



CITY OF COCONUT CREEK CITY COMMISSION WORKSHOP MINUTES

Government Center
4800 W. Copans Road
Coconut Creek, Florida

Date: February 22, 2024
Time: 6:00 p.m.
Meeting No. 2024-0222WS

CALL TO ORDER

Mayor Rydell called the meeting to order at 6:18 p.m.

PRESENT UPON ROLL CALL:

Mayor Joshua Rydell
Vice Mayor Sandra L. Welch
Commissioner Jacqueline Railey
Commissioner John A. Brodie
Commissioner Jeffrey R. Wasserman
City Manager Karen M. Brooks
City Attorney Terrill C. Pyburn
City Clerk Joseph J. Kavanagh

Mayor Rydell asked all to rise for the Pledge of Allegiance.

Mayor Rydell noted that the meeting was being conducted live with a quorum physically present.

PRESENTATION – COMMUNITY DEVELOPMENT DISTRICTS

City Manager Karen Brooks provided a brief introduction and noted the MainStreet project was considering a Community Development District (CDD), but the topic of the meeting was exclusively an education on CDDs, not a specific CCD project.

City Attorney Terrill Pyburn advised that any specific questions or comments regarding the MainStreet development should be brought up during the Regular Meeting during discussion of Agenda Item 12 on the regular agenda due to the quasi-judicial nature of the item. She provided an overview of the definition and creation of CDDs in the State. She noted CDDs were a special purpose government entity that provided for development, improvement, and maintenance of a defined area, funded by assessments paid by the property owners within the district and governed by a board.

Scott Backman, Dunay, Miskel, and Backman, LLP, representing Johns Family Partners, LLP, provided a brief introduction to the developer presentation. He noted a petition had not yet been submitted.

Ginger Wald, Billing, Cochran, Lyles, Mauro, and Ramsey, P.A., advised that she was a governmental attorney and did not represent the developer. She reviewed a *PowerPoint* presentation outlining the powers of a CDD and what they could and could not do. She discussed the public hearing requirements, the governing of CDDs by a board of supervisors, and how CCD's were financed. She shared the benefits of a CDD, common improvements, and examples from Miami, Port Saint Lucie, and Orlando. Continuing, Ms. Wald discussed transparency for homeowners and landowners, explaining requirements and additional steps that could be taken. She closed with a list of 143 CDDs around the State.

Mayor Rydell asked whether the developer was paying for Ms. Wald to make her presentation and attend the meeting. Ms. Wald advised that she had received no money from the developer and was present to

help build the understanding regarding CDDs, including their advantages, disadvantages, and common misconceptions.

Finance and Administrative Services Director Peta-Gay Lake discussed bonds associated with several example CDDs and the associated cost of the assessments to residents. Examples included Meadow Pines in Pembroke Pines, Hillcrest in Hollywood, and Turtle Run in Coral Springs.

Mayor Rydell asked Ms. Wald to identify the top three (3) reasons a developer would want a CDD. Ms. Wald responded that it offered tax free municipal financing, along with knowledge that the public infrastructure requirements under the development order would be done and done right. Mayor Rydell asked the top reasons a resident would want to move into a CDD. Ms. Wald explained the community was going to be maintained well, and the residents had an opportunity to attend board meetings and have their voice heard. She advised that this was different from a Homeowners Association (HOA) because in many communities HOAs did not have meetings, or they were not publicized well. Mayor Rydell asked Ms. Wald whether she agreed with the staff comment that a property could have two (2) different oversight boards, including a CDD and an HOA or Condominium Owners Association (COA). Ms. Wald stated she did not agree with the comment that there could be two (2) or three (3) sets of rules and regulations, because the CDD handled public property, not individual private property.

Ms. Wald added that in a downturn of the economy, HOA and COA fees were the first thing people stop paying, but the mortgage company would continue to pay the CDD, so residents were assured those funds would be in the CDD bank to pay for the maintenance of the infrastructure.

Mayor Rydell asked the top reasons a city would want a CDD. Ms. Wald stated a CDD saves a city the headaches of public infrastructure and its maintenance, using parks as an example. She noted that if the City had an issue, there was a governmental entity within the community, made up of residents that the City could talk to about the public infrastructure within the CDD. She advised that in the event of hurricane response, a CDD would have contracts in place for cleanup and could receive reimbursement through the Federal Emergency Management Agency (FEMA).

Mayor Rydell suggested the CDD would need a qualified grant writer to write FEMA reimbursement grants, which was not an easy thing to do. Ms. Wald agreed that was true and stated that was the reason there were professional district managers in the CDD that have the know-how.

Commissioner Wasserman asked who the responsibility for the CDD items fall to if the CDD does not happen. Ms. Wald advised that it would depend on the specific item in question, and discussed maintenance of city property and landscaping. Commissioner Wasserman inquired as to the education of new homeowners. Ms. Wald stated there was a requirement that homeowners be informed they were purchasing into a CDD, and estimated amounts were included for debt and maintenance. Commissioner Wasserman asked how election costs were handled. Ms. Wald advised that the CDD enters into an agreement with the Supervisor of Elections to perform the election in cooperation with the November elections. Mayor Rydell asked for clarification, noting the City pays a fee to the Supervisor of Elections as part of that agreement. Richard Hans, Melbourne Beach, stated his team manages over 90 districts and does not pay the Supervisor of Elections any fees to have the elections.

Commissioner Wasserman commented on special assessments and increases in HOAs and asked how often the rates in a CDD community go up. Ms. Wald explained there were two (2) parts, the debt from the bond issued, which would not change over time unless they were refunded to get a lower interest rate. She stated the second part was the operations and maintenance expenses, which could change. She noted improvements to a property as it ages may be a reason for an increase.

Commissioner Brodie asserted that CDDs and HOAs can both levy assessments, so potentially a resident would have multiple special assessments, along with rising rates and insurance costs. He stated this was

going down a path that made him ask where it stops and if a CDD was really necessary or had the potential to push people out of their houses. He commented on residents not understanding the costs added to owning a home and the potential for fees to be added at any moment. Ms. Wald advised that the difference was that while an HOA or COA could specially assess a homeowner at any time, a CDD could not. She stated the only time the CDD could do a special assessment was through their budget process. Commissioner Brodie asked what would happen in the case of an emergency such as a collapsed canal. Ms. Wald advised that a CDD did not have the ability to add a special assessment in response to something happening. She stated the CDD would maintain reserves to provide for contingencies, and if a CDD needed to manage something catastrophic, they would get a loan. Commissioner Brodie inquired as to when reserves were funded. Ms. Wald stated the timing and amount would depend on the board of supervisors.

Commissioner Railey asked whether the election of the board was an internal election of property owners. Ms. Wald explained only residents within the district were eligible. Commissioner Railey stated the presentation sounded familiar to how she runs her COA. She asked if a CDD goes by the same reserve Statute. Ms. Wald stated CDDs were not under the COA Statute and do not have their own specific Statute regarding reserves. Commissioner Railey asked whether having a CDD would affect the price of the home. Ms. Wald stated she did not represent developers, but in general, the pricing of the homes was less because of the financing mechanism. Commissioner Railey asked for clarification on which maintenance the CDD and the HOA would cover. Ms. Wald advised that CDD maintenance can only cover public improvements, whether owned by the CDD or by another public entity such as the city, county, or state.

Vice Mayor Welch stated there were a few things mentioned in the presentation that did not apply in Coconut Creek, such as the aging water management infrastructure. She commented that a lot of the planned improvements shown were things that were already typically found in a development in the City, and the maintenance expense would last for the life of the property, not the life of the bond. Vice Mayor Welch noted the makeup of the board of supervisors for the first six (6) years and asserted they would really set the bar for how the CDD would operate going forward, when the residents could take it over. Ms. Wald clarified that it could be less than six (6) years based on ownership. Vice Mayor Welch asked whether the property that was maintained could be used by the public, or if it was only for those land owners within the CDD. Ms. Wald stated if it was CDD property, it is public. Vice Mayor Welch asked the frequency of CDD meetings. Ms. Wald stated most of the larger CDDs in Broward County meet at least once a month. She explained they had to meet quarterly in order to meet the statutory requirements.

Mayor Rydell asked if the CDD had to approve the HOA rules and regulations. Ms. Wald responded that they did not; they were totally separate. Mayor Rydell asked whether the CDD could foreclose on property. Ms. Wald confirmed that the CDD had a right under Chapter 190 to foreclose based on debt. Mayor Rydell inquired as to what priority they were and if there was a cap on the amount. Ms. Wald outlined the process briefly, explaining that because the assessments were on the tax roll, it would be handled through tax deed sale. She stated the priority was equal with the county and city.

ADJOURNMENT

The meeting was adjourned at 7:18 p.m.

Joseph J. Kavanagh, MMC
City Clerk

Date