

BOGGY CREEK IMPROVEMENT DISTRICT

CONTINUED BOARD OF SUPERVISORS' MEETING MINUTES

FIRST ORDER OF BUSINESS

Roll Call to Confirm a Quorum

The Continued Board of Supervisors' Meeting for the Boggy Creek Improvement District was called to order on Wednesday, July 7, 2021, at 2:00 p.m. at the Courtyard Orlando Lake Nona, 6955 Tavistock Lakes Blvd., Orlando, FL 32827.

Present:

Richard Levey
Damon Ventura
Thad Czapka
Chad Tinetti

Chairperson
Vice-Chairperson
Assistant Secretary
Assistant Secretary

Also attending:

Jennifer Walden
Lynne Mullins
Tucker Mackie
Jeff Newton
Larry Kaufmann

PFM
PFM (via phone)
Hopping Green & Sams (via phone)
Donald W. McIntosh Associates, Inc.
Construction Supervisor & Construction Committee Member (via phone)
Tavistock Development (via phone)
PFM (via phone)
Bryant Miller Olive (via phone)
Bryant Miller Olive

SECOND ORDER OF BUSINESS

Public Comment Period

Dr. Levey asked for any public comments. There were no comments at this time.

THIRD ORDER OF BUSINESS

Continued Discussion and Consideration of Electric Bus Financing with Truist Bank

- a) **Consideration of Resolution 2021-06 – Approving Lease Purchase of Certain Equipment Consisting of Autonomous Electric Vehicles; Accepting the Proposal of Truist Bank for Such Lease Purchase Financing for Such Equipment; Authorizing the District to Enter Into a Lease Purchase Agreement and a Developer Funding Agreement for Acquisition of Autonomous Electric Vehicles and Related Certifications and Approving Forms of Such Agreements**
 - i. **Exhibit A- Truist Financing Proposal**
 - ii. **Exhibit B- Lease Purchase Agreement with Truist Bank**
 - iii. **Developer Funding Agreement for Acquisition of Autonomous Electric Vehicles with Lake Nona Land Company, LLC**
- b) **Discussion of Autonomous Electric Vehicles Operational Matters**

Ms. Mackie explained although the District discussed the Beep Services at the past meeting it might benefit the Board to understand how the Lease Purchase fits into the larger context when it comes to the operation of the Beep Shuttle Service within Boggy Creek.

Mr. Byrnes discussed the existing shuttle program in Lake Nona with Beep. There are currently eight Beep Shuttles which are autonomous electric vehicles. The proposal today is to begin the process of moving two shuttles over to the District. Right now there is no plan in place to assess anyone for the shuttles and the Developer will be funding this service. A Developer Funding Agreement is attached to this agenda item to cover the cost of the shuttle. At a future meeting, the District will discuss a program and expenses to run the shuttles. Later on down the road the District may want to assess users for this service rather than the Developer but they will need to come back to the Board for that conversation.

Dr. Levey asked for District staff to walk through each of the documents and their purpose. He was particularly interested in information regarding the Funding Agreement.

Mr. Smith explained Resolution 2021-06 authorizes the transaction that Mr. Byrnes described. It authorizes the form of a Lease Purchase Agreement with Truist. It is a five-year loan with an interest rate of 1.49%. Per the Developer Agreement, the Developer will make those payments on Debt Service that become due on the lease. If the District desires in the future, they could levy operating and maintenance assessments that would release the Developer of having to pay the Debt Service on the Lease Purchase Agreement. When the five-year period is complete, the District would own those vehicles outright.

Dr. Levey asked if there is any undue exposure to the District under the Lease Purchase Agreement. He also asked if Mr. Smith is representing the District or Developer in this transaction. Mr. Smith stated he represents the District as Bond Counsel. From a legal perspective it is legal and Mr. Wilder as the District's Financial Advisor can discuss any undue risk. He added that the Developer pays under the Developer Agreement and if they were to default, the District has a covenant that they will proceed to levy operation and maintenance assessments to repay that year's Debt Service and the District would then have the option to not appropriate in their next Fiscal Year budget and return the equipment to the Bank without further obligation. That is the nature of the Lease Purchase Agreement to help minimize any type of risk if there was some type of failure or default underneath the Developer Funding Agreement. Ms. Mackie noted the District entered into similar funding agreements when it comes to the funding of the Bond Team Financing Agreement and Construction Funding in the past when the District doesn't have monies available to proceed with construction and yet the District is a contracting party with the Contractor. The protection for default under the Funding Agreement is to proceed with collection of the same amount through the assessment process. In the event on a non-appropriation there is an ability of the District to cut off their liability past the point of non-appropriation in a year. The security is within the land secured via the collection of assessments.

Mr. Ventura asked if according to the Funding Agreement the Developer will pay the District and the District will pay the bank. Ms. Mackie responded that is correct. She noted that under the Lease Purchase Agreement there is as Exhibit B which states the anticipated Amortization Schedule and the required payments that are due. So, the District will request those funds in advance to allow it to make the Debt Service payments when they are due.

Mr. Tinetti asked if there was an accident with the vehicles does the insurance the Board has cover the District or does the District have some exposure beyond the deductible of the insurance. Ms. Mackie stated that relates to the Master Services Agreement with Beep who will operate the shuttles on the District's behalf. PFM is already looking into obtaining the necessary insurance on the vehicles to protect the District and in negotiations with Beep the District is looking for appropriate warranties and indemnifications and their own liability protection for such an event. Mr. Ventura asked if the Developer would fund the insurance payments and other operating expenses or only the debt on the vehicles. Ms. Mackie explained today the District is just discussing the debt on the vehicles and at the meeting on July 20, 2021, there will be another funding agreement for the Board to consider where the Developer will obligate themselves to pay all operating costs as well which would include the amount of the additional insurance, the operating cost under the Beep Agreement, any consultant time associated with the preparation of the same, etc.

Mr. Tinetti asked if the cost of the hardware and software installed on the equipment has been negotiated with Beep. Ms. Mackie stated that is the licensing and software the District would acquire through the operation agreement with Beep. Mr. Smith stated that is carved out from the description of the equipment in the Lease Purchase Agreement due to a legal agreement with the bank that if the District returns the equipment to the bank it won't include any additional equipment such as hardware or software that is installed after having acquired the equipment. Mr. Tinetti asked if updates to the software is included or is there a cost to the District associated with that. Ms. Mackie stated under the Master Services Agreement part of that will be the continual updates to keep the platform operational and the requirement that it must be the most up to date version of that platform. Dr. Levey stated the Developer is pledging to fund the O&M expenses but the District has not seen the operating expenses related to the two vehicles. Ms. Mackie stated that is correct and it is on the agenda for the July 20, 2021, Board Meeting as it is still being negotiated.

Dr. Levey asked if there is an order of magnitude on a monthly basis per vehicle. Mr. Byrnes stated it is approximately \$9,000.00 per shuttle per month. Dr. Levey asked if the terms of the O&M Funding Agreement would be similar to the Agreement the Board is reviewing today. Ms. Mackie stated that is correct. Mr. Tinetti asked if the utility costs are reimbursable, how the District is tracking these costs and if there are meters on those stations. Mr. Byrnes stated the meter cost and the expense of parking the shuttles is within the Town Center and the Developer is paying for that directly. He was surprised how low the cost was to charge the shuttles.

Mr. Levey asked if the District already touched on the discussion of the autonomous electric vehicles operational matters. Ms. Taylor stated Resolution 2021-06 has all the exhibits attached so by adopting the Resolution the Board is approving the documents in substantial form. Ms. Mackie noted that she put that item on the agenda understanding there would be questions from the Board at the time of purchasing equipment and how the District was intending to operate it. If the Board is satisfied with the questions and answers she didn't see any other business for that item.

On Motion by Mr. Ventura, second by Mr. Tinetti, with all in favor, the Board of Supervisors for the Boggy Creek Improvement District approved Resolution 2021-06, Approving Lease Purchase of Certain Equipment Consisting of Autonomous Electric Vehicles; Accepting the Proposal of Truist Bank for Such Lease Purchase Financing for Such Equipment; Authorizing the District to Enter Into a Lease Purchase Agreement and a Developer Funding Agreement for Acquisition of Autonomous Electric Vehicles and Related Certifications and Approving Forms of Such Agreements.

Ms. Taylor stated in connection with this she has closing papers and documents to be signed by the Chair.

FOURTH ORDER OF BUSINESS

Staff Reports

<u>District Counsel</u> –	No Report
<u>District Manager</u> –	No Report
<u>District Engineer</u> –	No Report
<u>Construction Supervisor</u> –	No Report
<u>District Landscape Supervisor</u> -	No Report
<u>Irrigation Supervisor</u> –	No Report

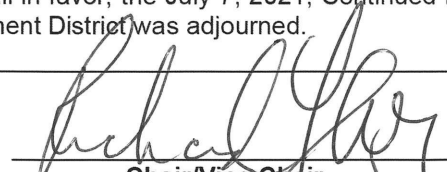
FIFTH ORDER OF BUSINESS

Supervisor Requests and Adjournment

There were no Supervisor requests or audience comments. Dr. Levey requested a motion to adjourn.

On Motion by Mr. Czapka, second by Mr. Tinetti, with all in favor, the July 7, 2021, Continued Meeting of the Board of Supervisors for the Boggy Creek Improvement District was adjourned.


Secretary/Assistant Secretary


Chair/Vice Chair