

**APPENDIX D**

**SUPPLEMENTAL SPECIAL ASSESSMENT ALLOCATION REPORT**

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***SUPPLEMENTAL  
SPECIAL ASSESSMENT ALLOCATION REPORT***

***PINE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT***

***SPECIAL ASSESSMENT BONDS, SERIES 2004***

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INCORPORATED

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**PINE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2004**

**SUPPLEMENTAL  
SPECIAL ASSESSMENT ALLOCATION REPORT**

**I. OVERVIEW**

This Supplemental Special Assessment Allocation Report relates to the proposed financing of infrastructure for the Pine Island Community Development District. The District consists of approximately 1,805 Total Acres on which it is currently contemplated that a total of approximately 801 residential units, 96,000 square feet of commercial space and one golf course will be developed. The District proposes to issue Special Assessment Bonds, Series 2004, to fund the construction and/or acquisition of a portion of the Series 2004 Improvements that will provide special benefit to all parcels of land within the development. The Series 2004 Bonds will be secured by and repaid from special assessments levied on the Benefited Parcels. For purposes of this report, the assessments levied on the Benefited Parcels to repay the Series 2004 Bonds are referred to as Series 2004 Assessments. The product type and the total number of units or square feet within each product type that will be subject to the Series 2004 Assessments are shown on Table 1 of Exhibit A of this report.

**II. DEFINED TERMS**

**"Benefited Parcels"** - Parcels of land within the development that receive special benefit from the construction and/or acquisition of the Series 2004 Improvements.

**"District"** - Pine Island Community Development District

**"Equivalent Assessment Unit"** – (EAU) An estimate of the relationship between the product types, based on a comparison of the land area of each product, and is used as a comparison of the estimated benefit received by each product type.

**"Series 2004 Assessments"** - Annual assessments required to repay the Series 2004 Bonds. Series 2004 Assessments include principal, interest and collection costs.

**"Series 2004 Bonds"** – Special Assessment Bonds issued for an approximately 30 year term to fund the construction and/or acquisition of a portion of the Series 2004 Improvements.

**"Series 2004 Improvements"** - Construction and/or acquisition of public infrastructure planned for the development. Total cost for the Series 2004 Improvements is estimated to be \$44,325,210 of which \$19,385,000 will be funded with proceeds of the Series 2004 Bonds.

**"Platted Units"** – Benefited Parcels which have been platted.

**"Remaining Units"** - Benefited Parcels remaining to be platted.

**"Total Acres"** - Gross acres consisting of all land within the boundaries of the District.

### **III. SERIES 2004 IMPROVEMENTS**

The Series 2004 Improvements to be constructed and/or acquired include storm water management, water system, reclaimed water system, sanitary sewer system, storm sewer system, landscape and hardscape, land acquisition and associated professional fees. The cost of the Series 2004 Improvements is estimated to be \$44,325,210, of which approximately \$19,385,000 will be funded with proceeds of the Series 2004 Bonds. It is anticipated that the balance of the Series 2004 Improvements will be funded directly by the developer.

The estimated construction costs of the Series 2004 Improvements identified above were provided by the District's engineer. The plans & specifications are available at the office of the District Engineer. Rizzetta & Company, as Financial Consultant to the District, makes no representation regarding the accuracy or validity of those costs and did not undertake any analysis or verification regarding such costs or their allocation.

### **IV. FINANCING PLAN**

A portion of the Series 2004 Improvements described above will be funded with the Series 2004 Bonds. The Series 2004 Bonds will be secured by assessments levied on the Benefited Parcels identified on Table 4 of Exhibit A of this report. The Series 2004 Bonds proceeds will be used to finance the construction and/or acquisition of approximately \$19,385,000 of the Series 2004 Improvements and will require a par amount of \$22,780,000. The par amount of the bonds includes the construction fund, capitalized interest, original issue discounts, if any, reserves and issue costs. These bonds are expected to be repaid by Series 2004 Assessments levied on the Benefited Parcels as identified on Table 4 of Exhibit A of this report.

The annual debt service for the Series 2004 Bonds is approximately \$1,595,906 and includes both principal and interest. This is based on an issue of \$22,780,000 with a December 1, 2004 dated date, maturing on May 1, 2035, a 5.75% coupon rate and 30 annual principal amortization installments due May 1, 2006 through May 1, 2035 and 11 months of capitalized interest through the November 1, 2005 interest payment. The annual debt service payment was then adjusted to allow for early payment discounts of 4% and Lake County collection fees of 2%, resulting in a total annual Series 2004 Assessment, including principal, interest and collection costs of \$1,697,773.

### **V. ALLOCATION METHODOLOGY**

As described above, the District contemplates issuing a total of \$22,780,000 of Series 2004 Bonds to fund the construction and/or acquisition of a portion of the Series 2004 Improvements. This debt is to be allocated among the Benefited Parcels in proportion to the benefit received from the construction of the Series 2004 Improvements pursuant to the allocation methodology described herein.

The initial allocation of the assessments for the Series 2004 Bonds will be to each of the various types of land uses planned for development. It was determined that each platted unit within these product types will

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receive a similar amount of benefit from the construction and/or acquisition of the Series 2004 Improvements. Therefore, a standard allocation will be computed for each such product type based on an allocation factor using Equivalent Assessment Units for each product type as a percentage of total EAUs for all products planned for development within the district. The EAU factors for each product are listed below.

<u>Product Type</u>	<u>EAU Factor</u>
Single Family	2.00
Commercial	1.00

The subsequent allocation to each lot within each product type will be on a pro-rata basis. (i.e., total assessment allocated to a product type divided by the number of units in that product type) This allocation is made because it was determined that there is no material difference in the benefit received, from the construction and/or acquisition of the Series 2004 Improvements among the units within each product type because all units are expected to be of generally similar size.

## **VI. MODIFICATIONS AND REVISIONS**

Allocation of costs and benefit for the improvements is based on the expected land use or planned number of residential lots or units within each product type that will be achieved when the Benefited Parcels are platted into individual lots or units. In order to ensure sufficient revenue from such special assessments is received from the subsequent platting of the lands within the District into individual lots or units, the District will be required to perform a "true-up" analysis which would require a periodic computation to determine the total Platted Units and the planned number of Remaining Units within each product type.

As residential units are platted, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is equal to or greater than that of the Total Units, no action would be required at that time. However, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is less than that of the Total Units, the Developer will be obligated to immediately remit, to the Trustee, for deposit into the redemption account pursuant to the Trust Indenture, the total assessment for the difference between the Total Units and the sum of the Platted Units and the Remaining Units. This total assessment is the principal amount of the Series 2004 Bonds allocated to each unit based on the methodology described herein plus applicable interest and as shown on Table 4 of Exhibit A of this report. The true-up computation will be required each time additional units within the District are platted.

In the event that these tracts or any other additional land not currently subject to the assessments as described herein is developed in such a manner as to receive special benefit from the improvements also described herein, it is contemplated that this assessment methodology will be re-applied to include such additional land. The additional land will, as a result of re-applying this allocation methodology, then be allocated an appropriate share of the special assessments while all currently assessed lands will receive a relative reduction in their assessments.

The final assessment roll is shown on Page A-5 of Exhibit A of this report.

# **EXHIBIT A**

**ALLOCATION METHODOLOGY**

**AND**

**FINAL ASSESSMENT ROLL**



**PINE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2004**

<b>TABLE 1: PROJECT STATISTICS</b>					
<b><u>PRODUCT</u></b>	<b><u>PER UNIT</u></b>	<b><u>UNITS PER PHASE</u></b>		<b><u>TOTAL</u></b>	
	<b><u>EAU (1)</u></b>	<b><u>PI 1</u></b>	<b><u>PI 2</u></b>	<b><u>UNITS</u></b>	
Single Family	2.00	483	318	801	Lots
Commercial	1.00	34.00	62.00	96.00	1K SF
<b>TOTAL</b>		<b><u>517.00</u></b>	<b><u>380.00</u></b>	<b><u>897.00</u></b>	

(1) Equivalent Assessment Unit

**PINE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2004**

**TABLE 2: TOTAL INFRASTRUCTURE COST DETAIL**

<u>DESCRIPTION</u>	<u>TOTAL COST</u>
Stormwater Management System	\$16,263,707
Drinking Water System	\$1,769,289
Reclaimed Water System	\$1,774,649
Sanitary Sewer System	\$4,203,433
Storm Sewer System	\$2,180,253
Landscape & Hardscape	\$10,570,000
Contingency @	\$3,576,133
Design Fees @	\$3,933,746
Permitting Fees	\$54,000
<b>Total Costs</b>	<b><u><u>\$44,325,210</u></u></b>
Estimated Costs Funded With Series 2004 Bonds	\$19,385,000
Estimated Costs Funded Directly By Developer	\$24,940,210
<b>Total Costs</b>	<b><u><u>\$44,325,210</u></u></b>

**SOURCE:** Cost estimates provided by District engineer.

**PINE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2004**

<b>TABLE 3: FINANCING INFORMATION - SERIES 2004 LONG TERM BONDS</b>		
Coupon Rate		5.75%
Term (Years)		31
Principal Amortization Installments		30
<b>ISSUE SIZE</b>		<b>\$22,780,000</b>
Construction Fund		\$19,385,000 (2)
Capitalized Interest (Months)	11 (1)	\$1,078,858 (3)
Debt Service Reserve Fund	7.01%	\$1,595,906 (4)
Underwriter's Discount	1.89%	\$430,600
+ Premium / - Discount		\$113,900
Cost of Issuance		\$175,000
Rounding		\$736
<b>ANNUAL ASSESSMENT</b>		
Annual Debt Service (Principal plus Interest)		\$1,595,906
Collection Costs and Discounts @	6.00%	\$101,866
<b>TOTAL ANNUAL ASSESSMENT</b>		<b><u><u>\$1,697,773</u></u></b>
<p>(1) Based on a December 1, 2004 dated date and capitalized through the November 1, 2005 interest payment date.</p> <p>(2) Gross funded.</p> <p>(3) Net funded.</p> <p>(4) Based on maximum annual debt service.</p>		

**PINE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2004**

**TABLE 4: ALLOCATION METHODOLOGY - SERIES 2004 LONG TERM BONDS (1)**

<u>PRODUCT</u>	<u>PER UNIT EAU</u>	<u>TOTAL EAUs</u>	<u>% OF EAUs</u>	<u>UNITS</u>	<u>PRODUCT TYPE</u>		<u>PER UNIT</u>	
					<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>	<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>
Single Family	2.00	1,602.00	94.35%	801	\$21,492,085	\$1,601,785	\$26,832	\$2,000
Commercial	1.00	96.00	5.65%	96.00	\$1,287,915	\$95,987	\$13,416	\$1,000
<b>TOTAL</b>		<b><u>1,698.00</u></b>	<b><u>100.00%</u></b>	<b><u>897.00</u></b>	<b><u>\$22,780,000</u></b>	<b><u>\$1,697,773</u></b>		

(1) Allocation of total bond principal (i.e., assessment) based on equivalent assessment units. Individual principal and assessments calculated on a pro-rata basis.

(2) Includes principal, interest and collection costs.

**PINE ISLAND  
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SPECIAL ASSESSMENT BONDS, SERIES 2004**

<b>FINAL ASSESSMENT ROLL</b>				
<b>SERIES 2004 ASSESSMENTS</b>				
<b>ASSESSMENTS ON PLATTED LOTS</b>			<b>SERIES 2004 PER LOT ASSESSMENTS</b>	
<u>FOLIO # RANGE</u>	<u># LOTS</u>		<u>TOTAL</u>	<u>ANNUAL</u>
12-22-26-0500-000-00100 through 12-22-26-0500-000-39800	398		\$26,832	\$2,000
<b>TOTAL ASESMENTS ON PLATTED LOTS</b>			<b>\$10,678,963</b>	<b>\$795,893</b>
<b>ASSESSMENTS ON UNPLATTED LAND</b>			<b>SERIES 2004 ASSESSMENTS</b>	
<u>FOLIO #</u>	<u># ACRES</u>	<u>% OF ACRES</u>	<u>TOTAL</u>	<u>ANNUAL</u>
01-22-26-0004-000-00401	1.00	0.06%	\$6,701	\$499
07-22-27-0001-000-00100	239.00	13.23%	\$1,601,499	\$119,358
11-22-26-0004-000-02600	12.00	0.66%	\$80,410	\$5,993
11-22-26-0004-000-03000	0.22	0.01%	\$1,474	\$110
11-22-26-0004-000-03200	5.00	0.28%	\$33,504	\$2,497
11-22-26-0004-000-03300	16.00	0.89%	\$107,213	\$7,991
12-22-26-0001-000-00100	146.00	8.08%	\$978,322	\$72,913
12-22-26-0001-000-01500	325.11	18.00%	\$2,178,508	\$162,362
12-22-26-0001-000-01600	3.56	0.20%	\$23,855	\$1,778
12-22-26-0002-000-01200	35.33	1.96%	\$236,740	\$17,644
12-22-26-0003-000-00200	10.00	0.55%	\$67,008	\$4,994
13-22-26-0001-000-00100	268.00	14.84%	\$1,795,824	\$133,841
13-22-26-0002-000-00200	52.00	2.88%	\$348,443	\$25,969
13-22-26-0004-000-00300	128.50	7.12%	\$861,057	\$64,174
13-22-26-0004-000-00400	128.50	7.12%	\$861,057	\$64,174
14-22-26-0001-000-00100	75.00	4.15%	\$502,563	\$37,456
14-22-26-0001-000-00200	16.75	0.93%	\$112,239	\$8,365
14-22-26-0004-000-01601	8.00	0.44%	\$53,607	\$3,995
18-22-27-0001-000-00100	108.00	5.98%	\$723,690	\$53,936
24-22-26-0001-000-00600	15.30	0.85%	\$102,523	\$7,641
24-22-26-0001-000-01300	15.30	0.85%	\$102,523	\$7,641
11-22-26-0003-000-02300	37.66	2.09%	\$252,353	\$18,808
11-22-26-0003-000-03400	4.10	0.23%	\$27,473	\$2,048
11-22-26-0003-000-04000	0.90	0.05%	\$6,031	\$449
11-22-26-0004-000-02500	92.00	5.09%	\$616,477	\$45,945
14-22-26-0001-000-00402	29.67	1.64%	\$198,814	\$14,817
11-22-26-0004-000-02900	33.00	1.83%	\$221,128	\$16,480
<b>TOTAL ASESMENTS ON UNPLATTED LAND</b>	<b>1,805.90</b>	<b>100.00%</b>	<b>\$12,101,037</b>	<b>\$901,879</b>

**SERIES 2004**

1. The total assessment represents the principal amount of the bonds only.
2. The annual assessment is the amount necessary to repay the bonds including principal, interest, collection fees and early payment discounts.
3. Repayment of principal will be in 30 annual installments.