
MASTER ASSESSMENT METHODOLOGY
FOR SERIES 2018 BONDS FOR THE CLUBHOUSE ACQUISITION

BY

BAYWINDS

COMMUNITY DEVELOPMENT DISTRICT

June 15, 2018

Prepared by



Governmental Management Services-South Florida, LLC
5385 N. Nob Hill Road
Sunrise, FL 33351

1.0 Introduction

The Baywinds Community Development District is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes (the “District”), as amended. The District anticipates issuing a total of \$20,695,000 of its Special Assessment Bonds, Series 2018 (the “Series 2018 Bonds”) for the purpose of financing the acquisition of the Clubhouse (as defined herein) and related amenities (the “2018 Project”) within the District, more specifically described in the Engineering’s Report dated June __, 2018 (the “Engineer’s Report” or “Engineer Report”), prepared by Ford Engineers, Inc. (the “District’s Engineer”).

1.1 Purpose

This Master Assessment Methodology (the “Report”) provides a methodology that determines the amount of District debt to be allocated to specific properties within the District benefitting from the 2018 Project to be acquired by the District with a portion of the proceeds of the District’s Series 2018 Bonds. This Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes (“F.S.”).

The District intends to impose non ad valorem special assessments on the benefited lands within the District to pay the debt associated with the Series 2018 Bonds based on this Report. It is anticipated that all of the proposed special assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, F.S. or any other legal means available to the District. It is not the intent of this Report to address any other assessments, if applicable, that may be levied by the District, a homeowner’s association, or any other unit of government.

1.2 Background

The District currently includes approximately 182.66 acres, located in the City of Homestead, Miami-Dade County, Florida. The developed community within the District consists of 1,072 residential units as depicted in Table 1. The 2018 Project contemplated by the District will provide recreational facilities that benefit all of the assessable property within the District. The District will purchase the Vineyard Club (the “Club”) and related amenities associated with it, all as described in the Engineer’s Report. The acquisition costs for the 2018 Project are summarized in Table 2.

The assessment methodology is a three-step process. First, the District Engineer determines the costs for the 2018 Project contemplated by the District. Second, this cost forms the basis for a debt sizing. Third, the bonded costs are divided among the benefited properties on the basis of benefit received as a result of the 2018 Project.

1.3 Special Benefits and General Benefits

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

Although the general public outside the District benefits from the District's infrastructure improvements, the benefits are incidental. The 2018 Project is designed to meet the needs of the developed property within the District. The property owners within the District are therefore receiving special benefits not received by those outside the boundaries.

1.4 Special Benefits Exceed the Costs Allocated

The special benefits provided to the property owners within the District are greater than or equal to the costs associated with providing these benefits. The increase in the market value of the benefiting property will be significantly more than the cost of the improvements being acquired.

1.5 Requirements of a Valid Assessment Methodology

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

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

2.0 Assessment Methodology

2.1 Overview

Under current market conditions, the District will issue approximately \$20,695,000 in Series 2018 Bonds to fund the 2018 Project and provide for capitalized interest, if required, and the funding of the debt service reserve account and cost of issuance. It is the purpose of this Report to allocate the \$20,695,000 in debt to the properties benefiting from the Project.

The Engineer's Report describes the 2018 Project as shown in Table 2 and is estimated to cost \$16,973,200. It is currently expected that the 2018 Project will be funded in whole through the issuance of the Series 2018 Bonds. Based on the estimated costs, the principal amount of the Series 2018 Bonds under current market conditions needed to generate funds to pay for the 2018 Project, the funding of reserves, capital interest if required, and issuance costs was determined by the District's underwriter to total \$20,695,000 (the "Bond Sizing"). It is anticipated that the District will issue \$20,695,000 in Series 2018 Bonds with an average coupon rate of approximately 5.5% and a maturity date of November 1, 2048. Table 3 shows the breakdown of the Bond Sizing.

2.2 Allocation of Benefit

The 2018 Project consists of the purchase of the Club, related amenities, along with related incidental costs and the other improvements described in the Engineer Report. There are 1,072 residential units that are current members of the Clubhouse, as per the obligation acquired with the Vineyards Club Plan, as amended. Since it is determined that each of those 1,072 units will receive equal and comparable benefit; the District has assigned one equivalent residential unit ("ERU") to each of these units. Table 4 shows the allocation of benefit to each ERU. It is important to note that the benefit derived from the 2018 Project to the residential units is equal to or exceeds the cost that the units will be paying for such benefits.

2.3 Allocation of Debt

A fair and reasonable methodology allocates the debt associated with the District's Series 2018 Bonds incurred by the District proportionately to the properties receiving the special benefits. The development has not been completed, but the debt relating to the District's Series 2018 Bonds will be allocated to the planned 1,072 residential units within the District, as depicted in Table 5 (the "Benefiting Properties").

2.4 Special and Peculiar Benefit to the Property

As previously mentioned, the community-wide includes the acquisition by the District of the Clubhouse and the amenities associated with it. This 2018 Project will provide peculiar and special benefits which flow from the logical relationship of the 2018 Project to the assessable properties within the District. These peculiar and special benefits consist of the added enjoyment of the property, and the probability of increased marketability and value of the property.

2.5 Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the 2018 Project is delineated in Table 4.

The determination has been made that the duty to pay the non-ad valorem special assessments which will secure the Series 2018 Bonds is fairly and reasonably apportioned because the special and peculiar benefits to the Benefiting Properties derived from the acquisition of the 2018 Project have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided.

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

In accordance with the benefit allocation in Table 4, a total par amount per unit and an annual debt assessment per unit for the proposed Series 2018 Bonds have been calculated for each unit as illustrated in Table 5. There are no significant differences in the character of the residential units with respect to the benefit received from the 2018 Project, so it is reasonable and appropriate for each unit to be allocated the same amount of benefit, based on the rationale described in Table 4. The total par amount per unit and the annual Series 2018 Bonds debt assessment per unit is shown in Table 5. These amounts represent the preliminary anticipated per unit debt allocations assuming all anticipated units are built and sold in the proportions planned, and the entire 2018 Project is acquired and financed by the District.

2.6 True-up Mechanism

The True up mechanism applies to the undeveloped parcels. If a revision to the current site plan or plat is made and the total anticipated assessment revenue to be generated from the revised site plan/plat is greater than or equal to the maximum annual debt service then no adjustment or true-up is required. However should the revenue generated be less than the required amount then a prepayment by the developer/landowner in the amount necessary to reduce the par amount of the outstanding Series 2018 Bonds to a level that will be supported by the new maximum annual debt service will be required. This true up mechanism will be memorialized through an agreement between the District and the developer/landowner, which agreement may contain additional provisions.

3.0 Assessment Roll

The property within the District is platted as described in the Summary Assessment Roll in Table 6; which shows folio numbers for the 1,072 parcels including undeveloped parcels. The debt has been assigned as described in this Report. Based on the parcel records provided by the Miami-Dade County Property Appraiser, Table 7 shows the Summary Assessment Roll for the District, while Table 8 presents and includes the total allocation per folio number and the annual assessment per unit.

4.0 Additional Information

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

Certain information in this report was provided by members of the District staff, the Clubhouse owner or other professionals hired in conjunction with the bond issuance, GMS makes no representation regarding the information provided by others:

[Remainder of the page intentionally left blank]

TABLE 1
BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM

Land Use	No. of Units *	ERUs per Unit ⁽¹⁾	Total ERUs
Residential:			
60' SFH	167	1.00	167.00
50' SFH	91	1.00	91.00
40' SFH	263	1.00	263.00
36' SFH	75	1.00	75.00
Townhomes	476	1.00	476.00
Condo	0	1.00	0.00
Total Residential Units	1072		1072.00

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

⁽¹⁾ Benefit is equal to all the units

**TABLE 2
BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
ESTIMATED ACQUISITION COST**

IMPROVEMENT	COST*
Clubhouse Acquisition	\$ 16,723,200
Total Acquisition	\$ 16,723,200

\$

*Information provided by Ford Engineers, Inc.

OTHER COST	COST ESTIMATE
Real Estate Closing Costs **	\$ 250,000
Total Other	\$ 250,000.00

**Buyers obligation, which included closing cost, recording cost, and real estate processing

TOTAL ACQUISITION COST \$ 16,973,200.00

TABLE 3
BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
BOND SIZING

	Total
Construction Funds	\$ 16,973,200
Debt Service Reserve	\$ 1,388,149
Capitalized Interest	\$ 1,661,249
Cost of Issuance	\$ 200,000
Underwriter Discount	\$ 465,638
Rounding	\$ 6,765
Par Amount*	\$ 20,695,000
Bond Assumptions:	
Interest Rate (average)	5.5%
Amortization	30 years
Capitalized Interest	14 months
Debt Service Reserve	100% Max. Annual
Underwriters Discount	2.25%

* Par amount is subject to change based on the actual term at the date of the bonds

Information provided by FMSbonds, Inc

**TABLE 4
BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF CONSTRUCTION COSTS**

Land Use	No. of Units*	ERU factor	Total ERUs	IMPROVEMENT COSTS PER PARCEL	TOTAL IMPROVEMENT COSTS PER UNIT
Residential:					
60' SFH	167	1.00	167.00	\$ 2,644,146	\$ 15,833
50' SFH	91	1.00	91.00	\$ 1,440,822	\$ 15,833
40' SFH	263	1.00	263.00	\$ 4,164,134	\$ 15,833
36' SFH	75	1.00	75.00	\$ 1,187,491	\$ 15,833
Townhomes	476	1.00	476.00	\$ 7,536,607	\$ 15,833
TOTALS	1072		1072	\$ 16,973,200	

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

**TABLE 5
 BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
 SERIES 2018 ALLOCATION OF PAR DEBT**

Land Use	No. of Units*	TOTAL BENEFITS ALLOCATED	SERIES 2018 ALLOCATION OF PAR DEBT PER PARCEL	SERIES 2018 PAR DEBT PER UNIT	TOTAL ANNUAL DEBT SERVICE**	ANNUAL ASSESSMENT PER UNIT**
Residential:						
60' SFH	167	\$ 2,644,146	\$ 3,223,941	\$ 19,305	\$ 216,251	\$ 1,294.92
50' SFH	91	\$ 1,440,822	\$ 1,756,758	\$ 19,305	\$ 117,837	\$ 1,294.92
40' SFH	263	\$ 4,164,134	\$ 5,077,225	\$ 19,305	\$ 340,563	\$ 1,294.92
36' SFH	75	\$ 1,187,491	\$ 1,447,878	\$ 19,305	\$ 97,119	\$ 1,294.92
Townhomes	476	\$ 7,536,607	\$ 9,189,198	\$ 19,305	\$ 616,380	\$ 1,294.92
TOTALS	1072	\$ 16,973,200	\$ 20,695,000	\$	\$ 1,388,149	

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

**Net amount, it will be grossed up of 5% for early payment discounts and collection fees

**TABLE 6
 BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
 SERIES 2018 TRUE-UP CALCULATION**

Percentage of Development*	0%	25%	50%	75%	90%	100%
Undeveloped Acres	182.66	136.995	91.33	45.7	18.3	0.00
Developed Acres	0	45.7	91.3	137.0	164.4	182.66
Debt Per Acre	\$113,298	\$113,298	\$113,298	\$113,298	\$113,298	\$113,298
Undeveloped Units	1072	804	536	268	107	0
Debt Per Unit	\$19,305	\$19,305	\$19,305	\$19,305	\$19,305	\$19,305
Platted Units	0	268	536	804	965	1072
Total Par Debt	\$ 20,695,000					

* All units are platted and with assigned unit folio number; if there were to be any changes in the existing undeveloped plats, the allocation per unit will allow to quantify the impact

**TABLE 7
BAYWINDS COMMUNITY DEVELOPMENT DISTRICT
SUMMARY ASSESSMENT ROLL**

PIN	From - to	Product Type	Number of Units (1)*	PAR DEBT PER UNIT	ANNUAL ASSESSMENT(2) PER UNIT
10-7915-008-	0010 to 0910	50' SFH	91	\$ 19,305	\$ 1,294.92
10-7915-012-	0010 to 1070	60' SFH	107	\$ 19,305	\$ 1,294.92
10-7915-019-	0170 to 0470	60' SFH	60	\$ 19,305	\$ 1,294.92
	1130 to 1410				
10-7915-019-	0010 to 0160	40' SFH	81	\$ 19,305	\$ 1,294.92
	0480 to 1120				
10-7915-017-	0010 to 1080	** 40' SFH	107	\$ 19,305	\$ 1,294.92
10-7915-021	1940 to 2680	40' SFH	75	\$ 19,305	\$ 1,294.92
10-7915-020-	0010 to 0750	36' SFH	75	\$ 19,305	\$ 1,294.92
10-7915-018-	0010 to 1270	Townhomes	127	\$ 19,305	\$ 1,294.92
10-7915-021-	0010 to 1930	Townhomes	193	\$ 19,305	\$ 1,294.92
	0460 to 0550				
10-7915-010-	1120 to 1190	Townhomes	40	\$ 19,305	\$ 1,294.92
	1270 to 1290				
	1330 to 1510				
10-7915-011-	0010 to 1160	Townhomes	116	\$ 19,305	\$ 1,294.92

1072

(1) As per District's Assessment Roll as it is levied in Miami-Dade County Tax Roll

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

(2) Net amount, it will be grossed up of 5% for early payment discounts and collection fees

** Folio 10-7915-017-0890 was cancelled