Sunbridge
Stewardship District

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Notice is hereby given that the Sunbridge Stewardship District will hold a continued meeting of the Board of Supervisors on **Tuesday, November 11, 2025, at 2:00 p.m. at 6900 Tavistock Lakes Blvd, Ste 200, Orlando, FL 32827.** Questions or comments on the Board Meeting or proposed agenda may be addressed to Lynne Mullins at mullinsl@pfm.com or (407) 723-5900. A quorum (consisting of at least three of the five Board Members) will be confirmed prior to the start of the Board Meeting.

Please use the following information to join the telephonic conferencing via Microsoft Teams:

Phone: +1 689-218-0591 **Code:** 855 613 630#

BOARD OF SUPERVISORS' MEETING AGENDA

Organizational Matters

- Roll Call to Confirm a Quorum
- Public Comment Period

Business Matters

1. Consideration of O&M Assessment Methodology Report for City of Orlando

Other Business

A. Staff Reports
   1. District Counsel
   2. District Manager
   3. District Engineer
   4. District Landscape Supervisor

B. Supervisor Requests

Adjournment

Sunbridge Stewardship District

O&M Assessment Methodology Report for City of Orlando

OPERATION & MAINTENANCE ASSESSMENT METHODOLOGY REPORT FOR SUNBRIDGE STEWARDSHIP DISTRICT

FISCAL YEAR 2025-2026

November 2025

Prepared for:

Members of the Board of Supervisors,
Sunbridge Stewardship District

Prepared on November 11, 2025

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OPERATION & MAINTENANCE ASSESSMENT METHODOLOGY REPORT FOR SUNBRIDGE STEWARDSHIP DISTRICT FISCAL YEAR 2025-2026

November 11, 2025

1.0 Introduction

1.1 Purpose

The Sunbridge Stewardship District ("Sunbridge" or "District") was established on June 6, 2017. The District encompasses approximately 19,560+/-1 acres within Osceola County and per a boundary amendment approved in July 2025 now includes 7,140+/- acres in Orange County, specifically within the boundaries of the City of Orlando, FL. The District has issued long-term debt in the form of its Series 2022 Bonds for its Del Webb/Pulte project and its Series 2022 Bonds for Weslyn Park which provided funding for the installation of certain capital improvements for the development currently planned within the District. The District currently provides for the operation and maintenance ("O&M) of certain capital improvements. These O&M expenses are funded via the collection of annual non-ad valorem special assessments. As the District's O&M responsibilities vary over time, the District's O&M expenses may vary on an annual basis to meet the District's needs.

This Operation and Maintenance Assessment Methodology Report ("O&M Methodology Report") provides a methodology to allocate the annual O&M expenses among the residential development, commercial development and vacant lands within the District that receive a special benefit from operation and maintenance activities undertaken by the District. This O&M Methodology Report replaces the Operation & Maintenance Assessment Methodology Report dated June 22, 2022 ("2022 O&M Methodology") which replaced the Master Assessment Methodology Report for Operations and Maintenance Sunbridge Stewardship District 2019 Assessment Area and Del Webb 2019 Assessment Area" ("2020 O&M Methodology") dated April 28, 2020. The O&M Methodology Report is being updated to account for allocation of O&M assessments to District properties within the City of Orlando.

The methodology described herein allocates the District's annual O&M expenses to properties based upon the benefits each receives from the infrastructure program. This report is designed to conform to the requirements of Chapters 190 and 170, F.S. and Chapter 2005-338, Laws of Florida with respect to special assessments and is consistent with PFM Financial Advisors LLC ("PFM" or "Assessment Consultant") understanding of Florida law on this subject.

1.2 Background and Budget

The Board of Supervisors ("Board") approved its Fiscal Year 2026 Budget ("2025-2026 O&M Budget"). The lands within the District have undergone development since 2017 and continue to develop. It is appropriate for the District to refine the methodology for both its current O&M operations associated with existing development within the District as well as outline the methodology regarding O&M expenses associated with the forecasted development within the District. This O&M Methodology Report is associated with the 2025-2026 O&M Budget, but the methodology utilized herein can serve as a basis for allocation of future years operations and maintenance assessments to the extent the assumptions herein remain unchanged.

This O&M Methodology Report contains the recommended O&M assessment methodology ("O&M Methodology") to be used for allocating the District's Fiscal Year 2025-2026 O&M Budget, also, for the allocation of O&M assessments in future years. Table 1 summarizes the 2025-2026 O&M Budget on a net basis as well as on a gross basis. The estimated gross assessment is based on the proposed 2025-2026 O&M Budget. The budget provided excludes the 4% gross up for an allowance for early payment of assessments for assessments collected via the uniform method by the Orange County Property Appraiser.

Table 1. Sunbridge Fiscal Year 2026 O&M Budget

	FY 2026 Adopted Budget
Revenues	
On-Roll Assessments	$ 753,021.97
Developer Loan	-
Other Income & Other Financing Sources	-
Landscaping Contribution Agreement - TE3	49,999.92
Landscaping Contribution Agreement - TOHO	50,000.04
Sustainability Revenue	26,400.00
Carry Forward Revenue	-
Net Revenues	**$ 879,421.93**
General & Administrative Expenses	
Total General & Administrative Expenses	**$ 160,784.26**
Field Expenses - All	
Total Field Expenses - All	**$ 74,584.00**
Field Expenses - Orange Co.	
Total Field Expenses - Orange Co.	**$ -**
Field Expenses - Osceola Co.	
Total Field Expenses - Osceola Co.	**$ 649,053.67**
Total Expenses	**$ 884,421.93**
Income (Loss) from Operations	**$ (5,000.00)**
Other Income (Expense)	
Interest Income	$ 5,000.00
Total Other Income (Expense)	**$ 5,000.00**
Net Income (Loss)	**$ -**

Source: Sunbridge Proposed Budget for Fiscal Year 2026

1.4 Requirements of a Valid Assessment Methodology

In PFM's experience, there are two primary requirements for special assessments to be valid under Florida law. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed. If these two characteristics of valid special assessments are adhered to, Florida law provides some latitude to legislative bodies, such as the District's Board of Supervisors, in approving special assessments. Indeed, Florida courts have found that the mathematical perfection of calculating special benefit is likely impossible. Based on historical precedent, only if the District's Board was to act in an arbitrary, capricious, or grossly unfair fashion would its assessment methods be overturned.

2.0 Assessment Methodology

2.1 Overview

The assessment methodology is a process by which the District will allocate the costs associated with its O&M activities to properties in the District benefiting from the activities. The allocation is based upon the benefits that each property receives.

2.2 District Development Status

Given the scale of the District, the majority of the District lands are not subject to near-term development activity, while some lands have been developed with others actively in the process of being developed. As a result, the District is moving forward with allocation of assessments to subsets of acreage within Osceola County and the City of Orlando.

In Osceola County, an estimated 2,096+/- acres are subject to near-term development and are within the District's ("Osceola Concept One Plan Area"). A portion of these lands have been developed and assigned a parcel identification number with the Osceola County Property Appraiser. The balance of the lands is vacant and subject to future development. The District's Osceola Concept One Plan Area is expected to include 2,499 residential lots/units and 90,000 square feet of civic space. At this time, 1,727 residential units have been built with 256.5 acres of vacant lands remaining subject to development.

In the City of Orlando, an estimated 1,749+/- acres are subject to near-term development and are within the District's ("Orange Concept One Plan Area"). At this time, these lands have not been developed and are vacant and subject to future development.

With respect to O&M activities, it is reasonable that each element of development and lands subject to development receive a benefit from the District's O&M activities. As additional development is added, the allocation of District O&M budget will be allocated accordingly. Section 2.3 and Table 2 summarize the allocation of the 2025-2026 O&M Budget.

2.3 Allocation of Annual O&M Budget

As most of the District's annual O&M expenses relate to the O&M of capital improvements funded through the issuance of special assessment bonds, it is appropriate to allocate the 2025-2026 O&M Budget on a per unit/lot basis with each residential unit or lot (regardless of lot size) benefitting equally from the O&M activities. This applies to all residential units except for multi-family apartment units which will have an equivalent residential unit ("ERU") factor of 0.5.

In addition, as non-residential space (defined as office, retail, industrial, research, medical or civic) is developed, that non-residential square footage will be assessed on an ERU basis with each 2,000 square feet of non-residential space = 1 ERU. In the event hotels are developed within the District each individual hotel room or hotel "key" will be equivalent to 0.5 ERUs. Lastly, for acreage identified as developable but unplatted, each undeveloped acre will receive an ERU equal to 1.

It's important to note that given the scale of the District, the District reserves the right to identify and add additional developable acres to the Osceola Concept One Plan Area within Osceola County and the Orange Concept Plan One Area within the City of Orlando as land becomes developable and subject to assessment. This allows the District to allocate future O&M budgets to properties which benefit from the District's O&M activities.

The on-roll assessments associated with the 2025-2026 O&M Budget total $753,021.97. For purposes of allocation, the O&M budget has general and administrative costs as well as other elements of field expenses which are identified as benefitting all parcels/lands within both Osceola County and the City of Orlando. At this time the expenses identified as benefitting all properties subject to O&M assessment total $203,968.26. In addition, the budget identifies field activities which benefit and are associated with development within Osceola County and the City of Orlando, respectively. As a result, the allocation of the O&M budget is split accordingly among the acreage and development within Osceola County ($549,053.71) and the City of Orlando ($0.00). Table 2 summarizes the allocation of the 2025-2026 O&M Budget.

Table 2. Sunbridge Allocation of Fiscal Year 2026 O&M Budget

	Budget ($)	ERU	$/ERU
All Expenses	$ 203,968.26	3,732.1	$ 54.65
Orange Co. Expenses	$ -	1,748.6	$ -
Osceola Co. Expenses	$ 549,053.71	1,983.5	$ 276.81
Net Assessments	$ 753,021.97		$ 331.46

Source: PFM Group Consulting LLC

Based on the allocation above, for Fiscal Year 2026, Osceola County assessments total $331.46 per ERU ($54.65 for all shared expenses + $276.81 for field services specific to Osceola County). The City of Orlando assessments total $54.65 per ERU ($54.65 for all shared expenses + $0.00 for field services specific to the City of Orlando). This allocation is based on the lands and parcels currently identified within the District as developed and/or developable and currently subject to O&M assessment. As described, future O&M budgets will be developed and allocated to benefiting lands and properties within the District consistent with the methodology herein.