



WHAT IS A BOND ANTICIPATION NOTE?

A Bond Anticipation Note (BAN) is a short-term financing tool that governments and other organizations use to secure temporary funds before issuance of long-term bonds. Our Series 2024 Bond Anticipation Note, also referred to as the *Series 2024 Note* or the *Series 2024 BAN*, provides up to \$5,000,000 and has a 2-year maturity, with the expectation that long-term financing will be secured by August of 2025. However, if the issuance of the Series 2024 Bond is delayed due to the ongoing appeal submitted by UP resident and UPCC member, Dean Matt, then a **potential** one-time assessment may be required in December 2025.

WHY WE NEED THE BAN

The Board explored alternative short-term financing options as a precaution in case the bond was not validated during the April hearing or if an appeal was filed. On July 5, 2024, Dean Matt filed an appeal against the bond validation. This appeal necessitated the Board's initiation of a Bond Anticipation Note to cover interim financing needs and ensure the completion of the Golf Course Irrigation project until the Series 2024 Bonds can be issued.

A **POTENTIAL** ONE-TIME ASSESSMENT FOR THE BAN

As previously mentioned, the Series 2024 Note is set to mature in two years, with the expectation that long-term financing via the Series 2024 Bond will be secured within this timeframe. However, if the Series 2024 Bond is delayed due to the ongoing appeal and not issued by August 2025, a one-time assessment will be necessary in December 2025.

This assessment is required by the lender, ensuring security should the long-term financing extend beyond the note's maturity.

EXPLORED & REJECTED SOLUTIONS

The Board thoroughly explored various financing options for the replacement of the Golf Course Irrigation System, which was prioritized in June 2023 after the original break-fix approach became increasingly costly and untenable. The system had reached the end of its useful life, with more replacement parts discontinued and only limited used parts available from other local clubs. The options considered included vendor and asset-based financing, short-term loans from our primary bank, an immediate direct assessment, and responses to an open solicitation sent to thirty financial institutions specializing in short-term municipal financing. This solicitation was managed by our financial advisor, PFM. Ultimately, the most favorable option was offered by Regions Capital Advantage, Inc., a division of Regions Bank.

Vendor & Asset Financing	Short Term Bank Loans	Immediate Direct Assessment	Open Solicitation	Preferred Option
Evaluated financing through vendors and assets to cover costs.	Considered short-term loans from our bank of record.	Assessed the feasibility of a direct assessment on homeowners.	Conducted an open solicitation to 30 financial institutions specializing in short-term municipal financing. <i>Managed by PFM, our financial advisor.</i>	<i>Regions Capital Advantage, Inc. (a unit of Regions Bank)</i> Offered the most favorable financing solution.

Please Note: The Board only considered financing options that aligned with the Capital Improvement Plan approved by the Referendum. Approaches that were not considered include those that deviated from the approved plan, could not be completed within the required timeframe, imposed personal financial obligations on residents or members instead of property-based obligations, or sought funding from UPCA, as such funds are not available to the District.

THE IMPACT OF THE APPEAL

The delay in the bond issuance, directly caused by Dean Matt's appeal, has led to significant additional costs for all homeowners, including legal expenses related to the appeal and associated motions. Had the bond been issued as scheduled, per the validation by the Manatee County Circuit Court, these costs—both from the Bond Anticipation Note (BAN) and legal fees—would have been avoided. The substantial expense of maintaining the BAN compared to the timely issuance of the bonds underscores the broader financial impact of this delay.

- **Delayed Projects:** While the bond issuance is delayed, any projects or improvements funded by the bond may be postponed.
- **Increased Costs:** The BAN is used as a temporary funding measure and comes with higher interest costs compared to the long-term bond.
- **One-Time Assessment:** If the Series 2024 Bond is not issued prior to August 2025, a one-time assessment will be required from homeowners in December 2025. This assessment will repay Regions Capital Advantage, the lender of the Series 2024 Note.

- **Uncertainty:** The ongoing appeal and delay could introduce concerns about the stability and condition of our 30-year-old club facilities, which require timely improvements. The lack of necessary upgrades could reasonably impact property values within the community.

Associated Documents For Reference:

- [Referendum Q&A](#)
- [Capital Improvement Plan Town Hall Presentation Deck](#)
- ***[BOS Meeting Minutes and Recording for April 12, 2024](#)***
- ***[Resolution 2024-20, which authorizes the issuance of Series 2024 Note](#)***
- ***[Resolution 2024-21, which adopts the preliminary assessment roll for the Series 2024 Note](#)***

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