will take affirmative steps to provide for the full disclosure of information relating to the public financing and maintenance improvements undertaken by the District. Such disclosure will be in accordance with Section 190.009, Florida Statutes, and will be provided to all existing and prospective residents of the District.

Sun Terra Lakes District Preliminary Cost Estimate

The development within the District is projected to occur over an estimated 12-year period, 2026 through 2037. In accordance with Section 190.012, Florida Statutes, the District will be empowered to construct, manage, and finance the community infrastructure and service improvements, which include the following improvements and professional services and fees anticipated to be associated with the improvements.

(1)	Stormwater Management System	\$24,900,000
(2)	Roadways	\$32,200,000
(3)	Water, Wastewater, and Reuse Systems	\$37,500,000
(4)	Undergrounding of Conduit	\$2,600,000
(5)	Hardscaping, Landscape, and Irrigation	\$7,500,000
(6)	Recreational Amenities	\$10,000,000
(7)	Conservation Areas	N/A
(8)	Offsite Improvements	\$4,000,000
(9)	Professional Services	\$4,000,000
(10)	10% Contingency	<u>\$12,300,000</u>

Total Cost Estimate	\$135,000,000
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District Proposed Infrastructure Ownership & Maintenance Responsibilities

<u>Facilities/Systems</u>	<u>Proposed Ownership and Maintenance Entity</u>
Stormwater Management System	CDD
Roadways	County will own, operate and maintain the two spine roads from Babcock westward. The CDD will own, operate and maintain the internal roadways.
Water, Wastewater, and Reuse Systems	City
Undergrounding of Conduit	CDD
Hardscaping, Landscape, and Irrigation	CDD
Recreational Amenities	CDD
Conservation Areas	CDD
Offsite Improvements	County or City (Intersection Improvements); City (Utilities)

The Petitioner has designated the following individuals to serve as the initial members of the Board of Supervisors of the District until such time that an election can be held to establish the Board of Supervisors: Richard Jerman, Dan Edwards, Trina Dziewior, Christopher Gardner, and Denver Marlow. The County and its citizens are not involved in the management or financial responsibilities of the District. The Petitioner has provided consent documenting that 100 percent of the real property included within the District boundaries is in their control, as required by Chapter 190, Florida Statutes. The

developer will incur substantial costs if the proposed District is approved. These costs can be attributed to the planning and creation of the District, management and technical assistance, construction of infrastructure, and operation and maintenance associated with that infrastructure. As an independent special district, the government body of the District establishes its own budget and, within the scope of its authorized powers, operates independently of the local general-purpose government entity whose boundaries include the District. The District landowners control the entity which provides services and levies the funds to pay for them. City and or County-owned property is independent of the District jurisdiction.

Creation of the District does not impact ad valorem taxing authority of the County, and the County does not incur any obligations for the debt payments of the District, pursuant to the provisions of Section 190.002(3), Florida Statutes. Approval of the District provides that the development pays for itself as it occurs and, therefore, furthers the concurrency requirement of the Comprehensive Plan.

Pursuant to Florida Statutes, the petition is required to contain eight elements:

1. A metes and bounds description of the external boundaries of the district. Any real property within the external boundaries of the district which is to be excluded from the district shall be specifically described, and the last known address of all owners of such real property shall be listed. The petition shall also address the impact of the proposed district on any real property within the external boundaries of the district which is to be excluded from the district;
2. The written consent to the establishment of the district by all landowners whose real property is to be included in the district or documentation demonstrating that the petitioner has control by deed, trust agreement, contract, or option of 100 percent of the real property to be included in the district, and when real property to be included in the district is owned by a governmental entity and subject to a ground lease as described in section 190.003(14), Florida Statutes, the written consent by such governmental entity;
3. A designation of five persons to be the initial members of the board of supervisors, who shall serve in that office until replaced by elected members as provided in section 190.006, Florida Statutes;
4. The proposed name of the district;
5. A map of the proposed district showing current major trunk water mains and sewer interceptors and outfalls if in existence;
6. Based upon available data, the proposed timetable for construction of the district services and the estimated cost of constructing the proposed services. These estimates shall be submitted in good faith but are not binding and may be subject to change;

7. A designation of the future general distribution, location, and extent of public and private uses of land proposed for the area within the district by the future land use plan element of the effective local government comprehensive plan of which all mandatory elements have been adopted by the applicable general-purpose local government in compliance with the Community Planning Act; and,

8. A statement of estimated regulatory costs in accordance with the requirements of s. 120.541, Florida Statutes, which the petitioner has prepared and is attached. The petitioner concludes that, once the proposed District is established, the annual operations and administrative costs of the District will be borne entirely by the District and will not require any subsidy from the State of Florida or the County, nor will it place any additional economic burden on those persons not residing within the District.

STATUTORY LEGAL STANDARD FOR ESTABLISHMENT OF COMMUNITY DEVELOPMENT DISTRICT:

Chapter 190, Florida Statutes, established six criteria that a petition must meet to merit approval for the establishment of a CDD. The six criteria include:

1. Whether all statements contained within the petition have been found to be true and correct.
2. Whether the establishment of the district is inconsistent with any applicable element or portion of the state comprehensive plan or of the effective local government comprehensive plan.
3. Whether the area of land within the proposed district is of sufficient size, is sufficiently compact, and is sufficiently contiguous to be developable as one functional interrelated community.
4. Whether the district is the best alternative available for delivering community development services and facilities to the area that will be served by the district.
5. Whether the community development services and facilities of the district will be incompatible with the capacity and uses of existing local and regional community development services and facilities.
6. Whether the area that will be served by the district is amenable to separate special-district government.