

Village at Gulfstream Park District Improvement Fee – Detailed Explanation

This document is meant to provide an overview of the District Improvement Fee that is collected on all sales at The Village at Gulfstream Park. A list of frequently asked questions and answers is included at the end of this document.

Background

Pursuant to Chapter 190, Florida Statutes, and Ordinance No. 2007-05 of the City of Hallandale Beach, Florida, The Village at Gulfstream Park Community Development District (the “CDD”) was created to provide for and finance the publicly owned infrastructure needed for The Village at Gulfstream Park development. To support the District’s financing of the public infrastructure, The Village at Gulfstream Park, LLC, which holds a 99 year leasehold interest in the land comprising the development, imposed the District Improvement Fee in the amount of ½ of one percent (0.5%) on all sales which occur within The Village at Gulfstream Park through a Declaration of Covenants Imposing and Implementing the Village at Gulfstream Park Public District Improvement Fee (the “PUF Covenant”), which was assigned to the CDD and pledged to the repayment of bonds issued to provide public improvements to support The Village at Gulfstream Park.

Retailers maintain a limited number of copies of the PUF Covenant at their stores. If this document is unavailable upon your request, a copy may be obtained by visiting www.thevillageatgulfstreampark.com, or by contacting MuniCap, Inc., by mail, email or telephone, as follows:

- MuniCap, Inc.
8965 Guilford Road, Suite 220
Columbia, MD 21046
- pufcovenant@municap.com
- 443 539 4101

The District Improvement Fee is not a sales tax. The District Improvement Fee and Florida sales tax must be collected separately on all required sales as provided below.

Retailer Obligations

All retailers at The Village at Gulfstream Park are obligated to collect the District Improvement Fee on all sales that are subject to sales taxation by the State of Florida; to file a District Improvement Fee return form and related reporting documents each month; and to remit the proper amount of District Improvement Fees to the CDD (whether or not the District Improvement Fee is collected from customers). Retailers should also ensure they provide appropriate disclosure of the District Improvement Fee to all customers.

What Sales Incur District Improvement Fees

A District Improvement Fee must be collected on all sales made within The Village at Gulfstream Park that are subject to sales taxation by the State of Florida. In addition, a District Improvement Fee must be collected on sales of tangible property to an out of state purchaser when the purchased property is delivered to the purchaser outside of the state, regardless of whether Florida sales tax is applicable.

Calculation of District Improvement Fees

The District Improvement Fee is set at ½ of one percent (0.5%). The District Improvement Fee is calculated by multiplying the sale price, before sales tax, by .005, and rounding to the nearest penny.

The District Improvement Fee is calculated on the gross sale amount, before the imposition of Florida sales tax, and for Florida sales tax purposes, becomes a portion of the sales price of any goods sold. Thus, Florida sales tax (6%) will be charged on the combined total of the gross sale plus the District Improvement Fee. Broward County, unlike most neighboring counties, does not have a Discretionary Sales Surtax, so the combination of the District Improvement Fee and Florida sales tax will add 6.53% to the price of the merchandise. The table below shows a comparison of the total sales tax and District Improvement Fee with neighboring counties.

Sales Tax or Fee	Village at Gulfstream Park	Miami-Dade County	Palm Beach County
State Sales Tax	6.00%	6.00%	6.00%
County Sales Tax	0.00%	1.00%	0.50%
District Improvement Fee	0.50%	0.00%	0.00%
Total Sales Tax and Fee	6.53%	7.00%	6.50%

When merchandise is returned, and/or sales are credited back to the customer, the District Improvement Fee is credited back to the customer.

Village at Gulfstream Park District Improvement Fee - Frequently Asked Questions

Q – Who receives the District Improvement Fee?

A – The District Improvement Fee is collected by a trustee and is used to pay the debt service on the bonds that were issued to pay for the publicly owned infrastructure at The Village at Gulfstream Park. Neither the developer nor the retailers receive any portion of the District Improvement Fee.

Q – Are all retailers at The Village at Gulfstream required to collect the District Improvement Fee?

A – Yes.

Q – Is the District Improvement Fee collected on purchases and transactions at the racetrack?

A – No.

Q – Is Florida sales tax charged on the District Improvement Fee? If so, why?

A – Yes. The District Improvement Fee is part of the purchase price paid for items sold at The Village of Gulfstream Park and thus sales tax is required.

ADDITIONAL QUESTIONS AND ANSWERS WILL BE ADDED ON AN ONGOING BASIS.