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February 23rd, 2024

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 Stuart Property Holdings, LTD and St. Lucie Land, LTD
Collectively known as ("Stuart")**

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 existing agreements. 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.

Stuart Property Holdings, LTD and St. Lucie Land, LTD provided documentation to the City that identified a Road Impact Fee credit of **\$10,590,540** based on the assignment of credit from a Road Credit Agreement dated December 5th, 1995, between Stuart Property Holdings, LTD, St. Lucie Land LTD, and St. Lucie County. On November 18th, 2013, Stuart Property Holdings, LTD, St. Lucie Land LTD, and the City of Port St. Lucie entered into a developer agreement (third amendment to the original agreement) that granted Stuart Property Holdings, LTD and St. Lucie Land LTD the ability to utilize the County granted road impact fee credit for both County and City road impact fee obligations. The third amendment to the original agreement did not allocate any percentages of the credits to be used for County or City Road impact fees. The third amendment granted a pool of road impact fee credit that could be used or assigned to satisfy County and City road impact fees, just County road impact fees, and just City road impact fees.

On March 17th, 2014, Stuart Property Holdings, LTD and St. Lucie Land LTD assigned the **\$10,590,540** in road impact fee credit, in addition to all road impact fee agreements, to Veranda St. Lucie Landing Holdings, LLC. This assignment included the reassignment of **\$1,694,486** of that credit back to Stuart Property Holdings, LTD and St. Lucie Land LTD.

On March 19th, 2020, Stuart Property Holdings, LTD and St. Lucie Land LTD assigned **\$86,130** in road impact fee credit to Mequity Port St. Lucie LLC for purposes of satisfying its road impact fee obligations to St. Lucie County and the City of Port St. Lucie. This assignment left Stuart Property Holdings, LTD and St. Lucie Land LTD with a road impact fee credit balance of **\$1,608,356**.

On February 15th, 2022, Stuart Property Holdings, LTD, St. Lucie Land LTD, VF I, LLC and VF II, LLC assigned **\$1,047,880** in road impact fee credit to AG EHC II Multi State 1, LLC and Lennar Homes, LLC for future development on Tract 3 and Tract 3-A of Veranda Plat No 8. This area is also referred to as Veranda Landings, a townhome community. This assignment left Stuart Property Holdings, LTD (et all) with a road impact fee credit balance of **\$560,476**.

On January 24th, 2024, Stuart Property Holdings, LTD, St. Lucie Land LTD, VF I, LLC and VF II, LLC recorded an agreement, in part, to clarify that the VF entities had no interest in the credits assigned to Stuart via the 2014 Assignment and that Stuart had full rights to the initial \$1,694,486 granted to it pursuant to the 2014 Assignment. As part of the agreement, Stuart Property Holdings, LTD, and St. Lucie Land LTD, was referred to collectively as ("**Stuart**"). Also as part of the agreement, the road impact fee credits was referred to collectively as ("**Stuart's Credits**").

The assignment that occurred on February 15th, 2022, is the last know assignment or use of road impact fee credit by Stuart. To the extent the assignees of credit from Stuart have a remaining road impact fee balance, these entities will be required to enter into their own true-up agreements with the City.

As of February 15th, 2022, Stuart has a road impact fee credit balance of **\$560,476**. Moving forward, Stuart will be required to provide periodic updates of subsequent building permits that have utilized the credit balance or any future assignments of credits to development interest in order to draw down on its remaining credit balance of **\$560,476**.

The remaining road impact fee credit balance of **\$560,476** is unique with regards to the balance being a pool of funds that are used to satisfy both St. Lucie County's road impact fee and the City of Port St. Lucie's road impact fee. Typically, road impact fee credits are assigned to either the County or the City. Any future building permits that are authorized to utilize road impact fee credit or assignments will draw down on Stuart's road impact fee credit balance of **\$560,476**.

Stuart has submitted all required documentation. The documentation accurately reflects the Road Impact Fee Credit granted, the amounts assigned, 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. It is my recommendation that the City move forward with the True Up Agreement.

Sincerely,



Jonathan B. Paul, AICP
Principal