

**BEFORE THE CITY COUNCIL
CITY OF ORLANDO, FLORIDA**

IN RE: Petition to Establish Orlando SED)
 Community Development District)
_____)

AFFIDAVIT ADOPTING WRITTEN, PRE-FILED TESTIMONY

STATE OF FLORIDA
COUNTY OF Orange

I, Kathleen Leo, P.E., of GAI Consultants, Inc., being first duly sworn, do hereby state for my affidavit as follows:

1. I have personal knowledge of the matters set forth in this affidavit.
2. My name is Kathleen Leo, and I am a Vice President of GAI Consultants, Inc.
3. The prepared written, pre-filed testimony consisting of eight (8) pages, submitted under my name to the City of Orlando, Florida, relating to the establishment of the Orlando SED Community Development District and attached hereto, is true and correct.
4. If I were asked the questions contained in the pre-filed testimony orally at the District establishment hearing, my oral answers would be the same as the written answers presented in my pre-filed testimony.
5. My credentials, experience and qualifications concerning my work with land development projects as a professional engineer and planner are accurately set forth in my pre-filed testimony.
6. My pre-filed testimony generally addresses the nature of the services and facilities anticipated by the proposed Orlando SED Community Development District.
7. No corrections or amendments to my pre-filed testimony are required.

Under penalties of perjury, I declare that I have read the foregoing and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this 14 day of October 2024.

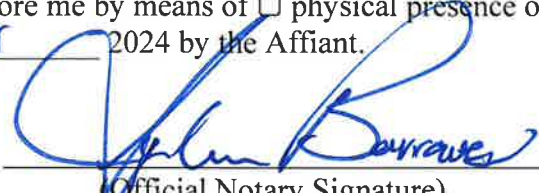


Kathleen Leo, P.E.

SWORN TO and SUBSCRIBED before me by means of physical presence or online notarization, this 14 day of October 2024 by the Affiant.



[notary seal]



(Official Notary Signature)

Name: Stephanie Barrowes
Personally Known _____
OR Produced Identification _____
Type of Identification _____

1 **TESTIMONY OF KATHLEEN LEO, P.E., FOR ESTABLISHMENT OF**
2 **ORLANDO SED COMMUNITY DEVELOPMENT DISTRICT**

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

5
6 My name is Kathleen Leo, and my business address is 618 E. South Street, Suite 700,
7 Orlando, Florida 32801.

8
9 **2. By whom are you employed and in what capacity?**

10
11 I am a Vice President with GAI Consultants, Inc.

12
13 **3. How long have you held that position?**

14
15 7 years.

16
17 **4. Please give your educational background, with degrees earned, major areas of study**
18 **and institutions attended.**

19
20 BS Environmental Engineering, University of Central Florida, 1992
21 MS Environmental Engineering, University of Central Florida, 1993

22
23 **5. Do you have any professional licenses, registrations, or certifications?**

24
25 I am a registered Professional Engineer in the State of Florida (PE # 51419).

26
27 **6. Are you a member of any professional associations?**

28
29 I am a member of the Urban Land Institute and CREW (Commercial Real Estate Women's
30 Network).

31
32 **7. Please summarize your previous experience as it relates to public facility design and**
33 **construction and land development and planning.**

34
35 With more than 30 years of experience, I have a broad range of experience in the private
36 and public markets. I am well versed in project development from conceptual planning to
37 design and construction, having worked on projects throughout Central Florida.

38
39 **8. Have you been involved in any developments of the type and nature contemplated**
40 **within the proposed Orlando SED Community Development District (“District”)?**

41
42 Yes, I have.

43
44 **9. Are you familiar with the Petition (“Petition”) filed by Orlando SED Partners, LLC**
45 **(“Petitioner”) on _____, 2024, seeking the establishment of the proposed**
46 **District?**

1
2 Yes. I assisted the Petitioner with the preparation of some of the exhibits filed with the
3 Petition and reviewed others.
4

5 **10. Are you generally familiar with the geographical area, type, and scope of development**
6 **and the available services and facilities in the vicinity of the proposed District?**
7

8 Yes, I am.
9

10 **11. Which documents did you prepare or have others prepare under your supervision?**
11

12 Exhibits 1, 2, 4, 5, and 6.
13

14 **12. Do any of those exhibits require any change or correction?**
15

16 No.
17

18 **13. To the best of your knowledge, are Exhibits 1, 2, 4, 5, and 6 to the Petition accurate?**
19

20 Yes, to the best of my knowledge.
21

22 **14. In general, what do Exhibits 1, 2, 4, 5, and 6 to the Petition demonstrate?**
23

24 Exhibit 1 consists of maps showing the general location of the proposed District.
25

26 Exhibit 2 is the metes and bounds description of the external boundary of the proposed
27 District.
28

29 Exhibit 4 contains maps depicting the existing and future general distribution, location, and
30 extent of the public and private land uses within the proposed District by the land use plan
31 element.
32

33 Exhibit 5 contains maps of the planned, future wastewater distribution, stormwater, reuse
34 distribution, and water distribution within and around the proposed District.
35

36 Exhibit 6 provide a list of the facilities and services the proposed District is anticipated to
37 finance, fund, construct, acquire and/or install, as well as the anticipated entity responsible
38 for the ownership and maintenance thereof. Exhibit 6 also contains the estimated costs and
39 timetable of constructing and/or installing the infrastructure serving the land within the
40 proposed District.
41

42 **15. What capital facilities are presently expected to be provided by the District?**
43

44 Based on information provided by Petitioner and as more fully described in Petition Exhibit
45 6, it is presently expected that the District will construct and/or acquire water and sewer,

1 public roads, inspection and offsite intersection costs, park and public spaces, office garage
2 bridge, and parking garage.

3
4 **16. Based upon your training and experience as an engineer, do you have an opinion as**
5 **to whether the proposed District is of sufficient size, sufficient compactness, and**
6 **sufficient contiguity to be developed as a functional interrelated community?**

7
8 Yes. Based on my experience, the proposed District is of sufficient size, compactness and
9 contiguity to be developed as a one functional interrelated community.

10
11 **17. What is the basis for your opinion?**

12
13 For many reasons, the proposed District facilities can be provided in an efficient, functional
14 and integrated manner.

15
16 First, there are sufficient, significant infrastructure needs for the area within the proposed
17 District to allow development as a functionally interrelated community.

18
19 Second, the specific design of the community allows infrastructure to be provided in a cost-
20 effective manner. The land included within the proposed District area is contiguous, which
21 facilitates an efficient and effective planned development.

22
23 Third, the provision of services and facilities through the use of one development plan
24 provides a contiguous and homogenous method of providing services to lands throughout
25 the District.

26
27 **18. In your opinion, you said the proposed District is sufficiently compact and contiguous**
28 **to be developable as a functionally interrelated community. Would you please explain**
29 **what you mean when stating that the proposed District is of sufficient compactness?**

30
31 The District will encompass approximately 8.4 acres and will provide a range of mixed
32 use/commercial land uses that require the necessary elements of infrastructure including
33 water and sewer, public roads, parks and open spaces, office garage bridge, and a parking
34 garage, among other improvements. The proposed District will have sufficient overall
35 density to require all the above-mentioned necessary elements of infrastructure of a
36 comprehensive community. These facilities and services require adequate planning,
37 design, financing, construction, and maintenance to provide the community with
38 appropriate infrastructure. The preferred method of developing land is for the development
39 to be spatially compact. This augments the District's ability to construct and maintain
40 improvements and provide services, in a cost-efficient manner.

41
42 **19. Can explain why a CDD is a preferred alternative for long-term operation and**
43 **maintenance?**

44
45 Yes, a CDD is a perpetual local government unit, which by law has the requisite assessment
46 authority, including the ability to collect such assessments on the county tax roll. As a

1 result, compared to other private options, such as a POA, a CDD is the preferred
2 maintenance entity.
3

4 **20. Does the establishment of the District obviate the need for local land development**
5 **regulations, ordinances or plans?**
6

7 No. Section 190.004, *Florida Statutes*, explicitly provides the establishment of a CDD does
8 not in any way impact or change the applicability of any governmental planning,
9 environmental and land development laws, regulations, and ordinances. A CDD cannot
10 take any action that is inconsistent with the comprehensive plan, code of ordinances or
11 regulations of the city or county within which it is located.
12

13 **21. Based on your experience, do you have an opinion as to whether the services and**
14 **facilities to be provided by the proposed District will be incompatible with the**
15 **capacities and uses of existing local and regional community facilities and services?**
16

17 Yes. Based on the information provided to me, it is my opinion that the proposed services
18 and facilities of the proposed District will not be incompatible with the capacity and uses
19 of existing local or regional community development services and facilities.
20

21 **22. What is the basis for your opinion?**
22

23 Currently, none of the planned infrastructure improvements the proposed District plans to
24 provide exist on the subject property in a manner which is useful to the proposed
25 development. Each of the elements of infrastructure for the necessary services and
26 facilities will connect into the existing, surrounding systems according to criteria, review
27 and approval of the existing operational entity. The proposed master infrastructure
28 roadway improvements will interconnect with and extend the City's roadway system. The
29 proposed water and sewer systems will extend the existing utility systems currently
30 operated by the City of Orlando. There will be no incompatibility issues.
31

32 **23. Based on your experience, do you have an opinion as to whether the area to be**
33 **included within the proposed District is amenable to being served by a separate**
34 **special district government?**
35

36 Yes. Based on the information provided to me, in my opinion, and to the best of my
37 knowledge, the area identified in the Petition is amenable to being served by a separate
38 special district government.
39

40 **24. What is the basis for your opinion?**
41

42 Based on the information provided to me, the proposed District is limited in purpose and
43 the infrastructure improvements to be provided by the proposed District are limited in
44 scope. This infrastructure is expected to directly benefit the development and may be
45 adequately served by a special district government. In addition, special district governance

1 provides a mechanism whereby long-term maintenance obligations can be satisfied by the
2 persons primarily using the facilities and services.
3

4 **25. Do you have an opinion, as someone experienced in land planning, as to whether the**
5 **proposed District is the best alternative for delivering community services and**
6 **facilities to the areas that will be served by the proposed District?**
7

8 Yes. Based on the information provided to me, it is my opinion that the proposed District
9 is the best alternative for providing the proposed services and facilities to the land to be
10 included within the proposed District.
11

12 **26. What are the alternatives contemplated in rendering this opinion?**
13

14 There would be two alternatives to the establishment of the proposed District. First, to
15 facilitate economic development, accommodate new growth, and provide new services, the
16 City could perhaps provide the selected facilities. The second alternative would be for the
17 developer or master association to provide the infrastructure using private financing.
18

19 **27. How does the proposed District compare to these alternatives?**
20

21 By comparison of the alternatives referenced above, from a planning perspective, the
22 proposed District is the best alternative available to provide the necessary infrastructure
23 improvements. As a special-purpose "local government," the proposed District is a stable,
24 long-term public entity capable of constructing, maintaining and managing the proposed
25 elements of infrastructure of the necessary facilities and services. The limited purpose and
26 scope of the District, combined with the statutory safeguards in place, such as notice of
27 public hearings and access to district records, would ensure that the proposed District is
28 responsive to the infrastructure needs of the proposed District. The proposed District
29 would be able to obtain low-cost financing to provide the necessary improvements and then
30 impose special or non-ad valorem assessments upon the property owners within the District
31 to fund the infrastructure.
32

33 Only a CDD allows for the independent financing, administration, operations and
34 maintenance of the land within the District. Only a CDD allows property owners to
35 completely control the CDD board and, therefore, the timing and extent of infrastructure
36 improvement and maintenance. Knowing when, where and how infrastructure will be
37 needed to service the projected population of an area allows for the smooth delivery of
38 those facilities. The proposed District exceeds other available alternatives at focusing
39 attention to when and where and how the next system of infrastructure will be required for
40 this specific area. This results in a full utilization of existing facilities before new facilities
41 are constructed. It reduces the delivered cost to the citizens being served. All other
42 alternatives do not have these characteristics.
43

44 **28. Do you have an opinion, as someone experienced in planning, as to whether the**
45 **establishment of the proposed District is inconsistent with any applicable element or**
46 **portion of the State Comprehensive Plan found in Chapter 187, Florida Statutes?**

1
2 Yes.

3
4 **29. What is your opinion?**

5
6 In my opinion, the proposed District is not inconsistent with the applicable provisions of
7 Chapter 187, *Florida Statutes*.

8
9 **30. What is the basis of your opinion?**

10
11 I have reviewed, from a planning perspective, applicable portions of the State
12 Comprehensive Plan which relate to community development districts. The State
13 Comprehensive Plan “provides long-range policy guidance for the orderly, social,
14 economic, and physical growth of the state.” The State Comprehensive Plan provides
15 twenty-five (25) subjects, and numerous goals and policies. Three subjects are particularly
16 relevant, from a planning perspective, to the establishment of the CDDs: No. 15 - Land
17 Use, No. 17 – Public Facilities, and No. 25 - Plan Implementation. Several of the policies
18 and goals are particularly supportive of the establishment of the proposed District.

19
20 **31. Why is subject No. 15 in the State Comprehensive Plan relevant to the establishment**
21 **of the proposed District?**

22
23 This goal recognizes the importance of enhancing the quality of life in the State of Florida
24 and attempts to do so by ensuring that development is located in areas that have fiscal
25 abilities and service capacity to accommodate growth. CDDs are designed to provide
26 services and facilities in a fiscally responsible manner to areas which can accommodate
27 development. The proposed District is consistent with this goal because it will continue to
28 have the fiscal capability to provide a range of services and facilities to a population in a
29 designated growth area.

30
31 **32. Are any of the policies under subject No. 15 relevant?**

32
33 Yes. Policy 1 promotes efficient development activities in areas which will have the
34 capacity to service new populations and commerce. The proposed District will be a vehicle
35 to provide high quality services in an efficient and focused manner over the long term.

36
37 **33. What is Subject 17 and why is it relevant?**

38
39 Subject 17 addresses public facilities. The goal is to finance new facilities in a timely,
40 orderly and efficient manner. In particular, Policy 3 states that the cost of new public
41 facilities should be allocated to existing and future residents on the basis of the benefits
42 received. Policy 6 also encourages the identification and implementation of innovative but
43 fiscally sound and cost-effective techniques for financing public facilities. Establishment
44 of the proposed District will further this goal and related policies.
45

1 **34. Why is subject No. 25, the other subject you mentioned, relevant to the establishment**
2 **of the proposed district?**
3

4 Subject No. 25 addresses Plan Implementation. This goal requires that systematic planning
5 capabilities be integrated into all levels of government throughout the state, with particular
6 emphasis on improving inter-governmental coordination and maximizing citizen
7 involvement. The proposed District will operate through a separate and distinct Board of
8 Supervisors who will systematically plan the construction, operation and maintenance of
9 public improvements and community facilities authorized under Chapter 190, *Florida*
10 *Statutes*, subject to and not inconsistent with the local government comprehensive plan and
11 land development regulations. Further, meetings held by the Board of Supervisors are
12 publicly advertised and open to the public.
13

14 **35. Are there any relevant policies in this portion of the State Comprehensive Plan?**
15

16 Yes. Policy 6 encourages public citizen participation at all levels of policy development,
17 planning and operations. Under Chapter 190, *Florida Statutes*, six (6) years after the
18 establishment of a CDD, and after two hundred and fifty (250) electors reside in the CDD,
19 the election of the Board of Supervisors begins to transition from a landowner-elected
20 Board to a resident-elected Board. Regardless of whether the board is elected by the
21 landowners or the residents, the proposed District must convene its meetings in accordance
22 with government in the sunshine provisions set forth in Chapter 286, *Florida Statutes*. This
23 encourages citizen participation in the planning and operational activities of the district.
24

25 **36. Based upon your experience with planning, do you have an opinion as to whether**
26 **establishment of the proposed District is inconsistent with any portion or element of**
27 **the City of Orlando Comprehensive Plan?**
28

29 Yes, I do.
30

31 **37. What is that opinion?**
32

33 In my opinion, the establishment of the proposed District is not inconsistent with any
34 applicable provisions of the City of Orlando Comprehensive Plan.
35

36 **38. What is the basis for that opinion?**
37

38 The proposed District is consistent with the current Future Land Use / Comprehensive Plan
39 designation, as this information was utilized during the annexation of the lands comprising
40 the District, City Comprehensive Plan and planned development approvals recently
41 acquired and approved by the City.
42

43 My opinion is also based upon years of experience reviewing comprehensive plans
44 (including for purposes of this project the current City of Orlando Comprehensive Plan)
45 and there not being any provisions that would render a CDD inconsistent. Furthermore,
46 Chapter 190, *Florida Statutes*, prohibits any CDD from acting in a way that is inconsistent

1 with the local government's comprehensive plan, the exercising of any power must be done
2 with the comprehensive plan in mind.

3
4 It is my opinion, therefore, that with respect to the establishment of the proposed District,
5 the proposed District will not be inconsistent with any applicable element or portion of the
6 City of Orlando Comprehensive Plan.

7
8 **39. Does this conclude your testimony?**

9
10 Yes, it does.

**BEFORE THE CITY COUNCIL
CITY OF ORLANDO, FLORIDA**

IN RE: A Petition to Establish the Orlando SED)
 Community Development District)
_____)

AFFIDAVIT ADOPTING WRITTEN, PRE-FILED TESTIMONY


STATE OF FLORIDA
COUNTY OF ORANGE

I, Keenan Rice (“Affiant”), being first duly sworn, do hereby state for my affidavit as follows:


1. I have personal knowledge of the matters set forth in this affidavit.
2. My name is Keenan Rice, and I am the president of MuniCap, Inc.
3. The prepared written, pre-filed testimony consisting of seven (7) pages, submitted under my name to the City Council of the City of Orlando, Florida relating to the Petition to Establish (“Petition”) the Orlando SED Community Development District (“District”) and attached hereto, is true and correct.
4. If I were asked the questions contained in the pre-filed testimony orally at the District establishment hearing, my oral answers would be substantially the same as the written answers presented in my pre-filed testimony.
5. My credentials, experience and qualifications concerning my work are accurately set forth in my pre-filed testimony.
6. My pre-filed testimony addresses the various managerial, operational and financial aspects related to the Petition.
7. No corrections or amendments to my pre-filed testimony are required.

Under penalties of perjury, I declare that I have read the foregoing, and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this 18th day of October 2024.


Keenan Rice

SWORN TO and SUBSCRIBED before me by means of physical presence or online notarization, this 21 day of October 2024 by the Affiant.



(Official Notary Signature)

Name: Lauren Lust

Personally Known

OR Produced Identification _____

Type of Identification _____

[notary seal]



1 **TESTIMONY OF KEENAN RICE FOR THE ESTABLISHMENT**
2 **OF THE ORLANDO SED COMMUNITY DEVELOPMENT DISTRICT**
3

4 **1. Please state your name and business address.**
5

6 My name is Keenan Rice. My business address is 8965 Guilford Road, Suite 210,
7 Columbia, MD 21044.
8

9 **2. By whom are you employed and in what capacity?**
10

11 I am the president of MuniCap, Inc.
12

13 **3. What is the nature of your firm's business?**
14

15 MuniCap is a municipal advisor registered with the SEC and the MSRB. Our primary area
16 of work is special districts created for real estate development projects, many of which use
17 tax increment financing, special assessments, and other project related revenues. MuniCap
18 was founded by Keenan Rice and has closed on over 500 public bond issues for real estate
19 development in the last twenty-seven years.
20

21 **4. Do you work with both public and private sector clients?**
22

23 Yes, our clients consist of both public and private sector clients.
24

25 **5. Please describe your educational background.**
26

27 I have a bachelor's degree in business administration with a major in accounting and an
28 MBA with a focus in real estate finance. I also completed post-graduate work in urban
29 planning. I have passed the Series 50, Series 54, and Series 65 exams.
30

31 **6. Please describe your work as a district manager and with CDD type of districts.**
32

33 MuniCap is district manager for over 250 districts nationally and has assisted with the
34 issuance of more than 500 special district bond issues for real estate development projects
35 over the last twenty-seven years.
36

37 **7. What has been your role with respect to the proposed Orlando SED Community**
38 **Development District ("Proposed District") establishment proceeding?**
39

40 MuniCap is the municipal financial advisor to the developer of the project. (This
41 engagement will be completed with the issuance of the bonds for the project.)
42

43 **DISTRICT MANAGEMENT**
44

45 **8. At this point, I will ask you to address certain matters that relate to CDD**
46 **management. Please describe the general manner in which a CDD actually operates.**
47

1 CDDs are governed by a five-member Board of Supervisors (“Board”). These Board
2 members are initially appointed by the establishment entity in its ordinance. Within 90 days
3 of the establishment of the CDD, a new board is elected by the landowner in the CDD. The
4 Board is the governing body of the CDD. The Board employs a district manager, who
5 supervises the district’s services, facilities, and administrative functions. The Board
6 annually considers and, after public notice and hearing, adopts a budget. The CDD submits
7 a copy of the proposed budget to the applicable local general-purpose government for
8 review and optional comment prior to its adoption each year.
9

10 **9. Are there requirements, such as the open meetings and public records laws, imposed**
11 **upon CDDs in order to safeguard the public that are similar to those imposed upon**
12 **other general purpose local governments?**

13
14 Yes, there are.

15
16 **10. Please describe these requirements and safeguards.**

17
18 It is important to note that the establishment of a CDD does not change any requirements
19 for governmental approval of construction within the CDD. Any land development
20 requirements and all state and local development regulations still apply.
21

22 Members of the Board must be residents of Florida and citizens of the United States. After
23 the Board shifts to being elected by the resident electors of the CDD, the supervisors must
24 also be residents and electors of the CDD. Board members must annually file similar
25 financial disclosure forms required by other local officials.
26

27 Under the Government in the Sunshine laws, all CDD Board meetings are open to the
28 public, and other restrictions are imposed under Chapter 286, *Florida Statutes*. Further, all
29 documents of the CDD are available to the public upon request, in accordance with Florida
30 public records law. Additionally, like other political subdivisions, a CDD is required to
31 send financial reports to the Department of Financial Services. Also, a CDD is audited by
32 an independent certified public accountant every year.
33

34 Finally, to impose special or non-ad valorem assessments under Chapter 170, *Florida*
35 *Statutes*, a CDD must provide published and mailed notice to those who are assessed. That
36 assessment process entails preparation of a methodology that fairly and equitably allocates
37 the cost of the CDD’s projects.
38

39 **11. Please describe in general terms how a CDD operates financially.**

40
41 In the early stages, particularly when a CDD is formed mid-year, the CDD’s operating
42 funds may be funded by a “funding agreement” between the CDD and the
43 landowner/developer in lieu of assessments that the CDD might have imposed on property
44 within the CDD.
45

46 In order to provide long term financing of capital projects, CDDs often issue bonds. All
47 bonds issued by CDDs must be secured by a trust agreement, and any bond maturing over

1 a period of more than five years must be validated and confirmed by court decree pursuant
2 to Chapter 75, *Florida Statutes*. The CDD also may borrow funds on a long or short-term
3 basis.
4

5 Debt may be retired by the district through non-ad valorem or special assessments imposed
6 on benefited properties, or rates, fees, and charges imposed on users of CDD facilities and
7 services. By law, debt of the CDD cannot become debt of any other government (city,
8 county or state), without that government's consent.
9

10 **12. What alternatives, other than CDDs, are you familiar with that might be available to**
11 **provide community infrastructure for the lands within the Proposed District?**
12

13 In my opinion there are two alternatives that might provide community infrastructure such
14 as the roads, utilities, drainage, and other improvements contemplated for the Proposed
15 District. First, the general-purpose local government could finance the improvements
16 utilizing special assessments and general funds. Alternatively, the developer could provide
17 infrastructure through private means, including private financing if available. As discussed
18 later in my testimony, neither of these alternatives is preferable to the use of the CDD
19 concept.
20

21 **13. Do you have an opinion, as someone experienced in district management and**
22 **operations, as to whether the Proposed District is the best available alternative for**
23 **delivering community services and facilities to the areas that will be served by the**
24 **Proposed District?**
25

26 Yes. For this project, the Proposed District is the best alternative available for delivering
27 the proposed services and facilities to the area that will be served. These improvements
28 include but are not limited to water and sewer, public roads, inspection and offsite
29 intersection costs, park and public spaces, office garage bridge, and parking garage.
30

31 **14. What is the basis for your opinion?**
32

33 In evaluating these alternatives, it is important to consider whether the alternative can
34 provide focused services, can effectively and efficiently manage and maintain the facilities,
35 and whether the alternative can secure low cost, long-term public financing. The City
36 clearly provides a long-term perspective and is a stable and relatively low cost source of
37 financing and provider of services at sustained levels. However, the City has substantial
38 demands over a broad geographical area that places a heavy management delivery load on
39 its staff. In addition, if dependent district financing were used, the City would be
40 responsible for all administrative aspects of the dependent district. By using a dependent
41 district mechanism, the City would be increasing its responsibility, and hence liability, for
42 the variety of actions that will take place in the Orlando SED development. By contrast, a
43 CDD can be created to provide focused attention to a specific area in a cost-effective
44 manner. It also allows the City to focus staff time, finances, and other resources elsewhere
45 and does not burden the general body of taxpayers in the City
46 with the debt associated with this growth.
47

1 The other alternative is the use of private means – either through a property owner’s
2 association or through the developer, or both in combination. This combination can clearly
3 satisfy the high demand for focused service and facilities and managed delivery. However,
4 only a public entity can assure a long-term perspective, act as a stable provider of services
5 and facilities, qualify as a lower cost source of financing and pay for services at sustained
6 levels. Property owners’ associations lack the ability to effectively finance these types of
7 improvements. Their ability to assure adequate funds for sustained high levels of
8 maintenance is less than with a CDD.
9

10 Furthermore, neither the developer nor a POA would be required to conduct all actions
11 relating to the provision of these improvements in the “Sunshine” as a CDD must or abide
12 by other public access requirements that are incumbent upon a CDD and its Board. Also,
13 provision and long-term operation and maintenance of these improvements, particularly
14 the recreation and drainage activities, by a CDD ensures that property owners have
15 guaranteed access to the body or entity making decisions about these facilities, and in fact
16 will one day sit as the five-member Board making the decisions that impact their
17 community directly.
18

19 A CDD is an independent, special-purpose unit of local government designed to focus its
20 attention on providing the best long-term service to its specific benefited properties and
21 residents. It has limited power and a limited area of jurisdiction. The Proposed District will
22 be governed by its own Board and managed by those whose sole purpose is to provide the
23 Proposed District long-term planning, management and financing of these services and
24 facilities. This long-term management capability extends to the operation and maintenance
25 of the facilities owned by the Proposed District. Further, the sources for funding and
26 manner of collection of funds will assure that the Proposed District’s facilities will be
27 managed at the sustained levels of quality desired by residents well into the future.
28

29 **15. As someone experienced in district management, is the area to be included within the**
30 **Proposed District of sufficient size, compactness, and sufficiently contiguous to be**
31 **developable as one functional, interrelated community?**
32

33 Yes. From a management perspective, the area to be included within the Proposed District
34 is of sufficient size, compactness and is sufficiently contiguous to be developable as one
35 functional, interrelated community.
36

37 **16. What does the term “functionally interrelated community” mean?**
38

39 Local governments approve developments with criteria ensuring the elements of
40 appropriate infrastructure to provide for the facilities and services necessary for the
41 development, including stormwater drainage, water, sewer, and other facilities and
42 services. Functional unification means that each provided facility and service has a mutual
43 reinforcing relationship to one another, with each facility and service designed to contribute
44 to the development and maintenance of the community as a whole. Each facility and service
45 must meet the growth and development of the community, so a management capability and
46 a funding source are required for each service and facility. Thus, each of these necessary
47 facilities and services must be integrated, unified, and connected into a long-range plan.

1
2 **17. What is the basis for your opinion?**
3

4 First, the lands to be included within the Proposed District have sufficient infrastructure
5 needs to be developable as a functionally interrelated community. Second, this necessary
6 infrastructure can be provided by the Proposed District in a cost-effective manner based
7 upon the specific design of the community. Furthermore, the use of one development plan
8 whose infrastructure is implemented by a CDD to provide the community services and
9 facilities will ensure that the proposed improvements are provided and maintained in an
10 efficient, functional and integrated manner.

11
12 The lands within the Proposed District will consist of approximately 8.4 acres of land on
13 which a mixed-use community will be developed. The purpose of the statutory requirement
14 noted in Question 15 is to ensure successful and efficient delivery of services and facilities
15 to the property. Based upon my previous experience with special districts, the Proposed
16 District is suitably configured to maximize the timely and cost-efficient delivery of the
17 necessary services and facilities.

18
19 **18. Do you have an opinion, as someone experienced in district management and**
20 **operations, as to whether the area that will be served by the Proposed District is**
21 **amenable to separate special district government?**
22

23 Yes.
24

25 **19. What is your opinion?**
26

27 The Proposed District is of sufficient size, compactness and contiguity. There is also a
28 common interest among the lands in the Proposed District in the facilities and services to
29 be provided by the CDD. Therefore, the area to be served by the Proposed District is well
30 suited to separate special district governance.
31

32 **20. What is the basis for your opinion?**
33

34 Two criteria are needed to evaluate a land area as amenable to separate special district
35 government. One, does the land area have need for the facilities and services and will its
36 owners and residents benefit from facilities that the special district could provide? Two, is
37 the land area of sufficient size, sufficiently compact and sufficiently contiguous to be the
38 basis for a functional interrelated community?
39

40 Under both criteria, the Proposed District is a planned community of sufficient size with a
41 need for the facilities and improvements that are presently expected to be provided by the
42 Proposed District. As described in the Petition, the Proposed District will construct and
43 maintain certain needed facilities and services. Other facilities and improvements may be
44 constructed by the Proposed District and ultimately maintained by the City. Based on my
45 experience, CDDs of this size are large enough to effectively provide and manage services.
46 From a management and operations perspective, the land area is well suited to the provision
47 of the proposed services and facilities.

1
2 **21. Do you have an opinion, as someone experienced in district management and**
3 **operations, as to whether the community development services and facilities of the**
4 **Proposed District will be incompatible with the capacity and use of existing local and**
5 **regional community development services and facilities?**

6
7 Yes.

8
9 **22. What is your opinion?**

10
11 The proposed services and facilities of the Proposed District are not incompatible with the
12 capacity and uses of existing local community development services and facilities.

13
14 **23. What is the basis for your opinion?**

15
16 Petitioner presently expects the Proposed District to finance and construct water and sewer,
17 public roads, inspection and offsite intersection costs, park and public spaces, a bridge from
18 the office building to the garage, and parking garage. None of the facilities expected to be
19 provided by the Proposed District presently exist. There will be no overlap or
20 incompatibility because the facilities and improvements expected to be provided by the
21 Proposed District do not exist today.

22
23 **ECONOMICS AND FINANCING**

24
25 **24. Are you familiar with the Petition filed by Orlando SED Partners, LLC**
26 **(“Petitioner”), to establish the Proposed District?**

27
28 Yes, I have reviewed the petition and all of the attached exhibits. I reviewed in detail
29 Petition Exhibit 7, which is the SERC, a requirement of Chapter 190, *Florida Statutes*.

30
31 **25. Based on your review of Petition Exhibit 7 (Statement of Estimated Regulatory**
32 **Costs), are there any updates that need to be made at this time?**

33
34 No updates are necessary at this time.

35
36 **26. What exactly is a Statement of Estimated Regulatory Costs (“SERC”)?**

37
38 It is a requirement under Section 120.541(2), *Florida Statutes*, which has been incorporated
39 into the law on establishment of CDDs.

40
41 **27. In general terms, please summarize the economic analyses presented in the SERC.**

42
43 An understanding of the SERC requires the recognition of the scope of review and
44 evaluation for the establishment of a CDD as set out in Chapter 190, *Florida Statutes*.
45 Section 190.002(2)(d), *Florida Statutes*, states “that the process of establishing such a
46 district pursuant to uniform general law must be fair and based only on factors material to
47 managing and financing the service-delivery function of the district, so that any matter

1 concerning permitting or planning of the development is not material or relevant.” Thus,
2 the scope of the economic analysis included in the SERC addresses only the establishment
3 of the Proposed District and not the planning or development of the property itself.
4

5 The economic analysis sets out the assumptions about the development within the Proposed
6 District and the anticipated infrastructure to be provided by it. The analysis addresses each
7 of the potentially affected parties defined in the statute and evaluates the impact of the
8 Proposed District on each such group.
9

10 The Proposed District is a limited and highly specialized unit of local government. It is a
11 special-purpose unit of local government with a single objective: the provision and
12 maintenance of infrastructure and services for a planned new community. Its economic
13 benefits exceed its economic cost to Petitioner, the City, and to all subsequent purchasers
14 and landowners of the community – in short, to all affected parties.
15

16 Once the Proposed District is established, there are no direct costs to the City. While the
17 Proposed District will provide certain reports and budgets to the City for its discretionary
18 review, there are no requirements that it incur any obligations or expense associated with
19 its review. In addition, to the extent the Proposed District utilizes the services of the
20 Property Appraiser or Tax Collector under the provisions of Chapter 197, *Florida Statutes*,
21 to collect its assessments, the Proposed District must pay the administrative costs
22 associated with those services.
23

24 It is important to note that under Chapter 190, *Florida Statutes*, the debt of the Proposed
25 District cannot become the debt of the City or the State. Since the Proposed District will
26 be an independent unit of government and will issue its own bonds, the Proposed District
27 will not have any effect on the bonding capacity of the City or the State of Florida.
28

29 **28. Please describe briefly the data and methodology used in preparing the SERC and**
30 **related analyses.**
31

32 The data for the analysis came from the landowner, other experts working on the Petition,
33 and from the Petition itself. The methodology is standard economic impact assessment.
34

35 **29. From an economic and financial perspective, do you have an opinion regarding the**
36 **financial viability and feasibility of the Proposed District?**
37

38 Yes, I do.
39

40 **30. What is that opinion?**
41

42 In my opinion, based on my experience with other CDDs, the Proposed District is expected
43 to be financially viable and feasible.
44

45 **31. Does this conclude your testimony?**
46

47 Yes, it does.

**BEFORE THE CITY COUNCIL
CITY OF ORLANDO, FLORIDA**

IN RE: Petition to Establish Orlando SED)
 Community Development District)
_____)

AFFIDAVIT ADOPTING WRITTEN, PRE-FILED TESTIMONY

STATE OF FLORIDA
COUNTY OF _____

I, Paul Faries, of JMA Ventures, LLC, (“Affiant”), being first duly sworn, do hereby state for my affidavit as follows:

1. I have personal knowledge of the matters set forth in this affidavit.
2. My name is Paul Faries and I am a Partner at JMA Ventures, LLC.
3. The prepared written, pre-filed testimony consisting of six (6) pages, submitted under my name to the City Council of the City of Orlando, Florida relating to the establishment of the Orlando SED Community Development District (“District”) and attached hereto, is true and correct.
4. If I were asked the questions contained in the pre-filed testimony orally at the District establishment hearing my oral answers would be the same as the written answers presented in my pre-filed testimony.
5. My credentials, experience and qualifications concerning the Petition, its exhibits and the reasons for establishing the District are accurately set forth in my pre-filed testimony.
6. My pre-filed testimony addresses the various statutory requirements and an overview of the proposed development within the proposed District.
7. No other corrections or amendments to my pre-filed testimony are required.

Under penalties of perjury, I declare that I have read the foregoing and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this 24th day of October, 2024.

Paul Faries
Paul Faries

SWORN TO and SUBSCRIBED before me by means of physical presence or online notarization, this 24 day of 10, 2024 by the Affiant.



JONATHAN ROYAL
Notary Public
State of Florida
Comm# HH492953
Expires 2/14/2028

[notary seal]

Paul Faries

(Official Notary Signature)

Name: Paul Faries

Personally Known

OR Produced Identification

Type of Identification FL DL

1 **TESTIMONY OF PAUL FARIES FOR THE ESTABLISHMENT**
2 **OF THE ORLANDO SED COMMUNITY DEVELOPMENT DISTRICT**
3

4 **1. Please state your name and business address.**
5

6 My name is Paul Faries and my business address is 189 S. Orange Avenue, Orlando, FL
7 32801.
8

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

10 I am employed by JMA Ventures, LLC and serve as a partner of the firm.
11
12

13 **3. Please describe your duties and responsibilities.**

14 My duties include developing investment strategies, providing financial oversight of the
15 firm's investments, sourcing capital, leading acquisitions and providing asset management
16 of JMA's commercial and mixed-use projects.
17

18 **4. Who is the Petitioner in this proceeding?**
19

20 The Petitioner is Orlando SED Partners, LLC ("Petitioner").
21

22 **5. Are you familiar with the Petition to Establish ("Petition") the Orlando SED**
23 **Community Development District ("Proposed District") filed by the petitioner?**
24

25 Yes. I assisted in the formulation of the Petition and accompanying documents and met
26 with members of the consultant team we hired to prepare the filing. I also reviewed the
27 Petition and accompanying documents.
28

29 **6. Are there any changes or corrections to any of the documents attached to the Petition**
30 **at this time?**
31

32 No.
33

34 **7. Please generally describe each of the documents attached to the Petition.**
35

36 The Petition describes the Petitioner's request for establishment of a community
37 development district. Attached to the Petition are the following exhibits:
38

39 Exhibit 1 are maps showing the general location in which the Proposed District is located.
40

41 Exhibit 2 is a metes and bounds description of the boundaries of the Proposed District.
42

43 Exhibit 3 is the consent of the landowners to the establishment of a community
44 development district, executed by SED Development, LLC, which represents the consent
45 of one hundred percent (100%) of the landowners, as such term is defined in Chapter 190,
46 Florida Statutes, of the lands to be included within the Proposed District.

1
2 Exhibit 4 contains a map depicting the future general distribution, location and extent of
3 the public and private land uses within the Proposed District by the future land use plan
4 element.

5
6 Exhibit 5 contains maps identifying proposed major trunk water mains and sewer
7 connections serving the lands within and around the Proposed District.

8
9 Exhibit 6 contains a list of the facilities and services the proposed District is expected to
10 finance, fund, construct, acquire and/or install, as well as the anticipated entity responsible
11 for the ownership and maintenance thereof. Exhibit 6 also includes a summary of the
12 estimated costs and timeline for constructing, installing or acquiring the facilities and
13 services.

14
15 Exhibit 7 is the Statement of Estimated Regulatory Costs prepared by Municap, Inc.

16
17 Exhibit 8 is an authorization of agent form which authorizes Jonathan T. Johnson and
18 Wesley Haber to act as the agents for the Petitioner during these proceedings.

19
20
21 **8. Were these documents attached to the Petition prepared by you or under your**
22 **supervision?**

23
24 Yes.

25
26 **9. To the best of your knowledge, is the general location map identified as Exhibit 1 to**
27 **the Petition a true and accurate depiction of the general location of the Proposed**
28 **District?**

29
30 Yes.

31
32 **10. To the best of your knowledge is the metes and bounds description included in Exhibit**
33 **2 to the Petition a true and accurate recitation of the land area to be included within**
34 **the Proposed District?**

35
36 Yes.

37
38 **11. To the best of your knowledge, is Exhibit 3 to the Petition a true and accurate copy of**
39 **the consent obtained from the landowners, as such term is defined in Chapter 190,**
40 **Florida Statutes, of one hundred percent (100%) of the lands to be included within**
41 **the Proposed District?**

42
43 Yes.
44

1 **12. To the best of your knowledge, is the map included in Exhibit 4 a true and accurate**
2 **depiction of the future general distribution, location and extent of public and private**
3 **land uses within the Proposed District?**

4
5 Yes.

6
7 **13. To the best of your knowledge, is Exhibit 5 a true and accurate depiction of the**
8 **proposed major trunk water mains and sewer connections serving the lands within**
9 **and around the Proposed District?**

10
11 Yes.

12
13 **14. To the best of your knowledge, does Exhibit 6 truly and accurately list the facilities**
14 **and services that the Proposed District is expected to finance, fund, construct, acquire**
15 **and/or install, as well as the anticipated owner and entity responsible for operation**
16 **and maintenance thereof?**

17
18 Yes.

19
20 **15. To the best of your knowledge, does Exhibit 6 also truly and accurately list the**
21 **estimated costs of constructing and timeline for the infrastructure serving land within**
22 **the Proposed District?**

23
24 Yes.

25
26 **16. To the best of your knowledge, is Exhibit 7 a true and accurate copy of the Statement**
27 **of Estimated Regulatory Costs?**

28
29 Yes.

30
31 **17. To the best of your knowledge, is Exhibit 8 a true and accurate copy of the**
32 **Authorization of Agent form?**

33
34 Yes.

35
36 **18. Are the contents of the Petition and the exhibits attached to it, as described herein,**
37 **true and correct to the best of your knowledge?**

38
39 Yes.

40
41 **19. Are you familiar with the area that is to be included within the Proposed District?**

42
43 Yes, I am familiar with the general area and the site specifically.

44
45 **20. Approximately how large is the Proposed District in acres?**

46

1 The Proposed District is located entirely within the City of Orlando (“City”),
2 Florida, and covers approximately 8.4 acres of land.

3
4 **21. What steps were taken with respect to filing the Petition with the City Council of the**
5 **City of Orlando?**

6
7 On October 29, 2024, the Petitioner formally filed the Petition and exhibits with the City
8 of Orlando. Petitioner also delivered a check in the amount of Fifteen Thousand Dollars
9 (\$15,000) made payable to the City.

10
11 **22. Who are the five persons designated in the Petition to serve as the initial Board of**
12 **Supervisors?**

13
14 The five persons are Paul Batt, Tim Baker, Michael McManus, Wayne
15 Dunkelberger, and me.

16
17 **23. Do you know each of these persons personally?**

18
19 Yes, I do.

20
21 **24. To the best of your knowledge, are any of the other proposed members of the Board**
22 **of Supervisors of the Proposed District employees, officers or stockholders of the**
23 **Petitioner?**

24 No, they are not.

25
26 **25. Are each of the persons designated to serve as the initial Board of Supervisors**
27 **residents of the State of Florida and citizens of the United States?**

28
29 Yes, they are.

30
31 **26. Are there residential units planned for development within the Proposed District?**

32
33 Yes, it is anticipated that apartments will be included within the Proposed District.

34
35 **27. Would you please describe the proposed timetable for development of land within the**
36 **Proposed District?**

37 The land is anticipated to be developed in a phased manner commencing in 2025
38 with substantial completion being achieved in 2027.

39
40 **28. Would you generally describe the services and facilities you currently expect the**
41 **Proposed District to provide?**

42
43 The Petitioner presently intends for the Proposed District to participate in the acquisition
44 or construction of certain improvements including but not limited to water and sewer,
45 public roads, inspection and offsite intersection costs, park and public spaces, office garage
46 bridge, and parking garage. Capital costs of these improvements, including associated

1 contingencies and professional fees, will be borne by the Proposed District. The
2 Petitioner's good faith estimation of the costs associated with the acquisition or
3 construction of such improvements is itemized in Exhibit 6 to the Petition.
4

5 **29. In general, what financing methods does the Petitioner propose for the Proposed**
6 **District to pay for the anticipated facilities and services?**
7

8 The Petitioner presently expects that the Proposed District will finance certain services and
9 improvements through the issuance of tax-exempt bonds. The debt issued by the Proposed
10 District is expected to be retired by: 1) tax increment rebates; 2) fees imposed through the
11 recording of covenants against the property; and 3) "non-ad valorem" or "special"
12 assessments on benefitted property within the Proposed District. Ongoing maintenance
13 and operational activities are expected to be funded either through maintenance
14 assessments, fees imposed through the recording of covenants against the property, or by
15 funding agreements with landowners.
16

17 **30. Who will be responsible for paying the Proposed District's assessments or fees?**
18

19 Property owners within the Proposed District will be responsible for paying assessments
20 and customers of the businesses within the District will be obligated to pay fees. We do not
21 expect the Proposed District to issue general obligation debt which pledges its full faith
22 and credit.
23

24 **31. Will these Proposed District debts be an obligation of the City or the State of Florida?**
25

26 No. Florida law provides that community development district debt cannot become the
27 obligation of a city, a county, or the state without the consent of that government.
28

29 **32. Why is the Petitioner seeking to have a community development district established**
30 **for this area?**
31

32 According to information provided by the Florida Department of Economic Opportunity,
33 there are more than 800 active community development districts ("CDD(s)") in Florida.
34 CDDs are an efficient, effective way to provide infrastructure and have become accepted
35 in the marketplace.
36

37 From our perspective, the establishment of a CDD is logical for this project. It is a long-
38 term, stable, financially-secure entity. The Proposed District is a structured, formal entity,
39 with the legal ability to respond to future changes in the circumstances and desires of the
40 property owners within its boundary and the members of the public who may use its
41 facilities. Under Florida law, the Proposed District has access to the county tax collection
42 mechanisms which helps ensure that the facilities will be maintained. In that sense, to us,
43 it is preferable to a property owners' association.
44

45 In addition, the Proposed District has the financial capability to assist in the provision of
46 necessary capital improvements sooner than might otherwise be the case. The City,

1
2
3
4
5
6
7
8
9

developers, builders and landowners will all benefit from these improvements in terms of general property enhancement.

33. Does this conclude your testimony?

Yes.