



NUE URBAN CONCEPTS, LLC
2000 PGA Blvd, Suite 4440
Palm Beach Gardens, FL 33408
www.nueurbanconcepts.com

November 30th, 2023

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 Veranda St. Lucie Landing Holdings, 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 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.

Veranda St. Lucie Landing Holdings, LLC provided documentation to the City that identified a Road Impact Fee credit of **\$10,590,5400** 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 **\$10,590,5400** in road impact fee credit, in addition to all road impact fee agreements, to Veranda St. Lucie Landing Holdings, LLC. This assignment included the assignment of **\$1,694,486** of that credit to Parcels 8 and 9 of Veranda Plat No. 2. The remaining balance for Veranda St. Lucie Landing Holdings, LLC after assignment of a portion of the credit to Parcels 8 and 9 of Veranda Plat No. 2. was **\$8,896,054**.

As of October 23rd, 2023, Veranda St. Lucie Landing Holdings, LLC has assigned a total of **\$6,277,638.43** to various development interest. The remaining credit balance for Veranda St. Lucie Landing Holdings, LLC is **\$2,618,415.57** as of October 23rd, 2023. The assignment of **\$6,277,638.43** in credit is based on documentation provided by Veranda St. Lucie Landing Holdings, LLC.

The documentation provided by Veranda St. Lucie Landing Holdings, LLC indicates that the following development interest has been assigned a share of the road impact fee credit (note, the development interest names are not the legal names of the entities that have been assigned the credit):


Divosta:	\$2,636,573.43
Lennar:	\$1,696,108.00
Waypoint:	\$830,100.00
Taylor Morrison:	\$616,753.00
KH Mosaic:	\$498,104.00
Total:	\$6,277,638.43

Veranda St. Lucie Landing Holdings, LLC has entered into separate assignment agreements with each of the development interest indicated above. Each of these development interest will be required to enter into their own true-up agreements with the City of Port St. Lucie. Moving forward, Veranda St. Lucie Landing Holdings, LLC will be required to provide periodic updates of subsequent assignments of credits to development interest in order to draw down on the remaining credit balance of **\$2,618,415.57**.

The City and Veranda St. Lucie Landing Holdings, LLC should determine as part of the true up agreement how future assignments will be debited from their credit account and how frequently reports of credit assignment should be submitted to the City. For development interest that will be their own credit accounts, it may be easier to debit assignments from those accounts. For any new development interest assigned credits, the Veranda St. Lucie Landing Holdings, LLC credit account should be debited directly to limit the number of accounts that are required to be maintained and monitored.

Veranda St. Lucie Landing Holdings, LLC 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 and it is my recommendation that the City move forward with the True Up Agreement.

Sincerely,


Jonathan B. Paul, AICP
Principal