
MASTER ASSESSMENT METHODOLOGY

FOR SPECIAL ASSESSMENT BONDS

EAST PALM DRIVE

COMMUNITY DEVELOPMENT DISTRICT

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Prepared by



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1.0 Introduction

The [East Palm Drive](#) Community Development District (the “District”) is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes (“FS”), as amended. The District anticipates issuing approximately [\\$62,750,000](#) of special assessment bonds in one or more series (the “Bonds”) for the purpose of financing certain infrastructure improvements within the District, more specifically described in the [May 17, 2024, Engineer’s Report](#), as may be amended and supplemented from time to time (the “Engineer’s Report”), prepared by Alvarez Engineers, Inc., (the “District’s Engineer”). The Bonds are to be issued to pay for a portion of the cost of the infrastructure improvements consisting of [roadway and public rights of way improvements \(including impact fees\)](#), [stormwater management system](#), [water distribution system \(including connections fees\)](#), [sanitary sewer system \(including connection fees\)](#), and related costs, as were particularly described in the Engineer’s Report (herein, the “Project” or “Improvement Plan”).

1.1 Purpose

This Master Assessment Methodology Report (the “Report”) provides a methodology that determines the amount of community development district debt relating to the Bonds to be allocated to specific properties within the District. The improvements are being constructed as one system of improvements benefiting all the developable property within the boundaries of the District equally. This Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes, and will be supplemented with one or more Supplemental Methodology Reports to reflect the actual terms and conditions at the time of the issuance of each series of the Bonds.

The District intends to impose non-ad valorem special assessments on the benefited lands within the District to pay the debt represented by the Bonds in accordance with the methodology set forth in this Report. It is anticipated that all the proposed special assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, FS, or any other legal means available to the District. It is not the intent of this Report to address any other assessments, if applicable, that may be levied by the District, a homeowner’s association, or any other unit of government.

1.2 Background

The District includes approximately 325.6 gross acres of land located in the City of Homestead (the “City”), Miami-Dade County (the “County”),

Florida. The development plan for the District is currently anticipated to consist of 185 (60ft.) single family homes, 202 (40ft.) single family homes, 481 townhomes and 419 Villas. This proposed development plan is depicted in Table 1. It is recognized that such land use plan may change, and this Report will be modified accordingly.

The public improvements comprising the Project contemplated by the District will provide facilities that provide a direct and special benefit to the assessable property within the District. The acquisition costs for the Project are summarized in Table 2.

The assessment methodology is a three-step process. First, the District Engineer determines the costs described herein for the Project contemplated by the District. Second, this cost forms the basis for a debt sizing. Third, the bonded costs are divided among the benefited properties on the basis of benefit received as a result of the Project.

1.3 Special Benefits and General Benefits

In the process of constructing or acquiring public infrastructure improvements comprising the Project and which provide direct and special public benefits to the assessable properties within the District's boundaries, incidental general benefits to properties outside of the District and the public at large are also created. These general benefits are incidental and different from the direct and special benefits provided to the assessable properties within the boundaries of the District.

The Improvement Plan is designed to meet the needs of the assessable property within the District. The property owners within the District are therefore receiving direct and special benefits not received by those outside of the District and outside the boundaries of the District.

1.4 Special Benefits Exceed the Costs Allocated

The direct and special benefits provided to the assessable property within the District will be equal or greater than the costs associated with providing these benefits. The increase in the market value of the benefiting property will be more than the cost of the improvements being acquired by the District. Without the District's Improvement Plan, the property within the District would not be able to be developed and to be sold as developed property.

1.5 Requirements of a Valid Assessment Methodology

There are two requirements under Florida law for a valid special assessment:

- 1.) The properties to be assessed must receive a direct and special benefit from the improvements being paid for.
- 2.) The assessments must be fairly and reasonably allocated to the properties being assessed.

2.0 Assessment Methodology

2.1 Overview

The District anticipates the issuance of approximately \$62,750,000 in the Bonds, in one of more series, to finance the public infrastructure improvements comprising the Project, provide for capitalized interest, if so required, fund a debt service reserve account and cost of issuance for each series of the Bonds so issued. It is the purpose of this methodology to allocate the \$62,750,000 in debt to the properties benefiting from the Improvement Plan.

Table 1 identifies the development plan as identified by the developer, Lennar Homes, LLC. (the “Developer”). The Engineer’s Report outlines the capital improvements needed to support the Development within the District, which are shown in Table 2. The public improvements constituting the Project needed to support the development are described in detail in the Engineer Report and are estimated to cost approximately \$51,463,000. These improvements will be funded through the issuance of one or more series of Bonds. Based on the estimated costs, the total size of the bond issues needed to generate funds to pay for all or a portion of the Project was determined by the District’s Underwriter to total approximately \$62,750,000. Table 3 depicts the breakdown of the Bond sizing.

2.2 Allocation of Benefit

The planned public improvements constituting the Project are an integrated system of facilities that benefit the assessable land within the District. That is, the first few feet of water line or sewer line benefit the landowners as much as the last few feet. The Improvement Plan works as a total system and provides special benefits for each land use. A fair and a reasonable method of allocating the benefit to each residential unit in the District would be by assigning an equivalent

residential unit (“ERU”) to the product types based on relative size. The 202 (40ft.) single family homes, which are the base unit and has been assigned 0.10 ERU, while the 185 (60ft.) single family homes have been assigned 1.19 ERU, 481 townhomes have been assigned 0.91 ERU, and 419 Villas, have been assigned 0.81 ERU. Table 4 shows the allocation of benefits based on these ERU assignments. It is important to note that the benefit derived from the Project to the residential units of varying product types is equal to or exceeds the cost that the units will be paying for such benefits.

2.3 Allocation of Debt

Allocation of debt is a continuous process until the development plan is completed. The initial assessments will be levied on an equal basis for all acres within the District. A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties receiving the direct and special benefits. At this point all the land within the District is benefiting equally from the Improvement Plan and the special assessments will be assigned on a per acre basis.

Once platting, the recording of declaration of condominium, or other means of identifying individual lots (“Assigned Properties”) has begun, the assessments will be levied to the Assigned Properties based on the benefits they receive on a first platted first assigned basis. The Unassigned Properties, defined as gross acres that have not been platted, will continue to be assessed on a per acre basis. Eventually the development plan will be completed and the debt relating to the Bonds will be allocated to the planned 1,287 residential lots within the District, which are the beneficiaries of the Improvement Plan, as depicted in Table 5. If there are changes to the development plan, a true up of the assessment will be calculated to determine if a payment from the Developer is required. This process is outlined in Section 3.0.

The assignment of debt in this Report sets forth the process by which debt represented by the Bonds is apportioned. As previously mentioned herein, this Report will be supplemented from time to time.

2.4 Special and Peculiar Benefit to the Property

As previously mentioned, the capital improvements to be constructed or acquired by the District include [roadway and public rights of way improvements \(including impact fees\),](#) [stormwater management system,](#) [water distribution system \(including connections fees\),](#) and [sanitary sewer](#)

system (including connection fees). This will provide peculiar, direct, and special benefits which flow from the logical relationship of the Improvement Plan to the benefiting properties within District. These peculiar, direct, and special benefits consist of the added use of the property for residential purposes, added enjoyment of the property, and the probability of increased marketability and value of the property.

2.5 Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of direct, special, and peculiar benefits received from the Improvement Plan is delineated in Table 4.

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the direct and special and peculiar benefits to the property derived from the acquisition or construction of the Project have been apportioned to the property according to reasonable estimates of the direct, special, and peculiar benefits provided consistent with each land use category.

Accordingly, no acre or parcel of property within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the determined direct and special benefit peculiar to that unit and therefore, the debt allocation will not be increased more than the debt allocation set forth in this Report.

In accordance with the benefit allocation in Table 4, a total par amount of the Bonds per unit and an annual debt assessment per unit for the proposed District's Bonds have been calculated for each unit as illustrated in Table 5. These amounts represent the maximum anticipated per unit debt allocations assuming all anticipated units are built and sold in the proportions planned, the entire proposed infrastructure program is constructed or acquired by the District, and \$62,750,000 in par amount of the Bonds have been issued.

3.0 True Up

Although the District does not process plats, declaration of condominiums, site plans or revisions for the Developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan or revision is processed, the District must allocate a portion of its debt to the property according to the methodology outlined herein. In addition, the District must also prevent any buildup of debt on Unassigned Properties. Otherwise, the land could be fully conveyed and/or platted without all

of the debt being allocated. To preclude this, at the time Unassigned Properties become Assigned Properties, the District will determine the amount of anticipated assessment revenue that remains on the Unassigned Properties, taking into account the proposed plat or site plan approval. If the total anticipated assessment revenue to be generated from the Assigned and Unassigned Properties is greater than or equal to the maximum annual debt service on the Bonds, then no debt reduction payment will be required. In the case that the revenue generated is less than the required amount to pay debt service on the Bonds then a debt reduction payment by the Developer in the amount necessary to reduce the par amount of the outstanding Bonds plus accrued interest to a level that will be supported by the new maximum annual debt service will be required. This true up mechanism may be memorialized through an agreement between the District and the Developer which may contain additional provisions.

4.0 Assessment Roll

The District will initially distribute the lien across the property within the District boundaries on a gross acreage basis. As Assigned Property becomes known with certainty, the District will refine its allocation of debt from a per acre basis to a per unit basis as shown in Table 6 on a first platted, first assigned basis. If the land use plan changes, then the District will update Table 6 to reflect the changes. As a result, the assessment liens are neither fixed nor are they determinable with certainty on any acre of land in the District prior to the time final Assigned Properties become known. As the development process occurs, the debt will be distributed against the Assigned Property in the manner described in this Report. The current assessment roll is depicted in Table 7.

5.0 Additional Information

Governmental Management Services-South Florida, LLC (GMS) does not represent the District as a Municipal Advisor or Security Broker, nor is GMS registered to provide such services as described in the Sections 15B of the Security and Exchange Act of 1934, as amended. Similarly, GMS does not provide the District with advisory services or offer investment advice.

Certain information in this Report was provided by members of the District staff, the Developer or other professionals hired in conjunction with the bond issuance. GMS makes no representation regarding the information provided by others.

Table 1
East Palm Drive
Community Development District
Development Plan

Land Use	No. of Units*	ERUs per Unit	Total ERUs
Single Family (60ft.)	185	1.19	220.15
Single Family (40ft.)	202	1.00	202
Townhomes	481	0.91	437.71
Villas	419	0.81	339.39
Residential Units	1,287		1,199.25
Gross Acres	325.6		

* Unit mix subject to change based on marketing and other factors.

Table 2 East Palm Drive Community Development District Estimated Construction Costs

Category	Cost
Roadway Improvements (includes County's Impact Fees)	\$ 18,501,000
Stormwater Management	\$ 12,100,000
Sanitary Sewer System (includes water connections Fees)	\$ 9,047,000
Water Distribution System (includes sewer connection fees)	\$ 11,815,000
Total	\$ 51,463,000

Information provided by Alvarez Engineers, Inc.

Table 4
East Palm Drive
Community Development District
Allocation of Total Project Cost

Land Use	No. of Units*	ERUs per Unit	Total ERUs	Total Cost Allocated	Total Costs per ERUs
Single Family (60ft.)	185	1.19	220.15	\$ 9,447,220.72	\$ 51,066.06
Single Family (40ft.)	202	1.00	202.00	\$ 8,668,356.06	\$ 42,912.65
Townhomes	481	0.91	437.71	\$ 18,783,297.67	\$ 39,050.51
Villas	419	0.81	339.39	\$ 14,564,125.55	\$ 34,759.25
Totals	1,287		1,199.25	\$ 51,463,000.00	

* Unit mix subject to change based on marketing and other factors.

Table 5
East Palm Drive
Community Development District
Bond Allocation of Par Debt

Land Use	No. of Units	Total ERUs	Total Cost Allocated	Bonds Total Allocation of Par Debt	Bonds Allocation of Par Debt per Unit	Annual Debt Assessment Total	Annual Debt Assessment Per Unit*
Single Family (60ft.)	185	220.15	\$ 9,447,220.72	\$ 11,519,210	\$ 62,266.00	\$ 896,169.20	\$ 4,844.16
Single Family (40ft.)	202	202.00	\$ 8,668,356.06	\$ 10,569,523	\$ 52,324.37	\$ 822,285.62	\$ 4,070.72
Townhomes	481	437.71	\$ 18,783,297.67	\$ 22,902,900	\$ 47,615.18	\$ 1,781,795.23	\$ 3,704.36
Villas	419	339.39	\$ 14,564,125.55	\$ 17,758,368	\$ 42,382.74	\$ 1,381,561.96	\$ 3,297.28
Totals	1,287	1,199.25	\$ 51,463,000.00	\$ 62,750,000		\$ 4,881,812	

* This amount will be grossed up to include discounts for early payments and county collection fees.

Table 6
East Palm Drive
Community Development District
Summary Assessment Roll

Parcel ID#	Acres	Total Allocation of Cost Per Parce	Bonds Allocation of Par Debt per Parce
10-7929-001-0010	123.51	\$ 19,521,483.81	\$ 23,802,986.79
10-7929-001-0011	37.98	\$ 6,002,962.96	\$ 7,319,548.53
10-7921-001-0231	5.71	\$ 902,499.17	\$ 1,100,437.65
10-7929-001-0181	24.2	\$ 3,824,952.70	\$ 4,663,851.35
10-7929-001-0185	11.34	\$ 1,792,353.87	\$ 2,185,457.62
10-7929-001-0180	3.21	\$ 507,359.43	\$ 618,634.83
10-7920-001-0300	14.88	\$ 2,351,871.74	\$ 2,867,690.42
10-7920-001-0310	11.38	\$ 1,798,676.11	\$ 2,193,166.44
10-7928-001-0060	93.39	\$ 14,760,840.20	\$ 17,998,226.35
Totals	325.60	\$ 51,463,000	\$ 62,750,000

Table 7
East Palm Drive
Community Development District
Tax Roll Allocation of Series 2020 Par Debt

Owner⁽¹⁾	Parcel ID#	Acres	Bonds Par Debt Per Parcel	Annual Estimated Debt Assessment*
LAND BARON VIII LLC	10-7929-001-0010	123.51	\$ 23,802,986.79	\$ 1,851,820.02
MICHAEL LATTERNER TRS	10-7929-001-0011	37.98	\$ 7,319,548.53	\$ 569,444.78
MICHAEL LATTERNER TRS	10-7921-001-0231	5.71	\$ 1,100,437.65	\$ 85,611.63
MICHAEL LATTERNER TRS	10-7929-001-0181	24.2	\$ 4,663,851.35	\$ 362,837.38
MICHAEL LATTERNER TRS	10-7929-001-0185	11.34	\$ 2,185,457.62	\$ 170,023.80
MICHAEL LATTERNER TRS	10-7929-001-0180	3.21	\$ 618,634.83	\$ 48,128.43
LAND BARON CLUBHOUSE LLC	10-7920-001-0300	14.88	\$ 2,867,690.42	\$ 223,100.01
KEYS GATE COMM. ASSOC. INC.	10-7920-001-0310	11.38	\$ 2,193,166.44	\$ 170,623.53
MICHAEL LATTERNER TRS	10-7928-001-0060	93.39	\$ 17,998,226.35	\$ 1,400,222.43
TOTAL		325.600	\$ 62,750,000.00	\$ 4,881,812.00
		Per Acre	\$ 192,721.13	\$ 14,993.28

⁽¹⁾ As per information obtained from Miami-Dade County Property Appraiser on the date of the report.

* This amount will be grossed up to include discounts for early payments and collection fees (4% and 1% respectively).