
**MASTER ASSESSMENT METHODOLOGY REPORT
(ASSESSMENT AREA ONE)**

FOR

METROPICA COMMUNITY DEVELOPMENT DISTRICT

January 6, 2025

Prepared by

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1.0 Introduction

The Metropica Community Development District (the “District”) is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes, as amended (“F.S.”). The District anticipates issuing up to \$43,250,000 of special assessment bonds or other forms of indebtedness to be issued in one or more series (collectively, the “Bonds”) for the purpose of financing certain infrastructure improvements directly and specially benefitting Assessment Area One as described herein within the District, and as more specifically described in the Engineer’s Report for Metropica Community Development District dated December 19, 2024, as may be amended and supplemented from time to time by the District Board of Supervisors (the “Engineer’s Report”), prepared by Thomas Engineering Group, LLC, (the “District Engineer”). The development within the District is anticipated to contain a mix of multi-family residential units, office use, hotel, retail, restaurant, parking garages, recreation and open space areas, water and hardscape features, and a transit stop, (collectively the “Development”). The development plan is shown in Table 1.

1.1 Purpose

This Master Assessment Methodology Report (Assessment Area One) (the “Report”) provides a methodology that determines the amount of District debt assessments to be allocated to specific properties within Assessment Area One benefitting from certain public improvements to be acquired or constructed by the District. This Report is designed to conform to the requirements of Chapters 190 and 170, F.S., and this Report may be supplemented from time to time to reflect any updates to the development plan for Assessment Area One and the actual terms and conditions of the financing at the time of the issuance of the Bonds.

The public improvements that may be acquired or constructed by the District include, but are not limited to, water and sewer systems, franchise utility improvements, stormwater management systems, on-site and off-site roadway and transportation improvements, landscaping improvements, park improvements, including related soft costs and permits, and costs of onsite deeds and easements required for constructing the public improvements (collectively, the “Capital Improvement Plan”) which Capital Improvement Plan is more particularly described in the Engineer’s Report. The portion of the Capital Improvement Plan directly and special benefitting Assessment Area One, as more particularly described in the Engineer’s Report and outlined in Table 2, is referred to herein as the “Assessment Area One Project”.

The District intends to impose non-ad valorem special assessments on the benefited lands within Assessment Area One to pay the debt assessments associated with the issuance of Bonds based on this Report. It is anticipated that all of the proposed debt assessments will be collected through the Uniform Method of Collection described in Section 197.3632, F.S., or any other legal means available to the District. It is not the intent of this Report to address any other assessments, if

applicable, that may be levied by the District on any other assessment areas within the District other than Assessment Area One, a homeowner's association, or any other unit of government.

1.2 Background

The District currently includes approximately 49.83 +/- gross acres within the City of Sunrise (the "City"), in Broward County, Florida (the "County"). The planned mixed use community within the District is currently anticipated to contain 2,643 residential units, 480 hotel rooms, 485,000 square feet of retail use, and 650,000 square feet of office use. The cost associated with the public improvements will be distributed into multiple assessment areas. Assessment Area One consists of 26.31 +/- gross acres of land within the District ("Assessment Area One") currently planned to contain 1,653 residential units, 150,000 square feet of office space, 480 hotel rooms and 265,000 square feet of office use. The public improvements comprising the Assessment Area One Project contemplated by the District will provide facilities that directly and specifically benefit certain assessable properties within Assessment Area One. The estimated costs are summarized in Table 2.

The assessment methodology is a three-step process. First, the District Engineer determines the costs for Assessment Area One Project contemplated by the District. Second, this cost forms the basis for a debt sizing to finance the Assessment Area One Project. Third, the financing costs are divided among the benefited properties within Assessment Area One on the basis of the benefit received as a result of the construction/acquisition of the Assessment Area One Project.

1.3 Special Benefits and General Benefits

In the process of constructing or acquiring public infrastructure improvements that provide direct and special benefits to assessable properties within the Assessment Area One boundaries, incidental general benefits to the public at large are also created. These benefits are incidental and different from the direct and special benefits provided to assessable properties within Assessment Area One.

Although the general public outside the District may benefit from the Assessment Area One Project the benefits are incidental. The Assessment Area One Project is designed to meet the needs for the development of the property within Assessment Area One. The property owners within Assessment Area One are therefore receiving direct and special benefits not received by those outside the boundaries.

1.4 Special Benefits Exceed the Costs Allocated

The direct and special benefits provided to the property owners within Assessment Area One are greater than or equal to the costs associated with providing these benefits. The increase in the market value of the benefiting property will be significantly more than the cost of the improvements being acquired or constructed. Without the Assessment Area One Project, the property within Assessment Area One would not be able to be developed and sold as developed property.

1.5 Requirements of a Valid Assessment Methodology

There are two requirements under Florida law for a valid special assessment:

- 1.) The properties must receive a special benefit from the improvements being paid for.
- 2.) The assessments must be fairly and reasonably allocated to the properties being assessed.

2.0 Assessment Methodology

2.1 Overview

The District anticipates the issuance of up to \$43,250,000 in principal amount of Bonds to finance public infrastructure improvements comprising the Assessment Area One Project, fund capitalized interest, fund one or more debt service reserve accounts, and pay costs of issuance. It is the purpose of this Report to allocate the debt assessments securing the up to \$43,250,000 of Bonds to the properties benefiting from the Assessment Area One Project.

Table 1 identifies the development plan for Assessment Area One as identified by Metropica Development, LLC, a Delaware limited liability company, (the “Developer”). The Engineer’s Report outlines the portion of the Capital Improvement Plan needed to support Assessment Area One, which is estimated to cost approximately \$31,400,141 and is shown in Table 2. All or a portion of such public improvements will be funded through the issuance of the Bonds and through a Developer contribution of infrastructure and/or land to the extent not funded by the Bonds. Based on the estimated costs to be funded, the size of the financing needed to generate funds to pay for the Assessment Area One Project, fund one or more debt service reserve accounts, fund capitalized interest, and pay costs of issuance was determined by the District’s Underwriter to total approximately \$43,250,000. Table 3 depicts the breakdown of the Bond sizing.

2.2 Allocation of Benefit

The Assessment Area One Project consists of public improvements comprising an integrated system of facilities that benefit Assessment Area One as a whole. That is, the first few feet of water line, sewer line, or roadway benefit the landowners as much as the last few feet. The infrastructure program works as a total system and provides direct and special benefits for each land use. The offsite improvements required in the development order also benefit Assessment Area One as a whole and the costs are appropriated to the landowners. There are four product types within the District, which the benefit is assigned based on Equivalent Residential Units (ERU), where the: (1) residential units have been assigned 1.00 ERU per unit, (2) hotel has been assigned 0.70 ERU per room, (3) office has been assigned 2.65 ERU per 1,000 square foot, and (4) the commercial has been assigned 3.10 ERU per 1,000 square feet. A fair and reasonable allocation would be to assign benefit to each of the improvement categories as described herein. Table 4 shows the allocation of benefits in reference to each of the product types. It is important to note that the benefit derived from the Assessment Area One Project to each of the product types is equal to or exceeds the cost that each of the product types will be paying for such benefits.

2.3 Allocation of Debt

Allocation of debt assessments is a continuous process until the development plan for Assessment Area One is completed. The initial debt assessments will be levied to each of the 263 multifamily residential units and 5,024 sq.ft. of commercial space, Assigned Properties as defined herein, and on an equal acre basis for the remaining property within Assessment Area One.

As platting, the recording of the declaration of condominium, the sale of land with development entitlements or other means of identifying individual lots continues within Assessment Area One (“Assigned Properties”), the debt assessments will be allocated to the Assigned Properties based on the benefits they receive. The Unassigned Properties, defined as developable acres that are not Assigned Properties, will continue to be assessed on a per-acre basis. Eventually, the development plan will be completed and the debt assessments relating to the Bonds will be allocated to the planned development within the District, which are the beneficiaries of the infrastructure improvements, as depicted in Table 5. If there are changes to the development plan, a true up of the debt assessments will be calculated to determine if a payment from the Developer is required. Bonds assessments assessed on any land within the District must be satisfied prior to any transfer of such lands to a unit of Federal, State, or local government. This process is outlined in Section 3.0.

The assignment of debt assessments in this Report sets forth the process by which debt assessments are apportioned. This Report may be supplemented from time to time.

2.4 Special and Peculiar Benefit to the Property

The Assessment Area One Project to be constructed or acquired by the District will provide direct, special and peculiar benefits which flow from the logical relationship of the Assessment Area One Project to Assessment Area One. These direct, special and peculiar benefits consist of the added use of the property, added enjoyment of the property, and the probability of increased marketability and value of the property.

2.5 Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of direct, special, and peculiar benefits received from the Assessment Area One Project is delineated in Table 4.

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the direct, special, and peculiar benefits to the property derived from the acquisition and/or construction of the Assessment Area One Project have been apportioned to the property according to reasonable estimates of the direct, special and peculiar benefits provided consistent with each land use category depicted in Table 1.

Accordingly, no property within the boundaries of Assessment Area One will be liened for the payment of any non-ad valorem special assessment more than the determined direct, and special and benefit peculiar to that unit/lot and therefore, the debt assessment allocation will not be increased more than the debt assessment allocation set forth in this Report.

In accordance with the benefit allocation in Table 4 a total par amount per unit and an annual debt assessment per unit for the proposed Bonds has been calculated for each unit as illustrated in Table 5. These amounts represent the preliminary anticipated per unit debt assessment allocations assuming all anticipated units are built and sold in the proportions planned, and the entire proposed Assessment Area One Project is constructed or acquired and financed by the District or other financing sources.

3.0 True Up

Although the District does not process plats, declaration of condominiums, site plans or revisions for the Developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan or revision is processed or property is sold with development entitlements assigned, the District must allocate a portion of its debt assessment to the property according to the debt assessment methodology outlined in this Report. In addition, the District must also prevent any buildup of debt assessments on Unassigned Property. Otherwise, the land could be fully conveyed and/or platted without all the debt assessments being allocated. To preclude this, at the time Unassigned Properties become Assigned

Properties, the District will determine the amount of anticipated debt assessment revenue that remains on the Unassigned Properties, taking into account the proposed plat or site plan approval. If the total anticipated debt assessment revenue to be generated from the Assigned and Unassigned Properties is greater than or equal to the maximum annual debt service payments on the Bonds, then no adjustment is required. In the event the debt assessment revenue generated is less than the annual debt service payments then a debt reduction payment by the Developer in the amount necessary to reduce the par amount of the outstanding Bonds to a level that will be supported by the annual debt service assessments would be required.

In addition, property that is sold with development entitlements assigned will be subject to a true-up test with respect to the entitlements conveyed to such property. Properties are conveyed entitlements by the Developer and the District allocates debt to properties based on the entitlements conveyed to them. When any such property is fully developed as evidenced by its certificate of occupancy (“CO”), the District will compare the CO to the entitlements conveyed to such property. If a property fails to develop to the full extent of its entitlements as evidenced by its CO, the property is still obligated to pay for its full complement of allocated debt, and the property will be required to make a true up payment to reduce the allocated debt to the level consistent with the development total in the CO.

4.0 Assessment Roll

The District will initially distribute the Bonds lien across all the property within Assessment Area One. As additional Assigned Property becomes known with certainty, the District will refine its allocation of debt assessments from a per acre basis to a per unit basis as shown in Table 5. If the land use plan changes, then the District will update Table 5 to reflect the changes and provide the same in a Supplemental Report. As the development process occurs, the debt assessments will be distributed against the Assigned Property in the manner described in this Report. The preliminary assessment roll is depicted in Table 6.

5.0 Additional Information

Governmental Management Services-South Florida, LLC (GMS) does not represent the District as a Municipal Advisor or Security Broker, nor is GMS registered to provide such services as described in Section 15B of the Security and Exchange Act of 1934, as amended. Similarly, GMS does not provide the District with financial advisory services or offer investment advice.

Certain information in this Report was provided by members of the District staff, the Developer or other professionals hired in conjunction with the bond issuance, GMS makes no representation regarding the information provided by others.

TABLE 1 METROPICA COMMUNITY DEVELOPMENT DISTRICT DEVELOPMENT PROGRAM - ASSESSMENT AREA 1

Land Use*	Total	ERU
Residential (Units)	1,653	1.00
Office (SF)**	150,000	2.65
Hotel (rooms)	480	0.70
Commercial (SF)**	265,000	3.10

* Unit mix is subject to change based on marketing and other factors.

**ERU is per 1000 sq.ft.

TABLE 2 METROPICA COMMUNITY DEVELOPMENT DISTRICT INFRASTRUCTURE COST ESTIMATES - ASSESSMENT AREA 1

Description		Total
Stormwater Management System		\$ 8,744,250
Water and Sewer System		\$ 5,435,817
Roadway/Transportation Improvements		\$ 10,459,584
Park		\$ 1,221,015
Landscaping		\$ 4,258,275
Utilities		\$ 1,281,200
Total		\$ 31,400,141

TABLE 4
METROPICA COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF INFRASTRUCTURE COSTS - ASSESSMENT AREA 1

Land use	Units	ERU	Total ERU's	Percentage of ERU's	Infrastructure Costs Allocated	Infrastructure Costs Allocated per Unit
Residential (Units)	1,653	1.00	1,653	51.53%	\$ 16,179,686	\$ 9,788.07
Office (SF)**	150,000	2.65	398	12.39%	\$ 3,890,759	\$ 25.94
Hotel (rooms)	480	0.70	336	10.47%	\$ 3,288,793	\$ 6,851.65
Commercial (SF)**	265,000	3.10	822	25.61%	\$ 8,040,903	\$ 30.34
TOTAL			3,208	100%	\$ 31,400,141	

**ERU is per 1000 sq.ft.

TABLE 5
METROPICA COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF ASSESSMENTS - ASSESSMENT AREA 1

Product Type	Total Costs Allocated	Total Costs Allocated	Total Par	Par Debt Per Unit	Annual Debt Assessment	Annual Debt Assessment Per Unit⁽¹⁾
Residential (Units)	1,653	\$ 16,179,686	\$ 22,285,614	\$ 13,482	\$ 1,795,918	\$ 1,086.46
Office (SF)**	150,000	\$ 3,890,759	\$ 5,359,063	\$ 36	\$ 431,868	\$ 2.88
Hotel (rooms)	480	\$ 3,288,793	\$ 4,529,925	\$ 9,437	\$ 365,050	\$ 760.52
Commercial (SF)**	265,000	\$ 8,040,903	\$ 11,075,397	\$ 42	\$ 892,526	\$ 3.37
TOTAL		\$ 31,400,141	\$ 43,250,000		\$ 3,485,362	

(1) This amount will be grossed up to include discounts for early payments and Broward County collection fees when collected on the County tax bills, currently 6%.

**ERU is per 1000 sq.ft.

