



**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 1
Series 2017 Refunding Bonds**

Assessment Methodology Report of Benefits for 2017 Refinancing

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Submitted by:

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1.0 INTRODUCTION

The West Villages is a development consisting of residential Neighborhoods and Villages with associated Neighborhood and Village Centers, and a proposed mixed-use Town Center containing approximately 8,200 acres located in the City of North Port, Florida. The West Villages is contained within the West Villages Improvement District (the "District") and is planned for up to 15,000 residential units and 300 to 1,000 acres of mixed-use Town Center. The West Villages Improvement District ("WVID") was created by and operates under Chapter 2004-456, Laws of Florida (the "Act") and operates pursuant to the Act and applicable provisions of Chapter 298, Florida Statutes. West Villages Improvement District Resolution No. 2004-08 designated approximately 8,193 acres of the West Villages Improvement District as the West Villages Improvement District Unit of Development No. 1 ("Unit 1"). Unit 1 consists of all of the property currently contained within WVID that is located within the City of North Port, Florida. Unit 1 was designated to provide for Master Planning, Standards Development, plus the construction, financing, long-term administration, and management of certain public infrastructure required for the District.

In accordance with that certain *Report of Engineer*, dated March 14, 2006, *First Amendment to the Report of Engineer*, adopted April 26, 2006, prepared by the then-current District Engineer, Kimley-Horn and Associates, Inc. (the "Original Reports"), along with other associated reports, the District levied and imposed special assessments securing its \$34,895,000 in Special Assessment Bonds, Series 2007 (Unit of Development No. 1) (the "Series 2007 Bonds").

In such reports, the District Engineer specifically determined:

"that allocating the benefits of the Project based on the number of portions of land of a half-acre or less is the basis selected for apportioning the special benefits. Planning studies prepared by the District Engineer for the Unit have established a projected number of half-acre or less portions of land within the Unit. These half-acre or less portions of land are employed in the special assessment methodology for the determination, allocation and apportionment of the benefits.

For the purpose of this report, the total half-acre or less portions of land in the Unit is 16,400. The District Engineer has determined that the total of 16,400 half-acre or less portions of land will be specially benefited by the Project.

The District Engineer has estimated that the total benefits to be received by the lands in Unit 1 from the Project described in the proposed Plan of Improvements to be \$49,896,395.31. This amount of total benefits divided by 16,400 (the estimated and projected number half-acre or less portions of land in the Unit) equals \$3,042.46 of benefit per half-acre or less portion of land.

For purposes of this Report, the District Engineer has determined that the calculation of the half-acre portions of land shall be as follows:

- a) Each parcel of land not subject to a legally constituted condominium and having an area less than or equal to one-half acre shall represent one “Half-Acre Portion of Land”*
- b) Each parcel of land not subject to a legally constituted condominium and having an area (the “Total Area”) equal to or greater than one acre shall constitute a number of “Half-Acre Portions of Land” equal to the sum of (i) 2 times the number of whole acres (the “Whole Acres”) included within the Total Area, plus (ii) that number of Half Acre Portions of Land equal to the result of (x) the Total Area minus the Whole Acres divided by (y) 0.50, rounded up to the next higher whole number.*
- c) Any land that is subject to a legally constituted condominium shall not be allocated benefits pursuant to (a) or (b) above, but each condominium unit shall constitute one Half Acre Portion of Land.*
- d) The Determined Benefits allocated to each parcel of land or condominium unit in the Unit shall equal the total Determined Benefit multiplied by the number of Half-Acre Portions of Land represented by such parcel or condominium divided by the total Half-Acre Portions of Land for all parcels and condominium in the Unit.*
- e) The allocation of benefits shall be performed annually based upon the final tax roll for the Unit.”*

The District is now contemplating the refunding of the Series 2007 Bonds (the “Series 2017 Bonds”) to, among other things, take advantage of interest rate savings which will result in new capital to be used for newly-contemplated infrastructure improvements while maintaining the same per parcel annual debt assessment. The purpose of this report is to memorialize this refinancing and provide assurance there will be no change in the non-ad valorem assessments to secure the Series 2017 Bonds (the “Series 2017 Assessments”).

Table 1 provides a computation of the annual non-ad valorem assessments assessed, imposed and levied against and peculiar to each assessable residential unit subject to the Series 2017 Assessments and demonstrates that the Series 2017 Assessments provide sufficient revenue to meet the maximum annual debt service requirement for the Series 2017 Bonds. The anticipated effect of the refunding of the Series 2007 Bonds will result in an increased par debt amount of outstanding District debt. However, due to the reduced interest rate associated with the re-issuance, the annual payment of debt assessments will stay the same and the new capital will be used for newly-contemplated infrastructure improvements.

In order to ensure that there is sufficient special assessment revenue to pay the Series 2017 Bonds, the District is required to perform an analysis which requires a determination of the amount of non-ad valorem assessments assessed, imposed and levied against and peculiar to each product type in order to meet the required debt service on the Series 2017 Bonds. Based on a Series 2017 refunding bond size of \$32,165,000, the maximum annual debt service for the Series 2017 Bonds is \$2,377,180, which has not been adjusted to include a 4% discount for early payment of assessments, a 1% fee for the Tax Collector, and a 1% service fee for the Property Appraiser (see attached Table 1).

Since the total amount of the Series 2007 Bonds and the Series 2017 Bonds new capital do not exceed \$44,906,755.77, which is 90% of the total benefits number of \$49,896,395.31 as described in the Original Reports, the benefit findings discussed in the report and Exhibit D as well as the 16,400 units (the estimated and projected number half-acre or less portions of land in the Unit) and methodology described in the Original Reports do not change and are incorporated herein by reference relative to the Series 2017 Bonds. In that regard, it is concluded that the allocation of special benefits remain unchanged as they flow peculiar to each acre, lot or unit within the District and that the apportionment of the special benefits for the Series 2017 Assessments remains fair and reasonable. It is also concluded that the Series 2017 Assessments remain not in excess of the special benefits peculiar to the property as apportioned.

Please note that Special District Services, Inc. is a management company and does not hold a certificate of authorization to perform engineering services in Florida. As such, this report is not the Report of Engineer as referenced in Florida Statutes 298.

Table 1

Series 2017 Bonds Summary – Note: Total Maximum Annual Assessment Per Unit Does NOT Change Due to the Refunding

Product Type	Number of Units	Series 2007 Bonds Maximum Annual Assessment per Unit*	Total Maximum Annual Assessment	Series 2007 Existing Par Amount Per Unit Type	Series 2007 Existing Par Amount Per Unit	Series 2017 Future Par Amount Per Unit Type	Series 2017 Future Par Amount Per Unit	Series 2017 Bonds Maximum Annual Assessment per Unit*
All	16,400	\$144.95	\$2,377,180	\$29,575,000	\$1,803	\$32,165,000	\$1,961	\$144.95

** Does not include discounts and fees*

