

**AFFIDAVIT OF GEORGE FLINT
(DISTRICT MANAGER)**

BEFORE ME, personally appeared George Flint, who after being duly sworn stated that the following facts set forth in the attached Testimony of George Flint (District Manager) for Storey Park Community Development District are true and correct.

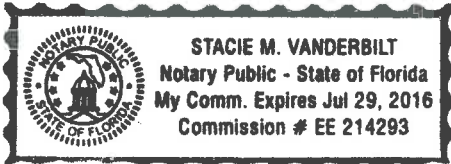
M J L

Signature of Witness

Date: 1/13/2015

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 13th day of January 2015, by George Flint as District Manager and Financial Consultant for Community Development Districts for Governmental Management Services – Central Florida, LLC. He is personally known to me or has produced a valid driver's license as identification.



Stacie M. Vanderbilt

Notary Public; State of Florida

Print Name: Stacie M. Vanderbilt

My Commission Expires: 7/29/2016

My Commission No.: EE 214293

1 **TESTIMONY OF GEORGE FLINT (DISTRICT MANAGER)**

2 **FOR STOREY PARK COMMUNITY DEVELOPMENT DISTRICT**

3 **1. Please state your name and business address.**

4 My name is George Flint. My business address is 135 West Central Boulevard,
5 Suite 320, Orlando, Florida 32801.

6 **2. By whom are you employed and in what capacity?**

7 I am a Vice President with Governmental Management Services – Central
8 Florida, LLC (“GMS”) and serve as District Manager and financial consultant for
9 community development districts (“CDDs”).

10 **3. And what is the nature of your firm’s business?**

11 GMS provides management consulting services to CDDs and the real estate
12 industry including general management, accounting, recording secretary, field
13 services and assessment administration. GMS currently serves as the district
14 manager for over one hundred twenty-five (125) CDDs in Florida.

15 **4. Do you work for both public and private entities?**

16 GMS primarily works for public entities providing district management services.
17 However, we are retained from time to time by private entities to consult on the
18 creation of special districts as well as the viability of certain proposed
19 developments.

20 **5. Prior to your current employment, by whom were you employed and what**
21 **were your responsibilities in those positions?**

22 I have twenty (20) years of experience in the public and private sectors providing
23 general management, budgeting, and consulting services. I served as the Budget
24 Officer and Assistant County Administrator for St. Johns County, Florida, and as
25 the Assistant County Manager/Performance Manager for Alachua County,
26 Florida. In addition, I served as a Senior Management Consultant and Regional
27 Manager for TetraTech, Inc., an environmental engineering firm, and as the
28 Executive Director of the St. Johns County Utility Authority. I have extensive
29 knowledge of special districts, governmental budgeting and finance issues, the
30 development process, and water and wastewater utilities.

31 **6. Please describe your educational background.**

32 I have a Bachelor of Arts degree from Princeton University in politics with a

focus in economics and a Master of Public Administration from Florida State University with a specialization in public budgeting and finance.

7. Have you previously prepared a Statement of Estimated Regulatory Costs for petitions to establish community development districts?

Yes, I have prepared many, including the Statement of Estimated Regulatory Costs for Randal Park Community Development District, which is also located entirely within the City of Orlando, Florida.

8. Please describe your work with CDDs in Florida.

Through GMS, the clients I serve are both resident-elected and landowner-elected CDDs, depending on the stage in the life of the development. I assist the various Boards of Supervisors and residents by managing the accounting, official recordkeeping, and operations and management of the assets acquired or constructed by the District.

9. Where in Florida are the districts with which you have worked?

My office currently manages approximately thirty districts, the majority of which are in the metro Orlando area and are located in Orange, Osceola, Lake and Polk counties. I also manage districts in Brevard, Charlotte, Hillsborough, Marion, Pasco, St. Lucie and Sarasota Counties.

10. Do you represent CDDs of about the same size as the proposed Storey Park Community Development District?

Yes.

11. At this point, I will ask you to address certain matters that relate to CDD management. Please describe the general manner in which a CDD actually operates.

Initially, CDDs are governed by a five-member Board of Supervisors who are elected by district landowners. The Board retains a District Manager who supervises the services, facilities and administrative functions of the CDD, and essentially runs the day-to-day operations and implements many of the actions of the board. Each year, the CDD Board publicly notices and conducts a public hearing for the purpose of adopting a budget. The proposed budget is submitted to the applicable local general purpose government for review and comment prior to its formal adoption.

12. Are there requirements, such as the open meetings, public records and ethics laws, imposed upon CDDs in order to safeguard the public that are similar to

68 **those imposed upon other general purpose local governments?**

69 Yes, there are.

70 **13. Please describe these requirements and safeguards.**

71 The creation of a CDD does not change any requirements for government
72 approval and permitting for any construction or development within the District.
73 Any land development requirements, and all state and local development
74 regulations, still apply. There must also be disclosure of public financing and the
75 facilities and services being provided by a CDD. The CDD must provide financial
76 reports to the Department of Financial Services in the same form and manner as is
77 required of all other political subdivisions, and is annually audited by an
78 independent certified public accountant. Furthermore, under Chapter 286, Florida
79 Statutes, all meetings and District records must be open to the public in
80 compliance with "Government in the Sunshine."

81
82 Members of the initial CDD Board of Supervisors must be residents of Florida
83 and citizens of the United States. Boards are elected initially on a one-acre, one
84 vote basis. By law, after 6 years have passed and 250 registered voters live in the
85 CDD, the board begins transition to registered voters living in the CDD. At that
86 time, the Supervisors are required to be residents and electors of the District.
87 Board members are required to file annual financial disclosure statements and
88 comply with Florida ethics laws, as required for local government officials. The
89 CDD budget must be filed with the applicable general purpose government, and a
90 public hearing must be held prior to its adoption. All fees, rates and charges
91 imposed by the CDD must be adopted in accordance with its rule making
92 procedures pursuant to Chapter 120, Florida Statutes.

93 When a CDD imposes special or non-ad valorem assessments pursuant to Chapter
94 170, Florida Statutes, it must provide both published and mailed notice to those
95 landowners who are to be assessed. The assessment process includes preparation
96 of a methodology that fairly and equitably allocates the cost of the District's
97 projects.

98 **14. Please describe in general terms how a CDD operates financially, both on a**
99 **day-to-day and a long-term basis.**

100 Typically, in the first year of a CDD's existence, most or all of the land is owned
101 by the developer, and expenses are funded by the developer by way of a "funding
102 agreement" between the developer and the District, as opposed to imposing
103 assessments.

104 In addition to the funding agreement, CDDs have the ability to utilize various
105 financing techniques for financing long-term projects. Bonds are frequently issued

by CDDs and must be secured by a trust agreement. For any bonds maturing more than five years after issuance, the CDD must seek circuit court validation of its bonds, in accordance with Chapter 75, Florida Statutes. The District also has the ability to borrow funds on either a long or short-term basis.

By law, debt of the district cannot become debt of any other government (City, County or state), without that government's consent. The district's debt may be retired through non ad valorem or special assessments imposed on benefited properties, or rates, fees, and charges imposed on users of district facilities and services. The CDD has no ability to assess land outside its boundaries, nor to assess any land owned by another government.

15. Are you familiar with the petition and exhibits filed to establish the Storey Park Community Development District?

Yes. I have reviewed the Petition and all of its exhibits and supplement. Petition Exhibit 7 is the Statement of Estimated Regulatory Costs ("SERC"); it is a requirement of Chapter 190, Florida Statutes, and was prepared by me.

16. To the best of your knowledge, is Exhibit 7 to the petition a true and accurate recitation of the SERC?

Yes.

17. Based on your review of Exhibit 7 to the Petition, are there any updates that need to be made at this time?

No.

18. What exactly is a Statement of Estimated Regulatory Costs?

A Statement of Estimated Regulatory Costs provides the analysis of financial impact of that establishing a community development district, and is required by Sections 190.005(2)(a) and 190.005(1)(a)(8), Florida Statutes.

Section 120.541(2), Florida Statutes, specifically provides a list of the necessary elements that a SERC must include: (1) a good-faith estimate of the number of individuals and entities likely to be required to comply with, or are affected by, the ordinance; (2) a good-faith estimate of the cost to the agency, and any other state or local government entity; (3) an analysis of the transactional costs likely to be incurred by individuals and entities required to comply with the ordinance; (4) impact on small businesses, small cities and small counties; and (5) any additional information that the City might find useful.

The methodology used to create the SERC is consistent with that commonly used

by others within the industry. The information comprising the SERC is based on my professional knowledge relative to prior experience working with special districts, and information provided by the Petitioner.

19. Please summarize the costs to the City of Orlando resulting from establishment of the Storey Park Community Development District.

The costs incurred to the City are minimal at best. The City may incur one-time administrative costs involved with the staff review process associated with the establishment, but those costs will be offset by the filing fee of \$15,000 paid to the City by the Petitioner.

Once established, ongoing costs will not be incurred by the City. The District will be an independent unit of local government. The only foreseeable cost to the City would be the minimal expense to the City for their optional review of reports required to be submitted by the District. The review of these reports is at the City's option.

20. Please summarize the costs to the State of Florida resulting from the establishment of the Storey Park Community Development District.

The State will only incur minimal costs once the District is established. The costs are usually the result of administrative review of reports required to be submitted periodically pursuant to Chapters 189 and 190, Florida Statutes. The Legislature has adopted a fee of \$175 per year to be paid to the Department of Economic Opportunity as the agency collecting information about districts. Since the District is designed to be a self-sufficient, special-purpose governmental entity, it is responsible for its own management. No additional burden is placed on the State of Florida once the District has been established, with the exception of reporting requirements previously mentioned.

21. Will the establishment of the proposed District result in costs to local small businesses?

No. Small businesses will not be negatively impacted by the establishment of the District. Small businesses may actually benefit since businesses have the option of becoming competitive bidders of the District's business.

22. Will the establishment of the proposed District have a negative impact on state or local revenues?

No. The District will have their own source of revenue and no state or local subsidies are required or expected. In addition, establishment of the District should have no negative impact on state or local revenues because the District

176 will be an independent unit of local government, and debts of the District will be
177 strictly its own responsibility.

178 **23. Based on your training and experience in the financial aspect of community**
179 **development districts, do you have an opinion regarding the financial**
180 **viability and feasibility of the proposed District?**

181 Yes, I do.

182 **24. What is that opinion?**

183 In my opinion, based on my experience with other districts, the proposed Storey
184 Park Community Development District is expected to be financially viable and
185 feasible.

186 **25. Based on your training and experience, do you have an opinion as to whether**
187 **the proposed District is of sufficient size, sufficient compactness, and**
188 **sufficient contiguity to be developable as a functional interrelated**
189 **community?**

190 Yes, I do.

191 **26. What is your opinion?**

192 It is my opinion that the proposed district is of sufficient size, is sufficiently
193 compact, and sufficiently contiguous to be developable as a functionally
194 interrelated community.

195 **27. What is the basis for your opinion?**

196 Functional interrelation means that each community purpose has a mutual
197 reinforcement relationship to one another. Each function must therefore be
198 planned to contribute to the development of the larger community. This requires a
199 long-range plan that can evaluate the future needs of a community as it relates to
200 needed facilities and services, such as roads, drainage, water, sewer, lighting, etc.
201 Each function must in turn have a management capability, funding source and
202 comprehension of the community needs and ability to handle growth. The Storey
203 Park CDD as proposed will be able to meet the requirements to be a functionally
204 interrelated community because it is of sufficient size (approximately 860.8 acres
205 of land), is sufficiently compact and sufficiently contiguous, as depicted in the
206 Petition.

207 **28. Do you have an opinion as to whether the proposed Storey Park Community**
208 **Development District is the best alternative available for providing the**
209 **proposed community development services and facilities to the areas to be**

210 served?

211 Yes, I do.

212 **29. What is your opinion?**

213 My opinion is that the proposed District is the best alternative available to provide
214 the proposed community development services and facilities to the lands which
215 can be paid for by the District itself.

216 **30. What is the basis for your opinion?**

217 From an economic perspective, the District is the best alternative because
218 establishment of the District would result in the lowest cost to landowners and to
219 homeowners as compared to other alternatives. The Petitioner proposes to
220 establish the Storey Park Community Development District to construct certain
221 public infrastructure and community facilities which will be needed by the
222 property owners and residents of the District. Creation of the District will allow
223 the community development process to take care of its own needs by restricting
224 costs to those who benefit from the services provided. Non-ad valorem or special
225 assessments on the property within the District are expected to be used to repay
226 any debt that is incurred. Expenses for operations and maintenance are expected
227 to be paid through maintenance assessments, which assures that the District will
228 be maintained at the sustained level of quality desired by its residents.

229 The use of non-ad valorem and maintenance assessments or user fees ensures that
230 the property receiving the benefit of district services is the same property to pay
231 for those services.

232 There are no effective alternatives to provide for such financing structures,
233 although the general-purpose local government could finance the improvements
234 utilizing special assessments or general funds, or the developer could provide the
235 infrastructure through private means, including private financing, if available, but
236 this is generally more expensive. A Homeowners Association ("HOA") could be
237 used to provide for the facilities; however, the HOA does not have the ability to
238 finance the facilities, and lacks the legal backing to effectively enforce
239 assessments. In addition, the developer would not be able to provide long-term
240 maintenance of any of the facilities other than through the HOA.

241
242 Specifically, although both CDDs and HOAs are permitted to oversee the
243 operation and maintenance for stormwater management systems, mitigation areas,
244 and conservation areas, the St. Johns River Water Management District
245 ("SJRWMD") takes the position that a CDD is the preferred unit because it is a
246 perpetual local government unit that by law has the requisite assessment authority,
247 and is only required to provide a letter to the SJRWMD that it will accept

responsibility for operation and maintenance. Contrarily, an HOA must submit more documentation and proof that it has the legal, financial and administrative capabilities to provide for the long term maintenance of the facility. An HOA must also submit documentation that it has the power to levy taxes, has the authority and responsibility to operate and maintain the system, and may be precluded from dissolving until another entity acceptable to the SJRWMD can be found to operate the system. Therefore, none of these alternatives are preferable concepts.

31. Will the services and facilities to be provided by the proposed Storey Park Community Development District be incompatible with the uses and existing local and regional facilities and services?

My opinion is that the services and facilities proposed to be provided by the District are not incompatible with the uses and existing local and regional facilities and services. Any services required of the proposed District are necessary to support new growth in the City, however, none of the proposed facilities and services currently exist.

32. Do you have an opinion as to whether the area that will be served by the proposed Storey Park Community Development District is amenable to separate special district government?

Yes.

33. What is your opinion?

It is my opinion that the areas to be included within the proposed District are amenable to being served by a separate special district government. Because the area within the proposed District is of sufficient size, compactness and contiguity, and is economically viable, the area to be served by the proposed District is clearly amenable to separate special district governance.

34. What is the basis for your opinion?

There are two criteria to be reviewed when determining if a District is amenable to separate special district government: First, does the land area have a need for the facilities and services and will its owners and residents benefit from facilities that the special district could provide? Second, is the land area of sufficient size, sufficient compactness and sufficiently contiguous to be the basis for a functional interrelated community?

Under both criteria, the proposed CDD covers a planned community of sufficient size with a need for the facilities and improvements that are presently expected to be provided by the proposed CDD. As described in the Petition for Establishment,

285 the proposed District will construct and maintain certain identified needed
286 facilities and services. Other facilities and improvements may be constructed by
287 the proposed CDD and ultimately maintained by the City. Based on my
288 professional experience in district management, districts of this size are large
289 enough to effectively provide and manage services. From a management and
290 operations perspective, the land area is well suited to the provision of the
291 proposed services and facilities. However, if later circumstances would cause the
292 City to re-evaluate whether these lands should continue as separate special district
293 government, the City has the option under section 190.046(4), Florida Statutes, to
294 effectively take over the functions of any CDD.

295 **35. Are you familiar with the local comprehensive plan for the City of Orlando,**
296 **Florida?**

297 Yes, I am.

298 **36. Based on your experience, do you have an opinion as to whether the**
299 **proposed District is inconsistent with the City of Orlando Comprehensive**
300 **Plan from an economic perspective?**

301 Yes, I do.

302 **37. What is that opinion?**

303 Based on my experience as a financial advisor, I do not feel the proposed District
304 would be inconsistent with the City of Orlando Comprehensive Plan.

305 **38. Are you familiar with the State Comprehensive Plan found in Chapter 187 of**
306 **the Florida Statutes?**

307 Yes, I am.

308 **39. Based on your experience, do you have an opinion as to whether the**
309 **proposed District is inconsistent with the State Comprehensive Plan from an**
310 **economic perspective?**

311 Yes, I do.

312 **40. What is that opinion?**

313 As a financial advisor, in my opinion, the establishment of the proposed District
314 is not inconsistent with and, in fact, is fully consistent with all applicable
315 provisions of the State Comprehensive Plan.

316 **41. What is the basis for your opinion?**

The State of Florida Comprehensive Plan found in Chapter 187 of the Florida Statutes "provides long-range policy guidance for the orderly social, economic, and physical growth of the state." In this Plan, goals and policies on numerous subjects are established. I have reviewed the Comprehensive Plan from an economic perspective, and Subjects 15, 17 and 20 are relevant to the establishment of a CDD. Let me briefly explain these applicable portions of the Plan.

The goal for Subject 15, Land Use, recognizes the importance of locating development in areas that have the fiscal abilities and service capacity to accommodate growth. It is relevant because CDDs are designed to provide infrastructure services and facilities in a fiscally responsible manner to areas that can accommodate development. The establishment of the proposed District will not be inconsistent with this goal because the proposed District will have the fiscal capability to provide the specified services and facilities within its boundaries.

The goal for Subject 17, Public Facilities, directs the state to protect the substantial investments and public facilities that already exist and plan for and finance new facilities to serve residents in a timely, orderly and efficient manner. The proposed District will provide its improvements and facilities at no capital cost to the City. This lets the City focus their resources on the public facility needs outside of the District and, as a result, contributes to the timely, orderly and efficient provision of services to all City residents.

Policy 3 for Public Facilities supports the allocation of the costs of new public facilities on the basis of benefits received by existing and future residents. The proposed Storey Park Community Development District is being established for the specific purpose of serving the future residents within its boundaries, whose landowners and residents will receive the benefits of the new public facilities. It is these landowners and residents who will directly bear the costs associated with construction, operation and maintenance of the facilities.

Policy 6 for Public Facilities provides for the identification and implementation of innovative, fiscally sound and cost-effective methods for financing public facilities. The proposed District is an alternative method for financing the delivery of public services. This proposed District brings the cost of managing and financing public facilities down to a level of government closest to its beneficiaries and connects those who pay for facilities with those who directly benefit from those facilities and services. The proposed District provides a consistent, innovative and fiscally sound alternative for financing public facilities.

Policy 9 for Public Facilities supports the identification and use of stable revenue sources that are also responsive to growth for financing public facilities. The proposed District would have the power to plan, finance, construct, acquire,

operate and maintain infrastructure for the benefit of the property owners and residents of the proposed District. The proposed District has been structured to assure secure revenue sources capable of meeting District responsibilities.

The goal for Subject 20, Governmental Efficiency, directs Florida governments to economically and efficiently provide the amount and quality of services required by the public. The proposed Storey Park Community Development District would finance and deliver its public facilities. The Storey Park CDD Board of Supervisors would be able to provide the level and quality of service required by those who benefit and pay for those services.

Subject 20, for Governmental Efficiency allows for the creation of independent special taxing districts, which have uniform general law standards and procedures and do not overburden other governments and their taxpayers while preventing the proliferation of independent special taxing districts that do not meet these standards. This subject speaks directly to the point of why community development districts are an important and integral part of community infrastructure management and financing. The proposed Storey Park Community Development District: (1) is established under uniform general law standards as specified in Chapter 190 of the Florida Statutes, (2) is professionally managed, financed and governed by those whose property directly receives the benefits of the services and facilities provided and (3) does not burden the general taxpayer with costs for services or facilities inside the proposed District. For these reasons, the establishment of the proposed District is fully consistent with the policy not to allow the proliferation of independent special taxing districts that do not meet general law standards.

42. In general, what financing methods does Petitioner propose that the proposed District use to pay for the anticipated facilities and services?

Petitioner presently expects that the District will finance certain services and improvements through the issuance of tax-exempt bonds. The debt issued by the proposed District is expected to be retired from "non-ad valorem" or "special" assessments on benefited property within the proposed District. Ongoing maintenance and operational activities are expected to be funded by maintenance assessments. At present, the Petitioner expects that the proposed District may issue long-term bonds or other permitted debt instruments that will pay a portion of the cost of these facilities. Any facilities not financed with a bond issue will be funded by the developer and/or with conventional bank financing.

43. Is the proposed District expecting to fund any off-site improvements described in Composite Exhibit 5?

No. The District is not anticipated, at this time, to fund any off-site improvements.

44. Who will be responsible for paying the proposed District's assessments?

Only those property owners, including the two current landowners, within the

397 proposed District will be responsible for paying District assessments.

398 **45. Will these debts of the proposed District be an obligation of the City of**
399 **Orlando, Orange County or the State of Florida?**

400 No. Florida law provides that community development district debt cannot
401 become the obligation of a city, a county, or the state without the consent of that
402 government.

403 **46. Does this conclude your testimony?**

404 Yes it does.
405