



BELTERRA

TRADITION

UNDERSTANDING YOUR COMMUNITY DEVELOPMENT DISTRICT

What is a Community Development District (CDD)?

A CDD is a governmental unit created to serve the long-term specific needs of its community. Created pursuant to chapter 190 of the Florida Statutes, a CDD's main powers are to plan, finance, construct, operate and maintain community-wide infrastructure and services specifically for the benefit of its residents.

What CDDs Do

Through a CDD, the community can offer its residents a broad range of community-related services and infrastructure to help ensure the highest quality of life possible. CDD responsibilities within a community may include roads, storm water management, utilities, potable and irrigation water supply, sewer and wastewater management, parks and street lights.

How CDDs Operate

A CDD is governed by its Board of Supervisors which is elected initially by the landowners, then begins transitioning to residents of the CDD when the number of registered voters reaches 250 and the CDD has been in existence for six years. Like all municipal, county, state, and national elections, the Office of the Supervisor of Elections oversees the vote, and the CDD Supervisors are subject to state ethics and financial disclosure laws.

The CDD's business is conducted in the "sunshine", which means all meetings and records are open to the public. Public hearings are held on CDD assessments, and the CDD's budget is subject to annual independent audit.

Benefits to Residents

Residents within a community with a CDD may expect to receive three major classes of benefits. First, the CDD provides landowners with consistently high levels of public facilities and services managed and financed through self-imposed fees and assessments. Second, the CDD ensures that these community development facilities and services will be completed concurrently with other parts of the development. Third, CDD landowners and electors choose the board of Supervisors, which

is able to determine the type, quality and expense of CDD facilities and services.

Other savings are realized because a CDD is subject to the same laws and regulations that apply to other government entities. The CDD is able to borrow money and finance its facilities at lower, tax-exempt interest rates - the same as cities and counties. Many contracts for goods and services, such as annually negotiated maintenance contracts are subject to publicly advertised competitive bidding.

Residents and property owners in a CDD set the standards of quality, which are then managed by the CDD. The CDD provides perpetual maintenance of the protected environmental conservation areas. This consistent and quality-controlled method of management helps protect the long term property values in a community.

The Cost of a CDD

The cost to operate a CDD is borne by those who benefit from its services. Property owners in a CDD are subject to non-ad valorem assessment which appears on their annual property tax bill from the county tax collector and may consist of two parts – an annual assessment for operations and maintenance, which can fluctuate from year to year based on the adopted budget for the fiscal year, and an annual capital assessment to repay bonds sold by the CDD to finance community infrastructure and facilities. Annual assessments are generally fixed for the term of the bonds. Because costs and services vary depending on the individual CDD, specific fee information is available for each community.

Lasting Value

The CDD makes it possible for the community to offer the most desirable elements of a master-planned community. Residents enjoy high-quality infrastructure facilities and services with the comfort and assurance of knowing that the standards of the community will be maintained long after the developer is gone, ensuring quality control and value for years to come.