

## Merger will be first in state

By: Bill Parsons

Vice Chairman Seven Oaks CDD

On March 3, 2010, Seven Oaks will become the first community in Florida to merge two Community Development Districts (CDDs). When something is being done for the first time, it is not easy, and this project has been no exception. There were doubts if the two CDDs should be merged, delays that required the Boards to contact our State Representative, legal fees that had more than doubled, and a significant change in the law during the last stages of approval.

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The above power lines that go through Seven Oaks east/west just north of the clubhouse are the dividing line for CDD I and CDD II. On March 3, the CDDs will merge and the power lines will no longer serve this function.



The above picture shows some of the damage that the cold weather did to shrubs and trees in Seven Oaks. The CDD Boards are working the landscaper to replace the damaged landscaping during March and April.

## Cold damages landscaping

By: Bill Parsons

Vice Chairman Seven Oaks CDD

The record breaking cold weather during January did considerable damage to the Seven Oaks landscaping. The CDD Boards understand that the landscaping is one of the reasons why people want to live in Seven Oaks so we are working with Vivicon, our landscaper, to restore Seven Oaks to the same condition as it was prior to the cold weather. It will take time, patience, and money to get there.

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**CDDs Merge March 3, 2010**

The first big decision was should the two CDDs at Seven Oaks merge. On January 9, 2008 at a special workshop attended by more residents than any CDD or SOPOA meeting, Pete Williams, Rizzetta's Director of Management and Financial Services, explained why Seven Oaks has two CDDs, how the merger would change the way the Board members are elected, what the merger would cost, what impact it would have on the Series 2001A bond for CDD I and the Series 2003A and 2004A bonds for CDD II. There were many questions at the workshop. A couple of months later at the March 12, 2008 CDD meetings, the boards approved for the staffs to take the necessary actions to merge the two CDDs. At the meeting, it was estimated by Rizzetta that it would take 12 months.

When the CDD boards changed to resident controlled in November 2008, the resident CDD boards monitored the progress at each meeting. The petition to merge the two CDDs is very bureaucratic in that the county and state staffs had to review it, and the Governor and his cabinet had to approve it. In March 2009, the merger package was being delayed by one of the state offices in Tallahassee. The Board sent Rep. Weatherford an email asking for his help. Shortly after this email, the package was completed by this office and continued to move through the process.

These delays were also increasing our legal cost. Since this was the first time, the state staff had numerous questions that the CDD attorney was answering. By July 2008, the estimated legal fees had more than doubled the original estimate of \$20,000. The CDD boards worked closely with the attorney to keep legal fees to a minimum. For example, the attorney would monitor meetings in Tallahassee from his office rather than being there in person to answer questions. Even though the legal cost will be about three times the original estimate when the merger is completed, the total cost of the merger should be recouped in about two years.

Not only did the state have many questions but as they were reviewing our petition, they decided to change the state law on July 1, 2009 while we were in the final stages of merging CDDs. When the Board process was started at the March 12, 2008 CDD meeting, the law required that if CDDs merged it would be like creating a new CDD. Therefore, new Board members would have to be elected by landowner elections for the first six years.

Many Seven Oaks residents were not in favor of this aspect of the merger. The change allowed the two CDDs to designate a surviving CDD that could continue their conversion process to the general elections. Fortunately, the law was changed just in time to take advantage of the change. For Seven Oaks, the surviving CDD will be the CDD I which has a Board consisting of residents from both CDD I and CDD II.

Was it worth the effort and expense? Yes, I think so. When the Districts are merged, all of Seven Oaks will be governed by one CDD Board. This will eliminate any potential disagreement that can occur between two boards that would cause each CDD to use their attorney to resolve the issue with the residents having to pay the legal cost for both CDDs. The CDD will also realize savings in administrative expenses that is estimated to be approximately \$50,000 per year. These are hard economic times. I believe this change will help keep the CDD assessments as low as possible.

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**Landscape cleanup in February/March**

Vivicon has recommended that the dead foliage stay on the woody stemmed plants and trees until mid-March when the last threat of frost or freeze has passed. They believe this will help protect the plants from the next cold spell. They have inspected the more sensitive plants such as the ones with color. If the stems on the plants are dead to the ground, they will cut them back. Since most of these plants came back last year, we are hoping that the same occurs this year. Rizzetta believes they can provide a fairly accurate cost estimate of the damage after the end of March when it can be determined what plants will and won't push out new growth.

The Board knows the importance of the landscaping as more funds are spent on it than any other area at Seven Oaks. From the fiscal year October 1, 2008 to September 30, 2009, the two Seven Oaks CDD Boards paid over \$1,000,000 to maintain the landscaping at Seven Oaks. This included about \$850,000 for maintenance, \$37,000 to replace dead plants, and \$115,000 for mulch and fertilizer. The landscaping is a large investment for Seven Oaks. It is one of the features that makes Seven Oaks a premiere community in the Tampa Bay area. The Board is prepared to protect and insure Seven Oaks' reputation does not change.