



## Frequently Asked Questions - Bond Validation Request (REVISED - 9/22/2022)

*This document is being provided to residents for informational purposes solely as an effort to address questions that have been raised by residents of the District and does not constitute any part of the notices required to be provided by law or the documents associated with the Capital Improvement Plan and associated financing(s). This document does not purport to summarize in their entirety any of the documents referenced herein. Accordingly, residents should refer to the complete versions of such documents which are on file with the District.*

The Gateway Services Community Development District (GSCDD) was established in 1986. Much of the infrastructure is original to Gateway and is reaching or has reached the end of its useful life. These improvements include, but are not limited to the stormwater management system; roadways; landscaping and irrigation; and parks and recreation facilities. The GSCDD Board of Supervisors has determined that these improvements are necessary and has voted to authorize the process to issue bonds to finance the Capital Improvement Plan for renewal and replacement of certain facilities and spread the payments over a 20-year period per bond issuance to lessen the financial burden on residents. Residents who have been in Gateway for a while should be familiar with this concept since it's similar to the way we are financing the lake bank improvements. The Board realizes that they need to make fiscally responsible decisions regarding the assets of Gateway and to further provide for the health, safety, and welfare of the residents and property owners of the District.

Much like the budget process, this initial notice and hearing is intended to set the "ceiling" for maximum funding. Once the "ceiling" is set, funds actually encumbered will be through multiple series of bond issuances.

### **Q: What is the total amount of debt?**

**A:** The maximum anticipated principal debt the District will incur is \$54,920,000. GSCDD is requesting the court to validate \$55,000,000 in bonds (rounded) to allow for the issuance of this debt under Florida Law.

### **Q: Will the \$ 54,920,000 be assessed at once?**

**A:** No. GSCDD plans to issue various series of bonds over the next 10 years for specific projects detailed in the Capital Improvement Plan.

It is anticipated that the bonds will be issued in several series, and each issuance will be used to cover costs of projects that the District expects to complete in three-year timeframes after issuance. Think of it as a line of credit or construction loan. The full amount that is validated will be available to be borrowed, but no payments need to be made unless the money is obtained and used (bonds are issued), and the payments will be based on the amount of money obtained and used (bonds issued), not the total amount validated.

Further, at the time of each proposed issuance of bonds for a specific project or projects, a supplemental engineer's report and assessment report will be prepared outlining the projects to be financed and to be approved by the Board prior to the issuance of the bonds.



**Q: How long will I pay this debt?**

**A:** It is anticipated that each bond (series) issuance will be amortized over a maximum of 20 years.

**Q: How much will I pay annually for the Bond Assessment?**

**A:** The annual debt service special assessment to repay a series of bonds will be calculated based on:

- The dollar amount of bonds issued
- The interest rate of bonds issued

The principal amount of this debt service annual assessment will not exceed the annual amount listed in the letter you received, which is approximately \$719 for a single family home and \$491 for a multi-family home in Gateway and approximately \$36 for a single family home and \$27-30 per multi-family home in Pelican Preserve. The annual amount in the letter is the amount that would be assessed if the District were to issue bonds for the entire \$54,920,000 at one time.

The first assessment (series) is still being calculated based on the proposed projects planned for the next three years. If approved, the first assessment will not appear until the 2023 tax bill due in 2024.

**Q: How will these assessments be charged?**

**A:** The assessments will be included on your annual real estate tax bill as a non-ad valorem special assessment, similar to your current operations and maintenance assessments.

**Q: What is the total capital cost of the proposed new Gateway administrative office and storage building?**

**A:** Per the Engineer's estimate, \$3,265,000 which includes engineering, permitting, acquisition and construction.

**Q: Can this portion of the proposed plan be postponed and budgeted for? What is the rationale for the new proposed space?**

**A:** The existing Administrative Building does not meet the staffing and administrative needs to operate the District. In addition, financing this expense over 20 years, similar to a mortgage payment, is less of a financial burden to the residents than a budgeted, one-time, large up front assessment, similar to paying cash for a home vs a mortgage.

**Q: What other options do we have for financing other than bonds?**

**A:** The District could borrow the funds from a bank, which would only allow an amortization over 5 years or less and would result in higher annual assessments.



**Q: What is the interest rate on the proposed bond?**

**A:** The interest rate will be determined at the time the bonds (each series) is issued and sold based on current market conditions on the date of pricing.

**Q: What happens to each unit if the District defaults on the Bonds?**

**A:** The District would default in payments on the bonds if the District did not make the required principal and interest payments. This could occur if the District did not collect sufficient special assessments pledged to repay a bond or bonds resulting from property owners not paying their annual real estate tax bill. Non-payment of the tax bill would result in the tax collector holding a tax certificate sale in order to collect the funds.

Upon receipt of the delinquent taxes, the tax collector would send the non-ad valorem portion of those funds to the District. The process is designed to collect the non-ad valorem assessments, both current and from the tax certificate sale, within enough time to pay the debt service. Therefore, a default on the bonds is very unlikely and would not impact the property owners who are paying their assessments when due.

In addition, the assessments are on the property for a specific amount and non-payment of the assessments by any property owner does not become the burden of a property owner who is paying their assessments (just like you're not responsible for paying your neighbor's mortgage if he/she doesn't).

**Q: What part of the projects are necessary and what are not?**

**A:** All proposed projects are to either maintain or renovate existing GSCDD assets, many of which are necessary for the health, safety and welfare of the residents.

**Q: There is reference to (1) EAU per lot; what does EAU stand for?**

**A:** Equivalent Assessment Unit, a measure used for the purpose of determining the difference in benefit between different land uses.

**Q: How do I know if I am a single family or multi-family?**

**A:** Most properties in Gateway are single-family homes. The below are considered multi-family:

**GATEWAY ASSESSMENT AREA**

- Champions Green
- Lakeview at Summerwind
- Golfview at Summerwind
- Hidden Links - condos
- Royal Greens
- Lakeview at Summerwind II
- Santa Luz
- Stoneybrook - outside gate

**PELICAN PRESERVE ASSESSMENT AREA**

- Siena
- Ravenna
- Seville
- Viadana
- Casella
- Aviana
- C-5 on Treeline



You may contact the District via [customercare@gatewaydistrict.org](mailto:customercare@gatewaydistrict.org) to find out your classification.

**Q: Will there be hearings before any bonds are issued?**

**A:** The Board can only approve the issuance of bonds at noticed public meetings of the Board.

**Q: I thought the Board already approved and we paid for the pool furniture and improvements. Why is it on this list again?**

**A:** This discussion of utilizing bonds for Capital Improvements for the General Fund began in the 2021 budget cycle. At the time, the Board approved a short-term bank loan to start projects that were needed immediately anticipating the District to pursue the long-term bond. As such, the bond will pay off the bank loan and incorporate those costs in the 20-year repayment schedule.

**Q: Why is the big park plan being discussed again? I thought this died last year?**

**A:** If the District did not put any money in the bond, no funding would be available for the next 10 years unless the District chose to utilize a different funding source i.e. Impact Fees, Annual Assessments, Bank Loan etc. By putting the funding in the bond validation, it provides a funding source for a portion or all of the project in the future.

**Q: Why are we doing this now when the interest rates are increasing?**

**A:** The interest rate is expected to be 4.25% or less for the first bond series, based on current market conditions. The interest rate only applies to bonds issued and will depend on market rates at the time of issuance. The first bond issue is expected in February 2023.

**Q: Why was the Public Hearing delayed to October 6th?**

**A:** Pelican Preserve was not included in the original assessment. After review of the proposed projects, it was determined that the Pelican Preserve Community does receive some benefit from some of the projects i.e. New Administrative Building, Weirs, etc. See the Amended and Restated Master Engineers Report dated September 1, 2022 for specific projects. Therefore, the District decided to re-hold the public hearing to include Pelican Preserve in the process.

**Q: Are all of the projects really needed?**

**A:** Yes. The projects listed include the replacement or major capital improvements to infrastructure such as Waterway Management, Roadway and Landscape, Administration and Parks and Recreation. The Board has determined it has a fiduciary responsibility to maintain the District's assets and further to provide improvements based on input received from the residents.

**Q: There are new neighborhoods under construction and/or being built. Are they paying for the bond too?**

**A:** Yes, all properties benefiting from the CIP will pay for the bonds issued to fund the CIP.



**Q: I thought we already paid for ponds? Which ponds are included as part of this bond?**

**A:** The District has a total of 80 ponds. 24 ponds are completed or under contract for restoration. The Board of Supervisors recently approved a Pond Reprioritization List which can be found in the link below. The Lake Bank Restoration line item in the Amended and Restated Master Engineers Report is a cost estimate for the ponds in the Pond Reprioritization List labeled as Critical, Bad or Minor. [Here is a link of a map and Pond Reprioritization List.](#)

**Q: What is the process for projects to be approved?**

**A:** Once the bond validation is approved, there will be a 2023 Project identified and a 2023 Bond Series presented to the Board of Supervisors for their consideration. This bond series would take into account years 2022-2025 of the Amended and Restated Master Engineers Report and the associated projects and funding projected in those years.

EXAMPLE: If the Administrative Building is approved, first steps would be to request a scope for engineering and architectural services for the design and permitting of the building from the District Engineer. The Board would approve this Task Authorization at a public meeting. Design would be reviewed at 30%, 60% and 90% design. Permits would be submitted at 90% design to the appropriate agencies. Once permits are received, the District would bid out the construction of the Administrative Building. Bids would be received and a contract would be taken to the Board for approval at a public meeting and construction would commence soon thereafter.