
ASSESSMENT METHODOLOGY

FOR

SOUTH DADE VENTURE

COMMUNITY DEVELOPMENT DISTRICT

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Prepared by

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1.0 Introduction

The South Dade Venture Community Development District is a local unit of special-purpose government organized and existing under chapter 190, Florida Statutes (the "District"), as amended. The District will issue a total of \$2,300,000 of its Special Assessment Revenue Bonds, Series 2008 (the "Series 2008 Bonds") for the purpose of financing certain community wide capital infrastructure improvements within the District, more specifically described in the May 8, 2008 Supplemental Engineering Report (the "Supplemental Engineer's Report"), prepared by Alvarez Engineers, Inc. On June 7, 2002, the District issued its \$10,850,000 Special Assessment Revenue Bonds, Series 2002 (the "Series 2002 Bonds") and on April 20, 2004, the District issued its \$12,535,000 Special Assessment Revenue Bonds, Series 2004 (the "Series 2004 Bonds")(collectively the "Issued Bonds") to finance a portion of the public infrastructure as identified in the Engineer's Reports dated May 14, 2002 prepared by Keith & Ballbe, Inc. and the Phase Two Update dated January 8, 2004 (collectively the "Original Engineer's Report").

1.1 Purpose

This report (the "Report") provides a methodology that determines the amount of District debt to be allocated to specific properties within the District. The improvements are being constructed as one system of improvements benefiting certain property within the boundaries of the District equally. This Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes ("F.S.").

The District intends to impose non ad valorem special assessments on the benefited lands within the District based on this report. It is anticipated that all of the proposed special assessments will be collected through the Uniform Method of Collection described in chapter 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, a homeowner's association, or any other unit of government.

1.2 Background

The District currently includes approximately 389 acres in the City of Homestead, Miami-Dade County, Florida. The development program envisions 2,269 residential units. Table 1 shows the development plan. The improvements contemplated by the District will provide facilities that benefit certain property within the District. The improvement program is delineated in the Supplemental Engineer's Report. Specifically, the District will construct entrance gates and related roadway improvements

(collectively, the "Project" or "Improvement Plan"). The construction costs are summarized in Table 2.

The assessment methodology is a three-step process. First, the District Engineer determines the costs for all projects contemplated by the District. Second, these costs form the basis for a bond sizing. Third, the bonded costs are divided among the benefited properties on the basis of benefit.

1.3 Special Benefits and General Benefits

In the process of constructing or acquiring infrastructure improvements which provide special benefits to properties within its boundaries, incidental general benefits to the public at large are also created. These benefits are incidental and different from the special benefits provided to properties within the boundaries of the District.

Although the general public outside the District benefits from the District's infrastructure improvements, the benefits are incidental. The Improvement Plan is designed to meet the needs of the developed property within the District. Properties outside the boundaries do not depend upon the District's Improvement Plan. The property owners within the District are therefore receiving special benefits not received by those outside the boundaries.

1.4 Special Benefits Exceed the Costs Allocated

The special benefits provided to the property owners within the District 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 constructed.

1.5 Requirements of a Valid Assessment Methodology

There are two requirements under Florida Law for 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

Under current market conditions, the District has issued \$2,300,000 in Series 2008 bonds to fund a portion of the Project and pay the cost of issuance. It is the purpose of this Methodology Report to allocate the \$2,300,000 in debt to the properties benefiting from the improvements.

Table 1 identifies the Improvement Plan as identified by the District. The Supplemental Engineer's Report outlines the community-wide capital improvements needed to support the Improvement Plan, which are shown in Table 2. The improvements needed to support the Improvement Plan are described in detail in the Supplemental Engineer's Report and are estimated to cost \$2,376,382. It is currently expected that these improvements will be funded in part through the issuance of the Series 2008 Bonds. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the construction and the infrastructure improvements and bond issuance costs was determined by the District to total approximately \$2,300,000. The District will issue \$2,300,000 in Series 2008 Bonds with a coupon rate of 5.07% and a maturity date of May 1, 2028. Table 3 shows the breakdown of the Bond Sizing.

2.2 Community Wide Capital Improvement Plan

The planned improvements are an integrated system of facilities that benefit the District 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 special benefits for each land use.

2.3 Allocation of Debt

Allocation of debt is a continuous process until the development plan is completed. A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties receiving the special benefits.

The development plan is completed and the debt relating to the Series 2008 Bonds will be allocated to the 2,269 residential homes within the District, which are the beneficiaries of the infrastructure improvements, as depicted in Table 5.

2.4 Allocation of Benefit

The Project consists of entrance gates and related roadway improvements along with related incidental costs. Each residential home has been assigned one equivalent residential unit; ("ERU") Table 4 shows the allocation of benefit to the particular land uses. It is important to note that the benefit derived from the improvements to the residential units exceeds the cost that the units will be paying for such benefits.

2.5 Special and Peculiar Benefit to the Property

As previously mentioned, the community-wide Improvement Plan to be constructed by the District includes entrance gates and related roadway improvements. These improvements will provide peculiar and special benefits which flow from the logical relationship of the improvements to the properties. These peculiar and special 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.

These special and peculiar benefits are real and ascertainable, but are not yet capable of being calculated as to value with mathematical certainty. However, as allocated, each is equal to or more valuable than either the cost of, or the actual non-ad valorem special assessment levied, for the improvements.

2.6 Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the Improvement Plan 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 special and peculiar benefits to the property derived from the acquisition and/or construction of the Project have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with each land use category.

Accordingly, no residential unit within the boundaries of the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that unit and therefore, the debt allocation will not be increased more than the debt 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 Series 2008 Bonds have been calculated for each unit as illustrated in Table 5. There are no significant differences in the character of the residential units so it is reasonable and appropriate for each unit to be allocated the same amount of benefit. The Total Par Amount of Series 2008 Bonds per unit

and an Annual Series 2008 Debt Assessment per Unit is shown in Table 5. These amounts represent the per unit debt allocation for the Series 2008 Bonds.

3.0 Assessment Roll

The property within the District is fully platted. The debt has been assigned as described in this Methodology Report. Based on the parcel records provided by the Miami-Dade County Property Appraiser, Table 6 shows the preliminary Assessment Roll for the District.

TABLE 1
SOUTH DADE VENTURE COMMUNITY DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM

Land Use	No. of Units	ERUs per Unit (1)	Total ERUs
Residential	2,269	1.00	2269
Total			2269

TABLE 2
SOUTH DADE VENTURE COMMUNITY DEVELOPMENT DISTRICT
INFRASTRUCTURE COST ESTIMATES

IMPROVEMENT	COST ESTIMATE
Entrance Gates	\$ 1,423,210
Roadway Improvements	\$ 953,172
Total	\$ 2,376,382

Information provided by Alvarez Engineers, Inc.

TABLE 3
SOUTH DADE VENTURE COMMUNITY DEVELOPMENT DISTRICT
BOND SIZING

	SERIES 2008
Construction Funds	\$ 2,157,000
Cost of Issuance	\$ 143,000
Par Amount	\$ 2,300,000
Bond Assumptions:	
Interest Rate	5.07%
Amortization (years)	20

**TABLE 4
SOUTH DADE VENTURE COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF BENEFIT**

Product Type	No. of Units	ERU factor	Total ERUs	Percentage of Total ERU's	Total Improvements	
					Costs Per Product Type	Improvement Costs per Unit
Residential	2269	1.00	2269	100.00%	\$ 2,376,382	\$ 1,047
TOTALS			2269	100.00%	\$ 2,376,382	

TABLE 5
SOUTH DADE VENTURE COMMUNITY DEVELOPMENT DISTRICT
SERIES 2008 ALLOCATION OF PAR DEBT

Product Type	No. of Units	Total Cost Allocation per Product Type	Series 2008		Series 2008 Par Debt per Unit	Maximum Annual Debt Service	Annual Debt Assessment per Unit	Series 2008 Annual Tax Bill Amount per Unit*
			Allocation of Par Debt per Product Type	Type				
Residential	2,269	\$ 2,376,382	\$	2,300,000	\$ 1,014	\$ 185,655	\$ 82	\$ 87
TOTALS		\$ 2,376,382	\$	2,300,000	\$ 1,014	\$ 185,655	\$ 82	\$ 87

* When collected on the Miami-Dade County tax bill the annual assessment will be grossed up to cover the costs of collections and early payment discount. The current agreement with Miami-Dade County allows for a 2% collection fee, the early payment discount is 4% state wide.