



**MASTER SPECIAL ASSESSMENT METHODOLOGY
REPORT
SPECIAL ASSESSMENT BONDS FOR 2023 PROJECT**

**PREPARED FOR THE
SILVER PALMS COMMUNITY DEVELOPMENT
DISTRICT
BOARD OF SUPERVISORS**

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1.0 INTRODUCTION

Silver Palms (the “Development”) is a residential development containing approximately 47.89 acres and is located in the unincorporated area of Miami-Dade County, Florida. The Silver Palms Community Development District (the “District”) is co-terminus with the Development containing 201 single-family residential units. The District has been established within the Development pursuant to Chapter 190, Florida Statutes to provide for the construction, financing, long-term administration and management of certain infrastructure of the community.

In May of 2004 the Silver Palms Community Development District, (the “District” or “CDD”) issued Special Assessment Revenue Bonds, Series 2004 in the amount of \$2,015,000 to finance District-related public infrastructure consisting of roads, stormwater management, drainage, water, sewer and landscaping improvements (the “Series 2004 Project”). Such public infrastructure was described in the Engineer’s Report prepared by E.R. Brownell & Associates, Inc., dated October 22, 2003 (the “Original Engineer’s Report”). In May 2014, the District issued its Special Assessment Improvement and Refunding Bonds, Series 2014 (the “Series 2014 Bonds”) in the principal amount of \$1,660,000 to retire the Series 2004 Bonds. The Series 2004 Project has been completed.

The District is now contemplating issuing Special Assessment Improvement and Refunding Bonds, Series 2023 (the “Series 2023 Bonds”) for the primary purpose of refunding the Series 2014 Bonds and funding the 2023 Project described herein.

2.0 PROJECTS TO BE FUNDED BY THE DISTRICT

The District is currently projected to finance a portion of the construction of the public infrastructure improvements associated with the Development, including, but not limited to, filling and regrading the eroded banks along the perimeter of the lake with a combination of suitable fill material and geotextile tubes filled with sand. (the “2023 Project”). The total cost of 2023 Project is currently estimated to be \$480,000. A detail of the total project costs is included herein as Table A and is described in the First Supplemental Engineer’s Report dated May 22, 2023 prepared by the District’s engineer, Alvarez Engineers, Inc. dated May 22, 2023.

The Series 2023 Bonds are proposed to be issued to finance the 2023 Project and refund the Series 2014 Bonds. The Series 2023 Bonds will be repaid through the levy of non-ad valorem special assessments on all assessable property within the District.

The construction costs identified in this report were provided by the District’s engineer.

3.0 FUNDING OF IMPROVEMENTS

To defray the costs of construction and acquisition of all or a portion of the 2023 Project, the District will impose non-ad valorem special assessments on benefited real property within the District. These assessments are based on the special and peculiar benefits accruing to such property from the improvements comprising the 2023 Project. The use of non-ad valorem special assessments has an advantage in that the properties that receive the special benefits from the Project are the only properties that are obligated to pay for those facilities and services. Without these improvements, development of the property would not be possible. The capital facilities which will be funded through these special assessments include only facilities which may be undertaken by a community development district

under Chapter 190, F.S. This Master Report is designed to meet the requirements of Chapters 170, 190 and 197, F.S. and will describe the expected terms and conditions of the Bonds.

In summary, special assessments may be made only: (1) for facilities which provide special benefits to property as distinct from general benefits, (2) only against property which receives that special benefit, (3) in proportion to the benefits received by such properties, and (4) according to fair and reasonable methods that the governing body of the jurisdiction determines. The special assessments (both capital special assessments and operation and maintenance special assessments) placed upon the benefited properties within the District must be sufficient to cover the debt service of the Bonds that will be issued for financing all or a portion of the Project and to pay the costs to maintain those portions of the infrastructure that remain under the ownership of the District. The assessments must be fairly and reasonably allocated to the properties being assessed.

4.0 ALLOCATION OF BENEFIT AND ASSESSMENTS

In developing the methodology used for special assessments for the Development in the District two (2) interrelated factors were used:

- A. Allocation of Benefit: Each parcel of assessable land within the District benefits from the proposed improvements.
- B. Cost/Benefit: The special assessments imposed on each assessable parcel of land within the District cannot exceed the value of the benefits provided to such parcel.

The planned improvements comprising the 2023 Project is an integrated system of facilities designed to provide benefits to the assessable property within the District as a whole. The 2023 Project is intended to work as a total system which will provide special benefits for each unit type. The fair and reasonable method of allocating the benefit to each planned residential unit has been accomplished by assigning an *equivalent residential unit* (“ERU”) to each unit. Therefore, for the purpose of this Master Report each single family residential unit will be assigned one (1) ERU. There are no other unit types in the District.

The Assessments will be levied across all 201 residential units in the District. The lien is represented in **Table F**.

In addition to the special assessments imposed for debt service on the Bonds, the District will also levy an annual administrative assessment to fund the costs of operating and managing the District. As each residential dwelling unit will benefit equally from the operation and management of the District and the Project, the annual operation and management assessments will be allocated equally to each assessable lot or unit.

Given the District’s land use plan and the type of infrastructure to be funded by the special assessments, this method will result in a fair allocation of benefits and services and an equitable allocation of costs for the proposed Bonds. However, if the future platting results in changes in land use or proportion of benefit per unit, this allocation methodology may not be applicable and it may be necessary for the District to revise this methodology.

5.0 COLLECTION OF SPECIAL ASSESSMENTS

The proposed special assessments relating to the 2023 Project will be collected through the Uniform Method of Collection described in Chapter 197, Section 197.3632; F.S. or any other legal means available to the District.

Since there are costs associated with the collection of the special assessments (whether by uniform method of collection as authorized under Chapter 197.3632, F.S. or other methods allowed by Florida law), these costs must also be included in the special assessment levy. These costs generally include the 1% collection fee of the County Tax Collector, a 1% service fee of the County Property Appraiser and a 4% discount for early payment of taxes. These additional costs may be reflected by dividing the annual debt service and operation and maintenance assessment amounts by 0.94.

6.0 FINANCING STRUCTURE

The estimated cost of the 2023 Project is approximately \$480,000. The construction program and the costs associated therewith are identified herein on **Table A**.

All or a portion of the capital improvements comprising the 2023 Project is to be financed by the Series 2023 Bonds and when issued which will be payable from and secured by special assessments levied annually on all assessable properties in the District. The total aggregate principal amount of the Bonds that may be issued by the District for the 2023 Project and the refunding of the 2014 Bonds is approximately \$1,750,000. The proceeds of the Bonds will provide approximately \$480,000 for construction related costs. The sizing of the Series 2023 Bonds includes funding for the 2023 project and the balance together with the available funds will be used to refund the 2014 Bonds and pay cost of issuance as shown on **Table B**. Please note the above referenced Series 2023 Bond sizing is a maximum amount used for this Master Report and the District to issue a lesser amount of Series 2023 Bonds that are less than those presented. The Series 2023 Bond debt allocations are shown on **Table D**.

7.0 MODIFICATIONS, REVISIONS AND TRUE-UP MECHANISIM

Allocation of costs and benefits, shown herein on **Table C**, for the 2023 Project financed by the District is based on the number of dwelling units benefited by the infrastructure improvements comprising the 2023 Project. Based on a Series 2023 Bond size of \$1,750,000, at an assumed interest rate of 5.50%, the maximum annual debt service for the Bonds as shown herein on **Table E**, will be approximately \$212,420 which has not been grossed up to include the 1% County Tax Collector fee, 1% County Property Appraiser fee, and 4% discount for early payment of taxes.

8.0 ASSESSMENT ROLL

The District is fully developed and includes the land uses in **Table C**.

9.0 ADDITIONAL STIPULATIONS

Certain financing, development, and engineering data was provided by members of District staff, Consultants and/or the Landowner. The allocation methodology described herein was based on information provided by those professionals. Special District Services, Inc. makes no representations regarding said information beyond restatement of the factual information necessary for compilation of this report.

Special District Services, Inc. does not represent the Silver Palms Community Development District as a Municipal Advisor or Securities Broker nor is Special District Services, Inc. registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Special District Services, Inc. does not provide the Silver Palms Community Development District with financial advisory services or offer investment advice in any form.

TABLE A

PROJECT COST ESTIMATES

SILVER PALMS COMMUNITY DEVELOPMENT DISTRICT

	TOTAL
LAKE BANK RESTORATION	\$ 480,000
TOTAL	\$ 480,000

TABLE B

BOND SIZING

SILVER PALMS COMMUNITY DEVELOPMENT DISTRICT

	BOND SIZING
Par Amount*	\$ 1,750,000 *
Transfer of Revenue Fund	\$ 20,349
Transfer of Reserve Fund	\$ 58,840
Cash Deposit (Refunding of 2014)	\$ (1,000,247)
Debt Service Reserve Fund (DSRF)	\$ (53,105)
Capitalized Interest	\$ (125,596)
Issuance Costs	\$ (169,750)
Construction Fund	\$ (492)
2023 Project Fund	\$ 480,000
Bond Interest Rate	5.50%
Principal Amortization Period (Years)	11

*Subject to change at final bond pricing

TABLE C

ALLOCATION OF PROJECT COSTS

SILVER PALMS COMMUNITY DEVELOPMENT DISTRICT

Product	Number of Units by Type	ERU Factor	Total ERUs	Project Cost Allocation Per Type	Project Cost Allocation Per Unit*
Single Family	201	1.000	201.00	\$ 480,000	\$ 2,388
TOTAL	N/A	N/A	201.00	\$ 480,000	N/A

*Rounded

TABLE D

ALLOCATION OF BOND DEBT

SILVER PALMS COMMUNITY DEVELOPMENT DISTRICT

Product	Number of Units by Type	ERU Factor	Total ERUs	Bond Debt Allocation Per Unit Type	Bond Debt Allocation Per Unit*
Single Family	201	1.000	201.00	\$ 1,750,000	\$ 8,706
TOTAL	N/A	N/A	201.00	\$ 1,750,000	N/A

*Rounded

TABLE E

CALCULATION OF ANNUAL DEBT SERVICE

SILVER PALMS COMMUNITY DEVELOPMENT DISTRICT

	2023 Series Bond Debt
1 Maximum Annual Debt Service	\$ 212,420.00
2 Maximum Annual Debt Service Assessment to be Collected	\$ 225,978.72 *
3 Total Number of Gross Acres	47.89
4 Maximum Annual Debt Service per Gross Acre	\$4,718.70
5 Total Number of Residential Units Planned	201
6 Maximum Annual Debt Service per Unit Type	See Table F

*Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

TABLE F

ALLOCATION OF DEBT SERVICE ASSESSMENTS

SILVER PALMS COMMUNITY DEVELOPMENT DISTRICT

Product	Number of Units by Type	ERU Factor	Total ERUs	**Maximum Annual Debt Assessment Per Unit*	**Maximum Annual Debt Assessment Per Unit Type*
Single Family	201	1.000	201.00	\$ 1,124	\$ 225,979
TOTAL	N/A	N/A	201.00	N/A	\$ 225,979

*Rounded

**Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.