

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**CHANNING PARK
COMMUNITY DEVELOPMENT DISTRICT**

The Continued meeting of the Board of Supervisors of the Channing Park Community Development District was held on **Tuesday, February 27, 2018 at 4:00 p.m.** at the Channing Park Recreation Center, located at 17358 Chelsea Downs Circle, Lithia, Florida 33547.

Present was:

Michael Basso	Board Supervisor, Chairman
Steven Kelly	Board Supervisor, Vice Chairman
Robin Giove	Board Supervisor, Assistant Secretary

Also present were:

Christine Perkins	District Manager, Rizzetta & Company, Inc.
Jere Earlywine	District Counsel, Hopping Green & Sams
Scott Brizendine	Rizzetta & Company, Inc.
Bre Parker	Rizzetta & Company, Inc. (via phone)
Robbie Cox	MBS Capital Markets
Jere Earlywine	District Counsel, Hopping Green & Sams

FIRST ORDER OF BUSINESS

Call to Order

Ms. Perkins called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

Audience Comments

There were no audience members present.

THIRD ORDER OF BUSINESS

Staff Reports

A. District Counsel

1. Presentation of Commitment Letter from Bank of Tampa

Mr. Cox & Mr. Earlywine led a discussion regarding a prospective bond refinance for the District's 2007 bonds, as the goal would be to investigate the possibility of lowering the current interest rate since there are approximately 195 units still paying down debt service. Discussion ensued regarding the current vs. potential interest rate, deferred costs, coordination and discussions with Taylor Morrison, and the pros vs. cons in moving forward.

Mr. Earlywine recommended holding a special meeting for further discussion, and summarized changes that would be made to the Bank of Tampa Commitment Letter reflecting the Board and Staff's recommendations (modifying the cap language, limiting interest rate on existing assessment, changing the indemnification language, and incorporating an opt-out clause).

On a Motion by Mr. Basso, seconded by Ms. Giove, with all in favor, the Board of Supervisors approved to accept the Commitment Letter from Bank of Tampa in substantial form for the Channing Park Community Development District.

B. District Manager

Ms. Perkins communicated to the Board that they will hold a special meeting on March 13, 2018 at 4:00 p.m. for purposes of a further discussion for the prospective bond refinancing matter.

FOURTH ORDER OF BUSINESS

Supervisor Requests

There were no Supervisor Requests.

FIFTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Basso, seconded by Mr. Kelly, with all in favor, the Board of Supervisors adjourned the meeting at 5:20 p.m. for Channing Park Community Development District.


Secretary/Assistant Secretary


Chairman/Vice Chairman

Channing Park CDD

EXHIBIT TO 02-27-18 MINUTES:

MBS Capital Markets, LLC Bond Overview

Presented By: MBS Capital Markets



MBS CAPITAL MARKETS, LLC

Channing Park CDD

February 27, 2018



The Series 2007 Bonds Overview

Series 2007 Bonds Overview

Overview:

- The District issued \$7,240,000 Series 2007 Bonds in March 2007.
- The Series 2007 Bonds are due May 1, 2038 with an average interest rate of 5.30%.
- Current Series 2007 par outstanding: \$1,645,000.
- Series 2007 Bonds Callable: May 1, 2017 @ par.
- Approximately 195 units are paying debt service at various levels due to developer paydowns.



MBS CAPITAL MARKETS, LLC

Existing Document Matters

Deferred Costs

The Supplemental Indenture for the Series 2007 Bonds includes a provision for the repayment of Deferred Costs, which are essentially the costs of the Series 2007 Project funded by the developer above and beyond what was funded by the Series 2007 Bonds.

Deferred Costs are primarily payable from funds in the District's debt service reserve fund, which is a bond account pledged solely to cover any principal and interest on the bonds in the event of a shortfall. Since the amount maintained in reserve is a fixed percentage, excess is generated when the bonds are paid down, either through normal annual payments or when landowners prepay their bond assessments. In absence of some intervening event, the excess is usually paid out to the developer in small amounts over the life of the bonds.

When a District refinances its bonds, all of the funds in the bond accounts must be liquidated. This often presents an opportunity to negotiate a resolution of the Deferred Costs obligation with the developer at some amount less than the full amount remaining in the debt service reserve fund, since the developer could receive a lump sum payment rather than small payments over approximately 20 years. However, the developer is under no obligation to negotiate a reduced amount.

The estimated refunding results presented herein assume a fairly typical settlement of the Deferred Costs obligation and split of the amounts in the debt service reserve fund. Should the District wish to proceed with the refinancing, your staff will discuss potential resolution with the developer.

Estimated Refunding Results

The table below illustrates the estimated refunding results based on preliminary terms provided by Bank of Tampa.

Existing Series 2007 Bonds	
Outstanding Principal Amount of Series 2007 Bonds	\$1,645,000
Current Average Coupon (Interest Rate)	5.30%
Final Maturity	5/1/2038
Current Projected Max Annual Debt Service*	\$132,400
Projected Series 2018 Refunding Bonds	
Estimated Delivery Date	4/1/2018
Estimated Principal Amount of Series 2018 Refunding Bonds	\$1,625,000
Estimated Average Coupon (Interest Rate)	4.00%
Estimated Max Annual Debt Service	\$120,400
Estimated Max Annual Debt Service Reduction \$	\$12,000
Estimated Total Savings Over Life of Bonds \$	\$240,000
Estimated Max Annual Debt Service Reduction %	9.06%
Estimated NPV Savings %	3.42%
Estimated NPV Savings \$	\$51,313
Final Maturity	5/1/2038
Estimated Transactional Costs (Wrapped Into Bond Amount)	\$129,125

*Projected adjustment due to high volume of prepayments by developer.



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Estimated Annual Assessment Reduction

Lot Type	Projected Adjusted Series 2007 Annual Assessments	Estimated Series 2018 Bonds Annual Assessments	Estimated Annual Reduction (\$)	Estimated Annual Reduction (%)
50	\$1,025	\$932	\$93	9.06%
50P	\$516	\$469	\$47	9.06%
50Q	\$774	\$703	\$70	9.06%
60	\$1,148	\$1,044	\$104	9.06%
60P	\$577	\$525	\$52	9.06%
60Q	\$866	\$788	\$79	9.06%
60R	\$376	\$342	\$34	9.06%
75	\$1,353	\$1,231	\$123	9.06%
75P	\$681	\$619	\$62	9.06%
75Q	\$1,021	\$929	\$93	9.06%

Note: All annual amounts include the gross-up for early payment discounts and county costs.



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Refunding Pros vs. Cons

Pros:

- Projected annual assessment reduction of approximately 9% is competitive with other CDD refundings.
- No out of pocket costs or principal increase.
- Potential access to funds in debt service reserve via deferred cost settlement that District would not otherwise realize.
- 4.00% interest rate is highly competitive relative to current market.
- Locks in interest rate that provides savings, eliminates risk of rates rising.
- Rate reduction fixed for life of bonds.
- No early payment restrictions.

Cons:

- Net present value bond savings of 3.4% is on the low end of municipal industry threshold of 3-5% NPV savings. *Min threshold*
- Limited ceiling for refunding benefit, relative to other CDDs, due to low current bond balance and existing rate of 5.30%.

Note: The items above are provided for assistance in evaluating the proposed financing but are not intended to be an exhaustive list of all potential points of consideration.



MBS CAPITAL MARKETS, LLC

Disclosures Regarding Underwriter's Role – MSRB Rule G-17

Disclosures Concerning the Underwriter's Role

- i. Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- ii. The Underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the District and it has financial and other interests that differ from those of the District;
- iii. Unlike a municipal advisor, the Underwriter does not have a fiduciary duty to the District under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the District without regard to its own financial or other interests;
- iv. The Underwriter has a duty to purchase securities from the District at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- v. The Underwriter will review the official statement for the District's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Disclosure Concerning the Underwriter's Compensation

Underwriter's compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest, because it may cause the Underwriter to recommend a transaction that it is unnecessary or to recommend that the size of the transaction be larger than is necessary.



MBS CAPITAL MARKETS, LLC

Disclosures Regarding Underwriter's Role – MSRB Rule G-17

Payments to or from Third Parties. There are no undisclosed payments, values, or credits to be received by the Underwriter in connection with its underwriting of this new issue from parties other than the District, and there are no undisclosed payments to be made by the Underwriter in connection with this new issue to parties other than the District (in either case including payments, values, or credits that relate directly or indirectly to collateral transactions integrally related to the issue being underwritten). In addition, there are no third-party arrangements for the marketing of the District's securities.

Profit-Sharing with Investors. There are no arrangements between the Underwriter and an investor purchasing new issue securities from the Underwriter (including purchases that are contingent upon the delivery by the District to the Underwriter of the securities) according to which profits realized from the resale by such investor of the securities are directly or indirectly split or otherwise shared with the Underwriter.

Credit Default Swaps. There will be no issuance or purchase by the Underwriter of credit default swaps for which the reference is the District for which the Underwriter is serving as underwriter, or an obligation of that District.

Retail Order Periods. For new issues in which there is a retail order period, the Underwriter will honor such agreement to provide the retail order period. No allocation of securities in a manner that is inconsistent with an District's requirements will be made without the District's consent. In addition, when the Underwriter has agreed to underwrite a transaction with a retail order period, it will take reasonable measures to ensure that retail clients are bona fide.

Dealer Payments to District Personnel. Reimbursements, if any, made to personnel of the District will be made in compliance with MSRB Rule G-20, on gifts, gratuities, and non-cash compensation, and Rule G-17, in connection with certain payments made to, and expenses reimbursed for, District personnel during the municipal bond issuance process.