



Rizzetta & Company

Trailer Estates Park and Recreation District

Special Assessment Allocation Report

Special Assessment Note, Series 2022

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I. INTRODUCTION

This Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Trailer Estates Park and Recreation District (the “District”), a local unit of special purpose government established pursuant to Chapter 189, Florida Statutes. The District plans to issue a Special Assessment Note, Series 2022 and has retained Rizzetta & Company, Inc. to prepare a methodology for allocating the special assessments to be levied by the District in connection with the transaction. Rizzetta & Company, Inc. has prepared this Special Assessment Allocation Report to identify the estimated Series 2022 project costs, the Benefitted Parcels to be assessed, the manner in which the Benefitted Parcels will be specially benefitted by the Series 2022 Project, and the manner in which the project costs will be fairly and reasonably apportioned amongst Benefitted Parcels.

II. DEFINED TERMS

“**Benefitted Parcels**” – Parcels located within the District’s boundaries which will incur special benefit from the Series 2022 Project improvements.

“**Charter**” – Chapter 2002-261, Laws of Florida, as subsequently amended by Chapter 2021-261, Laws of Florida.

“**Consulting Engineer**” – Reuben Clarson Consulting, Inc.

“**Consulting Engineer’s Certification**” – A letter to the District prepared by the Consulting Engineer describing their recommendation for a phased implementation of seawall improvements and the special benefit the parcels within the District will incur from said improvements.

“**Consulting Engineer’s Report**” – Dated March 12, 2021, the Seawall Inspection Report prepared by the Consulting Engineer, providing a summary of the field inspection performed on March 2, 2021 of the residential seawall and those findings and recommendations.

“**District**” – Trailer Estates Park and Recreation District

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

“**Financial Advisor**” – Public Resources Advisory Group, Inc.

“**Residential Parcel**” – As defined in Chapter 2021-261, Laws of Florida, a parcel, as identified by the property appraiser of Manatee County, or a platted subdivision lot or a proportionate share thereof.



“Seawall Improvements” – As more clearly described in the Consulting Engineer’s Report, those improvements recommended along 1,181 feet of the District’s seawall.

“Series 2022 Assessments” – Non-ad valorem special assessments levied pursuant to Section 7 of the Charter to secure repayment of the District’s Series 2022 Note.

“Series 2022 Note” – \$1,500,000 Trailer Estates Park and Recreation District, Special Assessment Note, Series 2022.

“Series 2022 Project” – Reconstruction of public infrastructure, specifically replacement of the District’s existing seawall system.

III. DISTRICT INFORMATION

The Trailer Estates Park and Recreation District (the “District”), an independent special district, was created by the Legislature of the State of Florida pursuant to the Charter. The purpose of the District is to provide park and recreation amenities, services, and programs for the owners, residents, and their guests, and invitees of the District.

As contemplated in the Charter, the trustees are authorized to issue bonds to finance, in whole or in part, the cost of construction, acquisition, or improvements of real and personal property of the District. The District’s Charter also specifies the apportionment methodology to be used for the District’s assessments. As stated in Section 7 of the Charter, the District assessments shall be assigned equally against all Residential Parcels or lots of record thereof. This report will follow the methodology described in the Charter for purposes of allocating the Series 2022 Assessments securing the District’s Series 2022 Note.

The District currently encompasses approximately 114.64 acres and includes 1,479 lots within the 1,277 Residential Parcels. This Series 2022 Note issuance will be secured by a non-ad valorem special assessment imposed against all Residential Parcels in the District, as all Residential Parcels have been found to receive special benefit from the Seawall Improvements.

Table 1 illustrates the District’s current development plan.

IV. SERIES 2022 PROJECT

Proceeds of the Series 2022 Note will be used to either fully or partially fund the Series 2022 Project. The total cost of the Series 2022 Project is estimated to be \$1,344,970. The Series 2022 Project includes the replacement of the existing seawall system which consists of the installation of 1,181 linear feet of vinyl seawall panels with a reinforced concrete cap, as well as removal and replacement of concrete pads (the “Seawall Improvements”). The Series 2022 Project costs are detailed in Table 2. Rizzetta & Company, as assessment methodology consultant to the District, makes no representation regarding the accuracy or validity of those costs and did not undertake an analysis or verification regarding such costs.



The District initially hired Reuben Clarson Consulting (the “Consulting Engineer”) to
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perform a field inspection of the residential seawall located within the District. The Engineer recommended a replacement of the existing seawall system, at which point the District solicited several marine contractors for proposals. Ultimately, the District chose the most competitive responsive and responsible bidder. For purposes of this report, we have utilized the cost estimates for the seawall repair provided by Florida Structural Group (the “Contractor”).

The District’s Series 2022 Note will fully or partially fund the Series 2022 Project in the amount of \$1,349,314.

V. SERIES 2022 NOTE AND ASSESSMENTS

In order to provide for the Series 2022 Project funding described in Section IV above, the District plans to issue a Series 2022 Note, which will be primarily secured by the Series 2022 Assessments. The Series 2022 Assessments will initially be levied in the principal amount of \$1,500,000 across all Benefited Parcels and shall be structured in the same manner as the Series 2022 Note, so that revenues from the Series 2022 Assessments are sufficient to fulfill the debt service requirements for the Series 2022 Note.

The Series 2022 Note will be structured as an amortizing fixed-interest note, with repayment occurring in substantially equal annual installments of principal and interest. Principal and interest payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2037. The first scheduled payment of coupon interest will be due on November 1, 2022, although interest will be capitalized, with the first installment of principal due on May 1, 2023. The annual principal payment will be due each May 1 thereafter until final maturity, with the maximum annual debt service at \$156,861.58. The general financing terms of the Series 2022 Note are summarized on Table 3.

It is expected that the Series 2022 Assessment installments assigned to the Residential Parcels within the District’s boundaries will be collected on the Manatee County property tax bill, as authorized pursuant to Section 197.3632, Florida Statutes and Section 7 of the Charter 1. Accordingly, the Series 2022 Assessments have been adjusted to allow for current county collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 7%, but this may fluctuate as provided by law.

VI. SERIES 2022 ASSESSMENT ALLOCATION

The District’s Charter specifies the method in which assessments should be allocated, and as such this report follows the same methodology defined in the Charter. As stated therein, the District’s assessments shall be equally assessed against all Residential Parcels or platted subdivision lots of record.

Per Section IV above, the Series 2022 Note will fund the District’s Series 2022 Project. It is expected that the Seawall Improvements funded by the Series 2022 Note will confer benefit

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



on the District's Residential Parcels within the Series 2022 Assessment Area in a manner generally proportionate to and consistent with the allocation of benefit found in the Consulting Engineer's Certification and the District's Charter. Therefore, it is proper to impose Series 2022 Assessments on the 1,479 lots contained within the 1,277 Residential Parcels specified in Table 5, as well as the District's tentative Series 2022 Assessment Roll.

A. Assessment Allocation and Benefit Analysis

The Series 2022 Assessments are expected to ultimately be allocated to the Residential Parcels within the District's boundaries, as shown on Table 5. The Series 2022 Assessments are allocated based on the methodology defined in the Charter.

Valid special assessments under Florida law must satisfy two requirements. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed. If these two requirements are met, Florida law provides the District's board of supervisors with the ability to use discretion in determining the allocation for the assessments as long as the manner in which the board allocates the assessments is fairly and reasonably determined.

Seawall Improvements undertaken by the District, as more clearly described in the Consulting Engineer's Report and the Consulting Engineer's Certification, create a special benefit for the assessable property in the District. As further described in the Consulting Engineer's Certification, the improvements will provide a special benefit to the assessed parcels by providing protection against storm damage, sea flooding, sea level rise and other similar risks. Further, the marina is a community asset which may be accessed and utilized by all Benefitted Parcels.

The Series 2022 Assessments will be allocated among the Benefitted Parcels in the District as provided herein using the same methodology described in the District's Charter and findings provided by the Consulting Engineer. The District's Charter states assessments shall be assessed equally against all Residential Parcels or platted subdivision lots of record. The Consulting Engineer's Certification also provides that the Residential Parcels or lots contained within benefit equally from the Seawall improvements. Subsequently, the assessments have been allocated using an EAU factor of 1.0 to equally assign the assessments. This method of EAU allocation meets statutory requirements and is generally accepted in the industry. Therefore, an equal per unit allocation method of the Series 2022 assessments is considered fair and reasonable.

The tentative Series 2022 Assessment Roll is located on page A-5.

B. Assignment of Assessments

The Series 2022 Note and Series 2022 Assessments have been sized based on the expectation that the Series 2022 Assessments will be fully absorbed by the 1,479 lots contained within the 1,277 Residential Parcels shown on Table 5.



In the event that developable lands that derive benefit from the Series 2022 Project are added to the District boundaries, whether by boundary amendment or increase in density, Series 2022 Assessments will be allocated to such lands, pursuant to the methodology described herein.

VII. PREPAYMENT OF SERIES 2022 ASSESSMENTS

The Series 2022 Assessments encumbering a Residential Parcel or lot contained within may be prepaid in full at any time, without penalty, together with interest at the rate on the corresponding Series 2022 Note to the note interest payment date that is more than forty-five (45) days next succeeding the date of prepayment. Notwithstanding the preceding provisions, the District does not waive the right to assess penalties which would otherwise be permissible if the parcel being prepaid is subject to an assessment delinquency.

VIII. ADDITIONAL STIPULATIONS

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

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



EXHIBIT A:

ALLOCATION METHODOLOGY



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**TRAILER ESTATES
PARK AND RECREATION DISTRICT
SPECIAL ASSESSMENT NOTE, SERIES 2022**

TABLE 1: SERIES 2022 DEVELOPMENT PLAN

PRODUCT	EAU	TOTAL UNITS ⁽¹⁾
Lot	1.00	1,479 Lots
	TOTAL:	1,479

⁽¹⁾ There are 1,479 lots contained within the 1,277 Residential Parcels. Certain Residential Parcels include multiple and/or fractional lots as provided by the District's Treasurer.

**TRAILER ESTATES
PARK AND RECREATION DISTRICT
SPECIAL ASSESSMENT NOTE, SERIES 2022**

TABLE 2: SERIES 2022 PROJECT COST DETAIL

<u>DESCRIPTION</u>	<u>TOTAL COSTS</u>
Full Seawall Replacement	\$1,197,500
Retaining Wall/Sod Replacement	\$147,470
Total Project Costs	\$1,344,970

NOTE: Seawall Infrastructure cost estimates provided by Contractor.

**TRAILER ESTATES
PARK AND RECREATION DISTRICT
SPECIAL ASSESSMENT NOTE, SERIES 2022**

TABLE 3: FINANCING INFORMATION - SERIES 2022 NOTE

Issue Date	9/15/2022
Final Maturity	May 1, 2037
Principal Installments	15
Average Coupon Rate	6.00%
Maximum Annual Debt Service ("MADS")	\$156,861.58

SOURCES:

PAR AMOUNT	<u>\$1,500,000</u>
Total Net Proceeds	\$1,500,000

USES:

Project Fund Deposits:	
Deposit to Project Construction Fund	(\$1,349,314)
Other Fund Deposits:	
Debt Service Reserve Fund	(\$15,686)
Capitalized Interest	(\$11,500)
Delivery Date Expenses:	
Cost of Issuance	<u>(\$123,500)</u>
Total Uses	(\$1,500,000)

Note: Numbers provided by District Financial Advisor.

TABLE 4: FINANCING INFORMATION - SERIES 2022 ASSESSMENTS

Interest Rate		6.00%
Initial Principal Amount		<u>\$1,500,000</u>
Aggregate Annual Installment		\$156,861.58
Maximum Early Payment Discounts	4.00%	\$6,622.53 ⁽¹⁾
Estimated County Collection Costs	3.00%	<u>\$4,966.90 ⁽¹⁾</u>
Estimated Total Annual Installment		\$168,451.01

⁽¹⁾ May vary as provided by law.

Note: Numbers provided by District Financial Advisor.

**TRAILER ESTATES
PARK AND RECREATION DISTRICT
SPECIAL ASSESSMENT NOTE, SERIES 2022**

TABLE 5: ASSESSMENT ALLOCATION - SERIES 2022 ASSESSMENTS (1)

PRODUCT	UNITS ⁽²⁾	PRODUCT TOTAL PRINCIPAL	PER UNIT PRINCIPAL	PRODUCT ANNUAL INSTLMT. ⁽³⁾	PER UNIT INSTLMT. ⁽³⁾
Lot	1,479	\$1,500,000.00	\$1,014.20	\$168,451.01	\$113.90
TOTAL	1,479	\$1,500,000.00		\$168,451.01	

⁽¹⁾ Series 2022 assessments allocated as specified in section seven of the District's Charter. The Charter requires special assessments to be allocated uniformly among all Residential Parcels or platted subdivision lots.

⁽²⁾ As determined by the Consulting Engineer in the letter dated June 3, 2022, all Residential Parcels or lots incur benefit from the Seawall Improvements including protection against storm damage, seal level rise, and other similar risks. Subsequently, the Series 2022 Assessments have been allocated equally among the lots shown above in order to fund the Series 2022 Project.

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