

# City of Port St. Lucie

## Special City Council

### Meeting Minutes

121 SW Port St. Lucie  
Blvd.  
Port St. Lucie, Florida  
34984

Gregory J. Oravec, Mayor

Stephanie Morgan, Councilwoman, District I  
Dave Pickett, Councilman, District II  
Shannon Martin, Vice Mayor, District III  
Jolien Caraballo, Councilwoman, District IV

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**Wednesday, April 28, 2021**

**9:00 AM**

**Council Chambers, City Hall**

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#### City Center Update

**1. Meeting Called to Order**

A Special Meeting of the CITY COUNCIL of the City of Port St. Lucie was called to order by Mayor Oravec on April 28, 2021, at 9:00 a.m., at Port St. Lucie City Hall, 121 SW Port St. Lucie Boulevard, Port St. Lucie, Florida.

**2. Roll Call**

Council Members

Present: Mayor Gregory J. Oravec  
Vice Mayor Shannon Martin  
Councilwoman Jolien Caraballo  
Councilman Dave Pickett (virtual)  
Councilwoman Stephanie Morgan

**3. Pledge of Allegiance**

Mayor Oravec led the assembly in the Pledge of Allegiance.

**4. Public to be Heard**

No one signed up to speak under this item.

**5. New Business**

**5.a** City Center Update - Settlement Plan Business Conditions

[2021-353](#)

Jennifer Davis, CRA Project Manager, gave the City Center Update and presented the Settlement Plan Business Conditions to the City

Council. (Clerk's Note: A PowerPoint was shown at this time.)

Mayor Oravec gave a brief background on City Center, to which Ms. Davis added that the full background was included in the agenda backup.

Regarding the overall costs associated with City Center Parcels, Ms. Davis stated that as a result of covenant to budget and appropriate, the City pays special assessments on the City Center parcels, which totaled just over \$1.7 million annually. As of February 2021, approximately \$47.707 million is due to the Tax Collector for back taxes, assessments, interest, fees, etc., including the cost to redeem privately held tax certificates. This includes delinquent City special assessments including interest, fees, etc., of approximately \$41.4 million. Ms. Davis explained that the appraisal indicates an approximate valuation of negative \$25 million up to approximately a positive \$15 million, assuming the varying application or forgiveness of the above outstanding taxes and assessments, as well as the remaining special assessments on the parcels.

Ms. Davis stated that the outstanding balances due to the County, School District, Fire District, and Children Services Council would result in non-monetary compensation, at the closing of the parcels. Ms. Davis explained that the proposed negotiated settlement with St. Lucie County reflects principal taxes of \$427,308.80 be reimbursed if/when parcels have sold at City Center (or 10 years, whichever is sooner). She added that the funds would be allocated towards the Midway projects. The second negotiated settlement was with the St. Lucie County School District, who proposed the use of Mid-Florida Credit Union Event Center for 6 event days per year for 10 years. She added that there was no monetary compensation associated with the settlement. Ms. Davis stated that the St. Lucie Fire District has requested a fee simple transfer of 4+/- acres of 13+/- acre tract currently leased to Fire District off NW Milner Dr; to be used for construction of new fire station. She added that there was no monetary compensation associated with the settlement. The fourth negotiated settlement was with the Children Services Council, who requested to establish a CSC page on the City's website and publish CSC-produced content on the webpage and through PSL government programming; inclusion in City University. She added that there was no monetary compensation associated with the settlement.

Ms. Davis state that the City was owed \$430,799.20 in principal, and an estimated \$237,551.42 in interest, totaling an estimated \$668,350.62. She explained that the City has covered special assessments of just over \$1.7 million annually, resulting in over \$19.580 million in payments, plus would be due an additional approximate \$21.797 million in estimated interest, totaling nearly \$41.4 million. Ms. Davis stated that the City Council could consider the value of what may be recognized through the identification and retention of additional parcels for governmental purposes at City Center, which will offset or even exceed what would be reflected in the outstanding taxes owed.

Ms. Davis stated that they met several times with the tax certificate holders regarding the properties at City Center and explained that five (5) entities purchased tax certificates on the Parcels and, as of February 2021 they would be owed \$6,329,643.66 in principal, interest, penalties, and fees. She added that the majority tax certificate holders were not interested in a reduced cash settlement amount that would be feasible to the City. In turn, the City offered to convey vacant "City Parcels" in exchange for the certificate holders relinquishing their interests and claims in the tax certificates. Ms. Davis explained that the parcels came to the City in a variety of ways, including the escheatment process. The estimated market value of the "City Parcels" is just over \$3 million, and best represents the face value of the tax certificates. (Clerk's Note: At this time, Ms. Davis presented a map with the "City Parcels" for consideration.)

Regarding the financial impact of City acquisition, Ms. Davis stated that the City would continue to pay approximately \$1.7 million annually to cover Special Assessments, until any of the parcels are sold to the private sector. She added that the City would not be subject to annual property taxes for all parcels acquired, so long as they are utilized for governmental/public purpose. Mayor Oravec asked who was currently paying the SAD Annual Assessment, to which Ms. Davis responded that the City was paying it. Mayor Oravec stated that the NET change was a zero change, but the difference was ownership. Ms. Davis stated that the City would continue paying the maintenance costs on all parcels associated with the City Center.

Ms. Davis stated that the SEC Receiver agreed to sell the Receiver-held parcels to the City for \$400,000, with the understanding that the City will satisfy all outstanding debt owed to taxing authorities and tax certificate holders. She added that the City recommended

paying the smaller taxing authorities just over \$64,000. Ms. Davis stated that the stipulated agreements would be drafted by the St. Lucie County Tax Collector's office and that the negotiated business conditions and executed agreements with each of the larger taxing authorities would need to be approved by respective governing boards, which was anticipated to be completed within 45-60 days. She explained that City staff would bring the Purchase and Sale Agreement (PSA) forward for City Council approval and that the executed stipulated agreements and PSA would then be presented by the Receiver to the Federal Court for approval, which could take two weeks.

Mayor Oravec stated that the only new costs being proposed was \$400,000 to the Receiver, \$64,000 to the smaller taxing authorities, and the financial equivalent of the settlements with the larger taxing authorities and the certificate holders. Mayor Oravec stated that if they moved forward then the City would finally be in the position to make something happen, as the City has been paying for years with no control over the property.

Councilwoman Caraballo stated that the City Center was the anchor on US-1, and they couldn't let it sit and wait for a solution. She added that the cost benefit would never cover the investment, but it was important to have options for the public.

Vice Mayor Martin stated that it was the best solution for the circumstances and that she agreed with the previous comments made. She thanked the City staff and the Tax Collector. Vice Mayor Martin added that she looked forward to the Public Planning Process, as they did with Southern Grove.

Councilwoman Morgan stated that she was looking forward to the future and thanked the Taxing Authorities.

Councilman Pickett stated that he was excited to see great things and was in full support of the item.

Mayor Oravec explained that the City Center issue was similar to Southern Grove, but on a smaller scale. He stated that the property had the same financial rigmarole such as having Special Assessments and the property being upside down. Mayor Oravec thanked everyone that has been part of the negotiations.

Councilwoman Caraballo moved to authorize the City Manager, in consultation with the City Attorney, to finalize agreements with each of the Taxing Authorities and Tax Certificate Holders based on the negotiated business conditions presented and execute all required stipulated agreements with the Taxing Authorities and Tax Certificate Holders. Vice Mayor Martin seconded the motion. The motion passed unanimously by voice vote.

**6. Adjourn**

There being no further business, the meeting was adjourned at 9:40 a.m.

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Sally Walsh, City Clerk

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Calleigh N. Myers, Deputy City Clerk