



# AGENDA

## Community Redevelopment Agency Meeting (CRA)

5:00 PM – Thursday, June 19, 2025 – City Hall

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### Call to Order

### Acknowledgement of Quorum and Proper Notice

#### 1. Approval of Minutes

##### 1.1 Approval of Minutes

June 5, 2025 CRA Meeting

#### 2. CRA Item with Board Discussion and Direction

##### 2.1 CRA Resolution 25-02: Adoption of CRA Review and Direction on Developer Agreement Clarification for Tax Reimbursement Eligibility and Future Agreement Reform

#### 3. Adjournment

This Agenda is provided to the Commission only as a guide, and in no way limits their consideration to the items contained hereon. The Commission has the sole right to determine those items they will discuss, consider, act upon, or fail to act upon. Changes or amendments to this Agenda may occur at any time prior to, or during the scheduled meeting. It is recommended that if you have an interest in the meeting, you make every attempt to attend the meeting. This Agenda is provided only as a courtesy, and such provision in no way infers or conveys that the Agenda appearing here is, or will be the Agenda considered at the meeting.

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (Florida Statutes, 286.0105). In accordance with the Americans with Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the City Clerk 48 hours prior to any meeting so arrangements can be made. Telephone (352) 483-5430 for assistance.



# City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: COMMUNITY REDEVELOPMENT AGENCY (CRA)

FROM: Tom Carrino, City Manager

DATE: June 19, 2025

RE: Approval of Minutes

June 5, 2025 CRA Meeting

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**Introduction:**

This item is for consideration of the minutes of the CRA.

**Recommended Action:**

Approval of the minutes as submitted.

**Prepared By:**

Mary Montez, Deputy City Clerk

**Reviewed By:**

Christine Halloran, City Clerk



# MINUTES

## Community Redevelopment Agency Meeting (CRA)

5:00 PM – Thursday, June 05, 2025 – City Hall

**Call to Order: 5:00 p.m.**

### **Acknowledgement of Quorum and Proper Notice**

PRESENT: Mr. Michael Holland, Mr. George Asbate, Ms. Emily Lee and Vice Chair Gary Ashcraft, Lori Pittsley, Downtown CRA Representative, and Tonya Wilder, East Town CRA Representative

ABSENT: Chair Willie L. Hawkins

### **1. Approval of Minutes**

#### April 17, 2025 CRA Meeting

Motion made by Mr. Holland, Seconded by Ms. Lee, to approve the Minutes. Motion passed on the following vote:

Voting Yea: Mr. Holland, Mr. Asbate, Ms. Lee, Vice Chair Ashcraft

### **2. CRA Item with Board Discussion and Direction**

#### 2.1 Review of CRA Developer Agreement – Tax Increment Benefits

Tom Carrino, City Manager, explained the discussion pertains to an existing redevelopment agreement between the CRA and North Central Place, which is the five-story apartment building a few blocks east of City Hall. He stated that the City has received a request from Daniel DiVenanzo, representing North Central Place, for his annual payment. He explained that because of an ownership change with the property and the status of the property taxes there is some ambiguity with the agreement. Therefore, they have asked the City Attorney to review the agreement. He indicated staff will need some direction on how the Board wants to move forward.

Sasha Garcia, City Attorney, explained they will be looking at the tax benefit issue in the agreement and will need some guidance going forward. She explained the purpose of the tax increment benefits and how they work. She noted that there are other similar agreements so there needs to be a clarification that can be applied consistently. She indicated that once they agree on a clarification, then a resolution adopting the clarifying terms will be brought back to the CRA for consideration. She added that the CRA would also need to consider revisions to any subsequent tax increment benefit agreements.

Attorney Garcia provided a history of the North Central Place project. She explained the reimbursement is tied to the incremental property taxes actually received by the CRA. Reimbursements require proof of eligible costs paid by the developer which, in this case, was the completion of the project which was close to \$1.9 million. The developer is requesting the property tax exemption subsidy. She explained that the developer benefits are not transferable without CRA approval and the developer has not

transferred those benefits. She indicated that the agreement is silent on who must pay the property taxes or who must own the property to trigger the reimbursement. She stated staff needs guidance on post-sale benefit eligibility; i.e., ownership retention requirement for the developer to receive the benefit.

Attorney Garcia reviewed the legal and practical issues as follows: 1) Ambiguity in Payor: Agreement is silent on whether reimbursement is contingent on Developer or subsequent owner paying taxes. 2) Developer Reliance: Developer relied on reimbursement to complete the project and retained no ownership but continued right to claim benefit. 3) City Received Taxes: Regardless of delinquency, taxes were eventually received by the CRA through third-party tax certificate holder. 4) Benefit Continuation: Developer has not violated exemption prohibition; ownership transfer does not explicitly void the benefit under the current agreement. 5) Risk Exposure: Failure to pay may result in Developer litigation; CRA liability exposure increases absent an interpretive clarification.

Attorney Garcia stated her recommendation as follows: 1) They clarify the intent of the agreement was to incentivize redevelopment through reimbursement of the taxes actually received regardless of the payor; 2) Authorize payment: As long as no exemptions were filed and taxes were received by the City, Developer should remain eligible for reimbursement; and 3) Protect CRA interest: Clarify that if any future property owner claims exemptions, reimbursement will be voided for that year. She stated that this would apply to the other four agreements as well.

Discussion was held regarding why the taxes weren't paid and whether or not the property had been sold at a tax deed sale with Attorney Garcia indicating she had no idea why the taxes weren't paid. She explained that tax certificates were redeemed. She further explained that the benefit was based on the \$1.9 million paid by the developer.

Tom Carrino, City Manager, stated that the agreement stated that a minimum of \$1.9 million had to be invested. He indicated his belief that Mr. DiVenanzo had actually invested more than that. He confirmed that Mr. DiVenanzo did have to provide proof of his investment.

Al Latimer, Economic Development Director, confirmed that receipts were received that totaled the required \$1.9 million.

Board Member Asbate indicated he found online that the property sold for \$3.5 million prior to completion.

Discussion was held regarding what is required for a development to qualify for a tax increment agreement.

Attorney Garcia further explained the conditions of the agreement and that the issue is based on the agreement being silent on who pays the taxes. She stated it is also silent if a future owner tries to claim the exemption. She emphasized the need to get clarification which can be applied to the other four existing agreements as well.

Discussion was held regarding payment of the taxes by a third party.

Mr. Carrino explained the purpose of the redevelopment agreement is to incentive private investment within the CRA to get a redevelopment project and value on the tax roll which has happened. He stated the CRA has accomplished what it set out to do.

Mr. Holland asked if the developer followed or lived up to the letter of the agreement with the CRA Board with Attorney Garcia responding affirmatively. She explained that, once the property was sold and the first two years no property taxes were paid, the developer did not request the subsidy; however, now that the taxes have been paid, the request has been made.

Attorney Garcia explained the difficulty in restricting payment of the taxes to the original property owner then they would interfere with someone's right to do what they wish with their property. She explained that the requirements of the agreement were fulfilled.

Mr. Holland noted that the legislature would once again target the CRA's in the next legislative year and expressed concern that the CRA's would be going away.

Mr. Carrino stated that the main ambiguity is the agreement says the developer cannot apply for tax exempt status, which he has not done; however, the agreement does not address, if it's sold, what happens if the new owner applies for tax exempt status. He commented on the possibility that Mr. DiVenanzo has lost control of whether someone applies for tax exempt status. He stated that Mr. DiVenanzo would not get paid if no one is paying taxes. He indicated that the developer also cannot challenge the Property Appraiser's value of the property, which he has not done; however, if a new buyer is not happy with the assessment and challenges the assessment, Mr. DiVenanzo would again suffer. He indicated that staff has worked out some wording that would clarify those issues moving forward.

Attorney Garcia stated that she wants the Board to address each of the three components separately. First, to clarify the intent of the agreement. If the City does not receive an increase in taxable value, then there is no payment. Then, the delinquency issue - how long will the CRA allow a delinquency to occur before they cannot claim a benefit. She suggested a disqualification component if a delinquency continues. She stated those two issues would be going forward.

Discussion was held regarding whether or not the CRA can restrict a future owner from applying for tax exempt status with Mr. Carrino explaining that, if Mr. DiVenanzo had assigned the agreement to the buyer, then they would have been subject to the requirements in the agreement.

Attorney Garcia noted that it could not be assigned without approval of the CRA. She indicated they could have a requirement included in future agreements requiring that the agreement must be assigned to the new owner. She then stated, if the motion is to reiterate the intent of the agreement and authorize the payment, then she would provide a resolution to the Board that would embody that and apply to this agreement, as well as the other four.

Mr. Asbate stated they need to clarify as well, if someone sells the property, the benefit either goes away or goes with the new owner.

Attorney Garcia indicated that would be something to consider for future agreements as to whether or not the agreement runs with the land.

The Board asked if the same developer is involved with the other agreement with Mr. DiVenanzo stating that he is involved with three agreements.

Motion made by Mr. Holland, Seconded by Ms. Lee, if the developer follows the letter of the agreement made with him, then payment will be authorized; however, the CRA

Board does want to make changes for future agreements. Motion passed on the following vote:

Voting Yea: Mr. Holland, Vice Chair Ashcraft, Ms. Lee

Voting Nay: Mr. Asbate

Daniel DiVenanzo, developer for the agreement, explained the history of the project and commented on his upfront costs, increased rents and the sale of the building. He stated that the City is collecting \$65,000/year in property taxes. He stated the buyer did not have the upfront risk which was extended due to Covid. He stated he understands if the benefit goes away because a future owner applies for tax exempt status. He then explained his sale of the property. He indicated that he and his partner were prepared to purchase the property if it went to auction; however, it probably would not go to auction due to two of the buyers forcing out the weaker owners. He commented on the process for the sale of tax certificates. He emphasized that the City gets the property taxes and incremental value regardless. He added that he has plans for other buildings downtown and he would not be willing to transfer any of the agreements.

Mr. Asbate explained his issue with the handling of the agreements and the future agreements.

Attorney Garcia explained the issues to be addressed for future agreements and possible changes to those agreements: 1) Responsibility for paying taxes; 2) Eligibility post-sale; 3) Exemptions affecting reimbursements; 4) Reimbursement trigger; 5) Default conditions; 6) Assignment or transferability; 7) Interpretation and risk; and 8) Project use requirement.

Discussion was held regarding the intent of the agreements with Mr. Asbate commenting on who receives the benefit - the original developer or the current owner. He suggested that, if the property sells for more than the original cost, then the new owner should receive the benefit; however, if the property sells for less, then the benefit should remain with the developer.

Attorney Garcia suggested that having consideration come back to the CRA for transferring gives them the control regarding who receives the benefit.

The Board suggested staff send the information to them and they discuss it at the next meeting.

Further discussion was held regarding delinquent taxes and tax deed sales with Attorney Garcia indicating she would prepare a draft for their review.

### **3. Adjournment: 5:46 p.m.**

*\*These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to [www.eustis.org](http://www.eustis.org) and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording of the meeting can be obtained from the office of the City Clerk for a fee.*

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CHRISTINE HALLORAN  
City Clerk

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WILLIE L. HAWKINS  
Mayor/Commissioner



## City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: Eustis Community Redevelopment Agency (CRA)

FROM: Tom Carrino, City Manager

DATE: June 19, 2025

RE: CRA Resolution 25-02: Adoption of CRA Review and Direction on Developer Agreement Clarification for Tax Reimbursement Eligibility and Future Agreement Reform

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### **Background**

On December 19, 2019, the CRA entered into a Developer Agreement with North Central Place LLC to support the redevelopment of 100 Dewey Street. The Agreement provided for annual tax increment reimbursements of up to \$22,500 for a fourteen-year term, subject to project completion and generation of increased taxable value.

The Developer successfully completed the project and met all agreement conditions, including the restriction against seeking ad valorem tax exemptions. The Developer later sold the Property. In subsequent years, the new owner failed to pay property taxes, which led to the issuance and redemption of tax certificates by a third party. As a result, the CRA still received tax increment revenues for the Property despite the delinquency.

However, the Agreement is silent as to whether the Developer must continue to own the Property or directly pay the taxes to qualify for reimbursement. It also does not address whether exemptions or subsidy applications by subsequent owners affect eligibility.

### **CRA Meeting – June 5, 2025**

On June 5, 2025, the CRA Board formally reviewed this matter, including legal analysis and staff recommendations. After discussion, the Board reached consensus that:

- A Developer remains eligible for reimbursement for any year the CRA receives tax increment revenues attributable to the project, regardless of who paid the taxes;
- Reimbursement is disqualified for any tax year in which a property tax exemption or governmental housing/rent subsidy is applied for or granted, regardless of who applied;

- This interpretation should apply to all current Developer Agreements using the same template; and
- A revised Developer Agreement form should be adopted to address and eliminate future ambiguity.

**Recommendation**

Staff recommends that the CRA Board adopt CRA Resolution 25-02 to authorize reimbursement consistent with CRA receipt of tax increment revenue, avoid inconsistent administration, apply this interpretation as precedent across all similar agreements, and confirm intent to replace the current agreement template.

**Attachments**

1. CRA Resolution Number 25-02
2. December 19, 2019 Developer Agreement – North Central Place LLC
3. CRA PowerPoint Presentation – June 5, 2025

**Business Impact Estimate**

Not applicable.

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**Prepared By:** Sasha Garcia, City Attorney

**Reviewed By:** Miranda Burrowes, Assistant City Manager



**CRA RESOLUTION NUMBER 25-02**

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF EUSTIS, LAKE COUNTY, FLORIDA, KNOWN AS THE DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY (CRA), CLARIFYING THE INTENT AND APPLICATION OF THE DECEMBER 19, 2019 DEVELOPER AGREEMENT WITH NORTH CENTRAL PLACE LLC REGARDING TAX INCREMENT REIMBURSEMENT; ESTABLISHING THE CLARIFICATION AS A PRECEDENT APPLICABLE TO ALL EXISTING AGREEMENTS BASED ON THE SAME FORM; AFFIRMING THE CRA'S INTENT TO TRANSITION TO A NEW AGREEMENT FORM; PROVIDING FOR IMPLEMENTATION AND AN EFFECTIVE DATE.**

**WHEREAS**, the CRA entered into a Developer Agreement with North Central Place LLC (the "Developer") on December 19, 2019, to support the redevelopment of 100 Dewey Street (the "Property"), providing for annual tax increment reimbursements of up to \$22,500 for a term of fourteen (14) years, based on eighty percent (80%) of tax increment revenues generated by the Property; and

**WHEREAS**, the Developer completed the project in accordance with the Agreement and did not seek any ad valorem tax exemptions or governmental subsidies, thereby meeting all conditions for reimbursement; and

**WHEREAS**, following the Developer's sale of the Property, taxes were not paid by the new owner, resulting in issuance and later redemption of tax certificates by a third party, which generated tax increment revenues received by the CRA; and

**WHEREAS**, the Agreement is silent as to whether ownership of the Property or direct payment of taxes by the Developer is required for reimbursement eligibility; and

**WHEREAS**, on June 5, 2025, the CRA Board held a public meeting to review this matter, discussed the legal interpretation and intent of the Agreement, and reached consensus that reimbursement eligibility should be based on receipt of tax increment revenues by the CRA — regardless of who paid the taxes — so long as no tax exemption or subsidy was sought for the Property; and

**WHEREAS**, the CRA Board further agreed that this clarification should apply to all Developer Agreements currently in effect that utilize the same agreement form as the 2019 North Central Place LLC Agreement and expressed its intent to adopt a revised form of agreement, at a future date, to eliminate similar ambiguities.

**NOW, THEREFORE, BE IT RESOLVED**, by the Downtown and East Town Redevelopment Agency (CRA) of the City of Eustis, Florida as follows:

### **SECTION 1. CLARIFICATION OF INTENT.**

During the pendency of the Agreement:

- (a) The Developer is eligible to receive tax increment reimbursement for any year in which the CRA receives increment revenues attributable to the Property, regardless of who paid the taxes (Developer, successor owner, or third-party certificate holder); and
- (b) No reimbursement shall be made for any tax year in which a tax exemption or governmental rent/housing subsidy is applied for or granted with respect to the Property, regardless of who submitted the application.

### **SECTION 2. APPLICATION TO EXISTING AGREEMENTS.**

This clarification shall apply to all existing Developer Agreements currently in effect that are based on the same form and structure as the December 19, 2019 Agreement, and shall serve as the CRA's formal interpretation of similar provisions in such agreements.

### **SECTION 3. FUTURE AGREEMENTS.**

The CRA hereby affirms its intent to adopt and implement a revised Developer Agreement template for all future redevelopment projects, which shall include updated provisions to eliminate ambiguity regarding tax reimbursement eligibility and administration.

### **SECTION 4. IMPLEMENTATION**

The City Manager, City Attorney, and City Finance Department are hereby authorized and directed to implement this Resolution and to process any eligible reimbursement payments consistent with this clarification.

### **SECTION 5. EFFECTIVE DATE.**

This Resolution shall take effect immediately upon adoption.

**DONE AND RESOLVED** in regular meeting of the Downtown and East Town Redevelopment Agency (CRA) of the City of Eustis, Florida, this 19<sup>th</sup> day of June 2025.

**Board of the Eustis Downtown and  
East Town Redevelopment Agency**

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Willie L. Hawkins  
CRA Board Chair

**ATTEST:**

\_\_\_\_\_  
Christine Halloran, City Clerk

**CITY OF EUSTIS CERTIFICATION****STATE OF FLORIDA  
COUNTY OF LAKE**

The foregoing instrument was acknowledged before me, by means of physical presence, this 19<sup>th</sup> day of June 2025 by Willie L. Hawkins, Board Chair, and Christine Halloran, City Clerk, who are personally known to me.

\_\_\_\_\_  
Notary Public - State of Florida  
My Commission Expires:  
Notary Serial Number:

**CITY ATTORNEY'S OFFICE**

This document is approved as to form and legal content for reliance and use by the Eustis Downtown and East Town Redevelopment Agency (CRA).

\_\_\_\_\_  
City Attorney's Office

\_\_\_\_\_  
Date

**CERTIFICATE OF POSTING**

The foregoing CRA Resolution Number 25-02 is hereby approved, and I certify that I published the same by posting one copy hereof at City Hall, one copy hereof at the Eustis Memorial Library, and one copy hereof at the Eustis Parks and Recreation Office, all within the corporate limits of the City of Eustis, Lake County, Florida.

\_\_\_\_\_  
Christine Halloran, City Clerk

## **Developer Agreement**

### **Tax Increment Benefits**

This Agreement is made this 19th day of December, 2019, by and between the Downtown and East Town Redevelopment Agency, a public body corporate and politic created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"), and North Central Place, LLC (the "Developer").

WHEREAS, the City of Eustis City Commission, as the Agency, has the authority to contract with private developers for tax increment benefits; and

WHEREAS, the Developer proposes to complete substantial renovations or improvements to the real property located at the northwest corner of Dewey Street and Magnolia Avenue and more specifically described in Exhibit A attached hereto (the "Property"); and

WHEREAS, the Developer has confirmed that the proposed improvements to the Property, said improvements being more specifically described in Exhibit B attached hereto (the "Project"), have an estimated total cost of approximately \$1,900,000; and

WHEREAS, the 2008 City of Eustis Downtown Plan and the City of Eustis 2016 Redevelopment Plan identify the need for CRA investment in the area; and

WHEREAS, the encouragement of development of this Project, which has long been slated for redevelopment, will be beneficial to the City and the Area, provide for positive activity in the CRA, and help the City's and Agency's ability to attract additional development in the Area; and

WHEREAS, the Agency has determined that the use of tax increment revenues to provide financial support in the Area is appropriate and consistent with the 2008 Downtown Plan and the 2016 Redevelopment Plan and should be undertaken by the Agency; and

WHEREAS, the Developer has represented to the Agency that but for financial assistance from the Agency to offset the cost of constructing the Project, the Project is not feasible and the Developer will not proceed with the Project; and

WHEREAS, the Developer has proposed the Agency reimburse to the Developer a portion of the total project costs pursuant to the specific schedule and conditions in this agreement; and

WHEREAS, at a public meeting of the Community Redevelopment Agency on December 19, 2019, the Agency voted to approve the foregoing as an inducement for the Project; and

WHEREAS, after reviewing the proposal and having considered the Project, the Agency has accepted the proposal subject to a definitive agreement between the Agency and Developer

setting forth the respective duties and responsibilities of the parties in redeveloping the Property and authorized the preparation of such an agreement; and

WHEREAS, such Agreement has been prepared and reviewed by the Agency and Developer, and the Agency and Developer are desirous of entering into this Agreement to effectuate the redevelopment of the Property.

Now, therefore, the Agency and the Developer agree as follows:

1. The foregoing findings are incorporated herein by reference and made a part hereof.
2. The purpose of this agreement is to provide financial assistance as an inducement for the development of the Project by Developer on the Project Site as provided herein to rehabilitate slum and blighted areas consistent with Section 163.335 Florida Statutes and the Act.
3. Findings
  - A. The Agency does hereby find that the 2008 Downtown Plan designated that the Area including the Property offers a prime opportunity for redevelopment and the Agency hereby determines redevelopment of the Property as proposed serves a public purpose for carrying out redevelopment pursuant to Chapter 163, Part III, Florida Statutes.
  - B. The Agency does hereby find that the 2016 Redevelopment Plan again identifies the Property as a prime opportunity for redevelopment and further defines the CRA resources available to facilitate redevelopment.
  - C. The Agency does hereby find that there has not been adequate new development within the Area.
  - D. The Agency does hereby find that the Developer has represented to Agency that the Developer needs financial assistance from Agency for the Project in order for the Project to proceed.
  - E. The Agency does hereby find that there is, in fact, a need by the Developer for financial assistance by the Agency for the Project to proceed.
  - F. The Agency does hereby find that Increment Revenues may be used to provide Developer with financial assistance for the Project.
  - G. The Agency does hereby find that the Project will enhance the quality of life and the aesthetic and useful enjoyment of the Area and further the goals and intent of the 2008 Downtown Plan and the 2016 Redevelopment Plan and conforms to the requirements of the Act.
  - H. The Agency does hereby find that the project is consistent with and furthers the objectives of the 2008 Downtown Plan and the 2016 Redevelopment Plan and is in the best interest of the citizens of the City and the CRA.
  - I. The Agency does hereby find that the Developer has proposed that the Agency provide financial support for the Project by virtue of the Project Reimbursements.



- J. The parties hereto recognize and acknowledge and do mutually find that but for the financial assistance provided herein, the Developer would not undertake the development of the Project and such assistance is a critical and important inducement to the Developer.
4. It is the intent of the parties hereto to efficiently, effectively and economically cause the successful development of the Project in order to improve the Property, specifically, and the conditions in the Area, in general, as well as implement the 2008 Downtown Plan and otherwise further the purposes of the Act.
    - A. It is further the intent of the parties that Developer shall construct, equip, and otherwise complete the Project on the Property substantially in accordance with the Project documents.
    - B. The parties mutually recognize and acknowledge that Developer will require Agency's financial assistance and Agency's financial assistance is subject to certain performance criteria and reimbursement periods enumerated in this agreement.
  5. The parties hereto recognize, acknowledge and agree that it is their mutual desire and intent in entering into this Agreement that all Certificates of Occupancy be issued to the Project no later than January 1, 2022 (Completion Date).
  6. Following the issuance of all Certificates of Occupancy, the City shall have the obligations set forth in this section relative to financing Eligible Redevelopment Project Costs in connection with the Project. As part of the Requisition process, the Developer shall submit an accounting of total Project Costs and Eligible Redevelopment Project Costs. Upon the submission to the City by the Developer of a Requisition for Eligible Redevelopment Project Costs incurred and paid, the City, subject to the terms, conditions and limitation set forth in this section immediately below, agrees to reimburse the Developer from the Fund such Reimbursement Amounts as are paid and incurred by the Developer and are directly related to the Project at the Property as follows:
    - A. for the purpose of calculating the total amount of Incremental Property Taxes for any such calendar year which are directly attributable to the Project, the total taxable value of the Property for such calendar year shall be reduced by the 2018 base CRA taxable value of the Property as assigned by the Lake County Property Appraiser in the agreed amount of \$81,603, and the result shall be multiplied by the total tax rate of all taxing districts participating in the CRA for any such applicable calendar year.
    - B. The Base Reimbursement Amount in connection with the Project shall annually be payable in such amount as is equal to eighty percent (80%) of the Incremental Property Taxes actually received by the CRA in each such applicable calendar year which are directly attributable to the Project at the Property up to an annual Incremental Property Tax amount of \$22,500. The Annual Base Reimbursement will be paid for a period of fourteen (14) years and will not exceed a total of \$190,000 over fourteen (14) years.
    - C. Total Project costs are estimated at \$1,900,000. Total Reimbursements shall not exceed 10.0 percent (10.0%) of total Project costs.
    - D. The City hereby designates the City Finance Director as its representative to coordinate

the authorization of disbursement of any Reimbursement Amounts for the Eligible Redevelopment Project Costs. Payments to the Developer of any Reimbursement Amounts for Eligible Redevelopment Project Costs shall be made upon request therefor, in form reasonably acceptable to the City (each being a "Requisition") submitted by the Developer with respect to any Eligible Redevelopment Project Costs incurred but not previously submitted. Each such Requisition shall be accompanied by such applicable documentation as may be acceptable to the City or by the statement or report of an independent accountant which shows and verifies that any such Eligible Project Redevelopment Costs have in fact been paid and incurred by the Developer. Fourteen (14) years from the completion of the Project, the Developer shall not file an appeal related to property values, apply for property tax exempt status, or apply for any governmental housing or rent subsidy programs.

7. In the event this Agreement or any provision of this Agreement is for any reason held illegal or unenforceable by a court of competent jurisdiction, the parties shall attempt in good faith to negotiate a new agreement or provision that is legal and enforceable and that effectuates the intent and purpose of this agreement. To such extent, the provisions of this Agreement shall be deemed severable.
8. Nothing in this Agreement shall operate or be construed to compel the City Commission of the City of Eustis or any other taxing authority to either directly or indirectly levy ad valorem taxes or otherwise exercise its taxing power to fund any obligation created by this Agreement.
9. In specific consideration of the Agency agreeing to make the Project reimbursements to Developer, and for other good and valuable consideration provided for in this Agreement, the receipt and sufficiency of which Developer acknowledges, Developer shall pay, indemnify and save harmless the Agency and the City and their respective agents, guests, invitees and employees from all suits, actions, claims, demands, damages, losses and other reasonable expenses and costs of every kind and description to which the Agency or the City, or their respective agents, guests, invitees or employees may be subjected to by reason of injury to persons or death or property damage, resulting from or growing out, wholly or in part, of any act, commission, omission, negligence or fault of Developer, its agents or employees, or its contractors, subcontractors, suppliers, servants, or any other person(s) or entity(ies) directly or indirectly controlled, employed or engaged by Developer, regardless of whether such act, omission or negligence occurs in connection with the Project or is within the scope of any of their duties under this Agreement, or any lessee of Developer in connection with: (a) any building, construction, installation or development work, service or operation being undertaken or performed by or for Developer in, on, under, or over the Property, or (b) any uses, occupancy, maintenance, repair and improvements or operation of all or part of the Project. This Section 9. shall not be deemed or construed to provide any indemnification by Developer for the benefit of any third parties other than the Agency and the City, nor shall it be deemed or construed a waiver by Developer of any liability of the Agency or the City so that Developer may be entitled to recover damages notwithstanding any provision of this Agreement to the contrary. Developer's indemnification obligations



hereunder are independent of any other provisions of the Agreement and shall not be dependent upon, affected, limited or diminished by the existence of any insurance policies obtained and maintained by Developer in accordance with Section 10. of this Agreement. Developer further acknowledges that these indemnification provisions are a significant part of the inducement for Agency to enter into this Agreement. Developer's indemnification obligations hereunder shall survive the termination of this Agreement and the transfer of title to any third party purchaser. Developer or its Contractor shall comply with all City of Eustis code requirements concerning bonding of the Project.

10. So long as this Agreement shall be in effect, Developer shall purchase and maintain in full force and effect all insurance of the types and in the full coverage amounts as required by the documents pertaining to the financing for the Project. Developer covenants and agrees with the Agency that the terms of its general liability policy will name the Agency as an additional named insured. Developer covenants and agrees with Agency that the terms of its builders' risk policy will name the Agency as a certificate holder. Developer shall provide certificates evidencing such insurance to the Agency. The issuance or maintenance of any insurance under this Section 10 shall not release, limit, waive or discharge Developer from its indemnity obligations under Section 9.

## 11. DEFAULT: TERMINATION

### A. Default by Developer.

1. Provided the Agency is not then in default under this Agreement as set forth in Section 11.B. hereof, and subject to Force Majeure, there shall be an "Event of Default" by Developer under this Agreement with the occurrence of any one or more of the following:
  - a. Developer shall fail to perform or comply with any material provision of this Agreement applicable to it; or
  - b. Developer shall fail to apply for all necessary permits to construct the Project within the time frames established by this Agreement.
  - c. Developer shall fail to construct the Project in substantial conformance with the Project documents.
  - d. Prior to the Completion Date, Developer shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation or shall file an answer admitting, or shall fail reasonably to contest, the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the developer or any material part of its properties; or



- e. Prior to the Completion Date, within sixty (60) days after the commencement of any proceeding by or against Developer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if, within sixty (60) days after the appointment without the consent or acquiescence of Developer of any trustee, receiver or liquidator of Developer or of any material part of its properties, such appointment shall not have been vacated.
2. If an "Event of Default" described in Subsection 11.A.1. hereof shall have occurred, the Agency, after giving written notice of such event of default to Developer and upon expiration of a forty-five (45) day notice period after receipt by Developer of such notice, if such event of default has not been cured, the Agency, as its sole and exclusive remedy, may terminate this Agreement and all rights of Developer and obligations of the Agency hereunder, including making the reimbursement payments hereunder shall then cease; provided, however, that the occurrence of any of the events set forth in 11.A.1.e. above after the Completion Date shall not be deemed an "Event of Default" and, despite such events, the Agency's obligation to make reimbursement payments pursuant to this Agreement shall continue in full force and effect.

B. Default by the Agency.

1. Provided Developer is not then in default under this Agreement as set forth in Section 11.A. and subject to Force Majeure, there shall be an "Event of Default" by the Agency under this Agreement upon the occurrence of any one or more of the following:
  - a. The Agency shall have failed or refused to make the reimbursement payments to Developer, subject to Section 6., in a timely manner, provided sufficient Surplus Tax Increment Revenues are available, time being the essence of such obligation; or
  - b. The Agency shall fail to perform or comply with any material provision of this Agreement applicable to it.
2. If an "Event of Default" described in Subsection 11.1. hereof shall have occurred, Developer, after giving written notice of such event of default to the Agency and, upon the expiration of a thirty (30) day period after receipt by the Agency of such notice, if such Event of Default has not been cured, Developer may terminate this Agreement and all rights and duties of Agency hereunder shall then cease, and, in addition, Developer may pursue any and all other remedies then available to Developer whether at law or in equity, including instituting an action to recover from the Agency any amount due and payable to it, including any reimbursement payments payable to Developer.

- C. The rights and remedies specified herein to which either the Agency or Developer are entitled are exclusive and are intended to be to the exclusion of any other remedies or means of redress to which the Agency or Developer may otherwise lawfully be entitled.
- D. The failure of the Agency or Developer to promptly insist upon strict performance of any term, covenant, condition or provision of this Agreement, or any Exhibit or any other agreement contemplated hereby shall not be deemed a waiver of any right or remedy that the Agency or Developer may have, and shall not be deemed a waiver of a subsequent default of nonperformance of such term, covenant, condition or provision.

E. Termination

1.
  - a. The Developer and the Agency acknowledge and agree that the performance by the Developer and the Agency in accordance with the terms of this Agreement are contingent and dependent upon certain conditions.
  - b. In addition to a termination upon occurrence of an event of default as provided in Sections 11.A. and 11.B. hereof, this agreement may be terminated by the Developer or the Agency upon the occurrence of any of the following: (i) the Developer is unable to obtain the financing or, if it does obtain such commitment, the issuer of such commitment fails or refuses to provide the financing or (ii) any other default of this Agreement.
2. Upon the occurrence of any default of this Agreement, either party may give a Termination Notice in which case this Agreement shall terminate and all obligations of the parties hereto imposed by this Agreement shall then cease and be released and no longer of any force and effect, except as otherwise specifically provided herein.
3. In the event of a termination of this Agreement, neither the Developer nor the Agency shall be obligated or liable one to the other in any way, financial or otherwise, for any claim or matter arising from or as a result of this Agreement or any actions taken by the Developer or the Agency, or both, thereunder or contemplated hereby; provided, however, that if any suits, actions, claims or demands of any kind shall be made against the Developer or the Agency, or both of them, seeking damages, expenses and costs (including attorneys' fees), or any other relief, arising from or the result of any omission, negligence or fault of the Developer or the Agency in connection with this Agreement or any actions taken by the Developer or the Agency, or both of them, hereunder or contemplated hereby, the

12. The Developer's benefits and obligations as part of this Agreement are not transferable or assignable without written approval of the Agency.
13. This Agreement represents the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any prior understandings or agreements between the parties. No modifications to this Agreement shall be enforceable unless in writing and executed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

## Downtown and East Town Redevelopment Agency

By:

Michael Holland, Chairperson

**North Central Place, LLC**

By:

Authorized Member

**Exhibit A**  
**Legal Description**

## **Exhibit B**

### **Project Information**

# CRA Developer Agreement Tax Benefit Issues

Clarification & Guidance  
CRA Board – June 2025

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## Tax Increment Benefits Agreement Framework

Incentivizes redevelopment  
via tax increment  
reimbursement.



In addition to a few other  
requirements,  
reimbursement is contingent  
upon property improvement  
and increase in tax base.

2

## Formal Board Interpretation Needed

Clarify agreement intent and terms.

Authorize City to pay Developer based on taxes received.

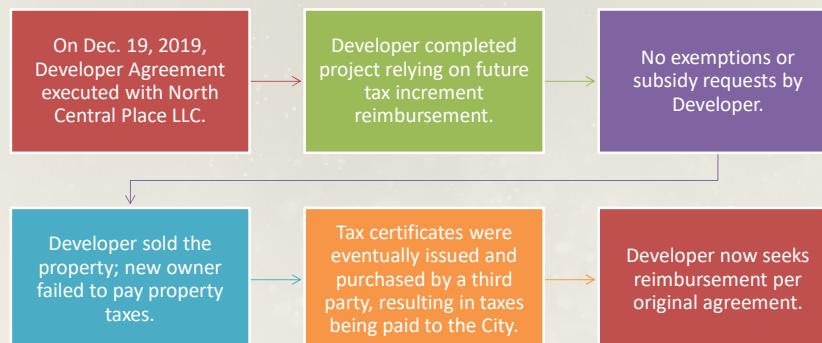
Avoid Precedent Risk: Prevent inconsistent application.

After direction is given on this item, a resolution adopting the clarifying terms will be brought before the CRA for adoption.

CRA to consider revisions to subsequent tax increment benefit agreement; new template and resolution would be brought back to CRA based on its direction.

3

## Background Context



4



## Agreement Provisions (Relevant Sections)

- Reimbursement tied to 'Incremental Property Taxes actually received by the CRA'.
- Requisitions require proof of eligible costs paid by Developer.
- Developer is prohibited from requesting property tax exemptions or subsidies
- Developer benefits not transferable without CRA approval

### Agreement Silent

- Who must pay taxes or own the property to trigger reimbursement.
- Guidance on post-sale benefit eligibility, i.e., ownership retention requirement for Developer to receive benefit.

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## Key Legal and Practical Issues

**Ambiguity in Payor:** Agreement is silent on whether reimbursement is contingent on Developer or subsequent owner paying taxes.

**Developer Reliance:** Developer relied on reimbursement to complete project and retained no ownership but continued right to claim benefit.

**City Received Taxes:** Regardless of delinquency, taxes were eventually received by the CRA through third-party tax certificate holder.

**Benefit Continuation:** Developer has not violated exemption prohibition; ownership transfer not explicitly voiding benefit under current agreement.

**Risk Exposure:** Failure to pay may result in Developer litigation; CRA liability exposure increases absent interpretive clarification.

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## Recommended CRA Board Clarification

**Intent Recognition:** CRA intended to incentivize redevelopment through reimbursement of taxes actually received—regardless of payor.

**Authorize Payment:** As long as no exemptions were filed and taxes were received by the City, Developer should remain eligible for reimbursement.

**Protect CRA Interest:** Clarify that if *any* future property owner claims exemptions, reimbursement will be voided for that year.