



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

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;

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- 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.

Prepared By: Sasha Garcia, City Attorney

Reviewed By: Miranda Burrowes, Assistant City Manager