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Mary F. Savage-Dunham, AICP, CFM
Division Director-Planning & Zoning
City of Port St. Lucie
121 S.W. Port St. Lucie Blvd
Port St. Lucie, FL 34984

Re: True Up Agreement Review for Riverland / Kennedy II, LLC

Dear Mary:

The Port St. Lucie City Council, as part of the mediated settlement with St. Lucie County related to County Road Impact Fees and the City's Mobility Fee, adopted an update of the City's Mobility Fee Ordinance that agreed to honor existing agreements approved by the City that granted City Road Impact Fee Credits. As part of honoring these existing agreements, the Mobility Fee Ordinance included a requirement for a True Up Agreement. The intent of the True Up Agreement is to clearly identify the Road Impact Fee Credit granted by the City, the source of the credit, how much of the credit has been utilized towards City Road Impact Fee assessments, and what is the remaining balance of the Credit as of a defined date.

True Up Agreements are not intended to modify or replace any agreement. They are required to ensure moving forward under the Mobility Fee Ordinance that all parties agree to the credit granted, amount used to address assessments and the remaining balance. The remaining balance, as of a defined date, will be used to track the continued use of City Road Impact Fee credits to satisfy assessed City Road Impact Fees. Moving forward, any use of the credit, any adjustments to previously issued permits where credits were used, any reimbursement, or any underpayment will be adjusted based on the remaining balance. It is recognized that during the normal permit review process, sometimes there are adjustments that are required to address modifications to permits, expiration of permits, or utilization of credits or requirement for payment that were made in error. The True Up Agreement in no way modifies the administration or implementation of Road Impact Fees or Mobility Fees consistent with legal and statutory requirements and general accounting practices.

Riverland / Kennedy provided documentation to the City that identified a City Road Impact Fee credit of **\$6,419,226.27** based on the Third Amendment to the SW Annexation Agreement. This credit amount was verified by the City of Port St. Lucie's Finance Department on October 23rd, 2012. As of March 31st, 2023, Riverland / Kennedy has utilized Road Impact Fee Credits for 2,400 permits for a total credit utilization of **\$2,805,600**. The Credit utilization, even after adoption of the Mobility Fee, has been based on the City's 2013 Road Impact Fee Schedule per adopted agreements between the City and Riverland / Kennedy.

Documentation was provided that included permit numbers, addresses, permit issuance dates, along with other information for the 2,400 building permits. This information has been reviewed and found to be an accurate representation of City Road Impact Fee credit utilization. It should be noted that not all 2,400 permits were reviewed. A random sampling of the 2,400 permits was conducted and the review found that that information was provided was accurate. While all 2,400 permits were not reviewed, the detail of information provided, with specific dates, addresses, etc, is indicative of the thorough tracking of permits and credit utilization by Riverland / Kennedy.

As of March 31st, 2023, Riverland / Kennedy II, LLC had an existing City Road Impact Fee credit balance of **\$3,613,626.27**. It is recommended that the City establish a Credit Account for Riverland / Kennedy with a balance of **\$3,613,626.27**. This amount does not reflect any utilization of City Road Impact Fee credit on or after April 1st, 2023. Thus, the credit amount will need to be updated accordingly to account for any credit utilization as of April 1st, 2023. As Riverland / Kennedy continues to submit building permit applications, the credit balance will continue to be debited per the 2013 City Road Impact Fee Schedule.

Riverland / Kennedy II, LLC has submitted all required documentation. The documentation accurately reflects the Road Impact Fee Credit granted, the amounts utilized, and the remaining balance. This review in no way modifies any existing agreement nor does it any manner modify or override any policy of the City or the adopted Mobility Fee Ordinance. The documentation provided is consistent with the requirements of the adopted Mobility Fee Ordinance and it is my recommendation that the City move forward with the True Up Agreement.

Existing agreements between Riverland / Kennedy II, LLC and the City may provide for the granting of additional credit for construction of transportation improvements. Existing agreements were in place prior to the City adopting a mobility fee. If additional credit is requested, it is recommended that the City and Riverland / Kennedy II, LLC base any future credits on the City's adopted Mobility Fee Ordinance. Please let me know if there is any additional document review needed or clarification of any comments made in this review.

Sincerely,



Jonathan B. Paul, AICP
Principal