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**STATEMENT OF ESTIMATED
REGULATORY COSTS**

FOR

**THE PETITION TO ESTABLISH
ROOKERY
COMMUNITY DEVELOPMENT DISTRICT**

November 8, 2023

ROOKERY COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ESTIMATED REGULATORY COSTS

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I. INTRODUCTION

1. PURPOSE AND SCOPE

This Statement of Estimated Regulatory Costs has been prepared as a component of the petition filed with the City Council of the City of Green Cove Springs, Florida, to establish the Rookery Community Development District ("District") in accordance with Chapter 190.005, Florida Statutes ("F.S."). Specifically, Section 190.005(1)(a)8., F.S., requires that, as part of the petition, a Statement of Estimated Regulatory Costs be prepared pursuant to Section 120.541, F.S.

A community development district ("CDD") is established under the Uniform Community Development District Act of 1980, Chapter 190 of the Florida Statutes, as amended (the "Act"). A CDD is a local unit of special-purpose government that is limited to the performance of those specialized functions authorized by the Act. Those specialized functions consist of planning, financing, constructing and maintaining certain public infrastructure improvements and community development services. As an independent special district, the CDD's governing body establishes its own budget and, within the scope of its authorized powers, operates independently of the local general-purpose governmental entity (i.e., the county or the city) whose boundaries include the CDD.

However, a CDD cannot regulate land use or issue development orders; those powers reside with the local general-purpose government. The Legislature has, in Section 190.004(3), F.S., made this clear by stating:

The establishment of an independent community development district as provided in this act is not a development order within the meaning of chapter 380. All governmental planning, environmental, and land development laws, regulations, and ordinances apply to all development of the land within a community development district. Community development districts do not have the power of a local government to adopt a comprehensive plan, building code, or land development code, as those terms are defined in the Community Planning Act. A district shall take no action which is inconsistent with applicable comprehensive plans, ordinances, or regulations of the applicable local general-purpose government.



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In addition, the parameters for the review and evaluation of community development district petitions are clearly set forth in Section 190.002(2)(d), F.S., as follows:

That the process of establishing such a district pursuant to uniform general law be fair and based only on factors material to managing and financing the service delivery function of the district, so that any matter concerning permitting or planning of the development is not material or relevant.

Therefore, the scope of this Statement of Estimated Regulatory Costs is limited to an evaluation of those factors pertinent to the establishment of a CDD as defined by the Legislature and outlined in Section 120.541(2), F.S.

The purpose of Chapter 190, F.S., is to provide another tool to government and private landowners in their efforts to comply with comprehensive plans which require adequate public facilities and services as pre-conditions for future development.

The CDD is a special purpose unit of local government that is established for the purpose of providing an alternative mechanism for financing the construction of public infrastructure. A CDD must be structured to be financially independent as intended by the Legislature. The cost of any additional public improvements to be constructed or any additional services to be provided by the City of Green Cove Springs (the "City") or Clay County (the "County") as a result of this development will be incurred whether the infrastructure is financed through a CDD or any other alternative financing method. The annual operations and administrative costs of the District will be borne entirely by the District and will not require any subsidy from the State of Florida, City or the County, nor will it place any additional economic burden on those persons not residing within the District.

2. ROOKERY COMMUNITY DEVELOPMENT DISTRICT

The proposed District will encompass approximately 566.02 +/- acres on which D.R. Horton, Inc. - Jacksonville (the "Petitioner") plans to develop a project ("Project"), which currently contemplates approximately 1,919 residential units. The Petitioner is seeking authority, as outlined in Section 190.012, F.S., to establish the District in order to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities and basic infrastructure that includes, but is not limited to: clearing and earthwork, stormwater systems,



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water and sewer utilities, roadway improvements, recreational improvements, entry signage and landscaping, landscaping, berms, fencing, fountains, electric and street lighting, engineering, surveying, planning, testing or any other project, within or outside the boundaries of the District, required by a development order issued by a local government or the subject of an agreement between the District and a governmental entity.

If approved, the District will be authorized to finance these types of infrastructure improvements through special assessment revenue bonds. Repayment of these bonds will be through non-ad valorem assessments levied against all benefited properties within the District. Ongoing operation and maintenance for District-owned facilities is expected to be funded through maintenance assessments levied against all benefited properties within the District.

II. STATUTORY ITEMS:

Section 120.541(2), F.S. (2023), in pertinent part, provides that the elements a Statement of Estimated Regulatory Costs must contain the following:

(a) An economic analysis showing whether the rule directly or indirectly:

1. Is likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the rule;

2. Is likely to have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implementation of the rule; or

3. Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.



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(b) *A good faith estimate of the number of individuals and entities likely to be required to comply with the rule, together with a general description of the types of individuals likely to be affected by the rule.*

(c) *A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any anticipated effect on state or local revenues.*

(d) *A good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. As used in this section, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.*

(e) *An analysis of the impact on small businesses as defined by s. 288.703, and an analysis of the impact on small counties and small cities as defined in s. 120.52. The impact analysis for small businesses must include the basis for the agency's decision not to implement alternatives that would reduce adverse impacts on small businesses.*

(f) *Any additional information that the agency determines may be useful.*

(g) *In the statement or revised statement, whichever applies, a description of any regulatory alternatives submitted under paragraph (1)(a) and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.*

The estimated regulatory impact of establishing the District is summarized below. Statutory requirements are **SHOWN IN BOLD CAPS**.



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1. AN ECONOMIC ANALYSIS SHOWING WHETHER THE ORDINANCE DIRECTLY OR INDIRECTLY:

A. IS LIKELY TO HAVE AN ADVERSE IMPACT ON ECONOMIC GROWTH, PRIVATE SECTOR JOB CREATION OR EMPLOYMENT, OR PRIVATE SECTOR INVESTMENT IN EXCESS OF \$1 MILLION IN THE AGGREGATE WITHIN 5 YEARS AFTER THE IMPLEMENTATION OF THE RULE;

Practically, the District, as a “special purpose” entity, does not have the legal authority or operational ability to adversely impact economic growth, job creation, or investment. The Project and its related permits and entitlements exist independently of the proposed District. The improvements and services proposed to be provided by the District will be required for successful implementation of the Project regardless of whether or not the District is established. However, it is expected that any economic impact would be positive in nature, particularly in the short term. Establishment of the District will enable the anticipated construction of public infrastructure improvements, which will yield a demand for construction labor and professional consultants. Additionally, the District may choose to finance improvements by the issue of special assessment revenue bonds, which may be an attractive investment for investors. Furthermore, establishment would be expected to have a positive impact on property values and local real estate sales. See generally Sections 3(b) and 5 below. Thus, there will be no adverse impact on economic growth, private sector job creation or employment, or private sector investment as a result of the establishment of the District.

B. IS LIKELY TO HAVE AN ADVERSE IMPACT ON BUSINESS COMPETITIVENESS, INCLUDING THE ABILITY OF PERSONS DOING BUSINESS IN THE STATE TO COMPETE WITH PERSONS DOING BUSINESS IN OTHER STATES OR DOMESTIC MARKETS, PRODUCTIVITY, OR INNOVATION IN EXCESS OF \$1 MILLION IN THE AGGREGATE WITHIN 5 YEARS AFTER THE IMPLEMENTATION OF THE RULE;

Any impact on overall business competitiveness and/or innovation resulting from District establishment will presumably be positive in nature. All professional contributors to creation of the District and anticipated resulting developmental efforts are expected to be either locally or state-based. Once complete, the Project would likely create opportunities for the local real estate industry. Thus, there will be no adverse impact on business competitiveness because of the formation of the proposed District. See generally Section 5 below.



C. OR IS LIKELY TO INCREASE REGULATORY COSTS, INCLUDING ANY TRANSACTIONAL COSTS, IN EXCESS OF \$1 MILLION IN THE AGGREGATE WITHIN 5 YEARS AFTER THE IMPLEMENTATION OF THE RULE.

A dramatic increase in overall regulatory or transactional costs is highly unlikely. As will be stated in further detail below, the City may incur incidental administrative costs in reviewing the documents germane to the establishment of the District, although these will be recouped by the establishment fee paid to the City.

The District will incur overall operational costs related to services for infrastructure maintenance, landscaping, and similar items. In the initial stages of development, the costs will likely be minimized. These operating costs will be funded by the landowners through direct funding agreements or special assessments levied by the District. Similarly, the District may incur costs associated with the issuance and repayment of special assessment revenue bonds. While these costs in the aggregate may approach the stated threshold over a five-year period, this would not be unusual for a Project of this nature and the infrastructure and services proposed to be provided by the District will be needed to serve the Project regardless of the existence of the District. Thus, the District-related costs are not additional development costs. Due to the relatively low cost of financing available to CDD's due to the tax-exempt nature of their debt, certain improvements can be provided more efficiently by the District than by alternative entities. Furthermore, it is important to remember that such costs would be funded through special assessments paid by landowners within the District, and would not be a burden on the taxpayers outside the District.

See generally Sections 3 and 4 below.

2. A GOOD FAITH ESTIMATE OF THE NUMBER OF INDIVIDUALS AND ENTITIES LIKELY TO BE REQUIRED TO COMPLY WITH THE ORDINANCE, TOGETHER WITH A GENERAL DESCRIPTION OF THE TYPES OF INDIVIDUALS LIKELY TO BE AFFECTED BY THE ORDINANCE:

The individuals and entities likely to be required to comply with the ordinance or affected by the proposed action (i.e., adoption of the ordinance) can be categorized, as follows: 1) The State of Florida and its residents, 2) the City and its residents, 3) current property owners, and 4) future property owners.



a. The State of Florida

The State of Florida and its residents and general population will not incur any compliance costs related to the establishment and on-going administration of the District, and will only be affected to the extent that the State incurs those nominal administrative costs outlined in Section 3.a.2. below. The cost of any additional administrative services provided by the State as a result of this project will be incurred whether the infrastructure is financed through a CDD or any alternative financing method.

b. City of Green Cove Springs

The City and its residents not residing within the boundaries of the District will not incur any compliance costs related to the establishment and on-going administration of the District other than any one-time administrative costs outlined in Section 3.a.1. below. Once the District is established, these residents will not be affected by adoption of the ordinance. The cost of any additional administrative services provided by the City as a result of this development will be incurred whether the infrastructure is financed through a CDD or any alternative financing method.

c. Current Property Owners

The current property owners of the lands within the proposed District boundaries will be affected to the extent that the District allocates debt for the construction of infrastructure and undertakes operation and maintenance responsibility for that infrastructure.

d. Future Property Owners

The future property owners are those who will own property in the proposed District. These future property owners will be affected to the extent that the District allocates debt for the construction of infrastructure and undertakes operation and maintenance responsibility for that infrastructure.

3. A GOOD FAITH ESTIMATE OF THE COST TO THE AGENCY, AND TO ANY OTHER STATE AND LOCAL ENTITIES, OF IMPLEMENTING AND ENFORCING THE PROPOSED ORDINANCE, AND ANY ANTICIPATED EFFECT ON STATE AND LOCAL REVENUES:



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a. Costs to Governmental Agencies of Implementing and Enforcing the Ordinance

1. City of Green Cove Springs ("Agency")

Because the District encompasses less than 2,500 acres, this petition is being submitted to the City (i.e., the "Agency" under Section 120.541(2), F.S.) for approval in accordance with Section 190.005(2), F.S. The Agency may incur certain one-time administrative costs involved with the review of this petition, although this will be offset by the Petitioner's payment of a one-time filing fee.

Once the District has been established, the Agency will not incur any quantifiable on-going costs resulting from the on-going administration of the District. As previously stated, the CDD operates independently from the County and all administrative and operating costs incurred by the District relating to the financing and construction of infrastructure are borne entirely by the District. The District will submit, for informational purposes, its annual budget, financial report, audit and public financing disclosures to the Agency. Since there are no legislative requirements for review or action, the Agency should not incur any costs. The Agency may, however, choose to review these documents.

2. State of Florida

Once the District has been established, the State of Florida will incur only nominal administrative costs to review the periodic reports required pursuant to Chapters 190 and 189, F.S. These reports include the annual financial report, annual audit and public financing disclosures. To offset these costs, the Legislature has established a maximum fee of \$175 per District per year to pay the costs incurred by the Department of Economic Opportunity to administer the reporting requirements of Chapter 189, F.S. This amount would be funded by District revenues. Because the District, as defined in Chapter 190, F.S., is designed to function as a self-sufficient special-purpose governmental entity, it is responsible for its own management. Therefore, except for the reporting requirements outlined



above, or later established by law, no additional burden is placed on the State once the District has been established.

3. The District

The District will incur costs for operations and maintenance of its facilities and for its administration. These costs will be completely paid for from annual assessments levied against all properties within the District benefiting from its facilities and its services.

b. Impact on State and Local Revenues

It is anticipated that approval of this petition will not have any negative effect on state or local revenues. The District is an independent unit of local government. It is designed to provide community facilities and services to serve the Project. It has its own sources of revenue. No State or local subsidies are required or expected. There is however, the potential for an increase in State sales tax revenue resulting from a stimulated economy although it is not possible to estimate this increase with any degree of certainty. In addition, local ad valorem tax revenues may be increased due to long-lasting increases in property values resulting from the District's construction of infrastructure and on-going maintenance services. Similarly, private development within the District, which will be facilitated by the District's activities, should have a positive impact on property values and therefore ad valorem taxes.

In addition, impact fee and development permit revenue is expected to be generated by private development within the District and, accordingly, should also increase local revenues.

Lastly, some express a concern that a CDD obligation could become a State, County or City obligation thereby negatively affecting State or local revenues. This cannot occur, as Chapter 190 specifically addresses this issue and expressly states: "It is further the purpose and intent of the Legislature that no debt or obligation of a district constitutes a burden on any local general-purpose government without its consent." Section 190.002(3), F.S. "A default on the bonds or obligations of a district shall not constitute a debt or obligation of a local general-purpose government or the state." Section 190.016(15), F.S.



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In summary, establishing the District will not create any significant economic costs for the State of Florida or for the City.

4. A GOOD FAITH ESTIMATE OF THE TRANSACTIONAL COSTS LIKELY TO BE INCURRED BY INDIVIDUALS AND ENTITIES, INCLUDING LOCAL GOVERNMENT ENTITIES, REQUIRED TO COMPLY WITH THE REQUIREMENTS OF THE ORDINANCE:

The transactional costs associated with adoption of an ordinance to establish the District are primarily related to the financing of infrastructure improvements. The District will determine what infrastructure it considers prudent to finance through the sale of bonds. The District plans to provide various community facilities and services to serve the properties within the District. An estimate of these facilities and services, along with their estimated costs, are provided below.

FACILITY	OWNERSHIP	OPERATION / MAINTENANCE
Roadways	City	City
Water & Wastewater	Clay County Utility Authority	Clay County Utility Authority
Stormwater Management	CDD	CDD
Landscape/Entranceway	CDD	CDD
Recreation	CDD	CDD
Electric Service	City of Green Cove Springs	City
Boulevard Street Lighting	City of Green Cove Springs	City
Local Street Lighting	CDD	CDD

Summary of Estimated Construction Costs for District Public Infrastructure Improvements

Description	Estimated Costs
Clearing and Earthwork	\$24,582,851
Stormwater Systems	\$9,226,645
Water and Sewer Utilities	\$33,080,463
Roadway Improvements	\$24,508,879
Recreational Improvements	\$12,792,753
Entry Signage and Landscaping	\$720,763
Landscaping, Berm, Fencing and Fountains	\$258,750
Electric and Street Lighting Conduit	\$11,754,926
Engineering, Surveying, Planning, CEI	\$9,849,575
Total	\$126,775,605

Note: As required by Section 190.0059(1)(a)6, Florida Statutes, the estimated cost of constructing the proposed services are estimates submitted in good faith and are not binding and may be subject to change. Petitioner has submitted cost estimates based on presently anticipated improvements and understands that the amounts listed may change.



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It is important to note that the various costs are typical for developments of the type contemplated here. In other words, there is nothing peculiar about the District's financing estimates for the infrastructure. These costs are not in addition to normal Project costs.

Once the decision is made to issue bonds, it is expected that assessments will be levied against benefited property owners within the proposed District. The revenue generated by payment of these assessments will be used to repay the bonds. The obligation to pay the assessments will "run with the land" and will be transferred to new property owners upon sale of any portions of the property. It should be noted that the District may not fund all of its planned public infrastructure improvements via the issuance of long-term bonds.

To fund the cost of maintaining infrastructure that the District maintains, operation and maintenance assessments may be imposed on the District property owners. As with the special assessments for infrastructure acquisition and construction, the property owner will be responsible for payment of these assessments on the basis of the amount of benefited property owned.

All persons choosing to acquire property in the District will be responsible for such assessments in addition to the taxes or assessments imposed by the City, County or other taxing authorities.

In exchange for the payment of these special assessments, there are potential benefits to be derived by the future property owners. Specifically, these persons can expect to receive a higher level of services because they, the property owners, will elect the members of the District's Board of Supervisors. Further, the District is limited in jurisdiction and responsibility to this single project. Therefore, the District should be extremely responsive to the needs of the property owners within the District.

5. AN ANALYSIS OF THE IMPACT ON SMALL BUSINESSES AS DEFINED BY S. 288.703, AND AN ANALYSIS OF THE IMPACT ON SMALL COUNTIES AND SMALL CITIES AS DEFINED IN S. 120.52:

Establishing the District should not have any negative impact on small businesses. Any business, large or small, has the option of locating itself in a CDD provided the local governmental authority has issued the appropriate land use approvals. Those that choose this option will be subject to the



financial obligations imposed by the District and will accrue the benefits resulting from being in the District.

Furthermore, the District must operate according to Florida's "Sunshine" laws and must follow certain competitive bidding requirements for certain goods and services it will purchase. As a result, small businesses should be better able to compete for District business serving the lands to be included within the District.

A CDD does not discriminate in terms of the size of businesses that can be located within the boundaries or transact business with the CDD.

Establishment of the District should have a positive impact on the small businesses of the local economy. As outlined above, success of the Project should generate increased employment and stimulate economic activity in the area through increased construction expenditures related to infrastructure and private development, thus providing enhanced opportunity for small businesses.

The City of Green Cove Springs is not defined as a small county, for purposes of this requirement.

In addition, establishment of a District should not have a negative impact on small cities or counties, because the cost to construct the infrastructure is borne entirely by the property owners within the District.

6. ANY ADDITIONAL INFORMATION THAT THE AGENCY DETERMINES MAY BE USEFUL:

Certain data utilized in this report was provided by the Petitioner and represents the best information available at this time. Other data was provided by Rizzetta & Company and was based on observations, analysis and experience with private development and other CDD's in various stages of existence.

Finally, it is useful to reflect upon the question of whether the proposed formation of the District is the best alternative to provide community facilities and services to the Project. As an alternative to the District, the City or County could finance the public infrastructure improvements, either directly or through the use of a County-controlled special taxing or assessment district. However, the City or County undertaking the implementation of the improvements would naturally have an impact on the finances of the City and County. Unlike the District, this alternative would require the City or County to continue to administer the Project and its facilities and services. As a



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result, the costs for these services and facilities would not be sequestered to the land directly benefiting from them, as the case would be with the District. Additionally, the financing of the Project through the issuance of debt by a City-created district could impact the County's credit rating.

Another alternative to the District would be for the developer to provide the infrastructure and to use a homeowners association ("HOA") for operations and maintenance of community facilities and services. A District is superior to a HOA for a variety of reasons. First, unlike a HOA, a District can impose and collect its assessments in the same manner as ad valorem property taxes. Therefore, the District is far more assured of obtaining its needed funds than is a HOA. Second, the proposed District is a unit of local government and so must operate pursuant to Florida's Government-in-the-Sunshine laws and other regulations applicable to public entities. Finally, the District has the ability to issue tax exempt municipal-grade bonds to finance the construction of infrastructure improvements providing for a mechanism to lower the impact of costs

A District also is preferable to these alternatives from a government accountability perspective. With a District as proposed, property owners within the District would have a focused unit of government under their direct control. The District can then be more responsive to property owner needs without disrupting other City or County responsibilities.

7. A DESCRIPTION OF ANY REGULATORY ALTERNATIVES SUBMITTED AND A STATEMENT ADOPTING THE ALTERNATIVE OR A STATEMENT OF THE REASONS FOR REJECTING THE ALTERNATIVE IN FAVOR OF THE PROPOSED RULE:

For the above-stated reasons, the alternatives should be rejected and the ordinance establishing the District should be adopted.

