



Rizzetta & Company

## **Veranda Community Development District II**

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### **Board of Supervisors Continued Meeting November 20, 2023**

**District Office:  
8529 South Park Circle  
Suite 330  
Orlando, FL 32819**

# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

<b>District Board of Supervisors</b>	Grady Miars	Chairman
	Austin Burr	Vice Chairman
	Robert Nelson	Assistant Secretary
	James Jahna	Assistant Secretary
	Ben Meyers	Assistant Secretary
<b>District Manager</b>	Brian Mendes	Rizzetta & Company, Inc.
<b>District Counsel</b>	Jonathan Johnson	Kutak Rock LLP.
<b>District Engineer</b>	Roberto Cabrera	Culpepper & Terpening, Inc.

**All Cellular phones and pagers must be turned off while in the meeting room.**

**The District Agenda is comprised of five different sections:**

The meeting will begin promptly at **11:00 a.m.** with the first section which is called **Audience Comments on Agenda Items**. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) minutes for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING. The second section is called **Business Administration**. The Business Administration section contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The third section is called **Staff Reports**. This section allows the District Manager, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The fourth section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. If any member of the audience would like to speak on one of the business items, they will need to register with the District Manager prior to the presentation of that agenda item. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (407) 472-2471 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The final section is called **Supervisor Requests and Audience Comments**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs and provides members of the audience the opportunity to comment on matters of concern to them that were not addressed during the meeting.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically, no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (407) 472-2471, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 7-1-1, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II**  
District Office · Orlando, Florida · (407) 472-2471  
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

[www.verandacdd2.org](http://www.verandacdd2.org)

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November 17, 2023

Board of Supervisors  
**Veranda Community  
Development District II**

**CONTINUED FINAL AGENDA**

Dear Board Members:

The continued meeting of the Board of Supervisors of the Veranda Community Development District II will be held on **Monday, November 20, 2023, at 3:00 p.m.** at the **Office of Greenpointe Communities, LLC** located at **864 S.E. Becker Road, Port St. Lucie Florida 34984**. The following is the final agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. BUSINESS ITEMS**
  - A. Consideration of Bond Related Items
    1. Consideration of District Engineer Report Supplement No. 3, Dated November 2023..... Tab 1
    2. Consideration of Preliminary Supplemental Special Assessment Allocation Report, Series 2024..... Tab 2
- 4. STAFF REPORTS**
  - A. District Counsel
  - B. District Engineer
  - C. District Manager
- 5. SUPERVISOR REQUESTS AND COMMENTS**
- 6. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (407) 472-2471.

Very truly yours,

*Brian Mendes*

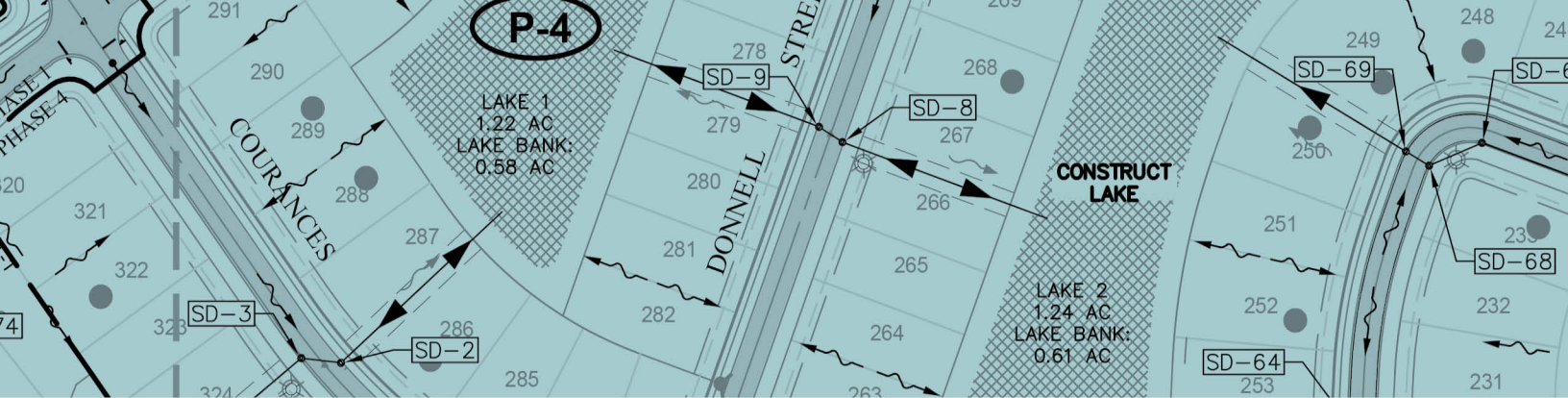
Brian Mendes  
District Manager

cc: Johnthan Johnson, Kutak Rock

## **Tab 1**

# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

ST. LUCIE COUNTY, FLORIDA



*Veranda*



**CULPEPPER &  
TERPENING INC**

## SUPPLEMENT NO. 3 TO ENGINEER'S REPORT

November 2023

C&T Project No. 17-145.2023

Certificate of Authorization No. 4286

PREPARED BY  
Culpepper & Terpening, Inc  
2980 South 25th Street  
Fort Pierce, Florida  
Tel. (772) 464-3537  
[www.ct-eng.com](http://www.ct-eng.com)

PREPARED FOR  
Board of Supervisors  
Veranda Community Development District II  
7807 Baymeadows Road E.,  
Suite 205  
Jacksonville, FL 32256

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## Veranda Community Development District II

### SECTION 1.0

#### 1.1 INTRODUCTION

The Veranda Community Development District II (the "District") contains 754.75 acres of land generally located on the north and south side of Becker Road, east of the Florida Turnpike, in the City of Port St. Lucie, Florida.

The District proposes revisions to the developments within the Veranda PUD to include Veranda Estates Phase 2 and Veranda Preserve East. The proposed developments within the Veranda PUD known as Veranda Gardens East, Veranda Oaks, Veranda Estates Phase 1 and Veranda Estates Phase 2, Veranda Preserve East and Veranda Preserve West, are depicted in Figure 1 "Proposed Developments". The proposed density and areas for each development is shown below in Table No. 1 "Proposed Development Data".

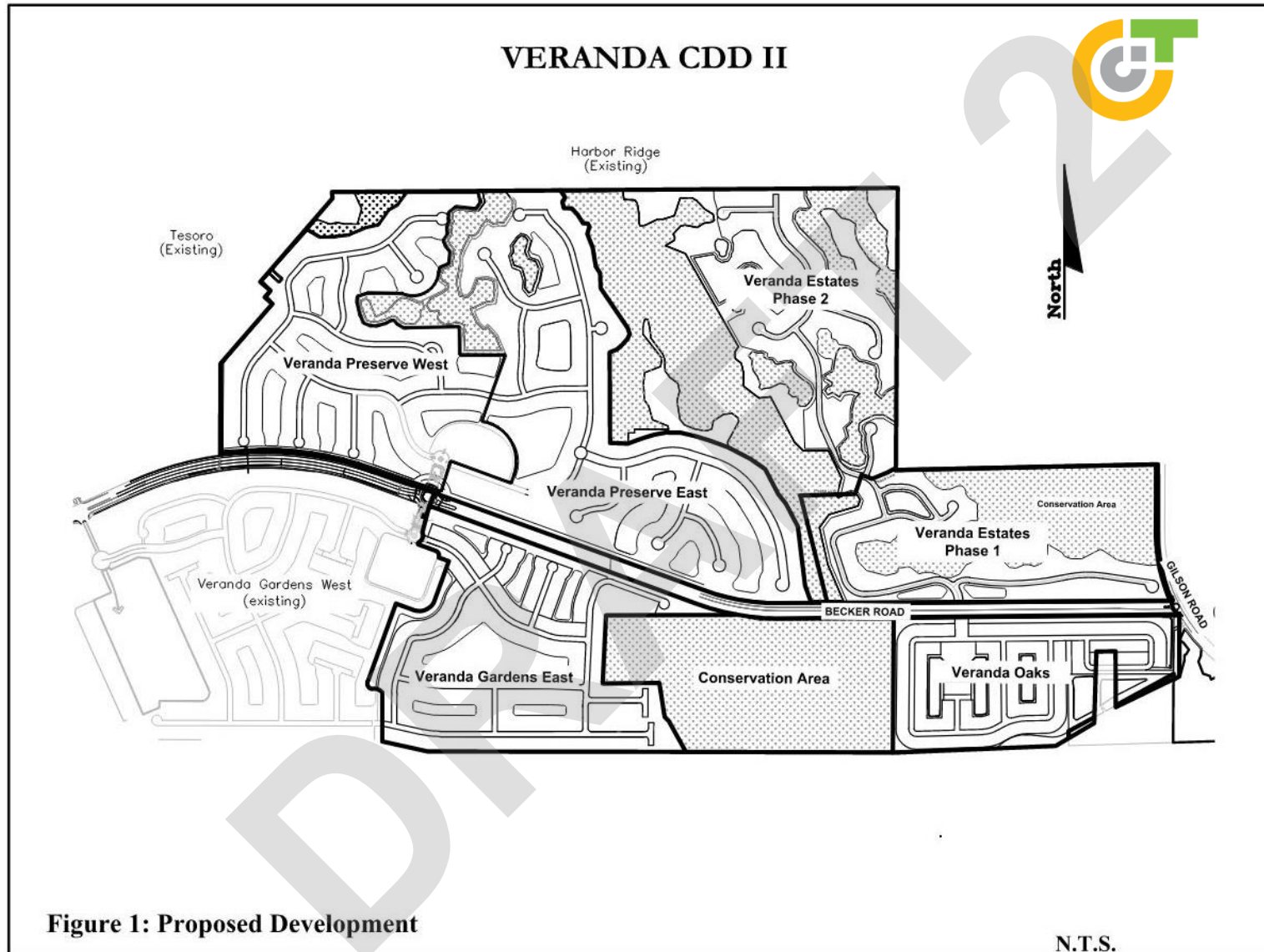
<b>TABLE No. 1 Proposed Development Data</b>							
<b>Description Lot Sizes</b>	<b>Veranda Gardens East</b>	<b>Veranda Preserve West</b>	<b>Veranda Preserve East</b>	<b>Veranda Estates Phase 1</b>	<b>Veranda Estates Phase 2</b>	<b>Veranda Oaks</b>	<b>Total Units</b>
36 Ft. Duplex			182				182
42 Ft. Lot Width							
47 Ft. Lot Width		165					165
52 Ft. Lot Width	235	103	135	87	60	211	831
62 Ft. Lot Width	107	54	147	29	62		399
65 Ft. Lot Width							
70 Ft. Lot Width							
<b>TOTAL =</b>	<b>342</b>	<b>322</b>	<b>464</b>	<b>116</b>	<b>122</b>	<b>211</b>	<b>1,577</b>





## Veranda Community Development District II

Figure No. 1 – Proposed Development





### SECTION 2.0

#### 2.1 STATUS OF PROJECTS

##### A. Developments:

Veranda Gardens East: Veranda Gardens East Phase 1, 2, 3 and 4 subdivision improvements have been completed and homesites are being constructed.

Veranda Preserve West: Veranda Preserve West Phase 1, 2 has been completed and homesites are being constructed.

Veranda Estates Phase 1: Veranda Preserve West Phase 1 has been completed and homesites are being constructed.

Veranda Oaks: Veranda Oaks subdivision improvements are currently under construction and completion is anticipated in the fourth quarter 2023

##### B. Site Development Permits:

Specific land development permits are required for each of the proposed developments within the District. Veranda Estates Phase 2 has obtained development approvals to construct the projects, the status of these site-specific permits are as follows:

1. Veranda Estates Phase 2, see Figure No. 2 “Site Plan Veranda Estates Phase 2” was approved by the City Council. The following is the status of the required site development permits:
  - The Preliminary Plat has received approval by The City of Port St. Lucie;
  - The SFWMD Environmental Resource Permit Modification has received approval by SFWMD;
  - The Engineering Permit from the City of Port St. Lucie has received approval by The City of Port St. Lucie;
  - The City of Port St. Lucie Utility Department Permit for the water and sewer system has received approval by The City of Port St. Lucie; and
  - The City of Port St. Lucie Final Plat is estimated be submitted in the Fall of 2024.
2. Veranda Preserve East, see Figure No. 2 “Site Plan Veranda Preserve East” was approved by the City Council. The following is the status of the required site development permits:
  - The Preliminary Plat has received approval by The City of Port St. Lucie;
  - The SFWMD Environmental Resource Permit Modification has received approval by SFWMD;
  - The Engineering Permit from the City of Port St. Lucie has received approval by The City of Port St. Lucie;
  - The City of Port St. Lucie Utility Department Permit for the water and sewer system has received approval by The City of Port St. Lucie; and
  - The City of Port St. Lucie Final Plat is estimated be submitted in the Fall of 2024.



### SECTION 3.0

#### 3.1 GENERAL DESCRIPTION OF BOND ISSUES

This Engineer's Report addresses the public infrastructure improvements to be undertaken by the District with respect to the issuance of special assessment bonds (the "Bonds"). The District expects to finance a portion of these infrastructure improvements through the issuance of Bonds.

DRAFT 2

Figure No. 2 – Site Plan Veranda Estates – Phase 2

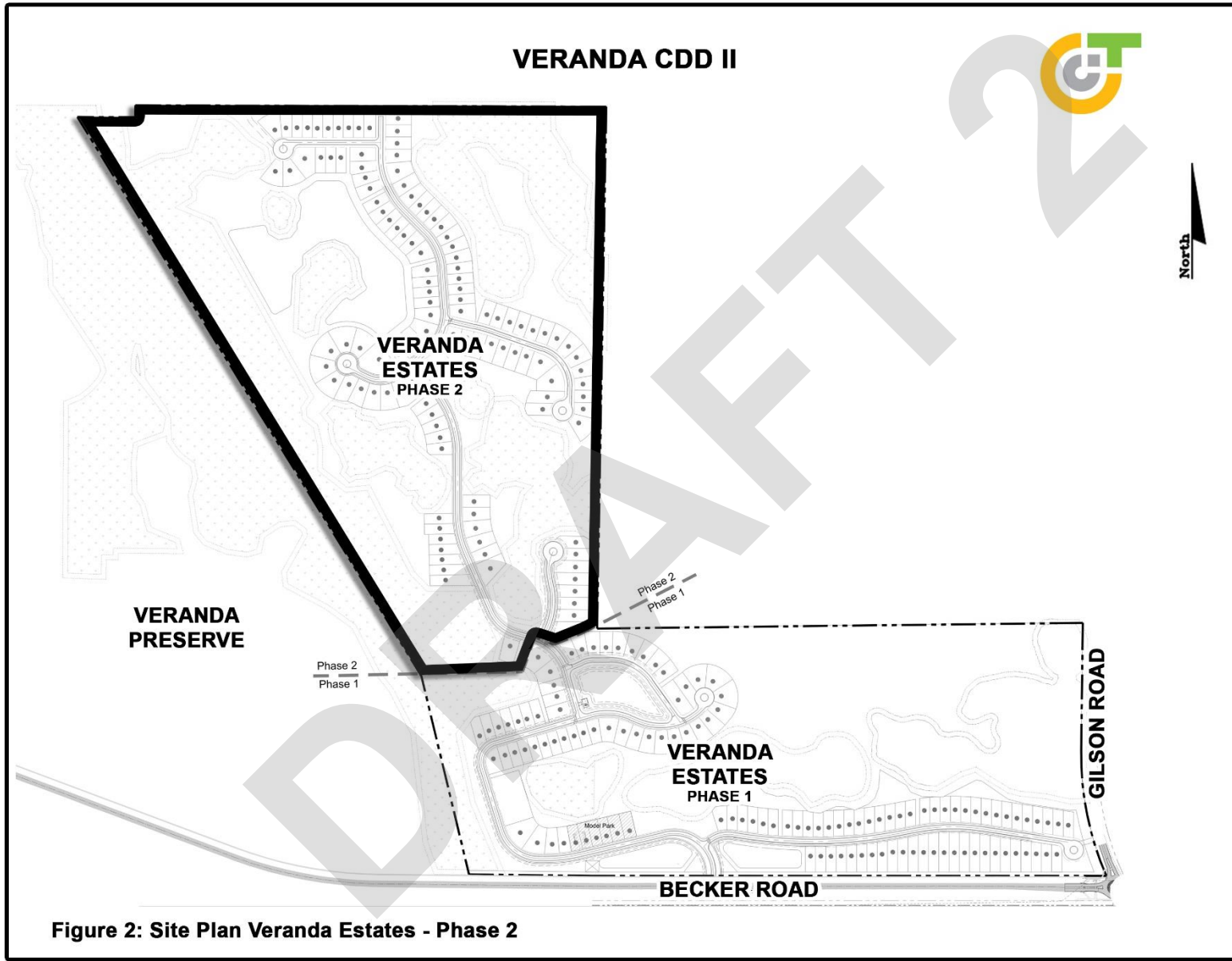
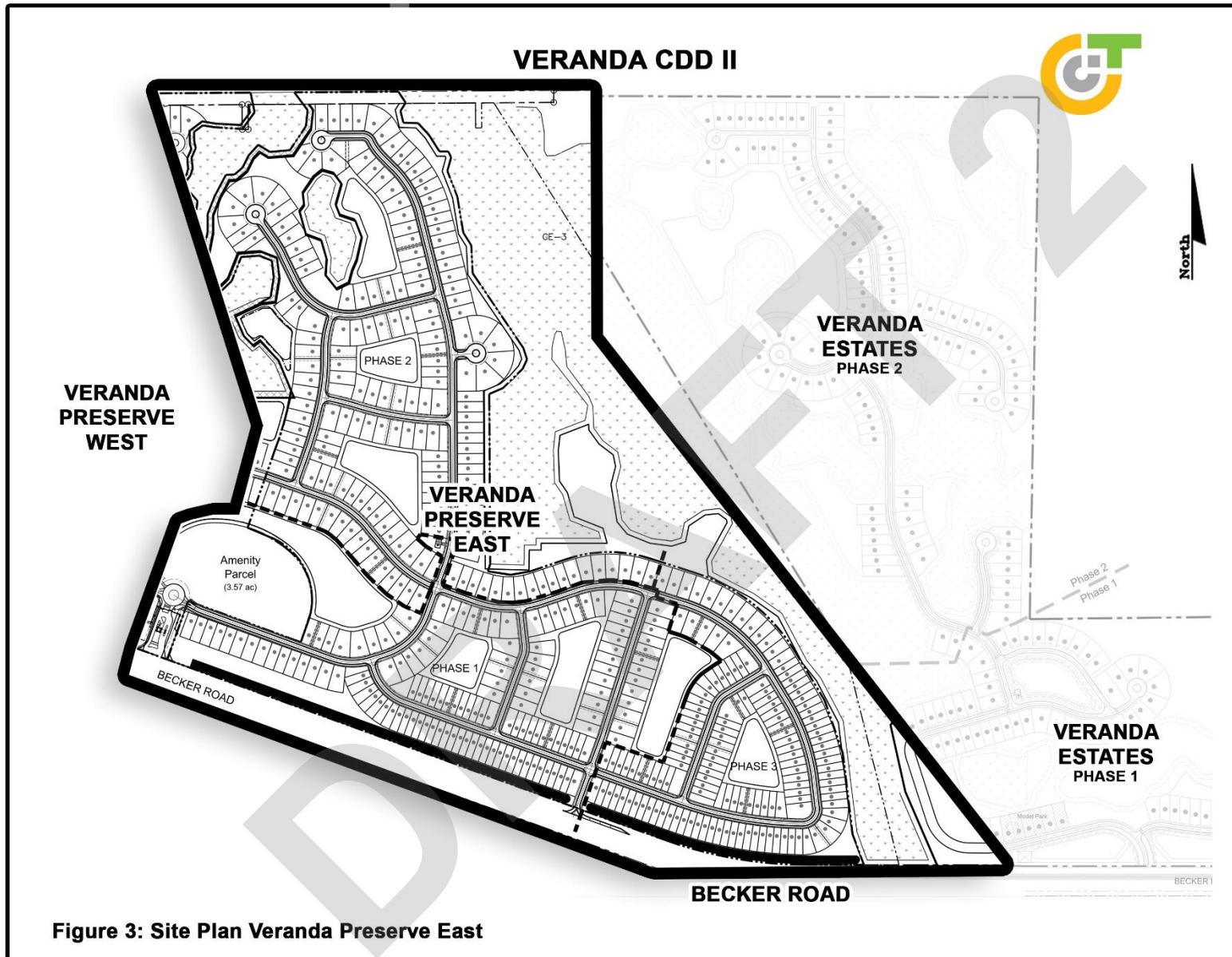


Figure 2: Site Plan Veranda Estates - Phase 2



## Veranda Community Development District II

Figure No. 3 – Site Plan Veranda Preserve East



### SECTION 4.0

#### INFRASTRUCTURE IMPROVEMENTS

The public infrastructure improvements to be funded includes the following:

- **Stormwater Management Facilities**
  - Stormwater collection systems;
  - Stormwater attenuation facilities; and
  - Stormwater conveyance and outfall improvements.
- **Potable Water System**
  - Internal potable water distribution mains;
  - Fire hydrants and apparatus; and
  - Water services.
- **Sanitary Sewer Systems**
  - Onsite wastewater gravity collection lines;
  - Sanitary services;
  - Lift stations;
  - Onsite sanitary force mains; and
  - Extension of sanitary force main along Becker Road.

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SECTION 5.0

COST ESTIMATES FOR THE DEVELOPMENT IMPROVEMENTS

Culpepper and Terpening, Inc., as the District Engineer working with the Developer, have updated the estimates of probable construction cost for Veranda Estates Phase 2 and Veranda Preserve East. This estimate is based on the Site Plan for the development and on similar projects located in the City of Port St. Lucie.

The Engineering Estimate of Probable Construction Cost is approximately \$24,945,029. The Engineer's Estimates of Probable Cost for the components of the District is shown below in Table 2 "Estimates of Probable Cost".

TABLE No. 2 VERANDA CDD II ESTIMATE of PROBABLE COST*			
Description	Veranda Estates Phase 2	Veranda Preserve East	Total Project Cost
Water	\$1,375,774	\$1,643,734	\$1,574,288
Wastewater	\$1,985,374	\$4,322,491	\$1,612,890
Drainage	\$6,619,796	\$8,997,860	\$7,056,446
St. Lucie Land SAD	<u>Not Included</u>	<u>Not Included</u>	<u>Not Included</u>
<b>TOTAL</b>	<b>\$9,980,944</b>	<b>\$14,964,085</b>	<b>\$24,945,029</b>

\*SAD payoff amounts are not included in the above estimate.

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### SECTION 6

#### 6.1 CONCLUSION

Based on the document prepared by Culpepper & Terpening, Inc., similar developments within the area, historical knowledge and with the reliance of information provided by the City and the Developer, the following findings are made:

1. Veranda Estates Phase 2 has a proposed density of 122 residential units.
2. Veranda Preserve East has a proposed density of 464 residential units.
3. The estimates of probable cost for the improvements are estimated at **\$24,945,029** dollars.
4. Veranda Estates Phase 2 has received site specific development permits.
5. Veranda Preserve East has received site specific development permits.
6. The proposed phasing of the Veranda Estates Phase 2 public infrastructure is based on sound engineering principles.
7. The proposed phasing of the Veranda Preserve East public infrastructure is based on sound engineering principles.

Respectfully Submitted,

**CULPEPPER & TERPENING, INC.**

This item has been digitally signed and sealed by James Parker Terpening, PE on 11/07/2023 using a Digital Signature. Printed copies of this document are not considered signed and sealed and the SHA authentication code must be verified on any electronic copies.

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Roberto Cabrera, P.E.  
District Engineer  
Florida Engineer No. 91515  
EOR Responsibility: 100% (Pages 1-11)



## **Tab 2**



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# **Veranda Community Development District II**

Preliminary Supplemental  
Special Assessment Allocation Report

Special Assessment Revenue and Refunding Bonds,  
Series 2024 (Assessment Area Three – Preserve East Project)  
Series 2024 (Assessment Area Five - Phase 2 – Veranda Estates Project)

3434 Colwell Ave  
Suite 200  
Tampa, FL 33614

[rizzetta.com](http://rizzetta.com)

November 20, 2023

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## I. INTRODUCTION

This Preliminary Supplemental Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Veranda Community Development District II (“District”), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes. The District plans to issue Special Assessment Revenue and Refunding Bonds, Series 2024 (Assessment Area Three – Preserve East Project) and Series 2024 (Assessment Area Five - Phase 2 – Veranda Estates Project) (together, the “Series 2024 Bonds”), and has retained Rizzetta & Company, Inc. to prepare a methodology for allocating the special assessments to be levied by the District in connection with the transaction.

## II. DEFINED TERMS

**“Assessment Area Three”** – An assessment area within the District, consisting of 464 planned residential units in the Preserve East development.

**“Assessment Area Three Bonds”** - \$12,575,000 (estimated) Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2024 (Assessment Area Three – Preserve East Project).

**“Assessment Area Three Project”** – A portion of the CIP, expected to be funded by the Assessment Area Three Bonds, specific to the development of the Preserve East development.

**“Assessment Area Five - Phase 2”** – An assessment area within the District, consisting of 122 planned residential units in Phase 2 of the Veranda Estates development.

**“Assessment Area Five - Phase 2 Bonds”** - \$6,295,000 Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2024 (Assessment Area Five - Phase 2 – Veranda Estates Project).

**“Assessment Area Five - Phase 2 Project”** - A portion of the CIP, expected to be funded by the Assessment Area Five - Phase 2 Bonds, specific to the development of the Veranda Estates development.

**“Capital Improvement Program” or “CIP”** – Construction and/or acquisition of public infrastructure planned for the District, as specified in the Supplement No. 3 to the Engineer’s Report dated November 2023 (**“Supplemental Engineer’s Report”**).

**“District”** – Veranda Community Development District II.

**“End User”** – The ultimate purchaser of a fully developed residential unit; typically, a resident homeowner.



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**“Equivalent Assessment Unit” or “EAU”** – Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District’s CIP on a particular land use, relative to other land uses.

**“Indentures”** – The Master Trust Indenture dated as of December 1, 2018, the Sixth Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2024 and the Seventh Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2024.

**“Landowner”** – Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company.

**“Master Report”** – The Master Special Assessment Allocation Report dated September 17, 2018.

**“Platted Units”** – Lands configured into their intended end-use and subject to a recorded plat.

**“Series 2024 Assessments”** – Collectively, the **“Assessment Area Three Assessments”** and **“Assessment Area Five - Phase 2 Assessments”**, as contemplated by Chapters 190, 170, and 197, Florida Statutes, levied to secure repayment of the District’s Series 2024 Bonds.

**“Series 2024 Bonds”** – Collectively, the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds.

**“Series 2024 Projects”** – Together, the Assessment Area Three Project, the Assessment Area Five – Phase 2 Project.

**“True-Up Agreement”** – The Agreement to be executed between the Veranda Community Development District II and each Landowner, regarding the True-Up and Payment of Series 2024 Assessments.

**“Unplatted Parcels”** – Undeveloped lands or parcels not yet subject to a recorded plat in their final end-use configuration.

All capitalized terms not defined herein shall retain the meaning ascribed in the Master Report.

### III. DISTRICT INFORMATION

Veranda Community Development District II was established by the City Council of the City of Port St. Lucie on July 9, 2018, pursuant to the City Ordinance No. 18-30.

The District encompasses approximately 754.75 acres and is located within the Veranda Planned Unit Development (the “Veranda PUD”). The current development plan for the District includes approximately 1,576 single-family homes located within 5 separate developments: Veranda Gardens East, Veranda Preserve West, Veranda Preserve East,



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Veranda Oaks and Veranda Estates. On December 24, 2018, the District issued its Special Assessment Revenue Bonds, Series 2018A (Assessment Area One – Gardens East Project), Series 2018A (Assessment Area Two – Preserve West Project) and Series 2018B (Assessment Areas Three, Four and Five) for the development of Veranda Gardens East and Veranda Preserve East and West. Additionally, on March 22, 2021, the District issued its Special Assessment Revenue and Refunding Bonds, Series 2021 (Assessment Area Four – Veranda Oaks Project) and Series 2021 (Assessment Area Five – Phase 1 – Veranda Estates Project).

Table 1 illustrates the District's current development plan.

#### IV. SERIES 2024 PROJECTS

The Assessment Area Three Project is the portion of the District's total CIP necessary for the development of the Preserve East development. The cost of the Assessment Area Three Project is estimated to be \$14,964,085 and the District plans to issue Assessment Area Three Bonds to partially fund the Assessment Area Three Project in the estimated amount of \$8,557,896. The balance of the Assessment Area Three Project will be funded by the Landowner, future bonds or other funding sources.

The Assessment Area Five – Phase 2 Project is the portion of the District's total CIP necessary for the development of the Veranda Estates development. The cost of the Assessment Area Five – Phase 2 Project is estimated to be \$9,980,944, and the District plans to issue Assessment Area Five – Phase 2 Bonds to partially fund the Assessment Area Five – Phase 2 Project in the estimated amount of \$4,236,050. The balance of the Assessment Area Five – Phase 2 Project will be funded by the Landowner, future bonds or other funding sources.

For more detailed information regarding the Series 2024 Projects, see Table 2 and the Supplemental Engineer's Report.

#### V. SERIES 2024 BONDS AND ASSESSMENTS

In order to provide for the Series 2024 Projects funding described in Section IV above, the District plans to issue the Series 2024 Bonds in two separate series: Series 2024 (Assessment Area Three – Preserve East Project) ("**Assessment Area Three Bonds**") and the Series 2024 (Assessment Area Five – Phase 2 – Veranda Estates Project) ("**Assessment Area Five – Phase 2 Bonds**"). These will be completely separate liens over distinct assessment areas.

##### A. Assessment Area Three Bonds

The Assessment Area Three Bonds will be secured by the pledged revenues from Assessment Area Three Assessments. The Assessment Area Three Assessments are expected to initially be levied in the estimated principal amount of \$6,295,000 and shall be structured in the same manner as the Assessment Area Three Bonds, so that revenues from the Assessment Area Three Assessments are sufficient to fulfill the debt service requirements for the Assessment Area Three Bonds. The



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Series 2024 Assessment Area Three bond proceeds are expected to be used to redeem the B Bonds allocated to Assessment Area Three in the estimated amount of \$3,159,204.

The Assessment Area Three Bonds will be structured as amortizing current-interest bonds, with repayment occurring in substantially equal annual installments of principal and interest. Interest payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2054. The first scheduled payment of principal and coupon interest is expected to be due on May 1, 2024. The annual principal payment will be due each May 1 thereafter until final maturity with the maximum annual debt service estimated to be \$962,800. The preliminary general financing terms of the Assessment Area Three Bonds are summarized on Table 3.

#### **B. Assessment Area Five – Phase 2 Bonds**

The Assessment Area Five - Phase 2 Bonds will be secured by the pledged revenues from Assessment Area Five - Phase 2 Assessments. The Assessment Area Five - Phase 2 Assessments are expected to initially be levied in the estimated principal amount of \$6,295,000 and shall be structured in the same manner as the Assessment Area Five - Phase 2 Bonds, so that revenues from the Assessment Area Five - Phase 2 Assessments are sufficient to fulfill the debt service requirements for the Assessment Area Five - Phase 2 Bonds. The Series 2024 Assessment Area Five bond proceeds are expected to be used to redeem the B Bonds allocated to Assessment Area Five – Phase 2 in the estimated amount of \$888,626.

The Assessment Area Five - Phase 2 Bonds will be structured as amortizing current-interest bonds, with repayment occurring in annual installments of principal and interest. Interest payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2055. The first scheduled payment of coupon interest is expected to be due on May 1, 2024, although interest will be capitalized through November 1, 2024, with the first installment of principal due on May 1, 2025. The annual principal payment will be due each May 1 thereafter until final maturity with the maximum annual debt service estimated to be \$494,612. The preliminary general financing terms of the Assessment Area Five - Phase 2 Bonds are summarized on Table 5.

It is expected that the Series 2024 Assessment installments assigned to Platted Units will be collected via the St. Lucie County property tax bill process (Uniform Method) <sup>1</sup>. Accordingly, the Series 2024 Assessments have been adjusted to allow for current County collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 6.0%, but this may fluctuate as provided by law.

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<sup>1</sup> The ultimate collection procedure is subject to District approval. Nothing herein should be construed as mandating collections that conflict with the terms, privileges, and remedies provided in the Indentures, Florida law, assessment resolutions, and/or other applicable agreements.



## **VI. SERIES 2024 ASSESSMENT ALLOCATION**

The District's Master Report contains specific special benefit findings relative to the Maximum Assessments and the District's Capital Improvement Program. As stated therein, the CIP costs per unit and Maximum Assessments were allocated pursuant to an EAU-based methodology.

Per Section IV above, the Series 2024 Bonds will fund a portion of the District's Series 2024 Projects, which is expected to be constructed in a manner generally proportionate to the construction of improvements for the CIP. Accordingly, it is expected that the improvements funded by the Series 2024 Bonds will confer benefit on the District's developable parcels in a manner generally proportionate to and consistent with the allocation of benefit found in the Master Report. Therefore, it is proper to impose Series 2024 Assessments on the units specified in Tables 7 and 8, as well as the District's Preliminary Series 2024 Assessment Roll.

### **A. Assessment Allocation**

The Assessment Area Three Assessments are expected to ultimately be allocated to the 464 Platted Units within the Preserve East development and have been sized based on target annual assessments provided by the Landowner. As allocated, the Assessment Area Four Assessments fall within the cost/benefit thresholds, as well as the Maximum Assessment levels, established by the Master Report. However, because the allocation of assessments differs from the assessments specified in the Master Report, the District will recognize an in-kind contribution of infrastructure from the Landowner in the form of an assessment credit representing the difference between the target Assessment Area Three Assessments and a baseline allocation of assessments. The total amount of this minimum contribution to ensure that all debt assessments are fairly and reasonably allocated has been calculated to be approximately \$855,363, as shown in Table 9.

The Assessment Area Five - Phase 2 Assessments, are expected to ultimately be allocated to the 122 Platted Units within Phase 2 of the Veranda Estates development and have been sized based on EAU. As allocated, the Assessment Area Five - Phase 2 Assessments fall within the cost/benefit thresholds, as well as the Maximum Assessment levels, established by the Master Report.

The Preliminary Series 2024 Assessment Roll is located at page A-7.

### **B. Assignment of Assessments**

The Assessment Area Three Bonds have been sized based on the expectation that the Assessment Area Three Assessments will be fully absorbed by the 464 Platted Units planned for development in Preserve East and the Assessment Area Five - Phase 2 Bonds have been sized based on the expectation that the Assessment Area Five - Phase 2 Assessments will be fully absorbed by the 122 Platted Units planned for development in Veranda Estates – Phase 2.



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However, the actual assignment of assessments to Platted Units will be consistent with the assessment methodology found in the Master Report.

All of the lands subject to the Series 2024 Assessments currently consist of Unplatted Parcels. Assessments will be initially levied on these parcels on an equal assessment per acre basis. At the time parcels are platted or otherwise subdivided into Platted Units, individual Series 2024 Assessments will be assigned to those Platted Units at the per-unit amounts described in Tables 7 and 8, thereby reducing the Series 2024 Assessments encumbering the Unplatted Parcels by a corresponding amount. Any unassigned amount of Series 2024 Assessments encumbering the remaining Unplatted Parcels will continue to be calculated and levied on an equal assessment per acre basis.

In the event an Unplatted Parcel is sold to a third party not affiliated with the Landowner, Series 2024 Assessments will be assigned to that Unplatted Parcel based on the maximum total number of Platted Units assigned by the Landowner to that Unplatted Parcel. The owner of that Unplatted Parcel will be responsible for the total assessments applicable to the Unplatted Parcel, regardless of the total number of Platted Units ultimately platted. These total assessments are fixed to the Unplatted Parcel at the time of the sale. If the Unplatted Parcel is subsequently sub-divided into smaller parcels, the total assessments initially allocated to the Unplatted Parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e. equal assessment per acre until platting).

In the event that developable lands that derive benefit from the Series 2024 Projects are added to the District boundaries, whether by boundary amendment or increase in density Series 2024 Assessments will be allocated to such lands, pursuant to the methodology described herein.

## **VII. PREPAYMENT AND TRUE-UP OF SERIES 2024 ASSESSMENTS**

The Series 2024 Assessments encumbering a parcel may be prepaid in full at any time, without penalty, together with interest at the rate on the corresponding Series 2024 Bonds to the bond interest payment date that is more than forty-five (45) days next succeeding the date of prepayment. Notwithstanding the preceding provisions, the District does not waive the right to assess penalties which would otherwise be permissible if the parcel being prepaid is subject to an assessment delinquency.

Because this methodology assigns defined, fixed assessments to Platted Units, the District's Series 2024 Assessment program is predicated on the development of lots in the manner described in Table 1. However, if a change in development results in net decrease in the overall principal amount of assessments able to be assigned to the units described in Table 1, then a true-up, or principal reduction payment, will be required to cure the deficiency. As the acreage within the assessment areas is developed, it will be platted. At such time as a plat is presented to the District that involves the earliest of at least 25% of residential units or developable acres within any assessment area and continuing at each time when a subsequent plat is presented to the District (each such date being a "True-Up Date"), the District shall determine if the debt per acre remaining on the unplatted



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developable land is greater than the debt per developable acre of such land at the time of imposition of the initial assessment and, if it is, a True-Up Payment in the amount of such excess shall become due and payable by Landowner in that tax year in accordance with this Series 2024 Assessment Report in addition to the regular assessment installment payable for lands owned by the Landowner. The District will ensure collection of such amounts in a timely manner in order to meet its debt service obligations and, in all cases, Landowner agrees that such payments shall be made in order to ensure the District's timely payments of the debt services obligations on the Series 2024 Bonds. The District shall record all True-Up Payments in its Improvement Lien book. For further detail and definitions related to the true-up process, please refer to the True-Up Agreement.

Similarly, if a reconfiguration of lands would result in the collection of substantial excess assessment revenue in the aggregate, then the District shall undertake a pro rata reduction of assessments for all assessed properties.

### **VIII. ADDITIONAL STIPULATIONS**

Certain financing, development, and engineering data was provided by members of District staff, District Underwriter, and/or the Landowner. The allocation methodology described herein was based on information provided by those professionals. Rizzetta & Company, Inc. makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report.

Rizzetta & Company, Inc., does not represent the District as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Inc., registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Inc., does not provide the District with financial advisory services or offer investment advice in any form.



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**EXHIBIT A:**

**PRELIMINARY ALLOCATION METHODOLOGY**



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**VERANDA**  
**COMMUNITY DEVELOPMENT DISTRICT II**  
**SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS**  
**SERIES 2024 (ASSESSMENT AREA THREE - PRESERVE EAST PROJECT)**  
**SERIES 2024 (ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)**

**TABLE 1: CURRENT DEVELOPMENT PLAN**

	Assessment Areas		
	Three All Phases	Five Phase 2	
<b>PRODUCT</b>	<i>Preserve East</i>	<i>Veranda Estates</i>	<b>TOTAL</b>
Twin Villa 36'	182	0	182
Single Family 50'	135	0	135
Single Family 52'	0	60	60
Single Family 62'	147	62	209
<b>TOTAL:</b>	<b>464</b>	<b>122</b>	<b>586</b>

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**SERIES 2024 (ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)**

TABLE 2: TOTAL CIP COST DETAIL			
Description	Preserve East	Veranda Estates Phase 2	TOTAL
Water	\$1,643,734	\$1,375,774	\$3,019,508
Wastewater	\$4,322,491	\$1,985,374	\$6,307,865
Drainage	\$8,997,860	\$6,619,796	\$15,617,656
St. Lucie Land SAD	Not Included	Not Included	\$0
<b>Total CIP Construction Costs</b>	<b>\$14,964,085</b>	<b>\$9,980,944</b>	<b>\$24,945,029</b>
Estimated Assessment Area Three Project Funded by Assessment Area Three Bonds			\$8,557,896
Estimated recognized contribution of infrastructure to reach target assessment levels (AA3)			\$855,363
Assessment Area Five Project Funded by Assessment Area Five Bonds			\$4,236,050
Remaining CIP to be Funded by the Landowner			\$11,295,720
<b>Total Construction Costs</b>			<b>\$24,945,029</b>

NOTE: Infrastructure cost estimates provided by District Engineer.

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SERIES 2024 (ASSESSMENT AREA THREE - PRESERVE EAST PROJECT)  
SERIES 2024 (ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)**

**TABLE 3: PRELIMINARY FINANCING INFORMATION - ASSESSMENT AREA THREE BONDS**

Estimated Issue Date	December 2023
Estimated Final Maturity	2054
Principal Installments	30
Estimated Average Coupon Rate	6.50%
Estimated Maximum Annual Debt Service ("MADS")	\$962,800

**SOURCES:**

<b>ESTIMATED PAR AMOUNT</b>	<b>\$12,575,000</b>
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**USES:**

Project Fund	(\$8,557,896)
2018B Bond Payoff	(\$3,159,204)
Debt Service Reserve Fund	(\$481,400) <sup>(1)</sup>
Costs of Issuance	(\$376,500)
<b>Total Uses</b>	<b><u>(\$12,575,000)</u></b>

<sup>(1)</sup> 50% of MADS.

Source: District Underwriter. Numbers are preliminary and subject to change.

**TABLE 4: PRELIMINARY FINANCING INFORMATION - ASSESSMENT AREA THREE ASSESSMENTS <sup>(1)</sup>**

Estimated Interest Rate	6.50%
<b>Estimated Initial Principal Amount</b>	<b>\$12,575,000</b>
Estimated Aggregate Annual Installment	\$962,800
Estimated County Collection Costs	2.00% \$20,485 <sup>(2)</sup>
Estimated Maximum Early Payment Discounts	4.00% \$40,970 <sup>(2)</sup>
Estimated Total Annual Installment	<u>\$1,024,255</u>

<sup>(1)</sup> Ultimate collection schedule at the District's discretion.

<sup>(2)</sup> May vary as provided by law.

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**SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS**  
**SERIES 2024 (ASSESSMENT AREA THREE - PRESERVE EAST PROJECT)**  
**SERIES 2024 (ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)**

**TABLE 5: PRELIMINARY FINANCING INFORMATION - ASSESSMENT AREA FIVE BONDS**

Estimated Issue Date	December 2023
Estimated Final Maturity	2054
Principal Installments	30
Estimated Average Coupon Rate	6.75%
Estimated Maximum Annual Debt Service ("MADS")	\$494,612

**SOURCES:**

<b>ESTIMATED PAR AMOUNT</b>	<b>\$6,295,000</b>
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**USES:**

Project Fund	(\$4,236,050)
2018B Bond Payoff	(\$888,526)
Debt Service Reserve Fund	(\$494,612) <sup>(1)</sup>
Capitalized Interest	(\$424,913)
Costs of Issuance	(\$250,900)
<b>Total Uses</b>	<b><u>(\$6,295,000)</u></b>

<sup>(1)</sup> 100% of MADS.

Source: District Underwriter. Numbers are preliminary and subject to change.

**TABLE 6: PRELIMINARY FINANCING INFORMATION - ASSESSMENT AREA FIVE ASSESSMENTS <sup>(1)</sup>**

Estimated Interest Rate	6.75%
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<b>Estimated Initial Principal Amount</b>	<b>\$6,295,000</b>
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Estimated Aggregate Annual Installment	\$494,612
Estimated County Collection Costs	2.00% \$10,524 <sup>(2)</sup>
Estimated Maximum Early Payment Discounts	4.00% \$21,047 <sup>(2)</sup>
Estimated Total Annual Installment	<u>\$526,183</u>

<sup>(1)</sup> Ultimate collection schedule at the District's discretion.

<sup>(2)</sup> May vary as provided by law.

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**SERIES 2024 (ASSESSMENT AREA THREE - PRESERVE EAST PROJECT)**  
**SERIES 2024 (ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)**

**TABLE 7: PRELIMINARY ASSESSMENT ALLOCATION - ASSESSMENT AREA THREE ASSESSMENTS <sup>(1)</sup>**

<b>PRODUCT</b>	<b>UNITS</b>	<b>PRODUCT TOTAL PRINCIPAL <sup>(2)</sup></b>	<b>PER UNIT PRINCIPAL</b>	<b>PRODUCT ANNUAL INSTLMT. <sup>(2)(4)</sup></b>	<b>PER UNIT INSTLMT. <sup>(3)(1)</sup></b>
Twin Villa 36'	182	\$4,932,435.34	\$27,101.29	\$401,755.32	\$2,207.45
Single Family 50'	135	\$3,658,674.57	\$27,101.29	\$298,005.32	\$2,207.45
Single Family 62'	147	\$3,983,890.09	\$27,101.29	\$324,494.68	\$2,207.45
<b>TOTAL</b>	<b>464</b>	<b>\$12,575,000.00</b>		<b>\$1,024,255.32</b>	

(1) Preliminary Assessment Area Three Assessments expected to be absorbed by the 464 planned units in Assessment Area Three. Allocation of Series 2024-AA3 Assessments to be levied based on target assessment levels. There will be a recognized in-kind contribution of infrastructure by the Developer as an assessment credit to certain unit types in order to reach target assessment levels. See Table 9 for the contribution calculation.

(2) Product total shown for illustrative purposes and are not fixed per product type.

(3) Includes estimated St. Lucie County collection costs/payment discounts, which may fluctuate.

**TABLE 8: PRELIMINARY ASSESSMENT ALLOCATION - ASSESSMENT AREA FIVE ASSESSMENTS <sup>(1)</sup>**

<b>PRODUCT</b>	<b>UNITS</b>	<b>PRODUCT TOTAL PRINCIPAL <sup>(2)</sup></b>	<b>PER UNIT PRINCIPAL</b>	<b>PRODUCT ANNUAL INSTLMT. <sup>(2)(3)</sup></b>	<b>PER UNIT INSTLMT. <sup>(3)</sup></b>
Single Family 52'	60	\$2,820,275.70	\$47,004.60	\$235,739.65	\$3,928.99
Single Family 62'	62	\$3,474,724.30	\$56,043.94	\$290,443.33	\$4,684.57
<b>TOTAL</b>	<b>122</b>	<b>\$6,295,000.00</b>		<b>\$526,182.98</b>	

(1) Preliminary Assessment Area Five Assessments expected to be absorbed by the 122 planned units in Phase 2 of Assessment Area Five.

(2) Product total shown for illustrative purposes and are not fixed per product type.

(3) Includes estimated St. Lucie County collection costs/payment discounts, which may fluctuate.



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**SERIES 2024 (ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)**

**TABLE 9: CONTRIBUTION CALCULATION - ASSESSMENT AREA THREE - PRESERVE EAST PROJECT <sup>(1)</sup>**

<b>PRODUCT</b>	<b>UNITS</b>	<b>EAU</b>	<b>TOTAL COSTS FUNDED</b>	<b>TARGET COSTS PER UNIT (3)</b>	<b>COSTS PER UNIT BY EAU</b>	<b>CONTRIBUTION PER UNIT</b>	<b>TOTAL CONTRIBUTION (4)</b>
Twin Villa 36'	182	0.69	\$3,356,761	\$18,444	\$18,444	\$0	\$0
Single Family 50'	135	0.96	\$2,489,905	\$18,444	\$19,089	\$645	\$87,084
Single Family 62'	147	1.19	\$2,711,230	\$18,444	\$23,670	\$5,226	\$768,279
	<b>464</b>		<b>\$8,557,896</b> (2)				<b>\$855,363</b>

(1) All numbers are based on construction costs and thus are net of financing costs.

(2) Total Assessment Area Three - Preserve East Project costs to be funded with Series 2024-AA3 Bonds. See Table 2.

(3) Per unit costs funded with Series 2024 Bonds.

(4) Total contribution of infrastructure due to the difference between the target and the EAU allocation. See Table 2 for the application of the contribution.



**VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
SERIES 2024 ASSESSMENT LIEN ROLL**

DEVELOPMENT	ACREAGE	Estimated Series 2024-AA3 Principal	Estimated Series 2024-AA5-PH 2 Principal	Estimated Series 2024-AA3 Annual Installment	Estimated Series 2024-AA5-PH2 Annual Installment
Preserve East*		/acre	\$0.00	/acre	\$0.00
Veranda Estates - PH 2*		\$0.00	/acre	\$0.00	/acre
<b>Total:</b>		<b>\$12,575,000.00</b>	<b>\$6,295,000.00</b>	<b>\$1,024,255.32</b>	<b>\$526,182.98</b>

See Legal Descriptions Attached