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Reply to: Venice

June 20, 2017

The Honorable John W. Holic, Mayor
and Members of the City Council
401 West Venice Avenue
Venice, Florida 34285

Re: Neal Communities' Dispute Regarding Developers' Obligations Under
Pre-Annexation Agreements

Dear Mayor Holic and Council Members:

Enclosed are copies of a letter on behalf of Neal Communities by its attorney, Jeffery Boone, disputing Neal Communities' legal obligation to pay fees arising out of Pre-Annexation Agreements signed by the City and Neal Communities' predecessor in title, my opinion letter regarding Neal Communities' legal obligations to pay those fees, a map depicting Neal Communities' properties and the Pre-Annexation Agreements for properties currently owned by Neal Communities.

By way of background, the Extraordinary Mitigation Fee appears in approximately forty-two (42) Pre-Annexation Agreements beginning about seventeen (17) years ago. While the specific language requiring those fees varies slightly, the requirement appears in all of the Neal Communities Pre-Annexation Agreements.

At the last City Planning Commission meeting, Neal Communities made it clear that it does not believe that it is obligated to donate land for rights-of-way required under any of the Pre-Annexation Agreements. A copy of Mr. Boone's letter on behalf of Neal Communities requesting the dedication of rights-of-way is attached as well.

Lakewood Ranch
6853 Energy Court
Lakewood Ranch, Florida 34240

St. Petersburg
111 Second Avenue NE, Suite 536
St. Petersburg, Florida 33701

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217 Nassau Street S.
Venice, Florida 34285

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Once the City annexes property, it then must provide City services and the property then becomes subject to City regulations. The Pre-Annexation Agreements were (and still are) a method by which the property owner could entice the City to annex the property.

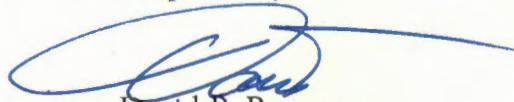
At the direction of Council, the City Manager, his staff and I have attempted to reach an agreement with Neal Communities and its lawyers regarding use of these fees. We have not been successful.

It appears that the City has at least five options:

- 1) Continue to attempt to negotiate some use of the fees that is acceptable to both parties.
- 2) Release Neal Communities from its obligations under the Pre-Annexation Agreements.
- 3) Renegotiate the fees and other obligations with Neal Communities.
- 4) Seek a court determination regarding the rights and obligations of the parties.
- 5) Do nothing.

Please call me if you wish to discuss any aspect of this matter.

Respectfully,



David P. Persson

DPP/dgb
Enclosures

cc: Edward Lavalley, City Manager
Len Bramble, Assistant City Manager
Jeff Shrum, Development Services Director
Javier Vargas, Utilities Director
Lori Stelzer, City Clerk