



City of Eustis

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TO: EUSTIS CRA BOARD
FROM: TOM CARRINO, CITY MANAGER
DATE: May 18, 2023
RE: CRA RESOLUTION NUMBER 23-01: 1st AMENDMENT TO DEVELOPER AGREEMENT WITH HOMETOWN PROPERTY INVESTMENTS, LLC

Introduction

CRA Resolution Number 23-01 approves a 1st Amendment to Developer Agreement with Hometown Property Investments, LLC for the development of a residential and commercial development at the northeast corner of Grove Street and Orange Avenue.

Background

The City of Eustis and the Downtown and East Town Redevelopment Agency was approached by Hometown Property Investments, LLC, represented by Daniel DiVenanzo, regarding the redevelopment of 201 East Orange Avenue.

In discussions with the developer, there was a concern that project revenues do not support the construction and operating costs of the project. Mr. DiVenanzo explained that but-for assistance from the Community Redevelopment Agency (CRA) in the form of incremental tax reimbursements and reimbursements for improvements in public right of way, the project would not happen. Staff reviewed the construction and operating projections, and confirmed that in order to make the project financially feasible, CRA assistance was necessary.

Following the approval of the Developer Agreement at the CRA's April 7, 2022 meeting, Hometown Property Investments, LLC began work on the commercial office space aspect of the site plan. However, due to labor challenges, subcontractor scheduling delays, and other related reasons Hometown Property Investments has requested that the CRA Board consider an amendment to the original agreement that extends the project completion date to January 1, 2025.

The other terms of the agreement remain the same. The original Developer Agreement commits the developer to completing the \$580,000 project as described in the agreement. Aspects of the proposed project have been completed including acquisition of the site, renovation of the existing building, and considerable site work, improvements to public right of way, and new landscaping. The plan is for the development to house a food service operation, new retail tenants, and two market-rate studio apartments. The developer estimates that once the project is complete, the initial taxable value will be approximately \$493,000.

Budget / Staff Impact

The Developer Agreement allows for a maximum of \$80,000 in reimbursements to the developer over ten years. The developer must make all improvements and pay full taxes prior to requesting reimbursement, so the project will be generating its own incentive. At approximately \$4,800 in new annual revenue, the project pay-back is between 16 and 17 years. While that is a lengthy pay-back period, the City and public will benefit from improvements to the right of way, increased economic activity, and improved aesthetics on a high-profile gateway into Downtown Eustis.

Recommended Action

Staff recommends approval of CRA Resolution Number 23-01

Prepared By

Al Latimer, Economic Development Director

Attachments

CRA Resolution Number 23-01 with attached Amendment
Original Developer Agreement