

Fronterra Community Development District

CDD 101

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Overview of CDDs

What is a Community Development District?

“Local unit of special purpose government”

Established under the Uniform Community Development Act of 1980 (Ch.190, F.S.)

Provides a mechanism to finance, construct and maintain high quality improvements and amenities

Separate from, and NOT an arm of, the County or City


What Does a CDD Do? And Not Do?

Allowed by Ch.190, F.S.

- Construct and maintain public infrastructure
- Issue long-term bonds
- Levy and collect non-ad valorem assessments for operations and maintenance & bond debt service
- Contract for services

Not Allowed by Ch.190, F.S.

- Issue building permits
- Regulate land use/zoning
- Issue development orders
- Provide police services
- Enforce code compliance
- Architectural review



Fronterra Community Development District

- 33.21 acres
- Entirely within unincorporated Collier County
- CDD improvements consist of:
 - Water and sewer system improvements
 - Stormwater management and drainage improvements
 - Environmental preserves
 - Entry roadway improvements
 - Entry landscaping, hardscaping and signage improvements
- Since the CDD is a government entity, most construction and maintenance contracts are subject to the public procurement statutes (Ch. 255 and 287, F.S.)

District Governance

How are CDDs Governed?

- Governed by a 5-member Board of Supervisors
- Board Members:
 - Michelle Kaiser (Chair)
 - Elliot Barton (Vice-Chair)
 - Abe Prawiradilaga
 - Denmarie Reid
 - Hala Altaee
- Elections:
 - Initially, held within 90 days of establishment
 - Thereafter, every 2 years (2-year to 4-year terms) in November
 - Landowner Elections v. General Elections

Landowner Elections v. General Elections

- **Landowner Elections**

- Conducted by District Staff
- Supervisors are elected by the landowners within the CDD
 - One vote per landowner (does not include renters)
- Supervisors are not required to be residents

- **General Elections**

- Held after the CDD has been established for 6 years **and** has ≥ 250 qualified electors
 - *Fronterra CDD has not yet transitioned to a General Election process!*
- Conducted by the County Supervisor of Elections
- Supervisors are elected by “qualified electors”- i.e. 1) citizen of the US, 2) resident of the CDD, and 3) registered to vote in Collier County
 - One vote per qualified elector (includes renters)
- Supervisors must also be qualified electors

Board Member Roles

- Receive input from constituents
- Sets public policies implemented by CDD staff
- Makes material business decisions for the CDD
- Action taken by the CDD shall be by majority vote of the Board, *but* the Chairman is generally delegated broader latitude in making day-to-day decisions (in conjunction with CDD staff) in between Board meetings

Your Day-to-Day Administrative Team

District Manager	District Counsel	District Engineer
Administrator of the CDD Oversees the CDD's operations Prepares budget and administers accounting and finance functions	Legal counsel to the CDD Ensures that the CDD conducts its business in accordance with Florida law	Engineer of the CDD Provides support services regarding planning, designing, permitting, construction, and operation and maintenance of the CDD's infrastructure
Russ Weyer Real Estate Econometrics, Inc.	Lindsay Whelan Kutak Rock	Andy Tilton, P.E. Johnson Engineering

CDD Operations:

Governing Documents

- Florida Statutes- Chs. 112, 170, 189, 190, 197, F.S.
- Establishment Ordinance No. 2016-28
- Adopted Resolutions
- Adopted Rules of Procedure
- *Facility Management, Operation, and Maintenance Services Agreement* between the CDD and the HOA

CDD Operations:

Administration

- CDD Records- all physical records are kept at the District Office
- CDD Website- contains CDD agendas, minutes, financial documents, etc.
- CDD Emails- provided to each Supervisor for use in their official CDD business and to correspondence with staff and constituents

Board Meeting Agendas and Protocol

- District Business:
 - Most policy is adopted by Resolution (versus by an “Ordinance” like the City or County)
 - Some items require public hearings- i.e. rules, rates, assessments, etc.
- Public Notice of Meetings- at least 7 days prior to meeting
 - Newspaper advertisement
 - Agenda package is distributed by email to distribution list
 - Agenda package is placed on CDD website (www.fronterracdd.com)
- Meetings are open to the public
- Members of the public are able to provide comments on agenda items
 - During “Audience Comments” portion of agenda only
 - 3-minute limit
 - Not a Q&A session

Budgets and Assessments

Annual Budget Process

- **By June 15th** – the District Manager presents the proposed budget at a CDD Board meeting
 - **If assessments increase above the previously noticed amount, the CDD mails a notice to residents**
- **By October 1st** – the District Manager presents updates to proposed budget (if any) at the Board meeting
 - The Board receives comments and/or objections to the budget during budget hearing
 - The Board may adjust and/or decrease budget based on comments received, but may not increase the assessments higher than the noticed amount
- **The CDD will hold its budget hearing no sooner than 60 days after approving the proposed budget**

CDD Assessments

- **There are 2 components of Special Assessments:**
 1. Debt Service Assessments (“Debt Assessments”)
 2. Operations & Maintenance Assessments (“O&M Assessments”)
- **Special Assessments**
 - Annual assessments on platted lots placed on the Collier County property tax bill
 - Liens are co-equal with taxes
 - Different from quarterly or “one-time” special assessments imposed by the HOA

CDD Assessments

O&M Assessments

- Based on the operating budget approved at the annual public hearing
- May change from year to year
- Directly tied to the operating expenses of the CDD
- Includes administrative costs and field maintenance expenses
- Cannot be paid off

Debt Assessments

- Established at bond issuance
- Does not change from year to year
- Repays the debt service on the bonds used to pay for public infrastructure
- Can be paid off

CDD Assessments

O&M Assessments

- O&M Assessment FY 2023-24: **\$405.32**
- Based on the operating budget approved at the annual public hearing
- May change from year to year
- Directly tied to the operating expenses of the CDD
- Includes administrative costs and field maintenance expenses
- Cannot be paid off

Debt Assessments

- Debt Assessment (Fixed Annual): **\$1,202.03**
- Established at bond issuance
- Does not change from year to year
- Repays the debt service on the bonds used to pay for public infrastructure
- Can be paid off

CDD v. HOA

How Are CDD's Different from HOA's?

- Governmental entity
- Oversees public v. private infrastructure
- Compliance with ethics and open government laws
- Sovereign Immunity
- Ability to issue tax exempt bonds
- Revenue collection and enforcement- i.e. on the tax roll!
- Public procurement
- Typically no architectural review ability