



# City of Eustis

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TO: Eustis City Commission

FROM: Tom Carrino, City Manager

DATE: June 5, 2025

RE: Review of CRA Developer Agreement – Tax Increment Benefits

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## **Background**

The CRA has incentivized development through Developer Agreements that provide tax increment benefit payments to developers under specified terms and conditions. This practice is commonly employed by Florida municipalities seeking to promote economic development and enhance property values. The CRA currently has approximately five such agreements in effect.

On December 19, 2019, the CRA entered into a Developer Agreement for Tax Increment Benefits with North Central Place LLC. In December 2024, Mr. Daniel DiVenanzo submitted a request to the CRA for payment of a tax incentive under that agreement. Upon evaluating the request, staff determined that the agreement lacked clarity regarding eligibility for and timing of tax increment revenue payments in certain circumstances.

The agreement does not explicitly address whether the CRA remains obligated to make incentive payments when property taxes are paid by a third party following a property sale. This has created uncertainty regarding the CRA's obligations under such circumstances.

The City Attorney conducted a thorough review of the tax increment benefit provisions in the agreement and concluded that this vagueness may affect future incentive payment administration and could set an unintended precedent. As a result, she recommends that the matter be formally referred to the CRA for interpretation of the original intent and application of the agreement.

This request also includes a recommendation to revise the agreement template to prevent similar ambiguity in future Developer Agreements. City staff and the City Attorney are prepared to provide any supporting documentation or background information needed to facilitate this review.

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**RECOMMENDATION**

It is recommended that the CRA conduct a formal review of the Developer Agreement – Tax Increment Benefits to clarify the original intent of the provisions, ensure consistent interpretation and application among all stakeholders (current and future), and—if warranted—adopt amendments or guidelines to resolve the current ambiguity, based on the City Attorney’s analysis.

**ATTACHMENTS**

1. Developer Agreement Tax Increment Benefits With North Place Central, LLC

**BUSINESS IMPACT ESTIMATE**

Not applicable.

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

**Reviewed By:** Tom Carrino, City Manager