

**Official Minutes of  
MARION COUNTY  
BOARD OF COUNTY COMMISSIONERS**

December 13, 2023

**CALL TO ORDER:**

The Marion County Board of County Commissioners (BCC) met in a special session in Commission Chambers at 2:02 p.m. on Wednesday, December 13, 2023 at the Marion County Governmental Complex located in Ocala, Florida.

**INTRODUCTION BY CHAIRMAN MICHELLE STONE:**

Chairman Stone advised that the public hearing was scheduled this afternoon to consider approval of a Petition to Establish the Marion Ranch Community Development District (CDD) and adoption of an Ordinance to establish the Marion Ranch CDD.

**PLEDGE OF ALLEGIANCE:**

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

**ROLL CALL:**

Upon roll call the following members were present: Chairman Michelle Stone, District 5; Vice-Chairman Kathy Bryant, District 2; Commissioner Craig Curry, District 1; Commissioner Matthew McClain, District 3; and Commissioner Carl Zalak, III, District 4. Also present were County Attorney Matthew G. Minter and County Administrator Mounir Bouyounes.

**PRESENT PROOF OF PUBLICATION**

Deputy Clerk Ketner presented Proof of Publication of a display ad entitled, "Notice of Public Hearing" published in the Star Banner newspaper on November 17, November 24, December 1, and December 8, 2023. The Notice states the Board will consider an Ordinance to establish a Community Development District, which may be known as the Marion Ranch Community Development District (CDD).

The Deputy Clerk was in receipt of a 72 page Agenda packet.

**STAFF PRESENTATION:**

1. PUBLIC HEARING: Consider Approval of a Petition to Establish the Marion Ranch Community Development District and Adoption of an Ordinance Creating the Marion Ranch Development District

The Board considered the following recommendation as presented by Growth Services Director Chuck Varadin:

Description/Background: Gregory L. Urbanic of Coleman, Yovanovich & Koester, P.A. filed a petition on behalf of Freedom Commons Development, LLC, to establish a new community development district (CDD) for a development titled Marion Ranch (formerly Freedom Commons, and originally Ocala Crossings North) pursuant to F.S. Section 190.005 and Marion County's Code of Ordinances (COO) Chapter 14.5, Article III, Division 1.

The draft petition was reviewed by the Marion County Property Appraiser and the County's key departments regarding infrastructure (e.g., central water, central sewer, roads, stormwater, etc.). Following receipt of staff comments, the applicant

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submitted the final petition with the proposed Ordinance to establish the CDD. No objections were provided; however, the Utilities Department does note that water and sewer improvements, once construction is complete, must be conveyed to Marion County Utilities consistent with applicable County Ordinances, rather than being held by the resulting CDD.

Following Board authorization on October 17, 2023, the applicant has provided for the placement of the necessary public notice advertising (4 consecutive weekly ads) in a qualified newspaper of general circulation pursuant to Chapter 50, F.S., for this hearing.

Staff recommends the Board consider the applicant's Petition to Establish the Marion Ranch CDD, approve the petition and adopt the attached Ordinance to establish the Marion Ranch CDD as requested.

Budget/Impact: None.

Recommended Action: Motion to approve the Petition to Establish the Marion Ranch Community Development District, adopt the proposed Ordinance to establish the Marion Ranch Community Development District, and authorize the Chairman and Clerk to execute the Ordinance.

Senior Planner Chris Rison, Growth Services, presented a brief PowerPoint presentation and advised that the request is a proposal for the Marion Ranch CDD, noting it is under the Freedom Commons development and provided for a local firm from the Tampa, Florida area. He stated the location of the proposed CDD is off of SW 49<sup>th</sup> Avenue corridor at the intersection of SW 80<sup>th</sup> Street. The project was originally approved as a Planned Unit Development (PUD), which is known as the Freedom Commons PUD. The overall acreage for the proposal is 324 acres and the original PUD rezoning was approved by the BCC in August 2001. The overall PUD has an approval for approximately 1,383 dwelling units (du).

Mr. Rison provided a brief overview of the proposal, noting CDD's are governed by Florida Statutes (FS) Chapters 189 and 190 and set forth the exclusive and uniform methods of establishing an independent CDD. He noted CDD's are considered Special Districts. Mr. Rison advised that due to the size of this project, it is created locally by the County government since it is less than 2,500 acres, noting anything larger would need to be created by the State of Florida. He stated a CDD is an independent operational entity over the geographic area, functions as a limited form of government and is granted independent powers (except police powers). The proposed CDD is eligible for design and construction of improvements and services (i.e., street construction and maintenance, utilities construction and maintenance, stormwater systems, and other community services such as recreation facilities), and may function in addition to a Property Owners Association (PAO). Mr. Rison stated CDD's are a special purpose government, which is governed by a Board of Supervisors who are originally appointed with the creation of the CDD. As the original appointees' terms expire, the new Board of Supervisors members are elected until each member is duly elected. The Board of Supervisors will employ a district manager, essentially responsible for overseeing day-to-day operations (similar to a City/County Manager/Administrator). He advised that the project would have phases of development, noting the development will have roadways, water and sewer, stormwater, landscaping, etc., which will be initiated by the District for construction, and as ownership and maintenance goes in, some parts may be conveyed to and maintained by the County. The final completion date for the overall project is estimated to be in year 2028.

In response to Commissioner Bryant, Mr. Rison advised that under the CDD provisions, the developer will utilize the bonding system for a lower interest rate, noting there is usually no negative impact to the County. He stated it is a physical, geographic area that is responsible for the repayment of its bonds; however, the County is available to step in should it be necessary and would end up utilizing the Municipal Service Benefit Units (MSBU) program.

County Attorney Matthew Minter advised that if there is not a CDD and the developer installs the infrastructure themselves, then those infrastructure costs could potentially be reflected in the home purchase price. He clarified that if there is a CDD and the developer did not pay the infrastructure cost because it was funded by the bond issuance, then theoretically, the cost of the infrastructure is not reflected in the home purchase price.

Mr. Rison stated it would be a private matter that comes from that CDDs operations, however; theoretically, because it is financed at a lower cost and not directly funded, the developer has the ability to potentially provide for a lower price on their housing.

Commissioner Bryant advised that homeowners in a CDD pay the same property taxes as everyone else pays (i.e., Municipal Service Taxing Unit (MSTU) for Law Enforcement). Mr. Rison concurred and stated staff notifies the Marion County Property Appraiser's Office (PAO), noting the CDDs are accessed through the tax collections, becoming an additional entry onto their tax bill.

County Administrator Bouyounes clarified that the CDDs Water and Sewer Utility systems will be constructed (as part of the project) and then turned over to Marion County Utilities with no restrictions related to the Bond. He noted the Utility system will be built to County standards.

Greg Urbancic with the law firm of Coleman, Yovanovich & Koester, P.A., Tamiami Trail, Naples, Florida, stated he was present on behalf of the applicant to answer any questions. He advised that it is the intent of the CDD, as part of the project, to construct water and sewer utilities and to convey those to the County without any stipulations. Mr. Urbancic noted the CDD fulfills the requirements under FS Chapter 190.005.

(Ed. Note: The Deputy Clerk did not receive a copy of the PowerPoint presentation.)

## **PUBLIC COMMENT**

Chairman Stone opened the floor to public comment.

Mira Korber, SW 59<sup>th</sup> Street, advised that she used to work in fixed income capital markets with bond issuances for sovereign entities, corporations, banks, and other large organizations and expressed her concern with CDDs across Marion County due to the credit risks they can cause. She questioned the credit ratings on CDDs, how they are being marketed to investors, and how does the County know there is investor demand to buy the CDD to create the infrastructure so the County can get these projects off the ground without actually paying for them. Ms. Korber questioned how the County will know the developer will have cash flows to service the interest payments until all the parcels within the developments are sold. She stated it was her understanding that the CDD payments to service the bond debt goes to the property non-ad valorem tax roll. Ms. Kober commented on the need for affordable housing, noting the median income is approximately \$40,000.00 to \$50,000.00, which is considerably lower than the National average. Ms. Korber advised that nothing in the documents she reviewed had projected cash flows of the developer, what kind of bonds would be structured, or a clear plan for what would happen should the development fail.

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Cuong Kim, SW 66<sup>th</sup> Street, stated her parcel shares the same property line on SW 66<sup>th</sup> Street where the sewer and waterline will be constructed for the CDD.

Chairman Stone clarified that this hearing relates to the Marion Ranch CDD, not the Aurora Oaks CDD, which is the one that shares the property line with Ms. Kim's property. Ms. Kim noted she would hold her public comment until the next public hearing.

Chairman Stone advised that public comment is now closed.

Mr. Urbancic addressed bond concerns, noting when the District issues bonds, they are not general obligation bonds and are not obligations of the County. He clarified that they are specific, tax exempt non-ad valorem assessment based bonds. Mr. Urbancic stated District issued bonds go through a public offering and are marketed in a public forum that normally gets large institutional investors that buy the bonds at fixed rates. He noted there are many disclosures that are made to potential purchasers. Mr. Urbancic provided a brief overview of how the general public is made aware of the special assessments. He stated the intent is for this area to pay for its own growth.

Jimmy Gooding, SE 36<sup>th</sup> Avenue, stated the interest rates will be determined through the bonding process. He addressed the viability of CDDs and read from Chapter 190, FS, in part, as follows: "Independent Districts can constitute a timely, efficient, effective response and economic way to deliver basic services, thereby providing a solution to State's planning management financing needs for delivery of capital infrastructure in order to service projected growth without overburdening other governments and taxpayers. It is in the public interest that long-range planning management financing other long term maintenance upkeep and operation of basic services for CDDs be under one coordinated entity. Independent Districts are legitimate alternative method available for use by the private and public sectors as authorized by State law to manage and finance basic services for community development." Mr. Gooding opined that CDDs are a well-recognized system.

## **BOARD DISCUSSION**

A motion was made by Commissioner Bryant, seconded by Commissioner Zalak, to approve the Petition to Establish the Marion Ranch Community Development District, and to adopt Ordinance 23-33 creating the Marion Ranch CDD. The motion was unanimously approved by the Board (5-0).

Ordinance 23-33 is entitled:

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA, ESTABLISHING MARION RANCH COMMUNITY DEVELOPMENT DISTRICT PURSUANT TO CHAPTER 190, FLORIDA STATUTES; PROVIDING FOR THE ESTABLISHMENT AND NAME OF THE DISTRICT, TO BE KNOWN AS MARION RANCH COMMUNITY DEVELOPMENT DISTRICT; PROVIDING FOR THE LEGAL DESCRIPTION; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR THE INITIAL MEMBERS OF THE BOARD OF SUPERVISORS; PROVIDING FOR POWERS; PROVIDING FOR APPLICABILITY OF CHAPTER 190, FLORIDA STATUTES, AND ALL OTHER APPLICABLE STATUTES, ORDINANCES, RULES AND REGULATIONS; PROVIDING FOR NO MARION COUNTY OBLIGATIONS; PROVIDING FOR NO LIMITATION ON MARION COUNTY POWERS; PROVIDING FOR DISCLOSURE; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; AND PROVIDING FOR AN EFFECTIVE DATE.

**CLOSING COMMENTS:**

There being no further business to come before the Board, the meeting thereupon adjourned at 2:23 p.m.

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Michelle Stone, Chairman

Attest:

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Gregory C. Harrell, Clerk

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