

# Unpaid realty taxes skyrocket to \$332 million in Tampa Bay area

By David DeCamp, Times Staff Writer  
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\$664,724: Wimauma development, near U.S. 301 and State Road 674. Owner: Forest Brooke/Hillsborough LLC, related to Metro Development Group.



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A record number of property tax bills remain unpaid across the Tampa Bay area this year, one more casualty of tough economic times.

In April, 114,000 properties had overdue bills totaling \$332.1 million in taxes in Pinellas, Hillsborough, Pasco and Hernando counties.

Final warnings to property owners for unpaid real estate taxes spiked 10 percent this March on top of record high delinquencies in 2008.

The unpaid taxes come in a year when declining property values and state-mandated tax relief measures lowered many bills.

"I'm afraid it's a sign of the times," Hernando County Commission Chairman Dave Russell said. "There are certainly a lot of folks under financial duress right now, and I believe this is a significant indicator of that."

It's not just homeowners, who have a third of the properties with overdue bills in Pinellas and Hillsborough counties. Big-name developers and businesses also haven't paid. Apartments. Marinas. The Tampa Bay Lightning.

The tax bills — lifeblood of local government and schools — are big.

Osprey SP Properties, owner of First Central Tower in downtown St. Petersburg, owes almost \$495,000, the biggest unpaid bill for a parcel in Pinellas, according to the Tax Collector's Office.

Wendy Giffin, president of the company's real estate management arm in St. Petersburg, said Friday that the company recently sent payment that should clear today or Tuesday.

The tower has a 47 percent vacancy rate, though the company remains financially fine overall, Giffin said. But in tough times, tenants are seeking short-term leases there.

Of the county's nearly 34,000 overdue property bills in April, she said: "That's amazing."

## Tax bill disputed

In Hillsborough, the biggest overdue bill is owed by a corporation linked to the financially troubled Metro Development Group, according to the Tax Collector's Office. The company owes \$665,000 in taxes for land near U.S. 301 and State Road 674 in Wimauma. In fact, the county says Forest Brooke/Hillsborough LLC

owes an additional \$715,000 from last year's taxes.

Company officials dispute the bill, saying Hillsborough has vastly overvalued the land, ignoring its current agricultural use. They are due to make an appeal this year, and have paid \$30,000 — their accounting of the bill — for 2008 pending the challenge, spokesman John Heagney said.

The Tampa Bay Lightning — which slashed staff recently — owes nearly \$440,000 through affiliates for two downtown Tampa lots that are among the highest unpaid tax bills.

And while the city of St. Petersburg fights to annex 18 acres of Tierra Verde, the county tax collector awaits at least \$505,000 in combined taxes from two companies that own much of that land.

The companies, Tierra Verde Marina Holdings and A&S Tierra Verde Ventures, agreed to the annexation, despite objections by some residents and Pinellas County.

Richard Fabrizi, president of Tierra Verde Marina Holdings, did not return a message seeking comment. But employee Melisa Jones said Thursday that the company's accountant prepared and sent the payment.

On Friday, the Pinellas Tax Collector's Office still listed \$274,000 in unpaid taxes for the company's three seaside properties in Tierra Verde. Taxes were due by March 31.

Steve Sembler, president of A&S Tierra Verde Ventures, did not return a message about \$231,000 owed in late taxes and penalty at the marina, one of the county's largest unpaid bills on a single property. Taxes on parcels of several other companies are also overdue.

The surge in warnings and overdue bills is biggest in Pinellas. Carlos Thomas, the chief deputy tax collector, said homeowners pressed for money by insurance and other bills are willing to pay late to stretch finances.

Russell, the Hernando commissioner, said that with the penalty on a late tax bill totaling 3 percent, "some folks may be weighing that and saying, perhaps I'm better off paying down my credit card debt at 18 percent interest."

"I hope it's a matter of prioritizing what bills get paid" rather than people in dire straits, he said.

Even with overdue bills, counties reported 90 percent or more of tax bills have been paid. The increased delinquency represents a small fraction of the tax base.

### Delinquent bills

Tax notices arrive in November. In May, counties prepare a list of parcels with delinquent bills, which are later advertised for tax certificate sales to investors.

In such a sale, an investor pays the tax owed to the county in exchange for a lien on the property. The investor then charges interest to the homeowner on the overdue tax bill until it's paid. Those certificate sales help the government recover late payments and give late taxpayers incentive to pay their bills.

"I've got to tell you, in years past people were even a little more sensitive to seeing their name and address advertised," Thomas said.

Tax collectors, and local governments, are closely watching how the next few months play out to see if bills are paid and investors come calling. While the dearth of credit may limit certificate buyers, there's also a cache of investors trying to score at the bottom of the market, said Howard Liggett, executive director of the National Tax Lien Association in Pensacola.

Will there be enough investors out there to pay the bill of unpaid taxes for local governments?

"The answer is we don't know," he said.

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County	Overdue parcels	Taxes due	2008 warnings	2009 warnings	Increase
Pinellas	33,740	\$116,922,984	52,256	61,469	18%
Hillsborough	46,091	\$159,686,595	71,143	76,497	8%
Pasco	21,188	\$35,115,261	44,466	47,896	8%
Hernando	13,111	\$20,420,652	19,269	20,539	7%