

**FINAL  
SUPPLEMENTAL  
ASSESSMENT  
METHODOLOGY REPORT  
VIERA EAST COMMUNITY  
DEVELOPMENT DISTRICT  
SERIES 2020 SPECIAL  
REVENUE ASSESSMENT  
BONDS**

**July 8, 2020**

**Prepared for**

**Board of Supervisors  
Viera East Community Development District**

**Prepared by**

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**Final Supplemental Assessment Methodology Report  
Viera East Community Development District  
Series 2020 Special Revenue Assessment Bonds**

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**1.0 Background**

This report supplements the Master Assessment Methodology Report of September 26, 2019 (“Master”). The Master was approved by the Viera East Community Development District (“VECDD”) pursuant to the Second Supplemental Resolution adopted on November 21, 2019. Since then the District Engineer has revised their report reducing the scope of the Series 2020 Project and lowering the estimated cost to \$6,022,585. To fund the Project VECDD has sold its Series 2020 Bonds totaling \$7,685,000. This Final Supplemental Assessment Methodology Report applies the methodology in the Master to the Series 2020 Bonds.

VECDD plans to fund the annual debt service on the Bonds through Benefit Special Assessments imposed on the Properties pursuant to its authority under Chapter 190.021(2). At the date of this report VECDD encompasses approximately 2,825 acres in Brevard County, Florida. The development plan for the land in VECDD currently includes 4,204 residential units and 204.3 acres of commercial property.

**2.0 The Financing Plan for the Series 2020 Bonds**

Table 1 summarizes the scope and cost of the Project as shown in the District Engineering Report revised as of May 27, 2020 (the “Engineer’s Report”). The Project has an estimated cost of \$6,022,585. To fund the Project VECDD has sold \$7,685,000 in its Series 2020 Bonds. Table 2 displays the bond sizing. The Bonds sold at an average coupon rate of approximately 2.5% with a term of approximately 18-years. The debt service reserve fund requirement is 50% of maximum annual debt service with 50% of the reserve requirement funded by a debt service reserve fund surety policy and 50% of the reserve requirement funded by \$234,591 in cash from bond proceeds.

**Table 1. 2020 Estimated Project Cost**

Category	Amount
New Irrigation System	\$2,080,000
Bunker Renovation & Liners	\$1,090,000
Bulkhead replacement	\$375,000
Tee Box Renovation	\$150,000
Cart path extensions – repairs	\$175,000
Re-grass fairways and slopes	\$125,000
Maintenance Building repairs	\$40,000
Driving Range Tee - Level and enlarge	\$20,000
Golf Course Lake - Bank Augmentation	\$150,000
Rebuild #7 Green	\$65,000
Irrigation Pump Station – Filter	\$35,000
Culvert Repair - #7 (2) - Butterfly Valve Irr. Pond	\$37,500
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Subtotal	\$4,342,500
<u>Clubhouse</u>	
Clubhouse Renovation	\$580,000
<u>Other Recreational Facilities</u>	
Woodside Park Restroom Building	\$25,000
Dog Park - Woodside Park	\$55,000
Woodside Park Playground Equipment	\$45,000
Sidewalk repair and replacement	\$75,000
Picnic pavilions	\$95,000
	=====
Subtotal	\$295,000
<u>Other Costs</u>	
Maintenance Equipment	\$337,000
Lost Revenue - from renovation	\$287,395
	=====
Subtotal	\$624,395
Contingency	\$180,690
	=====
Grand Total	\$6,022,585

Source: Engineer’s Report May 27, 2020, Page 9.

**Table 2. Bond Sizing**

Category	Amount
Project Fund	\$6,022,585
Litigation Costs	\$350,000
Debt Service Reserve	\$234,591
Capitalized Interest	\$413,909
Underwriter's Discount	\$115,275
Cost of Issuance	\$305,649
Original Issue Discount	\$46,187
Bond Insurance	\$193,555
Rounding	\$3,249
	=====
Series 2020 Bonds	\$7,685,000

**4.0 Allocation of Benefit Special Assessments**

The Master adopted by VECDD uses the ERU method to apportion the costs associated with its Facilities. Table 3 presents the allocations for the 2020 Benefit Special Assessments using the ERU method.

Since there are 4,204 residential units and 204.3 commercial acres, there are 5,021.2 total ERUs. The residential ERUs constitute 84% of the total, so this category of land use is allocated 84% of the total bond cost resulting in an allocated share of \$6,434,267. The balance of \$1,250,733 is allocated to the commercial acreage.

**Table 3. Allocating the Costs of the Estimated Series 2020 Benefit Special Assessments**

Category	Residential Units	Commercial Acres	Total
ERU/Unit	1.00	4.00	
Number of Units	4,204.00	204.30	
	=====	=====	
Total ERUs	4,204.00	817.20	5,021.20
% ERU	84%	16%	100%
Allocated Cost	\$6,434,267	\$1,250,733	\$7,685,000
Average Annual Net Debt Service	\$455,421	\$88,528	\$543,949
Debt/Unit/Acres	\$1,531	\$6,122	
Net Debt Service/Unit/Acres	\$108.33	\$433.32	
Gross Debt Service/Unit/Acres	\$115.25	\$460.98	

The annual debt service on the Series 2020 Bonds will vary each year and will range between a maximum of \$938,365 and a minimum of \$507,869 after the capitalized interest period expires on November 1, 2022. The average annual net debt service is \$543,949 which is shown in Table 3. The average annual net debt service is allocated in an identical fashion to the total bond cost with 84% to the residential units and 16% to the commercial acreage.

Therefore, estimated average annual cost per unit is \$108.33 before administrative costs for collection and an allowance for the early payment of taxes and assessments. The addition of administrative charges and the collection fees of the Brevard County Property Tax Assessor and Tax Collector push the gross annual debt service per residential unit to \$115.25 per year. The commercial property has an average annual cost per acre \$433.32 on a net basis. After the addition of the administrative charges and collection fees the gross annual debt service per acre is \$460.98. The Special Benefit Assessment Roll for all Properties in VECDD is provided separately by the District Manager.