

**MINUTES OF MEETING
GRAND HAVEN
COMMUNITY DEVELOPMENT DISTRICT**

A Continued Meeting of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, August 7, 2014 at 10:00 a.m.**, in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting were:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Marie Gaeta	Assistant Secretary
Tom Lawrence	Assistant Secretary
Raymond Smith	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Rick Woodville	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Scott Clark	District Counsel
Barry Kloptosky	Field Operations Manager
Joe Montagna	Vesta/AMG
Jim Cullis	Grand Haven Realty
Louise Leister	Horticultural Consultant
Mike Lutz	Flagler County Sheriff's Office
Debbie Laury	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell reconvened the meeting at approximately 10:06 a.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

Supervisor Davidson expressed the Board and community's condolences to Supervisor Smith on the passing of his father.

▪ **Public Comments**

******This item was an addition to the agenda.******

Supervisor Davidson announced that, due to time constraints, the Board will hear public comments today but will be unable to respond; the Board will address resident comments at the August 21 meeting.

Ms. Debbie Laury, a resident, read the following:

“On July the 30th, one of the individuals campaigning for office in Flagler County, who, by the way, is not a resident of Grand Haven, sent an email, which I have now given to Steve Davidson and I will give to everyone else, an email to in excess of 400 residents of Grand Haven. Obviously, someone in this community provided that political candidate with access to information published in our community directory. But, what makes this even more troubling, is that, rather than sending this email out as blind copy, i.e., to “undisclosed recipients”, the email sent out by this political candidate lists, for all to see, the actual email addresses of over 400 of our residents. At this point, as the saying goes, those email addresses are out there for anyone to use in any manner, including, for example, unwanted advertising or solicitation of any type. Because I was aware of the HOA rule prohibiting outdoor sales and solicitation, within Grand Haven and because Glen and I had actually been cited, during the last General Election for simply placing a Romney sign in our window, inside of our home, I called Craig Railsback, at Southern States Management, the organization that provides management support to the Grand Haven HOA, questioning what could be done about this problematic email. I was told that the CDD office, which was in charge of the administrative matters regarding the legitimate use of our community directory. So here is the situation, in a nutshell, while the HOA has approved a regulation preventing intrusive, door-to-door solicitation, of any type, within Grand Haven, there does not seem to be any parallel set of policies to prevent the questionable or possible illicit use of email information published in our directory. So, I suppose if I, for that matter, or anyone else wanted to do so, in the absence of any clearly delineated policies to the contrary, I, or they, could simply take the directory to any advertising agency or illicit boiler room operation and say to the recipient ‘Here, have at it. Here is a listing of potential clients ripe for the pickings. Have a good time.’ I would respectfully suggest that the officers of both the Grand Haven CDD and the HOA, together with the legal

counsel of both administrative bodies, might want to meet in order to engage in some very serious thinking about the need for the creation of some sort of policy, which would serve to protect the integrity of the data published in the directory. I would point out, incidentally, that there are some very serious legal questions concerning the language in the HOA rule, as it relates to the First Amendment rights of Grand Haven residents; however, until those issues are adjudicated in court, the HOA rule currently stands in preventing door-to-door solicitation, of any type, within Grand Haven. So, I would suggest that any policies established by the CDD or, for that matter, the CDD, in cooperation with HOA, should be crafted both with great care and very competent legal counsel advice. Notwithstanding that; however, I do believe that something needs to be done to protect the integrity of the data published in our directory, in order to insure that this cannot be used in a similar manner, ever again. The question that might be addressed by each of you, in this case, might be something like this, is it any less intrusive for your computer's inbox to be cluttered up with unwanted email, commonly referred to a 'spam', than it is to have some unwanted individual banging on your front door, in order to harangue you about some issue about which you have little or no interest. More to the point; however, I would also ask what, if anything, can be done, in this current situation to identify the Grand Haven resident who provided this information to that political candidate and is there any way to effect, at the very least, some sort of admonishment or punishment for what seems to be, on its face, to be a very unfortunate and ill-advised use of our directory.

Respectfully submitted,"

THIRD ORDER OF BUSINESS

**CONTINUED DISCUSSION: Cullis,
Parcel K and Grand Living**

Supervisor Chiodo recalled the District's ongoing negotiations with Mr. Jim Cullis, of Grand Haven Realty, regarding the Parcel K property, near the golf club, along with other items. He presented a revised proposal, dated August 4, 2014. Supervisor Chiodo noted that he was appointed by the Board to negotiate with Mr. Cullis, on the District's behalf. He advised that this proposal is nearly identical to the previous proposal; the only change was the addition of a

one-time \$20,000 payment, by the CDD, to Grand Haven Realty. Supervisor Chiodo indicated that all of the other conditions, of the original proposal were intact and, even if the proposal was accepted, it must be ratified by the Board.

Supervisor Chiodo reviewed the appraisal for 1.71 acres, in the Wild Oaks area. He explained that Mr. Cullis wants to purchase the property from the District, or obtain an easement over it, to use it as drainage or a stormwater pond for his project. Supervisor Chiodo indicated that the appraised value of the property was \$12,000 and Grand Haven Realty paid for the appraisal.

Supervisor Chiodo stated that he received a counterproposal from Mr. Cullis and noted that, in previous counterproposals, Mr. Cullis dropped his price to \$69,000. He advised that Mr. Cullis' most recent proposal called for a one-time payment of \$45,000.

Mr. Cullis noted that an acre adjacent to the Clubhouse and parking lot could be beneficial to the District and confirmed that he is eager to sell the property at a fair price. He explained that this is a joint proposal from himself and Discovery Senior Living, which is the entity that needs the drainage site; they offered to compensate Mr. Cullis \$12,000, if the transaction is completed. Mr. Cullis surmised that the \$12,000, along with the proposed \$45,000 payment from the District, equals his debt on the property. He advised that, if the District does not need the property, discussions have continued with the golf course, which might need it in the future.

Mr. Cullis pointed out that, absent the District's desire to own the 9th green site, his group would like an answer and for the District to consider selling the 1.71 acres for the appraised value or granting a drainage easement on the property.

Supervisor Davidson asked if the \$45,000 price is gross or net of the \$12,000. Mr. Cullis indicated that it is gross, in anticipation of swapping property, plus the \$45,000 compensation from the District.

Mr. Cullis stated that he reviewed the Wild Oaks plat, St. Johns River Water Management District (SJRWMD) permit and the title report and expressed his concern that he would still need to obtain permission from SJRWMD to use the area for a pond and something might be uncovered. He stressed that the entire transaction would be contingent upon obtaining City approval and SJRWMD's approval of the drainage.

Mr. Cullis noted that he and the District are \$25,000 apart and questioned if the District is willing to sell all of Tract K. If the District is agreeable, he is willing to purchase the entire tract

and split the difference in price, bringing him and the District \$12,500 closer. He advised that the entire tract is 14.29 acres.

Supervisor Davidson clarified that Mr. Cullis is speaking about the “landlocked” tract between Wild Oaks and the Grand Living project.

Supervisor Lawrence felt that the District should seek more than \$12,000 for Tract K, in Wild Oaks, because Mr. Cullis’ client has two options, which include purchasing the property for a retention pond or developing an internal acre for the pond. He believed that the option to purchase the District’s property would be significantly less costly to the developer; therefore, he would expect the District to share in the benefit. Supervisor Lawrence suggested that the Board value Tract K at \$22,000.

Mr. Cullis pointed out that the developer has 72 acres, with room to build drainage. Additionally, the developer advised Mr. Cullis that they will not pay more than \$12,000. Mr. Cullis stated that they would pay \$25,000 or \$24,000, if he can purchase rest of the tract; he would put a conservation easement on all but the 1.71 acres need for drainage.

Supervisor Chiodo advised that the concept involving the entire tract is new to the negotiations.

Supervisor Smith stated that he agreed with Supervisor Lawrence, in theory; however, in considering the long term benefit of the District owning the property, at a net cost of \$32,500, he supports completing the deal with the caveat that the remaining portion of Tract K will be a non developable preserve area.

Supervisor Gaeta agreed with Supervisor Smith’s suggestion.

Supervisor Lawrence reiterated his opinion that the District should receive \$10,000 more.

Supervisor Davidson stated that, essentially, the District would be receiving more if it sells the remainder of Tract K, which is of virtually no developable value to the CDD; it is a landlocked area with no access in or out.

Supervisor Chiodo felt that the price is closer; however, he would like Mr. Clark’s opinion of potential issues associated with selling all of Tract K.

Mr. Clark confirmed that contingencies associated with the deal must be investigated. He voiced his preference for an easement transaction. Mr. Clark explained that he is troubled with the issue that the tract is platted and the act of platting it created some benefit for the Wild Oaks subdivision and, although it is a benefit that is not practicable or usable, it provides an open space function that might have been important in development calculations. He felt that granting

an easement and retaining title might be more defensible and consistent. Mr. Clark confirmed that the concept of involving the entire tract was new. He asked if Mr. Cullis was speaking about taking fee-title, as opposed to an easement.

Mr. Cullis voiced his support of Mr. Clark's suggestion, if they can put a drainage easement on the upland area, build a pond and allow a conservation easement on the remainder of the land. He noted that he must meet with the City to determine if it would be acceptable it as mitigation and so he would never have to take title of the property. Mr. Cullis stated that the benefit of using the tract is that he does not need to survey all of the corners of the pond; it is easier to sell a platted tract than to create a new legal description.

Mr. Clark advised that, conceptually, if this approach can be brought to fruition, the parties must work through the permitting issues.

Supervisor Chiodo asked what role the CDD has in assuring the water quality of the pond, if the District proceeds with the easement concept. Mr. Clark indicated that the responsibility would be placed upon the party holding the easement.

Supervisor Chiodo summarized that the discussion is to revise the one-time payment to \$32,500, inclusive of all of the conditions in the proposal, with the deal including all of Tract K. He stated his support.

Supervisor Lawrence was not in favor. He indicated that he has a problem with purchasing the parcel near the golf course because he does not see a practical use for the CDD. Supervisor Lawrence felt that the only value is that it would block development of the parcel; although, Mr. Cullis does not have an entitlement to build on that property. He recommended separating the two deals and granting an easement in Wild Oaks, for the detention pond, while placing the remainder on hold.

Supervisor Chiodo noted that, if Parcel K is included in the deal, citizens of Grand Haven would have the assurance that it will be a park-like area, rather than golf villas.

Supervisor Davidson asked if the District could use the LandMar settlement funds to purchase the property. Mr. Clark replied affirmatively, stating that those are unrestricted funds.

Supervisor Davidson favored creating an easement for all of Tract K and purchasing the golf course area property for \$32,500, using LandMar settlement funds. Supervisor Gaeta concurred with Supervisor Davidson's recommendation.

Regarding terms of the agreement, Mr. Cullis stated that, if the Board approves the transaction, in concept, he will coordinate with Mr. Clark and present an agreement for the Board's consideration, at the next meeting.

Supervisor Gaeta asked Supervisor Davidson to explain about the LandMar settlement check that he referred to.

Mr. Clark indicated that the District filed a claim in LandMar's bankruptcy for about \$530,000; a settlement check for \$279,000 was received in settlement of the claim. Supervisor Davidson pointed out that a return of this size, in a bankruptcy claim, is remarkable, and noted that those funds are available for use. Supervisor Davidson felt that it is in the best interests of the District to purchase the property and convert it into a park.

On MOTION by Supervisor Davidson and seconded by Supervisor Smith, with all in favor, granting an easement to the developer, on Tract K, with 1.71 acres to be used for a retention pond and the remaining portion of the parcel dedicated as conservation land, and acquiring Parcel K, at a net purchase price of \$32,500, using LandMar settlement funds, with the District paying the bond debt, in concept, were approved.

Mr. Wrathell indicated that the principal payoff, per unit, for the four Parcel K properties, is \$1,633.38; the District will pay off a total of approximately \$6,500.

****Mr. Clark left the meeting at approximately 10:42 a.m.****

FOURTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

There being no Supervisors' requests, the next item followed.

FIFTH ORDER OF BUSINESS

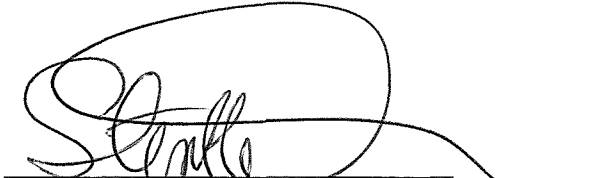
ADJOURNMENT

There being no further business to discuss, the meeting recessed.

On MOTION by Supervisor Chiodo and seconded by Supervisor Gaeta, with all in favor, the meeting adjourned at 10:43 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair