

RESOLUTION 22-__

A RESOLUTION OF THE CITY OF PORT ST. LUCIE, FLORIDA, ADDRESSING THE CITY CENTER SPECIAL ASSESSMENT DISTRICT FEES, THE CITY CENTER STORMWATER FEES AND THE AD VALOREM TAXES FOR TAX ROLL YEARS 2010 THROUGH THE DATE OF CLOSING ON THE CITY CENTER PARCELS, ASSESSED ON THE CITY CENTER PARCELS BEING ACQUIRED FOR THE CITY CENTER PROJECT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on November 9, 2020, the City of Port St. Lucie (“City”) City Council approved the City Manager to negotiate a purchase and sale agreement with the Securities and Exchange Commission court-appointed Receiver for the City’s purchase of certain parcels within City Center (the “City Center Parcels”); and

WHEREAS, the total tax and assessment liability on the City Center Parcels is currently more than \$47 million; and

WHEREAS, in the months following, the Tax Collector, City Manager and City staff conducted several meetings with the majority tax certificate holder and major taxing authorities and were successful in negotiating with the majority tax certificate holder and major taxing authorities, with all outstanding taxes, penalties, interest, and tax certificates being satisfied and resolved, except for the taxes and assessments that are owed to the City, as part of the City’s purchase of the City Center Parcels; and

WHEREAS, the City has entered into settlement agreements with: (1) St. Lucie County; (2) St. Lucie County School District; (3) St. Lucie County Fire District; (4) Children Service’s Council of St. Lucie County; (5) 5T Wealth Partners, LP, a California limited partnership (the tax certificate holder); and (6) the St. Lucie County Tax Collector; and

WHEREAS, on November 22, 2021, via Resolution 21-R144, City Council authorized the City Manager to enter into and execute a Purchase and Sale Agreement between the City and Michael I. Goldberg, as court-appointed Receiver of US1 Real Estate Developments, LLC (the “Receiver”), to acquire the City Center Parcels (the “Purchase Agreement”); and

WHEREAS, on December 23, 2021, the Receiver filed the Amended Third Motion to Sell US1 Real Estate Developments, LLC’s Interest in the Port St. Lucie City Center (the “Motion”) with the United States District Court for the Southern District of Florida (“District Court”) to seek Court approval to sell the City Center Parcels to the City pursuant to the Purchase Agreement, a copy of the Motion is attached hereto and incorporated herein as Exhibit “A”; and

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WHEREAS, on January 5, 2022, the District Court granted the Receiver's Motion, authorized the Receiver to sell the City Center Parcels to the City, and authorized the Receiver to execute a Receiver's Deed and take any actions reasonably necessary to consummate the transaction contemplated in the Purchase Agreement ("Court Order"), a copy of the Court Order is attached hereto and incorporated herein as Exhibit "B"; and

WHEREAS, the City and the Receiver are preparing for the closing on the City Center Parcels, pursuant to the Purchase Agreement, and it is necessary for the City to address the taxes and assessments owed to the City, which include, the City Center Special Assessment District fees, the City Center Stormwater fees and the ad valorem taxes for tax roll years 2010 through the date of closing, assessed on the City Center Parcels; and

WHEREAS, Resolution 17-R30 governs the Financial Policies for the City and created a Special Assessments Error and Insolvency Policy in order to provide effective guidance to determine if amounts related to Special Assessments receivables should be reallocated and/or removed by way of Error and Insolvency (E&I) from the Tax Roll (the "E&I Policy"); and

WHEREAS, the E&I Policy provides the reallocation of unpaid principal and/or the reduction to the unpaid principal on special assessment districts are components of the roll maintenance and an E&I requesting changes to principal allocations may be necessary due to, among other things, unpaid and uncollectable assessments on parcels that have a minimum of three consecutive years of County Tax Certificates outstanding; and

WHEREAS, the City Center Special Assessment District fees assessed on the City Center Parcels for tax roll years 2010 through the date of closing on the City Center Parcels are unpaid and uncollectable assessments that have a minimum of three consecutive years of County Tax Certificates outstanding; and

WHEREAS, the City Center Stormwater fees assessed on the City Center Parcels for tax roll years 2010 through the date of closing on the City Center Parcels are unpaid and uncollectable fees that have a minimum of three consecutive years of County Tax Certificates outstanding; and

WHEREAS, after considering the factors set forth above and contingent on the City acquiring fee simple title to the City Center Parcels, this City Council has determined that the City Center Special Assessment District fees and the City Center Stormwater fees assessed on the City Center Parcels shall be removed from the tax roll for tax roll years 2010 through the date of closing on the City Center Parcels, pursuant to and in compliance with the City's E&I Policy; and

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WHEREAS, after considering the factors set forth above and contingent on the City acquiring fee simple title to the City Center Parcels, this Council has determined that the ad valorem taxes assessed on the City Center Parcels shall be removed from the tax roll for tax roll years 2010 through the date of closing on the City Center Parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PORT ST. LUCIE, FLORIDA:

Section 1. Ratification of Recitals. The foregoing recitals are hereby ratified and confirmed as true and correct and are hereby made a part of this Resolution.

Section 2. Authorization. The City Council of the City of Port St. Lucie hereby authorizes the removal of the City Center Special Assessment District fees, the City Center Stormwater fees and the ad valorem taxes assessed on the City Center Parcels from the tax roll for tax roll years 2010 through the date of closing on the City Center Parcels, which shall be contingent on the City acquiring fee simple title to the City Center Parcels.

Section 3. Execution. The Mayor, City Manager, or their designee, are hereby authorized to execute any and all documents necessary to accomplish the purposes set forth in this Resolution.

Section 4. Conflict. If any resolutions, or parts of resolutions, are in conflict herewith, this Resolution shall control to the extent of the conflicting provisions.

Section 5. Severability. The provisions of this Resolution are intended to be severable. If any part of this Resolution is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Resolution shall remain in full force and effect.

Section 6. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Port St. Lucie, Florida, this ____ day of _____, 2022.

CITY COUNCIL
CITY OF PORT ST. LUCIE

By: _____
Shannon M. Martin, Mayor

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ATTEST:

Sally Walsh, City Clerk

APPROVED AS TO FORM:

James D. Stokes, City Attorney