

**BEFORE THE COUNTY COMMISSION  
POLK COUNTY, FLORIDA**

IN RE:           A Petition to Establish the Grenelefe           )  
                  Community Development District           )  
\_\_\_\_\_

**AFFIDAVIT ADOPTING WRITTEN, PRE-FILED TESTIMONY**

STATE OF FLORIDA

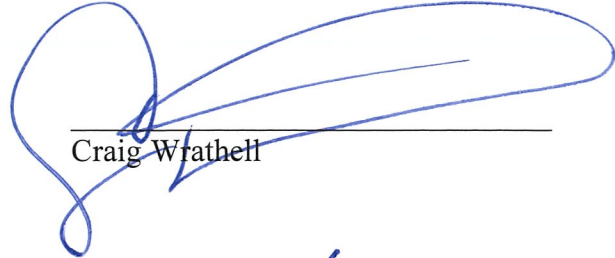
COUNTY OF Palm Beach

I, Craig Wrathell ("Affiant"), being first duly sworn, do hereby state for my affidavit as follows:

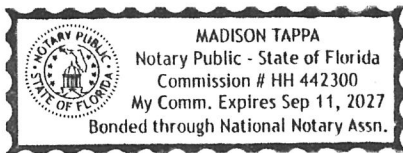
1.       I have personal knowledge of the matters set forth in this affidavit.
2.       My name is Craig Wrathell and I am the Managing Member of Wrathell, Hunt & Associates, LLC.
3.       The prepared written, pre-filed testimony consisting of eight (8) pages, submitted under my name to the County Commission of Polk County relating to the Petition to Establish ("Petition") the Grenelefe Community Development District ("District") and attached hereto, is true and correct.
4.       If I were asked the questions contained in the pre-filed testimony orally at the District establishment hearing, my oral answers would be substantially the same as the written answers presented in my pre-filed testimony.
5.       My credentials, experience and qualifications concerning my work are accurately set forth in my pre-filed testimony.
6.       My pre-filed testimony addresses the various managerial, operational and financial aspects related to the Petition.
7.       No corrections or amendments to my pre-filed testimony are required.

Under penalties of perjury, I declare that I have read the foregoing and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this 15<sup>th</sup> day of August, 2024.

  
\_\_\_\_\_  
Craig Wrathell

SWORN TO and SUBSCRIBED before me by means of ☒ physical presence or ☐ online notarization, this 15<sup>th</sup> day of August, 2024 by the Affiant.



[notary seal]

Madison Tappa

(Official Notary Signature)

Name: Madison Tappa

Personally Known

OR Produced Identification \_\_\_\_\_

Type of Identification \_\_\_\_\_

1                   **TESTIMONY OF CRAIG WRATHELL FOR THE ESTABLISHMENT**  
2                   **OF THE GRENELEFE COMMUNITY DEVELOPMENT DISTRICT**  
3

4   **1.     Please state your name and business address.**  
5

6           My name is Craig Wrathell. My business address is 2300 Glades Road, Suite 410W,  
7           Boca Raton, Florida 33431.  
8

9   **2.     By whom are you employed and in what capacity?**  
10

11          I am the Managing Member of Wrathell, Hunt & Associates, LLC.  
12

13   **3.     What is the nature of your firm's business?**  
14

15          Wrathell, Hunt and Associates, LLC, is a management and financial consulting firm. The  
16          firm provides four (4) types of general services to its clients:  
17

- 18               (1)     Management and Financial Accounting Services for Community
- 19                       Development Districts
- 20               (2)     Economic studies including Statement of Estimated Regulatory Costs,
- 21                       sales tax, and assessment analysis
- 22               (3)     Long Term Strategic Planning for clients
- 23               (4)     Preparation of Special Assessment Methodologies  
24

25   **4.     Do you work with both public and private sector clients?**  
26

27          Yes. I work with a number of public sector clients that include community  
28          development districts ("CDD") across the state. I also work with various private  
29          companies as well.  
30

31   **5.     Please describe your educational background.**  
32

33          I received a Master of Arts degree in International Studies, from the University of  
34          Miami in 1997. I earned a Bachelor of Arts degree in Political Science from Florida  
35          Atlantic University in 1995.  
36

37   **6.     Please describe your work with CDDs in Florida.**  
38

39          I currently serve as District Manager for over 20 CDDs, while managing an office  
40          responsible for over 180 CDDs and special districts.  
41

42          I have served as District Manager for over 150 Community Development and Special Act  
43          Districts throughout the State of Florida, developing and administered budgets, totaling  
44          over \$250 million in annual revenues, to fund administrative, operational and  
45          maintenance needs, water and wastewater utility operations, and debt service obligations.  
46          I also administered the issuance of over \$1.2 billion in tax exempt municipal bonds for  
47          community improvements.

1  
2 My company serves as the Assessment Methodology Consultant to the CDDs serviced  
3 by my personnel. Accordingly, I generally am a primary point of contact for the CDD  
4 with respect to all issues related to CDD finance and assessments, which is a process  
5 that begins at the establishment phase, and continues through the issuance of bonds, and  
6 collection of assessment revenues from landowners. As such, I engage in tasks which  
7 include, but are not limited to, preparing Statements of Estimated Regulatory Costs, and  
8 consulting on the bond financing process and related assessments.  
9

10 Prior to the creation of Wrathell, Hunt and Associates, LLC in January 2005, I worked  
11 for Severn Trent Services for over six years and Special District Services for  
12 approximately a year. During my 26-year professional career, I have managed  
13 community development districts, stewardship districts, special act districts and other  
14 forms of special districts as well as served as the first City Manager for the City of  
15 Marathon in the Florida Keys.  
16

17 **7. What has been your role with respect to the proposed Grenelefe Community**  
18 **Development District (“Proposed District”) establishment proceeding?**  
19

20 My firm serves as a financial, economic, and management consultant relating to the  
21 establishment of the proposed District. Specifically, we prepared Exhibit 7, the  
22 Statement of Estimated Regulatory Costs (“SERC”), of the *Petition to Establish the*  
23 *Grenelefe Community Development District* (“Petition”).  
24

25 **DISTRICT MANAGEMENT**  
26

27 **8. At this point, I will ask you to address certain matters that relate to CDD**  
28 **management. Please describe the general manner in which a CDD actually**  
29 **operates.**  
30

31 CDDs are governed by a five-member Board of Supervisors (“Board”). These Board  
32 members are initially appointed by the establishment entity in its ordinance. Within 90  
33 days of the establishment of the CDD, a new board is elected by the landowner in the  
34 CDD. The Board is the governing body of the CDD. The Board employs a district  
35 manager, who supervises the district’s services, facilities, and administrative functions.  
36 The Board annually considers and, after public notice and hearing, adopts a budget. The  
37 CDD submits a copy of the proposed budget to the applicable local general-purpose  
38 government for review and optional comment prior to its adoption each year.  
39

40 **9. Are there requirements, such as the open meetings and public records laws, imposed**  
41 **upon CDDs in order to safeguard the public that are similar to those imposed upon**  
42 **other general purpose local governments?**  
43

44 Yes, there are.  
45

46 **10. Please describe these requirements and safeguards.**  
47

1 It is important to note that the establishment of a CDD does not change any requirements  
2 for governmental approval of construction within the CDD. Any land development  
3 requirements and all state and local development regulations still apply.  
4

5 Members of the Board must be residents of Florida and citizens of the United States.  
6 After the Board shifts to being elected by the resident electors of the CDD, the  
7 supervisors must also be residents and electors of the CDD. Board members must  
8 annually file similar financial disclosure forms required by other local officials.  
9

10 Under the Government in the Sunshine laws, all CDD Board meetings are open to the  
11 public, and other restrictions are imposed under Chapter 286, *Florida Statutes*. Further,  
12 all documents of the CDD are available to the public upon request, in accordance with  
13 Florida public records law. Additionally, like other political subdivisions, a CDD is  
14 required to send financial reports to the Department of Financial Services. Also, a CDD  
15 is audited by an independent certified public accountant every year.  
16

17 Finally, to impose special or non-ad valorem assessments under Chapter 170, *Florida*  
18 *Statutes*, a CDD must provide published and mailed notice to those who are assessed.  
19 That assessment process entails preparation of a methodology that fairly and equitably  
20 allocates the cost of the CDD's projects.  
21

22 **11. Please describe in general terms how a CDD operates financially.**  
23

24 In the early stages, particularly when a CDD is formed in mid-year, the CDD's operating  
25 funds may be funded by a "funding agreement" between the CDD and the  
26 landowner/developer in lieu of assessments that the CDD might have imposed on  
27 property within the CDD.  
28

29 In order to provide long term financing of capital projects, CDDs often issue bonds. All  
30 bonds issued by CDDs must be secured by a trust agreement, and any bond maturing over  
31 a period of more than five years must be validated and confirmed by court decree  
32 pursuant to Chapter 75, *Florida Statutes*. The CDD also may borrow funds on a long or  
33 short-term basis.  
34

35 Debt may be retired by the district through non-ad valorem or special assessments  
36 imposed on benefited properties, or rates, fees, and charges imposed on users of CDD  
37 facilities and services. By law, debt of the CDD cannot become debt of any other  
38 government (city, county or state), without that government's consent.  
39

40 **12. What alternatives, other than CDDs, are you familiar with that might be available**  
41 **to provide community infrastructure for the lands within the Proposed District?**  
42

43 In my opinion there are two alternatives that might provide community infrastructure  
44 such as the roads, utilities, drainage, and other improvements contemplated for the  
45 Proposed District. First, the general-purpose local government could finance the  
46 improvements utilizing special assessments and general funds. Alternatively, the  
47 developer could provide infrastructure through private means, including private financing

1 if available. As discussed later in my testimony, neither of these alternatives is preferable  
2 to the use of the CDD concept.  
3

4 **13. Do you have an opinion, as someone experienced in district management and**  
5 **operations, as to whether the Proposed District is the best available alternative for**  
6 **delivering community services and facilities to the areas that will be served by the**  
7 **Proposed District?**  
8

9 Yes. For this project, the Proposed District is the best alternative available for delivering  
10 the proposed services and facilities to the area that will be served. These improvements  
11 include but are not limited to stormwater management facilities, roadways,  
12 hardscape/landscape/irrigation, streetlighting and undergrounding of electric, and offsite  
13 improvements.  
14

15 **14. What is the basis for your opinion?**  
16

17 Polk County ("County") could finance the roadway and drainage improvements utilizing  
18 special assessments or general funds. The developer and/or a homeowner's association  
19 could provide these facilities, as well as the water and sewer facilities, through private  
20 financing.  
21

22 In evaluating these alternatives, it is important to consider whether the alternative can  
23 provide focused services, can effectively and efficiently manage and maintain the  
24 facilities, and whether the alternative can secure low cost, long-term public financing.  
25 The County clearly provides the long-term perspective and is a stable and relatively low  
26 cost source of financing and provider of services at sustained levels. However, the  
27 County has substantial demands over a broad geographical area that places a heavy  
28 management delivery load on its staff. In addition, if dependent district financing were  
29 used, the County would be responsible for all administrative aspects of the dependent  
30 district. By using a dependent district mechanism, the County would be increasing its  
31 responsibility, and hence liability, for the variety of actions that will take place in the  
32 Grenelefe development. By contrast, a CDD can be created to provide focused attention  
33 to a specific area in a cost-effective manner. It also allows the County to focus staff time,  
34 finances, and other resources elsewhere and does not burden the general body of  
35 taxpayers in the County with the debt associated with this growth.  
36

37 The other alternative is the use of private means – either through a property owner's  
38 association or through the developer, or both in combination. This combination can  
39 clearly satisfy the high demand for focused service and facilities and managed delivery.  
40 However, only a public entity can assure a long-term perspective, act as a stable provider  
41 of services and facilities, qualify as a lower cost source of financing and pay for services  
42 at sustained levels. Property owners' associations lack the ability to effectively finance  
43 these types of improvements. Their ability to assure adequate funds for sustained high  
44 levels of maintenance is less than with a CDD.  
45

46 Furthermore, neither the developer nor a POA would be required to conduct all actions  
47 relating to the provision of these improvements in the "Sunshine" as a CDD must, or

1 abide by other public access requirements that are incumbent upon a CDD and its Board.  
2 Also, provision and long term operation and maintenance of these improvements,  
3 particularly the recreation and drainage activities, by a CDD ensures that residents have  
4 guaranteed access to the body or entity making decisions about these facilities, and in fact  
5 will one day sit as the five member Board making the decisions that impact their  
6 community directly.  
7

8 A CDD is an independent, special-purpose unit of local government designed to focus its  
9 attention on providing the best long-term service to its specific benefited properties and  
10 residents. It has limited power and a limited area of jurisdiction. The Proposed District  
11 will be governed by its own Board and managed by those whose sole purpose is to  
12 provide the Proposed District long term planning, management and financing of these  
13 services and facilities. This long-term management capability extends to the operation  
14 and maintenance of the facilities owned by the Proposed District. Further, the sources for  
15 funding and manner of collection of funds will assure that the Proposed District's  
16 facilities will be managed at the sustained levels of quality desired by residents well into  
17 the future.  
18

19 **15. As someone experienced in district management, is the area to be included within**  
20 **the Proposed District of sufficient size, compactness, and sufficiently contiguous to**  
21 **be developable as one functional, interrelated community?**  
22

23 Yes. From a management perspective, the area to be included within the Proposed  
24 District is of sufficient size, compactness and is sufficiently contiguous to be developable  
25 as one functional, interrelated community.  
26

27 **16. What does the term “functionally interrelated community” mean?**  
28

29 Local governments provide developments with the criteria for the elements of  
30 infrastructure to provide for the facilities and services, including stormwater drainage,  
31 water, sewer, and other facilities and services. Functional unification means that each  
32 provided facility and service has a mutual reinforcing relationship to one another, with  
33 each facility and service designed to contribute to the development and maintenance of  
34 the community as a whole. Each facility and service must meet the growth and  
35 development of the community, so a management capability and a funding source are  
36 required for each service and facility. Thus, each of these necessary facilities and services  
37 must be integrated, unified, and connected into a long-range plan.  
38

39 **17. What is the basis for your opinion?**  
40

41 First, the lands to be included within the Proposed District have sufficient infrastructure  
42 needs to be developable as a functionally interrelated community. Second, this necessary  
43 infrastructure can be provided by the Proposed District in a cost effective manner based  
44 upon the specific design of the community. Furthermore, the use of one development  
45 plan whose infrastructure is implemented by a CDD to provide the community services  
46 and facilities will ensure that the proposed improvements are provided and maintained in  
47 an efficient, functional and integrated manner.

1  
2 The lands within the Proposed District will consist of approximately 561 acres of land.  
3 The purpose of this statutory requirement is to ensure successful and efficient delivery of  
4 services and facilities to the property. Based upon my previous experience with special  
5 districts, the Proposed District is suitably configured to maximize the timely and cost-  
6 efficient delivery of the necessary services and facilities.  
7

8 **18. Do you have an opinion, as someone experienced in district management and**  
9 **operations, as to whether the area that will be served by the Proposed District is**  
10 **amenable to separate special district government?**  
11

12 Yes.  
13

14 **19. What is your opinion?**  
15

16 The Proposed District is of sufficient size, compactness and contiguity. Therefore, the  
17 area to be served by the Proposed District is well suited to separate special district  
18 governance.  
19

20 **20. What is the basis for your opinion?**  
21

22 Two criteria are needed to evaluate a land area as amenable to separate special district  
23 government. One, does the land area have need for the facilities and services and will its  
24 owners and residents benefit from facilities that the special district could provide? Two,  
25 is the land area of sufficient size, sufficiently compact and sufficiently contiguous to be  
26 the basis for a functional interrelated community?  
27

28 Under both criteria, the Proposed District is a planned community of sufficient size with  
29 a need for the facilities and improvements that are presently expected to be provided by  
30 the Proposed District. As described in the Petition, the Proposed District will construct  
31 and maintain certain needed facilities and services. Other facilities and improvements  
32 may be constructed by the Proposed District and ultimately maintained by the County.  
33 Based on my experience, CDDs of this size are large enough to effectively provide and  
34 manage services. From a management and operations perspective, the land area is well  
35 suited to the provision of the proposed services and facilities.  
36

37 **21. Do you have an opinion, as someone experienced in district management and**  
38 **operations, as to whether the community development services and facilities of the**  
39 **Proposed District will be incompatible with the capacity and use of existing local**  
40 **and regional community development services and facilities?**  
41

42 Yes.  
43

44 **22. What is your opinion?**  
45



1 The proposed services and facilities of the Proposed District are not incompatible with  
2 the capacity and uses of existing local or regional community development services and  
3 facilities.  
4

5 **23. What is the basis for your opinion?**  
6

7 Petitioner presently expects the Proposed District to finance and construct stormwater  
8 management facilities, roadways, hardscape/landscape/irrigation, streetlighting and  
9 undergrounding of electric, and offsite improvements. None of the facilities expected to  
10 be provided by the Proposed District presently exist. There will be no overlap or  
11 incompatibility because the facilities and improvements expected to be provided by the  
12 Proposed District do not exist today.  
13

14 **ECONOMICS AND FINANCING**  
15

16 **24. Are you familiar with the Petition filed by Smokey Groves Development, LLC**  
17 **(“Petitioner”), to establish the Proposed District?**  
18

19 Yes, I have reviewed the petition and all of the attached exhibits. Specifically, we  
20 prepared Petition Exhibit 7, which is the SERC, a requirement of Chapter 190, *Florida*  
21 *Statutes*.  
22

23 **25. Based on your review of Petition Exhibit 7, the SERC, are there any updates that**  
24 **need to be made at this time?**  
25

26 No additional updates are necessary at this time.  
27

28 **26. What exactly is a SERC?**  
29

30 It is a requirement under Section 120.541(2), *Florida Statutes*, which has been  
31 incorporated into the law on establishment of CDDs.  
32

33 **27. In general terms, please summarize the economic analyses presented in the SERC.**  
34

35 An understanding of the SERC requires the recognition of the scope of review and  
36 evaluation for the establishment of a CDD as set out in Chapter 190, *Florida Statutes*.  
37 Section 190.002(2)(d), *Florida Statutes*, states “that the process of establishing such a  
38 district pursuant to uniform general law [must] be fair and based only on factors material  
39 to managing and financing the service-delivery function of the district, so that any matter  
40 concerning permitting or planning of the development is not material or relevant.” Thus,  
41 the scope of the economic analysis included in the SERC addresses only the  
42 establishment of the Proposed District, and not the planning or development of the  
43 property itself.  
44

45 The economic analysis sets out the assumptions about the development within the  
46 Proposed District and the anticipated infrastructure to be provided by it. The analysis

addresses each of the potentially affected parties defined in the statute and evaluates the impact of the Proposed District on each such group.

The Proposed District is a limited and highly specialized unit of local government. It is a special-purpose unit of local government with a single objective: the provision and maintenance of infrastructure and services for a planned new community. Its economic benefits exceed its economic cost to Petitioner, the County, and to all subsequent purchasers and landowners of the community - in short, to all affected parties.

Once the Proposed District is established, there are no direct costs to the County. While the Proposed District will provide certain reports and budgets to the County for its discretionary review, there are no requirements that it incur any obligations or expense associated with its review. In addition, to the extent the Proposed District utilizes the services of the Property Appraiser or Tax Collector under the provisions of Chapter 197, *Florida Statutes*, to collect its assessments the Proposed District must pay the administrative costs associated with those services.

It is important to note that under Chapter 190, *Florida Statutes*, the debt of the Proposed District cannot become the debt of the County or the State of Florida. Since the Proposed District will be an independent unit of government and will issue its own bonds, the Proposed District will not have any affect on the bonding capacity of the County or the State of Florida.

**28. Please describe briefly the data and methodology used in preparing the SERC and related analyses.**

The data for the analysis came from the landowner, other experts working on the Petition, and from the Petition itself. The methodology is standard economic impact assessment.

**29. From an economic and financial perspective, do you have an opinion regarding the financial viability and feasibility of the Proposed District?**

Yes, I do.

**30. What is that opinion?**

In my opinion, based on my experience with other CDDs, the Proposed District is expected to be financially viable and feasible.

**31. Does this conclude your testimony?**

Yes, it does.