

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF
CLAY COUNTY, FLORIDA

IN RE: PETITION TO ESTABLISH)
 LAKES AT BELLA LAGO COMMUNITY)
 DEVELOPMENT DISTRICT)

AFFIDAVIT ADOPTING WRITTEN, PRE-FILED TESTIMONY

STATE OF FLORIDA
COUNTY OF Palm Beach

I, Craig Wrathell, being first duly sworn, do hereby state for my affidavit as follows:

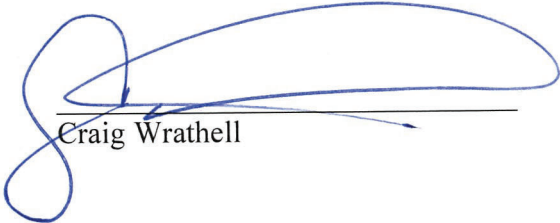
1. I have personal knowledge of the matters set forth in this affidavit.
2. My name is Craig Wrathell and I am the co-owner of Wrathell, Hunt & Associates, LLC.
3. The prepared written, pre-filed testimony consisting of twelve (12) pages, submitted under my name to the Board of County Commissioners of Clay County, Florida relating to the Petition to Establish Lakes at Bella Lago Community Development District and attached hereto, is true and correct.
4. If I were asked the questions contained in the pre-filed testimony orally at the Lakes at Bella Lago Community Development District establishment hearing, my oral answers would be the same as the written answers presented in my pre-filed testimony.
5. My credentials, experience, and qualifications concerning my work as a special district manager and financial advisor are accurately set forth in my pre-filed testimony.

6. My pre-filed testimony addresses the various managerial and operational aspects related to the Petition to Establish Lakes at Bella Lago Community Development District.

7. No corrections or amendments to my pre-filed testimony are required.


Under penalties of perjury, I declare that I have read the foregoing and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this 6th day of January, 2023.


Craig Wrathell

STATE OF FLORIDA
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 6th day of January, 2023, by Craig Wrathell, who is personally known to me or who has produced _____ as identification.

 DAPHNE GILLYARD
NOTARY PUBLIC
STATE OF FLORIDA
Comm# GG327647
Expires 8/20/2023

Daphne Gillyard
(Official Notary Signature & Seal)

Name: Daphne Gillyard
Personally Known
OR Produced Identification _____
Type of Identification _____

1 Through WHA, the clients I serve are both resident-elected and landowner-elected CDDs,
2 depending on the stage in the life of the development. I assist the various Boards of
3 Supervisors and residents by managing the accounting, official recordkeeping, and
4 operations and management of the assets acquired or constructed by the CDD. I have
5 provided management and assessment administration services to numerous active CDDs
6 across Florida.

- 7
8 **9. Are any of these community development districts that you have worked with about**
9 **the same size as the proposed Lakes at Bella Lago Community Development District**
10 **in Clay County, Florida (“County”)?**

11
12 Yes.

- 13
14 **10. What has been your role with respect to the proposed Lakes at Bella Lago**
15 **Community Development District establishment proceeding?**

16
17 I serve as an assessment, economic, and management consultant relating to the
18 establishment of the proposed District. Specifically, I assisted in preparation of Petition
19 Exhibit 8, the Statement of Estimated Regulatory Costs (“SERC”).
20

21 **DISTRICT MANAGEMENT**

- 22
23 **11. At this point, I will ask you to address certain matters that are related to community**
24 **development district management. Please describe the general manner in which a**
25 **community development district actually operates.**

26
27 Community development districts are governed by a five-member board of supervisors.
28 These board members are initially appointed by the establishment entity in its ordinance.
29 Within 90 days of the establishment of the district, a new board is elected by the landowners
30 in the district. The Board is the governing body of the district. The Board employs a
31 district manager, who supervises the district’s services, facilities, and administrative
32 functions. The Board annually considers and, after public notice and hearing, adopts a
33 budget. The district submits a copy of the proposed budget to the applicable local general-
34 purpose government for review and for optional comment prior to its adoption each year.
35

- 36 **12. Are there requirements, such as the open meetings and public records laws, imposed**
37 **upon community development districts in order to safeguard the public that are**
38 **similar to those imposed upon other general purpose local governments?**

39
40 Yes, there are.

- 41
42 **13. Please describe these requirements and safeguards.**

43
44 First, it is important to note that the establishment of a CDD does not change any
45 requirements for local general purpose governmental approval of construction within the
46 district. Any land development requirements and all state and local development

1 regulations still apply.
2

3 Second, members of the CDD Board of Supervisors must be residents of Florida and
4 citizens of the United States. After the Board shifts to being elected by the resident electors
5 of the district the supervisors must also be residents and electors of the district. Board
6 members must annually file the same financial disclosure forms required by other local
7 officials. All meetings of the CDD Board of Supervisors are open to the public and are
8 subject to the government in the sunshine requirements of Chapter 286, *Florida Statutes*.
9 Furthermore, the District's records must be open for public inspection in accordance with
10 the Florida law governing public records.
11

12 Next, the District must provide financial reports to the state in the same form and manner
13 as is required of all other political subdivisions. The CDD is annually audited by an
14 independent certified public accountant. As I said before, the CDD budget is adopted
15 annually by the board after a public hearing. All rates, fees, and charges imposed by the
16 district must be adopted pursuant to Chapter 120, *Florida Statutes*.
17

18 Finally, to impose special or non-ad valorem assessments under Chapter 170, 190 and 197,
19 a CDD must provide published and mailed notice to those who are assessed providing them
20 opportunity to appear before the Board of Supervisors and have an opportunity to comment
21 on the advisability of the assessments. That assessment process entails preparation of an
22 assessment methodology that fairly and equitably allocates the cost of the district's
23 projects.
24

25 **14. Please describe in general terms how a CDD operates financially, both on a day-to-**
26 **day and a long-term basis.**
27

28 In the early stages, particularly when a CDD is first formed, the CDD's operating funds
29 may be funded by a "funding agreement" between the CDD and the landowner/developer
30 in lieu of assessments that the CDD might have imposed on property within the CDD.
31

32 In order to provide long term financing of capital projects, CDDs often issue bonds. All
33 bonds issued by CDDs must be secured by a trust agreement, and any bond maturing over
34 a period of more than five years must be validated and confirmed by court decree pursuant
35 to Chapter 75, *Florida Statutes*. The District also may borrow funds on a long or short-
36 term basis.
37

38 Debt may be retired by the District through non ad valorem or special assessments imposed
39 on benefited properties, or rates, fees, and charges imposed on users of district facilities
40 and services. By law, debt of the District cannot become debt of any other government
41 (city, county or state), without that government's consent.
42

43 **15. What alternatives, other than community development districts, are you familiar with**
44 **that might be available to provide community infrastructure for the lands within the**
45 **proposed District?**
46

1 In my opinion there are two alternatives that might provide community infrastructure such
2 as the roads, utilities, drainage, recreation and other improvements contemplated for the
3 proposed district. First, the general-purpose local government could finance the
4 improvements utilizing special assessments and/or general funds. Alternatively, the
5 developer could provide infrastructure through private means, including private financing
6 if available. As discussed later in my testimony, neither of these alternatives is preferable
7 to use of the CDD concept.
8

9 **16. What has been your role with respect to the Petition to Establish the Lakes at Bella**
10 **Lago Community Development District (“Petition”)?**

11
12 I have worked closely with Mattamy Homes Jacksonville, LLC, (“Petitioner”) and its
13 consultants in determining if a CDD is appropriate for this project. I also supervised the
14 preparation of Exhibit 8 of the Petition, the SERC.
15

16 **17. Do you have an opinion, as someone experienced in district management and**
17 **operations, as to whether the proposed District is the best available alternative for**
18 **delivering community services and facilities to the areas that will be served by the**
19 **District?**

20
21 Yes. For this project, the proposed District is the best alternative available for delivering
22 the proposed services and facilities to the area that will be served. These improvements
23 include, but are not limited to, stormwater management system, roadway improvements,
24 water and sanitary sewer systems, landscape and hardscape, amenities and other
25 improvements.
26

27 **18. What is the basis for your opinion?**
28

29 Looking at the alternatives, the County could finance and manage the improvements
30 utilizing special assessments or general funds. The developer and/or a property owner’s
31 association (“POA”) could provide these facilities as well through private financing.
32

33 In evaluating the alternatives, it is important to consider whether the alternative can provide
34 the best focus, can effectively and efficiently manage and maintain the facilities, and
35 whether the alternative can secure low cost, long term public financing. The County clearly
36 provides the long-term perspective and is a stable and relatively low cost source of
37 financing and provider of services at sustained levels. However, the County has substantial
38 demands over a broad geographical area that places a heavy management delivery load on
39 its staff. In addition, if dependent district financing were used, the County would be
40 responsible for all administrative aspects of the dependent district. The County would have
41 to make time and meetings available for the monthly matters pertaining to the dependent
42 district. By using a dependent district mechanism, the County would be increasing its
43 responsibility and hence liability for the variety of actions that will take place in the
44 development. The County, through the dependent district, would also be the contracting
45 party for all construction contracts, would have to deal with bid issues, enforce
46 performance bonds, and participate in construction arbitration or litigation if necessary.

1 They would deal with delay claims and budget management and all the other challenges
2 that come with being the owner in a public construction project. A district can be created
3 to provide focused attention to a specific area in a cost effective manner. It also allows the
4 County to focus staff time, finances, and other resources elsewhere and does not burden
5 the general body of taxpayers in the County with the debt associated with this growth.
6

7 The other alternative is the use of private means either through a POA or through the
8 developer, or both in combination. This combination can clearly satisfy the high demand
9 for focused service and facilities and managed delivery. However, only a public entity can
10 assure a long term perspective, act as a stable provider of services and facilities, qualify as
11 a lower cost source of financing, and pay for services at sustained levels. POAs lack the
12 ability to effectively finance the improvements. Their ability to assure adequate funds for
13 sustained high levels of maintenance is less than with a CDD.
14

15 Furthermore, neither the developer nor a POA would be required to conduct all actions
16 relating to the provision of these improvements in the “sunshine” as a CDD must or abide
17 by other public access requirements that are incumbent upon a CDD and its Board of
18 Supervisors. Also, provision and long-term operation and maintenance of these
19 improvements, particularly the recreation roadway and drainage activities, by a CDD
20 ensures that residents have guaranteed access to the body or entity making decisions about
21 these facilities, and in fact will one day sit as the five member board making the decisions
22 that impact their community directly.
23

24 A CDD is an independent special purpose unit of local government designed to focus its
25 attention on providing the best long-term service to its specifically benefited properties and
26 residents. It has limited power and a limited area of jurisdiction. The CDD will be
27 governed by its own board and managed by those whose sole purpose is to provide the
28 district long term planning, management, and financing of these services and facilities.
29 This long-term management capability extends to the operation and maintenance of the
30 facilities owned by the CDD. Further, the sources for funding and manner of collection of
31 funds will assure that the CDD facilities will be managed at the sustained levels of quality
32 desired by residents well into the future.
33

34 **19. Do you have an opinion, as someone experienced in district management and**
35 **operations, as to whether the area of land to be included within the proposed District**
36 **is of sufficient size, is sufficiently compact, and is sufficiently contiguous to be**
37 **developable as one functional interrelated community?**
38

39 Yes.

40
41 **20. What is your opinion?**
42

43 The proposed CDD has sufficient land area, and is sufficiently compact and contiguous to
44 be developed, with the roadway, drainage, water and sewer, and other infrastructure
45 systems, facilities and services contemplated. The District will operate as one functionally
46 interrelated community.

1 **21. What is the basis for your opinion?**

2
3 The size of the proposed District is approximately 254.16 acres, more or less. Based on
4 my previous experience, the proposed District is of sufficient size, compactness, and
5 contiguity to be developed as a functional interrelated community.
6

7 The qualities of compactness, contiguity, and size relate directly to whether an area can
8 become one functional interrelated community. From the standpoint of the provision,
9 management and operation of the community infrastructure expected to be provided by the
10 District, the acres contemplated for inclusion within the District is sufficiently compact,
11 contiguous and of sufficient size to maximize the successful delivery of these infrastructure
12 improvements to these lands. The delivery of services and facilities to the lands within the
13 District will not be hampered by insurmountable barriers or spatial problems. The area
14 within the District is suitably configured to maximize the benefits available from the
15 District services and facilities to be provided.
16

17 **22. Do you have an opinion, as someone experienced in district management and**
18 **operations, as to whether the area that will be served by the proposed District is**
19 **amenable to separate special district government?**

20
21 Yes.
22

23 **23. What is your opinion?**

24
25 The District is of sufficient size, compactness, and contiguity. Therefore, the area to be
26 served by the proposed District is clearly amenable to separate special district governance.
27 The configuration of the District is not unlike other CDDs with which I have worked over
28 time.
29

30 **24. What is the basis for your opinion?**

31
32 Two criteria are needed to evaluate a land area as amenable to separate special district
33 government. One, does the land area have need for the facility and services and will its
34 owners and residents benefit from facilities that the special district could provide? Two, is
35 the land area of sufficient size, sufficient compactness, and sufficiently contiguous to be
36 the basis for a functional interrelated community?
37

38 Under both criteria, the CDD is a planned community of sufficient size with a need for the
39 facilities and improvements that are presently expected to be provided by the CDD. As
40 described in the Petition, the District will construct and maintain certain identified needed
41 facilities and services. In particular, this District will have significant responsibilities for
42 a relatively large amount of drainage and stormwater management to serve the community.
43 Water and sewer improvements constructed by the CDD will be transferred to the County
44 and roadway improvements will be owned and maintained by the CDD. Based on my
45 experience, districts of this size are large enough to effectively provide and manage these
46 services. From a management and operations perspective, the land area is well suited to

1 the provision of the proposed services and facilities.

2
3 **25. Do you have an opinion, as someone experienced in district management and**
4 **operations, as to whether the community development services and facilities of the**
5 **proposed District will be incompatible with the capacity and use of existing local and**
6 **regional community development services and facilities?**

7
8 Yes.

9
10 **26. What is your opinion?**

11
12 The proposed services and facilities of the proposed District are not incompatible with the
13 capacity and uses of existing local or regional community development services and
14 facilities.

15
16 **27. What is the basis for your opinion?**

17
18 Petitioner presently expects the proposed District to finance and construct certain roadway
19 improvements, street lighting, amenity area, stormwater management, water and sewer
20 systems. None of the facilities expected to be provided by the District presently exist.
21 Ultimately, a district may own and maintain certain of those improvements, such as the
22 recreation improvements and roadways, and the County, or other governmental entities,
23 may own and maintain others. There will be no overlap or incompatibility because the
24 facilities and improvements expected to be provided by the proposed District do not exist
25 today.

26
27 **ECONOMICS AND FINANCING**

28
29 **28. You stated earlier that you are familiar with the Petition, and its Exhibits, filed by the**
30 **Petitioner, to establish the proposed Lakes at Bella Lago Community Development**
31 **District. Are you particularly familiar with Exhibit 8 to the Petition?**

32
33 Yes, Exhibit 8 is the SERC, a requirement of Chapter 190, *Florida Statutes*.

34
35 **29. Have any revisions been made to Exhibit 8 of the Petition, the SERC?**

36
37 No.

38
39 **30. What exactly is a "SERC"?**

40
41 The Statement of Estimated Regulatory Costs is actually a requirement under Section
42 120.541(2), *Florida Statutes*, which has been incorporated into the law on establishment
43 of community development districts.

44
45 **31. In general terms, please summarize the economic analyses presented in the SERC.**

1 An understanding of the SERC requires the recognition of the scope of review and
2 evaluation for the establishment of a community development district as set out in Chapter
3 190. Section 190.002(2)(d), *Florida Statutes*, states “[t]hat the process of establishing such
4 a district pursuant to uniform general law [must] be fair and based only on factors material
5 to managing and financing the service-delivery function of the district, so that any matter
6 concerning permitting or planning of the development is not material or relevant.” Thus,
7 the scope of the economic analysis included in the SERC addresses only the establishment
8 of the proposed District, and not the planning or development of the property itself.
9

10 The economic analysis sets out the assumptions about the development within the proposed
11 district and the anticipated infrastructure to be provided by it. The analysis addresses each
12 of the potentially affected parties defined in Chapter 120, *Florida Statutes*, and evaluates
13 the impact of the proposed district on each such group.
14

15 The proposed Lakes at Bella Lago Community Development District is a specialized unit
16 of local government. It is a special purpose unit of local government with a single
17 objective: the provision of infrastructure and services for a planned new community. Its
18 economic benefits exceed its economic cost to the Petitioner, the County, and to all
19 subsequent purchasers and landowners of the community - in short, to all affected parties.
20

21 Once the proposed District is established, there are no direct costs to the County. While the
22 proposed District will provide certain reports and budgets to the County for its
23 discretionary review, there are no requirements that either incur any obligations or expense
24 associated with its review. In addition, to the extent the proposed District utilizes the
25 services of the Property Appraiser or Tax Collector under the provisions of Chapter 197,
26 *Florida Statutes*, to collect its assessments, the proposed District must pay the costs
27 associated with those services.
28

29 It is important to note that under Chapter 190, the debt of the proposed District cannot
30 become the debt of the County or the State of Florida. Since the proposed District will be
31 an independent unit of government and issue its own bonds, the proposed District will not
32 have any effect on the bonding capacity of the County or the State of Florida.
33

34 **32. Please describe briefly the data and methodology used in preparing the SERC and**
35 **related analyses.**
36

37 The data for the analysis came from the landowner, other experts working on the Petition,
38 and from the Petition itself. The methodology is standard economic impact assessment.
39

40 **33. From an economic and financial perspective, do you have an opinion regarding the**
41 **financial viability and feasibility of the proposed District?**
42

43 Yes, I do.
44

45 **34. What is that opinion?**
46

1 In my opinion, based on my experience with other districts, the proposed Lakes at Bella
2 Lago Community Development District is expected to be financially viable and feasible.
3

4 **35. Are you familiar with the State Comprehensive Plan found in Chapter 187, *Florida***
5 ***Statutes*?**

6
7 Yes.
8

9 **36. From an economic and financial perspective, do you have an opinion as to whether**
10 **the proposed District is inconsistent with the State Comprehensive Plan from an**
11 **economic perspective?**

12
13 Yes.
14

15 **37. What is that opinion?**

16
17 It is my opinion that the proposed Lakes at Bella Lago Community Development District
18 is not inconsistent with any applicable element or portion of the state comprehensive plan.
19

20 **38. What is the basis for your opinion?**

21
22 I have reviewed, from an economic and financial perspective, the State Comprehensive
23 Plan, particularly those portions that relate to community development districts. The State
24 of Florida Comprehensive Plan (Chapter 187, *Florida Statutes*) “provides long-range
25 policy guidance for the orderly social, economic, and physical growth of the state.” From
26 an economic and financial perspective, four subjects, subjects 15, 17, 20, and 25 of the
27 State Comprehensive Plan are relevant to the establishment of a CDD.
28

29 Subject 15, titled Land Use, recognizes the importance of locating development in areas
30 that have the fiscal abilities and service capacity to accommodate growth. It is relevant
31 because CDDs are designed to provide infrastructure services and facilities in a fiscally
32 responsible manner to the areas that can accommodate development. The establishment of
33 the District will not be inconsistent with this goal because the District will have the fiscal
34 capability to provide the specified services and facilities within its boundaries.
35

36 Subject 17, titled Public Facilities, relates to (i) protecting investments in existing public
37 facilities; (ii) providing financing for new facilities, (iii) allocating the costs of new public
38 facilities on the basis of the benefits received by future residents; (iv) implementing
39 innovative but fiscally sound techniques for financing public facilities; and (v) identifying
40 and using stable revenue sources for financing public facilities. The establishment of the
41 District will further these State Comprehensive Plan Goals and Policies.
42

43 Subject 20, titled Governmental Efficiency, provides that governments shall economically
44 and efficiently provide the amount and quality of services required by the public. The
45 proposed District will be consistent with this element because the proposed District will
46 continue to:

- (i) cooperate with other levels of Florida government;
- (ii) be established under uniform general law standards as specified in Chapter 190, *Florida Statutes*;
- (iii) be professionally managed, financed, and governed by those whose property directly receives the benefits;
- (iv) not burden the general taxpayer with costs for services or facilities inside the Lakes at Bella Lago Community Development District; and
- (v) plan and implement cost efficient solutions for the required public infrastructure and assure delivery of selected services to residents.

Subject 25, titled Plan Implementation, calls for systematic planning capabilities to be integrated into all levels of government throughout the state, with particular emphasis on improving intergovernmental coordination and maximizing citizen involvement. The proposed District is consistent with this element of the State Comprehensive Plan.

39. Based on your work with districts and from an economic and financial perspective, do you have an opinion as to whether the area of land that is proposed to be included within the proposed District is of sufficient size, sufficient compactness, and sufficient contiguity to be developable as one functional interrelated community?

Yes.

40. What is your opinion?

Based on my previous experience, the proposed District is of sufficient size, compactness, and contiguity to be developed as a functional interrelated community.

41. What is the basis for your opinion?

The project is compact with land use typical of a planned community. The development of the land has been planned to be a functional interrelated community making the most efficient use of public funds available

42. From a financial perspective, do you have an opinion as to whether the proposed Lakes at Bella Lago Community Development District is the best alternative available for providing the proposed community development services and facilities to the area to be served?

Yes.

43. What is your opinion?

1 The proposed District is the best alternative to provide community development facilities
2 to the area to be served. This is true for the landowners and the governmental entities for
3 the following reasons.
4

5 From the perspective of current and future property owners within the District, the District
6 is the best alternative for providing community facilities, infrastructure, and services. The
7 land development envisioned for the area within the District boundaries will require
8 substantial provision of infrastructure, facilities and services. The CDD is an alternative
9 method to provide these necessary services. The CDD can access the tax-exempt public
10 capital markets and thereby fund these facilities and services at a lower cost than the
11 alternative of developer funding. Furthermore, unlike a property owners association
12 (“POA”) the CDD has the power to assess property and collect those assessments along
13 with other property taxes. Therefore, a CDD can fund large capital improvement programs
14 that a POA cannot.
15

16 With regard to the operations and maintenance of community facilities and services the
17 CDD is also the best alternative. The CDD is preferable to a POA to future landowners for
18 the following reasons. First, unlike a POA, the CDD collects funds for operations and
19 maintenance directly from assessments collected along with all other property taxes, which
20 is a more assured income stream. Unlike a POA, a CDD is a unit of local government,
21 and it must hold its meetings in the sunshine and bid out its contracts where required by
22 law. A CDD provides control to the landowners much sooner in time than a POA. A CDD
23 is focused on providing the community with services, facilities, and their maintenance in a
24 way the general-purpose government, with its competing interests and broad
25 responsibilities, is not. This level of local control serves the best interests of property
26 owners in the CDD.
27

28 From the perspective of the State of Florida and the County, a CDD is the best alternative
29 for providing community facilities and their operations and maintenance for a variety of
30 reasons. First, as noted above, compared to a POA the CDD is a more powerful and more
31 responsive organization for providing and maintaining infrastructure and services. Second,
32 without a CDD the County may have to assume greater responsibility for construction,
33 operations, and maintenance of community facilities and services. Even if the County
34 formed a dependent district to provide community facilities and services to the area to be
35 served by the CDD, and charged appropriately for these services, the County would be
36 enmeshed in the responsibilities and in the management of those facilities. Furthermore,
37 without a CDD the County cannot be assured that only residents of the area to be served
38 by the CDD would bear the full costs of the needed facilities and services.
39

40 **44. From an economic and financial perspective, do you have an opinion as to whether**
41 **the services and facilities to be provided by the proposed Lakes at Bella Lago**
42 **Community Development District will be incompatible with the uses and existing**
43 **local and regional facilities and services?**
44

45 Yes.
46

1 **45. What is your opinion?**
2

3 The proposed Lakes at Bella Lago Community Development District covers approximately
4 254.16 acres of land, more or less. The configuration of the land is sufficiently compact
5 and contiguous. As such, it will not create any economic disincentives to the provision of
6 the infrastructure facilities contemplated in this case.
7

8 Given the scope and expected cost of facilities to be provided, 254.16 acres of land, more
9 or less for a residential development provides a sufficient economic base to absorb the debt
10 costs and annual operating costs for district administration and to efficiently apportion the
11 cost of improvements.
12

13 **46. From an economic and financial perspective, do you have an opinion as to whether**
14 **the area that will be served by the proposed Lakes at Bella Lago Community**
15 **Development District is amenable to separate special district government?**
16

17 Yes.
18

19 **47. What is your opinion and its basis?**
20

21 It is my opinion that the area within the boundaries of the proposed District is amendable
22 to a separate special district government. The lands within the proposed District's
23 boundaries have the need for basic infrastructure.
24

25 The land is of sufficient size, compactness, and contiguity and meets those tests. Therefore,
26 from an economic and financial perspective, the area to be served by the proposed District
27 is clearly amendable to separate special district governance.
28

29 **48. Does this conclude your testimony?**
30

31 Yes, it does.