

MINUTES OF A JOINT MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, THE ST. LUCIE COUNTY BOARD OF COUNTY COMMISSIONERS, THE PORT ST. LUCIE CITY COUNCIL, AND THE FORT PIERCE UTILITIES AUTHORITY BOARD, HELD IN THE ST. LUCIE COUNTY COMMISSION CHAMBERS, 2300 VIRGINIA AVENUE, FORT PIERCE, FLORIDA, BEGINNING AT 2:00 P.M. ON FRIDAY, OCTOBER 16, 2009.

Mayor Benton called the meeting to order.

Upon Roll Call, those present for the Fort Pierce City Commission were: Mayor Robert Benton; City Commissioners Rufus Alexander, Edward Becht, Christine Coke, and Reginald Sessions; City Manager David Recor; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: None.

Upon Roll Call, those present for the St. Lucie County Board of County Commissioners were: Chairwoman Paula Lewis; County Commissioners Doug Coward, Chris Craft, Chris Dzadovsky, and Charles Grande; Assistant County Administrator Lee Ann Lowrey; and County Attorney Dan McIntyre. Those absent: County Administrator Faye Outlaw.

Upon Roll Call, those present for the Port St. Lucie City Council were: Vice Mayor Jack Kelly; Councilwomen Linda Bartz and Michelle Berger; City Manager Don Cooper; and City Attorney Roger Orr. Those absent: Mayor Patricia Christensen and Councilman Christopher Cooper.

Upon Roll Call, those present for the Fort Pierce Utilities Authority Board were: Tom Perona, Secretary (Acting as Vice-Chair); Darrell Drummond, Deputy Secretary; and Robert Benton, Mayor; FPUA Director Bill Thiess; and FPUA Attorney Rupert N. Koblegard III. Those absent: Vice-Chairman Robert Summerhays and Chairwoman Pamella Cully.

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The purpose of the Special Joint Meeting was in accordance with Chapter 171, Florida Statutes, Part II, Interlocal Service Boundary Agreement Act. (Fort Pierce Resolution No. 09-23, Initiating process for negotiation of an Interlocal Service Boundary Agreement with the City of Port St. Lucie, and Port St. Lucie Resolution No. 09-R79, Responding to City of Fort Pierce Resolution No. 09-23, St. Lucie County Resolution No. 09-176, Responding to an Initiating Resolution of the City of Fort Pierce, and Fort Pierce Utilities Authority Resolution No. U.A. 2009-09, Setting forth its position on proposed water and wastewater service by the City of Port St. Lucie to areas north of Midway Road.

FP Mayor Benton said one of the main reasons they are here is to discuss the utility area. The City's main issue is a certain service area. They had met with the City of Port St. Lucie back in February (February 12, 2009) and he thought they had all come to an agreement, but it appears they haven't. So they are here to try to solve that problem.

FP City Manager Recor said this is, as far as he knows, an unprecedented event where they have all fifteen elected officials invited to participate in this process, as well as the five appointed members of the Fort Pierce Utilities Authority Board as well. They have embarked on a formal process that is

outlined in the Florida Statutes, Chapter 171, Part II, Interlocal Service Boundary Agreement Act. As the Mayor indicated, the City of Fort Pierce had a Joint Meeting with the City of Port St. Lucie earlier this year to discuss the north/south boundaries of annexation. At that time, they thought they had reached a consensus. In follow-up discussions at the staff level, it was apparent that the two staffs walked away from the meeting with a different understanding. He and Mr. Cooper discussed how they could resolve the difference of interpretation. Fort Pierce had just completed negotiation with St. Lucie County on a similar endeavor with the Treasure Coast Education, Research, & Development Authority Park. So the City adopted an Initiating Resolution (Resolution No. 09-23) and sent it to the City of Port St. Lucie, that identified a number of issues that they wanted to discuss through this process. The City of Port St. Lucie responded with a Responding Resolution (Resolution No. 09-R79), which also identified issues PSL would like to discuss as part of this process. While the Agenda may look daunting, he thinks that the Mayor has actually hit the two primary issues on the head. He does not think they need to go down the Agenda. He thinks each jurisdiction's issues are going to come out during discussion of the two primary issues, which are: (1) Recognition of Midway Road as the north/south boundary of annexation for the City of Port St. Lucie and the City of Fort Pierce; and (2) Recognition of Area B on the Fort Pierce Utility Service Area Map as the exclusive service area for the Fort Pierce Utilities Authority. They all have that information in their packet. He thinks that is a good place for them to start. (Mr. Recor displayed a map.) Just to orient them, the red line that runs practically in the middle of the map represents the County's Urban Services boundary. The orange horizontal line represents Midway Road, the County's Urban Services boundary, and the Turnpike. The first point of discussion is the north/south boundary of Midway Road as the boundary for annexations between PSL and FP. Included in their background information is the original 1994 Agreement of Transfer, where the County transferred its utility to Port St. Lucie. In that document it - he believes it is referred to Exhibit "L" - there is a service area boundary map. That was the impetus for and the understanding all along between the two jurisdictions that Midway Road would be the north/south boundary. North/south is Midway Road and east/west is Range Line Road, he believes.

PSL City Manager Cooper said the issue on the terms of annexation, their present policy is they do not do any involuntary annexations. PSL receives annexations on a voluntary basis. What brought this meeting together is, they received a request for annexation from what was then known as The Provinces, north of Midway Road. The City Council has made no decision on that. They have withdrawn their annexation request from the City and it is not under consideration at this time. He as City Manager has recommended formally, and he is on the record, against that annexation. But that is a policy decision and is solely the realm of the City Council pursuant to the State Statutes. As it applies to the utilities, Port St. Lucie has not expanded its utilities north of Midway Road from its original purpose. But quite frankly, FPUA has expanded its utilities south of Midway Road. He personally participated in a discussion about a service area when the City first acquired the

utility from the County and proposed essentially what Mr. Recor has talked about, and it was rejected by FPUA and the City of Fort Pierce. As a result, there has been in limbo a service area and there has been litigation which he does not think has ever been settled. It is inactive, but he believes it still has standing over this particular matter. But from PSL's perspective, a service area agreement is a policy matter and will have to be decided by the City Council. If the City Council expresses a desire to do so, then he as City Manager will implement it as fast as he can in the time he has left. But at this point in time, there is no annexation being contemplated by PSL nor is there one scheduled.

FP Mayor Benton said when they met back in February, he thinks they all agreed, and since he has been in office there has been a gentleman's agreement, that Port St. Lucie would be south of Midway Road and Fort Pierce would be north. He knows there is a handful of properties that have been served by FPUA and one to the north by the County, Tropicana, now by Port St. Lucie. He thinks west of 25th Street they are only talking about three or four properties. What they are looking for today is to come out of here with that agreement which he thought they agreed to in February. He believes the County has an issue here too, because this would be an area that would be serviced through the FPUA as bulk service to the County.

PSL Vice Mayor Kelly said they did have a meeting back in February. Mr. Recor said they had problems with staff after; which he does not understand, because he thought the meeting was pretty clear. He thought the consensus of the Council was that there was no threat of annexation at that time north of Midway Road. He was against any annexation north of Midway Road and so was their City Manager and one or two others. There were some that were on the fence about it. But that threat of annexation has gone away. He personally does not support annexation north of Midway Road. This is all about utilities, that is what they are here today about. FPUA did go south of Midway Road. They say it is only a handful, but they did. He remembers ten years ago when Fort Pierce many times in the newspaper and in many meetings said there are no designated service areas. That was their policy back then, that is what they said. They said it more to the County than they did to PSL. Now ten years later Fort Pierce wants to have a service area. They had a gentleman's agreement, he lived by it and so did the Council, and it seemed to have worked well. The only benefit that would happen, if they did some kind of an agreement on paper, is to the City of Fort Pierce. What would be the future advantages and benefits to Port St. Lucie to have an agreement that Port St. Lucie's utility, which arguably is one of the best in the State of Florida and is the only one that can service... If ABC Widget Company came in and wanted to do 2,000 jobs immediately and wanted to set up in The Provinces area or wherever and needed utilities, whether PSL gave the County a bulk water agreement and it stayed in the County or not, PSL is the only one that can service them quick enough to do that, that is a fact. So what future advantage or benefit would it be to the City of Port St. Lucie and to the people of St. Lucie County, when PSL can service someone faster than anybody else? He does

not see it. He thinks it might even hurt economic development for the county if they weren't allowed to service someone quickly, be it either by a bulk water agreement or PSL Utilities. He has no problem with bulk water agreements, as long as those are done like the one they had with the County seven or eight years ago. They had a good agreement, but it no longer exists for other political reasons. Again, they had a gentleman's agreement that has worked to this point, except for FPUA with a handful of things which he is not going to make a big deal about. He does not see the benefit for PSL to have an agreement.

FP Commissioner Coke said in the interest of fairness, if they have lived this long with a gentleman's agreement, she thinks they are all looking to get something more concrete than a handshake so they can move forward and everybody feel comfortable. They spoke the other day with Mr. Thiess and he would be willing to recommend to the FPUA Board that they withdraw from servicing anything south of Midway Road. So then they could draw an annexation line at Midway Road and a service line at Midway Road. She recalls at their meeting in February when they were talking about bulk service agreements that they had conversation with Port St. Lucie that if something came up and it was an emergency situation, that they would not object to PSL selling bulk to the County north of Midway Road until such time as FPUA was prepared to do so. She thinks that would be in the best interest of all of them, if they could agree to the annexation line being Midway Road and if they can agree to request that the FPUA no longer service as soon as Port St. Lucie can take over anything south of Midway Road, and that the City of Fort Pierce would not object to the City of Port St. Lucie selling bulk water to the County if it was an area FPUA could not service.

PSL Vice Mayor Kelly asked what future advantage and benefit would it be for his City Council to tie their utility's hands? The biggest, largest, and best utility around, why would he want to tie their hands up, especially for economic development purposes? Never mind the annexation, it is just about utilities. Where is the benefit for his City to tie up their hands?

FP Commissioner Coke said she does not think what she was suggesting was tying their hands. She was suggesting that if it is a place FPUA is not servicing, that they agree they would not object to the City of Port St. Lucie selling bulk water to the County.

SLC Chairwoman Lewis asked if there is a benefit to PSL Utilities, is he suggesting that they would not be looking at bulk water, they would only want to do direct service in that area?

PSL Vice Mayor Kelly said no. He is saying it is up to the rest of the Council, he is only one person. But he is talking about this agreement. Bulk water agreements can be done, they have done those before. He for one is will to do it, as long as it is along the lines of the bulk water agreement they had before,

which mainly was pretty stringent. If they want to buy bulk water from PSL and they have to build lines, the PSL utility payers shouldn't pay for that, the County or someone would have to pay for that, and then those lines would have to be turned over to the City south of Midway Road. That is the way they did it before. He does not have a problem with that. He heard other Council members don't have a problem with that either. But if they are talking about an agreement to say PSL will not service anybody directly north of Midway Road, they tie their Utility's hands - whether it is Midway Road or out west or wherever. PSL is the only ones that have the ability to do something like that immediately. As far as economic development from the County, if anything like that came in, they are not just going to do it, they are going to meet with everybody, the County and the City. Like WalMart or Torrey Pines, it has to be done as a team effort. But as one person, he does not want to tie his Utility's hands up, unless they can give him a future advantage or benefit to doing that.

SLC Chairwoman Lewis asked so what he is looking at is preserving the ability to provide direct service?

PSL Vice Mayor Kelly said yes, which would be in the interest of economic development.

FP City Manager Recor said while it is hard to quantify what benefit there would be to Port St. Lucie, it sounds like Mr. Kelly has done a 180 degree turn from their last discussion, because he didn't think he supported annexation north of Midway Road, that is what he thought he heard him say. One of the benefits he thinks can come out of this process is, the two jurisdictions can enter into a Joint Planning Agreement to address the concerns that PSL Mayor Christensen raised at their last joint meeting. The fundamental issue here comes down to a matter of principle and it is based on the 1994 transfer of the utility from the County to PSL that established Midway Road as a north/south boundary. They have to ask the question - when is Port St. Lucie big enough? This is the natural dividing line. Each of their communities have grown such that they are rubbing elbows, that is what has generated this discussion. He thinks the benefit to PSL is that they now have the opportunity, by way of this process or a separate joint planning agreement, to enter into an agreement that will allow reciprocal review of development where their elbows touch.

PSL Vice Mayor Kelly said let him correct Mr. Recor. He is not talking about annexation, he is talking about utilities, he made that clear in the beginning. Mr. Recor changed it to annexation and said he did 180 degrees. He can tell Mr. Recor right now, unless somebody comes in with 10,000 manufacturing jobs that are good for the County, he will never vote for annexation above Midway Road. He is speaking for himself. That is the way it is. When he talks about an agreement with Fort Pierce to tie up their Utility's hands, then he has a precedent from an agreement with the County out west, he has a precedent from an agreement with Martin County, he has a precedent that is going to tie up his Utility's hands, and he thinks that is bad for Port St. Lucie, bad for economic development, and bad for the County

overall. They can meet with St. Lucie County or Fort Pierce and talk about bulk water agreements if they do have an economic development opportunity. But there may be an area where they can't do bulk water. And if that is the case, he doesn't want to tie them up.

FP City Manager Recor said that is an easier question to address. If they are focusing strictly on the utilities, Area B, the FPUA has the exclusive right to provide bulk service in that area. Despite PSL's desire to not limit its utility, currently today as they speak, that is the FPUA's exclusive bulk service area.

PSL Councilwoman Berger said once they start getting into specifics like that, then she would ask her City Attorney to be ready to speak to that statement.

Mr. Bill Thiess, Director of Fort Pierce Utilities Authority, said a couple of clarifications. What Mr. Recor was talking about, that is in the agreement between the City of Fort Pierce, the Fort Pierce Utilities Authority, and St. Lucie County. That is an agreement between those three parties that FPUA is the sole bulk provider for the County. What he wanted to clear up before they get too far in this discussion, he thinks there is a general feeling that the FPUA has a very limited capacity to get water out into that bulk service area, Area B, on the southwest part of their service territory. The only thing they are lacking there is storage. They have done hydrant tests at both Midway Road and the Turnpike, and up at Okeechobee Road and the Turnpike, and they can flow easily... They are getting 1,400 gpm on one and 1,200 gpm on the other. They can do 1,000 gallons a minute at both of those connections on a full-time basis. So if FPUA or the County had a decent sized storage tank out there, they could do 2,000 gallons per minute on a regular basis. That equates to approximately 10,000 units or whatever equivalent that is in commercial development. Granted, they don't have the storage out there; but they do have the ability to deliver a good amount of water to the bulk service connection points. They are in need of storage out there to maintain fire flows and that sort of thing.

PSL City Attorney Roger Orr said Mr. Thiess stated the fact that the City of Fort Pierce and the FPUA is claiming an exclusive right to serve. The City of Port St. Lucie does not necessarily acknowledge that. The agreement to that effect did not involve the City of Port St. Lucie, they don't feel like they are bound by it. So who has the ability to serve that? Fort Pierce may have an agreement with the County and they may or may not feel bound to each other on that; but PSL is not bound by that. PSL may be bound by general law as to who has the right to serve in terms of availability, that is a different question altogether. But PSL is not going to acquiesce to the assertion of exclusivity by being silent today. They do not acknowledge that as being binding on PSL.

FP Commissioner Alexander said that just initiated his thought on the whole situation. The reason why they are here today, they are speaking about St. Lucie County as a whole with three

entities - the Board of County Commissioners, the Port St. Lucie Council, and the Fort Pierce Commission. His concern today is, when are they going to act as one, inclusive of everyone for St. Lucie County to benefit, all their citizens? The citizens are the ones that are responsible for all of them being here, whether it be Fort Pierce, Port St. Lucie, or St. Lucie County. It is a blessing they are here today with Fort Pierce Utilities Authority and Port St. Lucie Utilities. But his wish today is to leave here knowing that they are united as St. Lucie County with all the entities involved.

FP Commissioner Sessions said he looks at this as being a situation where they have two economic engines riding side by side and they both have a common goal; and that is, to be successful in terms of economic development for each of their municipalities. The City of Fort Pierce on one side and the City of Port St. Lucie on the other, they are traveling down the same road. If in fact they do not establish a jurisdictional geographic territory, one side may cross over to the next side - and they all know what that leads to, is litigation. So in lieu of litigation, why don't they focus and try to establish a territory so that they can avoid any potential litigation in the future? They can coordinate and encourage both governmental entities to work together so that they can reduce any type of conflicts or litigation between one another. That is his position.

SLC Commissioner Coward said he thinks that also provides the opportunity for delay and then potentially the loss of economic development opportunities. Go back to the Walmart Distribution Center as an example. They were trying to close and finalize that deal; and at the final stages of that, they ended up getting into this war between the utility providers as to whose jurisdiction it is. One of the benefits of clarifying that now is for them to be able to expedite the desirable economic development they are trying to bring in. He thinks that is extremely important.

SLC Commissioner Dzadoovsky said he reviewed the Agenda packet and had been to multiple meetings - Fort Pierce and Port St. Lucie, and of course, the County meetings. This is a F.S. Chapter 171 discussion which provides for different provisions within that Chapter. He thinks it is incumbent upon them to take a look at the big picture. The big question, what would be the benefit of them investigating the opportunity of a unified utility authority countywide, combining all of the entities into one regional service? He thinks it is incumbent upon them in this economic time to take a look at that and get the information necessary and review the possibilities of a countywide utility authority.

SLC Commissioner Craft said congratulations to Mr. Dzadoovsky, he passes the baton to him. He was about at his point in his first term when he brought up the same thing. He can tell him, that is one of the most difficult rows they can hoe. Not that it is not noble, he thinks Mr. Dzadoovsky is absolutely right; but they have three very different interests with their utility companies. He would support him in moving forward with that

100%; but he does not have a whole lot of hope for it.

SLC Commissioner Dzadovsky said four or five years ago, that may have been the situation. But in today's recessionary economic situation, he thinks it is incumbent upon them as elected officials to start thinking differently about regionalization to minimize costs. Utilities certainly are hugely associated with capital costs. Everything they put in the ground costs a great deal of money. So he thinks investigating it and taking a serious look at it as three entities is important for them to do.

PSL Vice Mayor Kelly said let him address one thing. He still did not get an answer to his question. Let him make himself clear. First of all, he thinks it is disingenuous for the other taxing authorities to paint Port St. Lucie as the demon here. They go out and start a utility, fight the water wars. They had to do it. GDC left 90,000-something lots altogether, all on water and sewer, on quarter acre lots - which is just inhumane. Now the City services the whole city. They had to fight with the County to get to this point. They now have one of the best utilities in the State of Florida. They service the entire City of Port St. Lucie. Now they are talking about they want to merge something like Renault with Toyota? Why would PSL want to do that? To have the two come together as a common entity, that would be insane to the utility payers, the people that have paid and built this utility for the last 20 years. They also had an agreement when they bought this from the County. Now they have a number one utility. And they are going to be penalized for it? Their utility is able to service anything that comes in an economic development way. It does not hurt economic development of the County. It is a good thing for the County. They are not going to go ahead - without speaking to the County or to Fort Pierce - with anything north of Midway Road. He is not speaking for the whole Council, but he is sure that nobody is going to turn their head to meeting with anybody if anything comes up like that. But to say that they want to merge these utilities up north with PSL's and have one board after they did all of this work and what they have done with their utility and to paint it as they don't want to work with the whole County, that is disingenuous. He just told them, bulk water agreements are available, they would meet, they would do everything they could with anybody if there is any economic development. Right now there is nothing on the board here - west, south, anywhere. North, there is no threat of annexation, there is nothing on the table. So he does not understand. He can't stand by and let his city be demonized, saying PSL is not for the whole County. Yes, they are.

FP Mayor Benton said it is not their desire to combine utilities. Like County Commissioner Craft said, they have had years of discussions with the County. It is one of those things that sounds good, but it is the impossible dream in their time. It is not going to happen. That is not an issue with him. With Fort Pierce, their issue is that dividing line and the ability of FPUA to expand itself. In this case, it was developer driven. A developer comes to town and decides he is going to pit one city against another city because they both have

utilities. The developer should be the one that is paying for this, is the way he sees it. Why should the existing residents be paying for growth out there? They have the ability to service that area. That is where Fort Pierce wants to go, that is their future. Today what they were hoping to do is confirm that agreement they thought they had so they could put something in writing, so they are not meeting on a regular basis and shooting arrows at each other. As long as he has been in office, he thinks they have all got along very well. He thinks this is just an issue that popped up, they can get through it. Because they all have bigger issues out there, they shouldn't let a developer get in the middle of all of them.

PSL City Manager Cooper said it is his understanding that under general law they cannot cross another utility's lines. PSL has made the infrastructure investment to the south. That is why they are being approached, the infrastructure investment is there. Quite frankly, FPUA can do the same thing PSL did - make the infrastructure investment to provide that service. And at that point in time, he does not believe since there is such concern on the part of the city expanding into the area, the city can't expand. But in the absence of that infrastructure, then when a developer comes in and requests service, then it becomes a question of who can serve? It is that simple, who can serve? So FPUA or SLC wants to make the infrastructure investment there, they can do so. He does not know that PSL would have any issue, they obviously won't have an issue with that, and PSL cannot go forward beyond that line.

PSL City Attorney Orr said that is correct.

Mr. Thiess said he is on the right track, because the whole idea behind the bulk agreement - especially with the County giving their five year notice that they wanted to construct their own treatment capacity - is FPUA was going to provide service up until such time as SLC builds their facilities out west and then will take over with their own plants. FPUA can provide 2,000 gallons a minutes at those two connection points at Midway Road and Okeechobee Road. That should get SLC through that interim period until they are ready to build some capacity out there. So if a developer was go come in right now, obviously the tank would have to be built, whether the County builds it or the Developer builds it. But FPUA could be ready to serve them from those two connection points very quickly. All FPUA has to do is make the tie-in from the west side of the Turnpike and Midway Road to the south side for another metered connection and then construct that storage and pumping facility. So it is not a long term thing to provide service there. And they could provide service for a sizeable development. At some point in the future, he thinks it is still the County's intention to build some plants and have their own capacity out in that southwest section. If that changes, then the whole game plan changes, and they will do something else. But he thinks that is the intention, is eventually SLC is going to build their own capacity and will move away from the bulk service into a retail provider.

PSL Councilwoman Berger said she agrees with Mr. Kelly. They

have a couple of issues on the table. As far as bulk water agreements, she supports bulk water agreements. Direct service is the main question. She thinks they have two different conversations happening here - direct service versus annexation concerns. Personally she is not looking to move forward on annexations north of Midway Road, unless there is a specific benefit to the City of Port St. Lucie. She has had individual conversations with some of them. She and Mr. Becht had multiple conversations when this one developer was coming forward. That is exactly what should happen, they should communicate, they should call each other on their cell phones, and that has been happening. So the gentleman's agreement has basically worked. She heard Mr. Alexander saying, when will they act as one? She has to look back and say, they have been trying to act as one; except for the handful of times here and there when they didn't act as one. When was the time Mr. Cooper actually requested for them to act as one, the first time?

PSL City Manager Cooper said Bo Powell was Fort Pierce's City Manager. It was many years ago, somewhere between 1994 and 1996.

SLC Commissioner Coward said he doesn't want to reflect back on the past. The failures of the past should be just that. Let's not continue them, let's learn from them. What he sees in front of them is a handshake agreement that has existed between the City of Fort Pierce and the City of Port St. Lucie with Midway Road as the dividing line, and a 1994 Agreement of Transfer of Utility between the County and the City of Port St. Lucie, where an attachment lays out the same utility service area, and an Agreement between St. Lucie County, Fort Pierce, and the FPUA that again mirrors the same line. So he thinks all they are trying to do is solidify those past agreements that have worked and maybe build on those. He doesn't think they are far off. He is hearing new ideas from both sides. First today he is hearing from Vice Mayor Kelly that the City of Port St. Lucie would entertain bulk agreements. He is actually pleased and excited to hear that. Because when they sat down with the City of Port St. Lucie in the last couple of years, that option was not on the table. He also heard something new from Fort Pierce. Commissioner Coke talked about if the FPUA and the City of Fort Pierce do not have the ability to provide service in these bulk areas, that they acknowledge that it would be in the best interest of all to step back and allow the City of Port St. Lucie to step forward. So he thinks if they take those past three agreements, use them as a basis, just modify and refine and improve those, they would have the ability to come up with an important document that will help provide clarity. And then as economic development opportunities come in, they avoid the litigation, the delay, and they don't jeopardize those deals, but help promote economic development.

PSL Councilwoman Berger said she agrees with him. What she was trying to lead up to was that they started this a long time ago, so it is a long time coming. In 1994, it transferred over. In 1996 or so, they were having discussions about what it should look like. Along the way, they have had some infractions. But they still do need to come together. What she is hearing today

though is more along the lines of the City of Fort Pierce that has requested the meeting, and although it sounds like everybody wants to come together and do the right thing, the undertone is if they don't move forward and do this, they will be sued. That is what she heard Commissioner Sessions say and that is what she heard City Manager Recor say as well. Just because individuals from certain cities say something with conviction doesn't mean that it is really true and in the eyes of the court that it would be really true. So personally does she want to move forward and do the right thing? Sure, for Midway Road she is ready to make a decision. But lets not fool each other about what today is. Today is these guys letting them know where they stand as far as litigation is concerned.

FP Commissioner Becht said he appreciates Councilwoman Berger pointing out that they had conversations about the issues concerning Flatwoods and their annexation north of Midway Road. That was the way he wanted to handle it and he thinks they handled it well. He had conversations with the other Council persons as well and appreciates them taking his calls and returning his calls. He is not sure how they move forward. He is not demonizing Port St. Lucie. What he saw in this particular instance is something that he would like to avoid in the future. He believes that Port St. Lucie, St. Lucie County, and Fort Pierce were played by a particular property owner for his own benefit. So if they can get together and talk about how they see this going down in the future, they can avoid being played by a particular property owner. They as politicians should not allow it to happen. If they don't do something, they run the risk of letting this circumstance repeat itself and possibly delaying or no development happening because they look like idiots because they can't get along and decide what is going to happen. Commissioner Kelly pointed out they can talk about it when the next project comes along. That worked this last time. But if they have a framework for how to address it the next time, maybe that would be better. So that is how he would like to frame the discussion today.

PSL Vice Mayor Kelly said one thing people don't know is, these 15 elected officials at this point get along better than any other 15 elected officials they have had on these three boards in St. Lucie County. Commissioner Becht is right, he thinks a developer did try to play them against each other. But it didn't happen. And it didn't happen even though they don't have a written framework. They called up, he must have spoken to him a dozen time. They have all talked to each other on the phone. They got a lot of things done behind the scenes that way because there is no Sunshine if they talk to another taxing authority. They can't talk to each other. The developer didn't play them and the reason is because they had that 45 minute meeting. Fort Pierce said they had a problem. They got together and had a meeting. The Provences found out they didn't have a sure thing going. They did try to play them. They did try to shop the County. They try to shop the County against the City all the time. They will do it with everything, they are always going to try to do it. If they don't allow it to happen by getting together, fine. Do they need a framework? Let him get to the point. He still hasn't got his question answered. What would

be the future advantage and benefit to Port St. Lucie to tie their utility's hands? There is none. As far as what they should do to get a framework? A JPA. Do they want to work on a Joint Planning Agreement between the three of them? He thinks the County has one with Fort Pierce. It is pretty ambiguous. He read it two or three years ago. If they want to put something together, not where it says this is the boundary, but if something is going to go north of Midway Road and it is in the County's area of service or what they say is the service area, which the City doesn't agree with... Because they have an agreement with the County and FPUA, doesn't mean they have an agreement with PSL. But if they have an JPA that says they will at least first talk it over or have an outline that they will automatically have these mandatory meetings if something happens like this again, he doesn't have a problem with it. He is speaking for himself. If they want to have a JPA that points those kinds of things out, fine. He is still against tying their Utility's hands. And he thinks it is for the good of the County that they do that.

PSL Councilwoman Berger said she agrees. Her concern is tying the hands of their Utility, as well as tying the hands of future Councils. She is being asked to make two different decisions. One for the Utility itself in providing direct service. But also the other question is, are they going to move forward with annexations north of Midway Road? She thinks it is unfair for them to answer a blanket statement like that today without having a full Council here to speak about it. But also, they don't know exactly what is going to happen in the future. For them to tie the hands of a future Council is a concern. When she looks back at history, she remembers in 2004 when she was running for Council, there were many people, including Senator Pruitt, who came to the lectern and asked the PSL City Council not to annex that southwestern annexation area, that it would be bad policy, bad form. There were a lot of people that asked the City not to make that annexation happen. Fast forward, that annexation is a mecca for a biotechnology, something the whole County can be proud of and the whole State is watching. So if they tie hands now, what is to say what the future is going to look like? She thinks that what they are doing is working. Maybe it is luck, maybe it is by design, that they all speak and they are all able to make the appropriate decisions when the time comes and they situationally make the decisions as the annexation requests come forward. But there is nobody looking to annex more houses. They are not looking as a City to compete with themselves. They have an area down south that is very open for business. They have enough homes that are open to be bought obviously. So there is not need for them as an organization to look north of Midway Road for more homes or for more business to compete with their own businesses at this time. That doesn't mean that in the future something different may be there. But also the flip side of that is, if it benefits Fort Pierce, it benefits Port St. Lucie as well. They want the City of Fort Pierce to prosper, because they want to prosper with them. So what they are talking about here is almost semantics. Except for the fact that she is afraid if they walk away from this discussion today that the next form of paperwork that will come across their desk will be paperwork that says Fort Pierce is

suing them. That is what she wants to make sure. If they are walking away from here saying they are doing a pretty good job of communicating and kudos to them for making sure they are looking at the best interests of their individuals citizens and their constituents as a county as a whole, then great. But if they are going to turn around and then have to fight off litigation, she has a concern for that. If they are saying she needs to leave here today with a decision to make sure that they don't sue them, then the hair on her back stands up. But if that is not the case, then let's have some open dialog of what they want and don't want. She has had those individual conversations with individuals that say they are not looking to make anything more happen, Port St. Lucie is big enough to the north. For her personally, she is looking at other options of expanding Port St. Lucie. It is all based on commercial and developing the area in a way that is profitable for everybody.

FP Mayor Benton said he is very proud to say that since they have all been in office, there hasn't been cities suing cities or cities suing the county. He thinks they have all respected their taxpayers. He does not think there is anything right now that they can't get through with these discussions. He thinks they are on the right track and have been for a long time.

SLC Commissioner Craft said he thinks Councilwoman Berger in a way summarized the bigger issue for him. She asked, who is to say what the future is going to look like? They are. They are to say what the future is going to look like in this area. They need to shift this conversation from an argument over who is going to supply the utilities to this area today and move to what they want this area to look like in the future. They have a tremendous opportunity here at this corridor. If they can come together collectively, they can figure the other stuff out later, he thinks it will fall into place. He thinks the conversation should be, what do they want here? Do they want jobs? If they do, what kind of jobs do they want? So they need to not only work between the three boards, they also need to bring into this equation the private sector, the landowners and stakeholders in this particular region, bring them to the table and work cooperatively with one another. And at the end of the day, all the problems are solved, because it takes away the indecision, it takes away the guess of what the future is going to bring, they control that.

SLC Commissioner Coward said he has similar thoughts as well. Councilwoman Berger talked about what they are doing is working. If they look at the existing agreements - the handshake agreement between Port St. Lucie and Fort Pierce that has been working, the 1994 Utility Transfer between the County and Port St. Lucie that defines the utility service area and the boundary established is Midway Road as the north/south and Range Line Road as the east/west, and then the Agreement between St. Lucie County, Fort Pierce, and the FPUA in terms of the bulk service - that is the past. He thinks what they are really trying to do is formalize those existing agreements. To follow-up talking about tying their hands and the mention of the southwest annexation area, in his opinion the decision by the PSL Council to annex that area will be binding on future Councils. The PSL

Council is making a decision which they believe is in the best interest of their City long-term and their decision will in fact be binding on a future Council. As part of that, they have agreed to allow development somewhere in the neighborhood of 30,000 to 50,000 new homes that haven't even been built yet. A future Council can't come in and unravel or make that go away. The existing Council made that agreement. So they are binding a future Council with their current decisions based on what they believe is in the best interest of their City. They have the ability to do that. More specifically, through the Chapter 171 process, he thinks they actually have that specific authority to do so if they believe it is in the best interest of their City. The issue that Commissioner Craft raised, really as an Urban Planner he is particularly interested in it. Yes, utilities are important. But a lot of what they are talking about, the bigger picture, is what types of growth do they want to promote and what type of job creation? What do they want to be when they grow up? So instead of dealing with the details, maybe it is better to start out with a broader discussion about how the cities and the county are going to work together with a common vision of what they would like to see happen, and then the utilities and the other things are an implementation of that broader view. But they haven't had that broader discussion as a group and he thinks that would be very healthy. There is a related issue, not only from the land use side. With the passage of Senate Bill 360, which obviously every local government official has been very concerned about, he thinks they have an opportunity to actually do an Interlocal Agreement to make sure that regardless of which jurisdiction the development occurs, they make sure they take care of each other. So if the County allows development adjacent to either City and there are impacts to the City, they make sure the developer has to not only take care of the impacts to the unincorporated County, but has to do so on City roads and parks and so forth as well. That is something he proposed when they talked about impact fees. So he thinks the broader issues of having a vision addressing land use, addressing impacts and concurrency, all of those things may even be more important than what they are discussing here today. Whether that is too ambitious a goal to put out there, he would hope they can continue this kind of dialog and maybe lay out some type of a process and include the community in helping them develop that vision. He thinks that would be very helpful.

PSL Councilwoman Berger said she agrees with a lot of what he said. She would love to take credit for the fact that she was part of that southwestern annexation and those decisions, but she wasn't on the dias at that time when they voted, so she wanted to make sure that was clear. She did not have the privilege of voting for the southwestern annexation at the time, so she inherited that. Part of what he is saying is very true in that it has not been completely developed yet. So her concerns for that southwest annexation area and the entire City fall under, what is it going to look like? They don't know exactly what the City - full grown, built out - will look like and how they will be able to service it. So as a leader of the organization, she is concerned. She looks at that and asks, are they going to be able to continue to grow at this kind of pace

and still be able to give the level of service that their citizens are accustomed to? She questions that herself. Does she want to go north of Midway Road and annex more, just for the sake of annexing? No. She can't say that loud enough, she doesn't want to do that. Does she feel she has that ability to make that decision? Yes. She does feel she has the ability to make the decision. But again, this is a conversation they are having minus the Mayor and a Councilman who has been sitting for quite a long time and who was actually on the dias when they made the vote for the southwest annexation area, both of those individuals were. She would love for them to be part of that conversation before they move forward with just three of them saying what they would like to do. But also at the same time, it is tying hands of the future. Because once they make that decision, then they are now opening it up for someone else's control, whether the City of Fort Pierce or St. Lucie County to control the development of that particular area. Port St. Lucie loses some control. They get to have feedback, everybody has always been open to hearing each other. But there is an opportunity then to create competition in their backyard. The County Commissioners have invested in Port St. Lucie's southwest annexation area as much as they have, the County has given a lot of time, effort, and money to make that successful. So certainly she knows it is not in the County's best interest to allow anything to happen north of Midway Road that would interfere with that project. So please understand that is not what she is saying will happen. But there is a fear factor for them on what happens once they lose control. Those are the reasons why they need to as a Council have this conversation before looking to make any solid recommendation or resolution to come forward. She would be happen to put that on a future agenda for their Council and have that discussion. But if they are looking for an answer today, she will ask her City Council to reconsider giving an answer today specifically because she does want to see what the next weeks hold. Although she likes Mayor Benton very much and believes he is telling her the truth when he says they are not going to sue them, she sees Mr. Recor right there - look at the way he is sitting, look at him - he can't wait to sue them.

FP Mayor Benton said no, Mr. Recor works for the City Commission. He does not think the pressure is on. He thinks what they are trying to do is resolve some of this. Today, with the bulk water put into it, he is hoping they can all go back and with their staffs come back with something they can live with.

PSL Vice Mayor Kelly said when the southwest annexation comes up and they say something like 50,000 houses, people are going to think they are building 50,000 houses. The exact number is about 24,000. Councilwoman Berger is right, if they didn't annex that, they wouldn't have this area. But she is right to a point. They talked about this before she got elected and she had other ideas than he did. He did not vote for those annexations and he is proud that he didn't. It is because the biggest part of the annexations and the part that all the economic development is in, it was always going to be annexed in; and that was, Core Communities Southern Grove and part of

Tradition. He had no problem with that. If it was just Southern Grove, he would have voted for it. It was only 6,000 or 6,500 homes in that area, which is a lot for Tradition. But this was an additional. With the other three developers - GL Homes, Anasca Homes, and Minto Communities - it is virtually another 16,000 to 18,000 homes, virtually all residential. He voted against that. Commissioner Coward is right, it did tie the hands of other Council members, because that may not develop for ten years. But that is a lot of homes to take care of. He says all the time, growth doesn't pay for itself. But that is what happened. It is about 24,000 homes. Hopefully they can change some of that, like they did in the City of Port St. Lucie. It is ironic that that is what was done to Port St. Lucie with GDC. GDC gave them a city with 80,000 residential lots and virtually no place for anybody to work, no place for anybody to shop. They just did it, as far as he is concerned, in that southeast annexation. He had no problem with Southern Grove where all of this stuff was built. But he did have a problem with the rest of it. Did they tie up their future Council's hands? Yes. But things can be changed. That is why he agrees with Councilwoman Berger that they would be tying the hands of their utility and he doesn't want to do that. He will ask again, what is the benefit for the City? Nobody has given him that answer. On top of the bulk water agreement, he still thinks they should try to get some kind of JPA, as loose as it may be, and walk away from here today with an agreement that they will try to get a JPA with Fort Pierce and St. Lucie County.

PSL Councilwoman Berger said she just wanted to clarify, when she was saying she was concerned about what PSL will look like when they grow up and whether they will be able to service them, she didn't mean service them with their utilities. Her concern for services is roads and bridges, police, making sure their public works department is going to be able to handle that level of service. She says that because as they are speaking specifically to their utilities department, she would have no problem getting into discussions if the other guys want to rescind their utilities departments at their individual organizations, she would have no problem saying PSL could make sure that they took over. Water worries, she doesn't have any. FP Commissioner Coke said first of all, the only person she heard mention a lawsuit was Commissioner Sessions, who happens to be an attorney. She did not show up here today with any intention of a lawsuit. She showed up here today with the full intention that they could have a conversation to further everyone's interests. Interestingly enough, they all keep talking about how well the fifteen of them get along, the elected bodies. It is amazing. Eight years ago she can remember the city suing the county, the county suing... There were lots of lawyers involved and paperwork and all kinds of things going on, they had mediators coming in. They couldn't sit down and have a conversation together, there was yelling and screaming and people walking out. It is not that way now. Her point is, she thinks they would miss a golden opportunity right now - while they have fifteen of them that get along - not to seize that opportunity and put in concrete some of the things that have been gentlemen's agreements for all these years, it

would be a grave error in judgement. Six months or two years or four years from now, they might have another warring body up here rather than fifteen people that can get along and respect each other. They don't always agree. But they have to respect the fact that each and every one of them is up here with the best interest of their citizens at heart. So she would be very disappointed if they don't at least try to pursue the avenues of solidifying some of these gentlemen's agreements. In response to Councilman Kelly, when he keeps asking what is in it for his City, she has two responses. Number one, her job is to watch out for what is in it for her city. Number two, she thinks what is in it for his city is the fact that if they look at the service agreement and bulk water... The only way Fort Pierce can expand is by providing utilities and annexation agreements. That is the only way the little City of Fort Pierce gets to grow. So if Port St. Lucie is providing service there as a direct thing rather than a bulk agreement, the City of Fort Pierce isn't going to be able to grow. Her concern is, PSL will be making the money from a bulk agreement, the same as if it was an individual agreement. And it just kind of solidifies that Midway Road thing - you won't come up here and we won't go down there. Mr. Thiess said the other day that he would be willing to go to the FPUA Board and recommend that anything south that Fort Pierce has done inadvertently or erroneously over the last few years, to allow Port St. Lucie to service that. Her big point is, she doesn't want to see them miss the opportunity, when they all work so well together, to put things in place for future Commissions and Councils so they will understand fully what the intent was. Not a gentleman's agreement, something in writing - PSL, FP, and SLC, they all agreed to this - and it was a win/win/win situation for everyone.

SLC Commissioner Grande said he would like to speak directly to Vice Mayor Kelly's question, what's in it for the City of Port St. Lucie? Today in their current environment he thinks what they are all looking for - the county and both cities - is, where does the economic stimulus come from, where do the jobs come from, and where does the economic growth come from. He thinks they have all experienced and all acknowledge developers and potential businesses coming here and playing board against board, jurisdiction against jurisdiction, and it is good for nobody. What is the benefit to Port St. Lucie? If they can have an environment where when people are coming into a specific area, they know who they have to deal with, independent of utilities, as far as land planning and land use. And there is no option - if they don't get what they want from the City of Port St. Lucie, they go someplace else and pitch there. He thinks that is a benefit. He thinks it is actually less a benefit to either of the cities or the county than it is to the people as a whole. Because once a developer can come in here and deal with a designated jurisdiction quickly and honestly, they can move quickly and get things done. If they think back to the specific applications that have gone through this process, one of two things is true of every single one of them. Either it has taken far longer than it should have, even the best of them, because of being put in a position of it makes good business sense to the developer to play the governments against one another; or, they haven't gone at all. He is sure

each of them can think in terms of projects which, had the developer been able to move forward in a reasonable period of time with reasonable application fees, would be in the ground today, but are not here now. He thinks that is the only answer to the City of Port St. Lucie. He also thinks the same answer is true to the City of Fort Pierce. And the same thing is true to St. Lucie County, which really is an umbrella organization. The unincorporated government is not really responsible for providing municipal services to development. If somebody comes in, whether a large residential development or an industrial component that is going to bring jobs, if those are the kind of developments that actually requires municipal services, he thinks most of them up here would come up with the same answer - municipal services should be provided by municipalities. And if provided municipal services, it should be in a municipality. That is pretty much the way the governments were originally designed. He thinks most of them have that same philosophy and would like to see a clear path for whomever is considering coming here and providing economic development and jobs. He thinks it is incumbent upon them, as fifteen people who do actually work pretty well together, to come up with a framework that says every single guy that comes in - Provinces or anyone else - doesn't really have to go around the block to see where they get the best deal. They should already know, based on where the land is located, who they have to deal with as far as land planning, utility provision, etc. If they look at the area that is west of the north/south yellow line and north of the east/west yellow line, which he thinks is generally acknowledged as the County's service area, this County Commissioner is not at all interested in having exclusivity as far as providing municipal services, he would much rather see that done by an experienced municipal service provider. Whether that eventually leads to inclusion into an existing municipality or not, he thinks that is a decision to be made by those municipalities. So he thinks they have the ideal group to work through something. He would like to see them leave here today challenging their staffs to try to work out an agreement, so anybody looking to come into this area can look at this agreement and know where they have to go, know how long it is going to take, know what it is going to cost, and know what the approval criteria are. They may not be able to do that in a week, but it just can't be that hard. He thinks they have staffs that have so much experience dealing with large developments, small developments, commercial developments, industrial developments, residential developments. Something can be put on the table to them to work out to develop a Joint Planning Agreement which in one or two meetings they can work through. He would suspect once the agreement is put on the table, they may want to get the fifteen of them together, including support from their utilities, lock the attorneys out of the room, and come up with what they really want to accomplish independent of the legal process, and then let the attorneys follow instructions, dot the i's and cross the t's, rather than having attorneys telling them here is the policy. It can't be that hard. Their terms aren't too short to not be able to do this. His recommendation today is, challenge the staffs to work together in a defined period of time, no longer than 30 days, to come back with a JPA that answers those

questions. He really liked the comment about including stakeholders, not from the perspective of sitting with the fifteen of them and working to develop the JPA, but run it past them before they approve it, because he is sure they are going to have comments and it is incredibly important to them.

FP Mayor Benton asked 30 days? Nothing in government goes that quick.

SLC Commissioner Grande said that may be the first problem they need to solve.

PSL Vice Mayor Kelly asked why can't they all just get along and write it down on paper?

SLC Commissioner Grande said right.

PSL Vice Mayor Kelly said Commissioner Grande started off by saying he was going to answer his question, what is the benefit? Then right away he went into the annexation deal. There is two different things here. If they are talking about annexation and things like that, fine. He is asking for the benefit. Commissioner Coke gave him a little benefit when she said Port St. Lucie is going to make money off bulk water. That is not a big enough benefit for him. At least she gave it a shot. But Commissioner Grande is talking about a JPA. That is what he is looking to come away with today, to get a JPA, not to tie his utility's hands. Councilwoman Berger is right, it is two different things. Talking about annexations, nobody is going to pit... He thinks the developers know from the last few. There has been more than just Provinces, there have been other ones that have come in here and tried to play them. Just through telephone calls, they just gave it up.

SLC Commissioner Grande said what he was trying to say and said poorly was he suspects that if they had the agreement in place, whatever Provinces eventually would look like, it would probably be there by now and the jobs that they demanded of Provinces would probably be there by now, and they probably would not have residential rooftops at that particular location by now, and the economic benefit would be felt by the people of both cities and the county by now, rather than have them waste their time making the rounds to see what they could get from who.

PSL Vice Mayor Kelly said they can get a JPA, but they are not going to get it in 30 days, that would be an absolute miracle. As far as what is going to be in that JPA, they are going to continue to talk and not subvert each other. They are always going to have free enterprise between Port St. Lucie, Fort Pierce, and St. Lucie County, just as they do with Martin County and Indian River County. They are all going to try to do what is best for each other. But they all sit on MPO's, Fire Boards, and other things, where they have to look at the County as a whole. He is all for the JPA. But again, utilities is a separate thing.

FPUA Board Member Perona said he is speaking from the non-political entity here, the Fort Pierce Utilities Authority,

which is not part of the fifteen elected officials. He is really happy to hear the thoughts that are flowing back and forth between all the entities. He is encouraged by some of the movement. But from the standpoint of a utility company, which all they are worried about is the business of utilities, is that those lines have to be made and have to be defined. There are assets and planning and everything else. They are dealing with that on a daily basis. Not knowing what is going to happen in that area, in two months, two years, or five years from now if Port St. Lucie comes over, if Fort Pierce planned to serve that, it affects the way their utility planning is going on right now. That is the importance of what is going on here. It is not a question of wait until the day they need it. Planning is being done right now, pipes are being put in the ground, facilities are being contemplated and built. Those are so important for what they do. It is the duty of everybody here to make sure that they do not have stranded assets. Stranded assets are assets that taxpayers have paid for that don't go anywhere and don't do anything. They have some communities around St. Lucie County that have a lot of stranded assets. FPUA is fortunate not to be a part of that group. That is one thing FPUA and its Board is trying to make sure does not happen. So contemplate that. It is important to both cities to start planning their utilities accordingly. That is a benefit in itself, knowing where the line is and knowing where their assets should go in. From the non-political part, he asks them to consider those in their planning and in their decision process.

SLC Commissioner Craft said he knows they had money set aside for planning in areas and then they had one where the Research Park is. He thought they had also identified this area and set aside dollars for a charrette or some sort of a planning effort for the Midway Road corridor.

Mr. Mark Satterlee, St. Lucie County Growth Management Director, said yes, they have set aside monies for charrettes for planning. They are working on an agreement with the Research and Education Park right now. They have been exploring, along with some of the Commissioners, the Joint Planning Agreement they have been talking about, so they would be ready to go forward with that once it is set up.

SLC Commissioner Craft said he is talking about this area specifically for the Provinces or the Midway Road corridor in general.

Mr. Satterlee said they can certainly look at that.

SLC Commissioner Craft said what he would recommend today is that the County move forward with that particular plan and invite each of the cities with their staff be a part of that entire process. Councilwoman Berger brought up a very valid point, to make sure what they do there doesn't hamper what they have done in South County and what they have done with the Research Park, so they don't hamper investments made there. They need to find some way of enhancing the two of those together by having input from both cities and the county on this. Ultimately he does not think that the County is going to

be the one that controls this property at the end of the day anyway. So while it is still in transition, they should all just come to that conclusion and make an agreement as the BOCC to move forward and make sure they have the cities there. He has no problem with this Board making sure they make the investment, so they get something that makes everyone happy and keeps them all out of the courtrooms.

SLC Commissioner Coward said there was some talk earlier from several speakers about how developers have played various local governments, which he completely agrees with. The problem with that is, during the negotiation the developer gets the best deal, which means that the developer is basically negotiating the cities down - who is selling cheapest? That is the exact opposite of what they want in that negotiation. So that in and of itself is troubling to him. The developer is going to go back and forth until he gets the absolute best deal for him at the expense of the citizens. One of the things he is really interested in doing is trying to work on a broader vision of what they want, which they have never done. This is a broader issue, but he thinks it does relate. They have been talking about tying the hands of future councils or commissions. One of the things that this current County Commission inherited from past BOCC decision-making was when the original Comprehensive Plan Land Use and Entitlements were created through the comprehensive planning process in 1989 and 1990. The previous BOCC created some of the most excessive development potential outside of the urban service boundary that they will find in the State of Florida. They are at one to five units, essentially the potential of 40,000 residential units being built. Legally today those property rights exist. It is going to be not only detrimental to St. Lucie County, but every taxpayer, including those who live in the cities, because of the huge service costs and the inefficiencies of trying to provide service to such a broad geographic area. They have never had a discussion about how the cities could actually work with the County to help resolve that issue. One of the things they are doing - Commissioner Craft talked a little bit about some of the planning efforts - is a comprehensive western land study with the hopes of identifying some type of innovative new approach that would protect those property rights, but provide the opportunity to potentially transfer those units into more appropriate areas. And some of those potential appropriate areas are in the very areas they are talking about here. But there is no value to transferring those if the developers are able to get development rights from the cities for free or for a reduced amount. Why would they want to buy development rights through a countywide TDR program if they could just simply get a 500% or 800% or 1,000% increase through some type of an annexation deal? So the only way the County is ever going to solve that broader issue is going to be in conjunction with the cities. So they have already identified the funds, they are embarking on this western land study, and they recognize that they must engage the cities in that dialog, not only as it relates to those units, but going back to the theme of this whole discussion - what do they want to be when they grow up? Those units are not only going to be transferred, but are going to be received somewhere. So what type of development do they

want? They don't just want houses. In fact, they already have too many houses. They want a diversified tax base, quality jobs, good industry. Instead of the developers telling them what they want, let's engage the community to work with them to tell the developers what they want. So through that process they identify in those receiving areas the type of economic development they will be most supportive of in advancing. And then the developers can react to that and hopefully move through that process. The JPA, obviously they are not going to solve all of these issues, these are very big issues. But the fact that they are talking about this today is extremely encouraging to him. He thinks the JPA could lay out the basic framework and identify those additional aspects that would need to be done, such as the western land study. The other idea he mentioned earlier about concurrency and taking care of the extra jurisdictional impacts, they need to do that. Let's take care of each other. Lastly, Commissioner Sessions had talked about two economic engines. He actually thinks there are three, because the County is also directly involved in economic development and is actually the primary funder of the Economic Development Council. SLC has been very involved in economic development deals, not only in Fort Pierce but in Port St. Lucie. So he sees it as three. But the crux of this whole discussion is, instead of it being three independent economic development, land use, and utility issues, how do they become one? He thinks that is what Commissioner Alexander was alluding to. As Commissioner Coke and Vice Mayor Kelly mentioned, they have fifteen elected officials who are willing and desirous of trying to work together. They owe it to be people they represent to think big and actually try to begin to address those issues. So let's lay out an ambitious JPA. Forget about 20 years ago they couldn't do this or that. They can do it if they want to. And he hopes they do.

FP Commissioner Sessions said he wants to come to his defense. First of all, as far as he is concerned and the City of Fort Pierce, they come here in peace. They are not here with gestapo tactics demanding anything in lieu of litigation, otherwise they would not have called this meeting. Everybody in here knows that the whole global system is built on territory - countries versus other countries, states versus other states, counties versus other counties, and cities versus other cities. The whole global system is based on knowing your territory. All Fort Pierce is trying to do is establish their territory. That will eliminate perhaps any of the entities - the county and both cities - from potentially having a conflict that will lead to courtroom action, which would only make those three attorneys look a lot better than the fifteen of them. At any rate, Fort Pierce is just a small piece of the pie here. They see some areas out there where perhaps they would like to grow. He commends their sister city PSL in terms of their active annexation policies. He has learned what to do and what not to do as he sees PSL grow. Fort Pierce wants a piece of the pie too. There is some potential out there in terms of FP growing economically. Look what it brought to the table - he is on the same side as the FPUA Board - and if that can happen, they can all accomplish something here. Understand where he is coming from, they are not here to demand anything, they are here to

establish a territory so that they can set the parameters so that perhaps potential developers would know who to deal with, to eliminate any potential conflict because they won't cross over each other's lines, move on and grow from there, and grow as a county as a whole.

SLC Commissioner Dzadoovsky said he would like to commend Commissioner Coward for folding in this Chapter 171 discussion of the western lands. He thinks it is important and incumbent upon them all to participate in the future land planning of the County. It gives them an opportunity if they are able to transfer development rights into urban areas, it actually gives that provision a greater possibility of success. Additionally, it gives them the benefit of maintaining their western lands as agriculture, which is a large component of their economic matrix. So he does not want them to leave this meeting today not making that a priority for all of them. That western study is going through and he would like to make sure their staffs and each of them maintain that open line of communication during that process.

PSL Councilwoman Berger said Commissioner Sessions mentioned establishing the territory. But it reminded her that Mr. Cooper had said earlier one way of establishing the territory historically as PSL has done is actually just put their assets out there. Right now if she understands Mr. Recor correctly, he is saying he believes that Area B belongs to the City of Fort Pierce. Isn't that what he was indicating earlier?

FP City Manager Recor said no, the County.

PSL Councilwoman Berger said Area A is what he considers to be...?

FP City Manager Recor said the retail service area.

PSL Councilwoman Berger said she heard Mr. Perona being concerned about stranded assets. She doesn't know exactly where the stranded assets would be. But simply if their organization has the funds to make it happen, start making it happen, mark their territory.

FP Commissioner Alexander said he thinks she just hit the nail on the head, let's make it happen. In the beginning when he spoke about the citizens of St. Lucie County, he thinks today they are going to receive some good news. The good news is the facts they are going to get from this meeting, that they are all on the same page. He heard Commissioner Sessions say he is on the same side as FPUA, he and Commissioner Sessions have this tit for tat thing with FPUA. This must go away. If they are going to work with their fellow Commissioners and Council members, then so can they get along with their FPUA. But his main concern is only the people, that the people are going to be able to benefit from the utilities. If Fort Pierce grows, he knows they can't guarantee to keep the prices down, but they are going to be able to tell them something. He is not asking if they expand into that area that that is not going to revenue for the citizens of the whole St. Lucie County that matter. Because

no matter whom it may be, they have bills to pay. And if they don't have jobs to pay those bills, then that can make the difference. When he speaks of that area, the developer playing them against each other, he does not see any residential coming in there. So if it is commercial coming in there, then that is a plus for the community as a whole. And by not seeing in the near future residents, then they can deal with what they need it to be. When he says that, he is speaking directly to Mr. Kelly. They go way back and have worked well together on all the boards they were on. When they talk about the necessity of the County as a whole, then they all work together. He has seen firm head nods all day long, all of them. What is the next step?

PSL Vice Mayor Kelly said there are only three of them here - Councilwomen Berger and Bartz - if they could just get a consensus to bring this to their full Council that they would like to proceed with a JPA. They have a majority here, if they could get that consensus, then they could proceed to bring it to their Council. The next step would be for Fort Pierce and the County Commissions to do the same thing. PSL City Manager Cooper is not going to be here in three months, so it probably is not going to be on his agenda unless the rest of the Council decides to do that because he has a lot of things to finish up before he leaves in January. Mr. Cooper is an amazing man with big shoes to fill. They have two other managers who are well abreast of everything that is going on, so he doesn't want anyone to think that would put it in jeopardy. Mr. Cooper is an amazing man, but he can't work 24 hours a day. Do they have a consensus to bring it to their Council?

PSL Councilwoman Berger said she thinks it is appropriate to bring it to their Council as a discussion, but as a discussion solely. She does not want to say they are moving forward on a JPA and just want their input. She thinks the wise thing is to say there was discussion of a JPA, what do you think?

PSL Councilwoman Bartz said she is agreeable to that.

FP Mayor Benton said he thinks that is what he has heard from everybody.

SLC Commissioner Coward said as a County Commission, he hopes that is what they do. He thinks it is an excellent idea. Of course, the content of the JPA obviously will be critical. The staffs have heard input on a variety of issues. The struggle will be to determine how much to try to put in there, but that will evolve. He is certainly open to utilities, annexation, and even some of the broader issues of land use and planning. Even thought it won't have a 30 day window or say they are immediately going to do this or that, at least identify the tasks that they intend to work together on those issues. He would like to reemphasize the extra-jurisdictional impacts that they saw almost evaporate through SB 360. Something all of them are concerned about is to make sure they are working together and taking care of each other. He hopes this does not set them back, but he thinks it is an important point he would like to have an opportunity to speak to. They heard comments earlier from Mr. Cooper about the legalities of putting utility lines in the ground, that once they do it, it is illegal for another

utility to cross those lines. Councilwoman Berger followed that up and said if they want this territory, they should go ahead and put those utilities in the ground. He wants to address that. The fundamental planning approach is not to prematurely make large scale public investment in infrastructure prior to the demand being there, therefore not having the ratepayers pay for that capital investment, shifting it onto existing people. The way to do long term planning is to identify the territory; and then as the demand comes on line, then build the infrastructure out. But to suggest that they should have the territory defined in advance by making premature capital investments on the backs of existing ratepayers, he thinks that is the opposite of what they should be doing. He wanted to put that out there. He does not mean to take them backwards. But he thinks it is a fundamental issue that needs to be addressed. When they had the surge of growth over the 2002 to 2006 time frame, many utilities across the state all jumped out and made these massive expansions. Then the construction industry bottomed out. Many utilities now have more capacity than they have ratepayers to pay off the debt service for those large scale investments. That is how he sees that approach, it is putting in lines prematurely. They don't want to do that. He thinks the territory needs to be defined; and then as the demand comes, they build out that system. And since they have the clarity of whose territory it is, it makes it easier to do that sound planning over time.

PSL Vice Mayor Kelly said their utility is not in that situation.

FP Mayor Benton said in Fort Pierce they have had a little different scenario. Because it is an older city, their big issue is replacing existing lines that are in some cases 75 or 80 years old. For FPUA to start putting new lines in the ground, that has not been their philosophy. Their philosophy has been, as growth comes, let it pay for itself. FPUA is busy enough replacing what is failing and they still have a lot of work to do. To put that additional cost on their ratepayers is just not going to happen.

PSL Councilwoman Berger said she thinks Commissioner Coward did mean to bring it back and trying to be argumentative. She was simply putting it out there and saying to Commissioner Sessions that she kind of agrees with him. She is trying not to put a personal position here, because she wants to bring it back to her Council for a very fair discussion and not have it leaning one way or another. She likes Commissioner Grande's thoughts on it being the responsibility of the municipalities in the end. Her own personal opinion, north of Midway Road, here you go. That is kind of the hint she was giving to Commissioner Sessions when she said to mark their territory there. That is it. Don't make it any more than it was.

SLC Commissioner Coward said he was not trying to be argumentative, he was trying to make a point on a fundamental planning approach, that is all he was trying to do.

SLC Chairwoman Lewis said she truly thinks if they all agree to

either go to a JPA or at least take one back to their boards for consideration, they are pretty much agreeing that they are not going to do the grab it and run kind of activity. She thinks they are agreeing that what they want to do is work this out calmly and on paper. They are not going to go spend public assets unwisely or quickly. Quite honestly, she does not know that any of them have the public assets to spend in that manner, but that is another issue. She truly thinks the discussion they have had here today has been very productive and that it has identified some of the issues. It has been touchy from time to time, but she thinks they all pretty much expected that. She for one is very pleased that they have all agreed on how they will move forward. She thinks if they agree they are going to plan jointly, that they are going to advise each other of the perceived needs, it will take a lot of the sting out of it. If they see a motion going on and get the ability to discuss it calmly before it happens...

FP City Manager Recor said he thinks that everything that has been discussed here today is contemplated under Chapter 171, Part II. The establishment of water and wastewater, roads and bridges, road ownership, construction and maintenance. Best of all, the Joint Planning Agreement, Chapter 171, Part II, also provides for a process for making land use decisions jointly. He heard 30 days bandied about. The Statute also allows for six months of negotiations to occur prior to one party or the other declaring an impasse. He wants to remain optimistic they can keep this moving forward, but he does not think 30 days is realistic however.

SLC Assistant County Administrator Lowrey said she is here on behalf of County Administrator Outlaw, who became quite ill this morning, so she is attempting to fill in. She wanted to address Commissioner Craft's question about a charrette for the Midway Road area. There is money currently in the budget for planning studies, although Midway Road was not specifically identified. However, they are in the midst of trying to address the projected 2010-2011 and 2011-2012 budget gaps. They are looking hard at those funds. She would want to put the members on notice of that. Staff will get back with them, they will meet with the County Administrator, and look at the funding they might have available to help with a charrette in that area should that become part of a JPA.

SLC Commissioner Craft said for the record, he believes this area is of such importance to all three of their boards that he would be hard-pressed to remove the money from the budget. He would actually consider using some of the reserve funds if they have to. This is that important to the future and how they are able to move forward in eliminating any potential conflicts in the future.

SLC Commissioner Dzadoovsky said he would like to have that as an agenda item as to how they are going to move funds. Going back to Mr. Recor's statement, he referred to Chapter 171, Part II, that it provides for a six month negotiation process. Can staff give them an idea where they are in that process? Has that time started?

FP City Manager Recor said as the party initiating the process, he does not think that either jurisdiction has held firmly to the required response times. He believes they are working together cooperatively. They are at least 60 days into that process. This meeting was required to occur 60 days from the date of Port St. Lucie's Responding Resolution. Due to scheduling, they were not able to do that. But he does not think that either one of the jurisdictions, being that they are all getting along so well here, are going to say that six months has passed and they haven't reached an agreement. He thinks if both parties agree, if all three jurisdictions agree, that six month time period can be extended if they are making progress.

SLC Commissioner Dzadoovsky said or it can be accelerated.

FP City Manager Recor said clearly he has heard and understand his marching orders - it is a priority. Staff will do what they can to expedite the process. They have the bones, the structure, of a Joint Planning Agreement already in place. They have what they believe to be an effective JPA with St. Lucie County.

SLC Commissioner Dzadoovsky said he thinks it is important they all stay abreast and have their staffs keep them abreast of time frames and so on, making sure they meet certain benchmarks along the way. Having a time frame is important for government agencies, because if they don't have an end date, they are usually not going to meet that.

FP City Manager Recor said he knows his Commissioners are going to ask him, when will this be completed? So he will put together a time frame and take the lead.

FP Mayor Benton said he believes they have a consensus from the City Commission, that they enter into a JPA. He thinks they will all get back together because he is sure there will be some fine points they are going to have to hash out together. But this is the starting point. They are coming into the holiday season, which is tough enough, and also with the other tasks their staffs do have, he would say they are probably going to be back here sometime in January.

FP City Manager Recor said that is what he was thinking. If they could have the structure of the JPA, a discussion document, by the end of the year, that would be realistic.

FP Mayor Benton said something they could all digest and then have some fine points they could meet next time and discuss.

SLC Commissioner Grande said his feeling is, if they throw out a number like 30 days, they force people to come back with reality and own up to it. Now they have dates and are looking forward to getting a JPA. He is incredibly enthused with what has happened today.

FP Commissioner Becht said earlier today Mr. Recor made reference to where they are rubbing elbows with Port St. Lucie.

As one City Commissioner he would like to task Mr. Recor with, where they have any projects that rub elbows with Port St. Lucie, let's notify them now. Because that is what the JPA with the County eventually in sum and substance becomes. It is more than that. But lets notify PSL so that they know what Fort Pierce is doing. They can do that starting today, that doesn't take 30 days. If Port St. Lucie would be so kind as to reciprocate that, it doesn't take 30 days.

PSL Vice Mayor Kelly said some last remarks. Things were said here, he doesn't like words being put in Port St. Lucie's mouth. Mr. Recor should understand that his position from the beginning of the meeting has not changed, he does not think his fellow Council members have changed. They talk about the JPA, which he brought up first here about doing, would correct things. Again, annexations. Any ruffle of feathers with the County or the two Cities, basically that is it. If they want to put in that JPA about resolutions for utility problems north or south of Midway Road or out west... With the City of Port St. Lucie, it isn't just Midway Road. If that is in there, bulk water type agreements, which PSL has had before. But at no point did PSL Council members agree that Midway Road is going to be... That was the main thing he was saying.

FP City Manager Recor said he apologizes, he clearly misunderstood what he said.

PSL Vice Mayor Kelly said he heard one other Council member besides himself say that she is against the annexations north of Midway Road. He hopes he is clear with that, he has no intentions whatsoever of voting for anything like that. As far as tying their utility's hands, he remains solid on that. He can't speak for the whole Council, but he thinks the other two Council members feel the same way. If they are going to put that in the JPA, with everybody up here saying how well the fifteen of them get along, if they don't have to do this in six months, then he guesses they weren't telling the truth that they get along. They should have this done in less than six months. But the utility problem, just get a mechanism in there that they can talk about the problems.

FP Mayor Benton said he thinks they have made a lot of progress today. They are going to do a JPA. They had a lengthy agenda. Did they cover everything? Everybody feels good, they are there?

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There being no further business, Mayor Benton declared the meeting adjourned at 3:55 p.m.

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Adjournment.

ATTEST:

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CITY CLERK

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MAYOR COMMISSIONER