



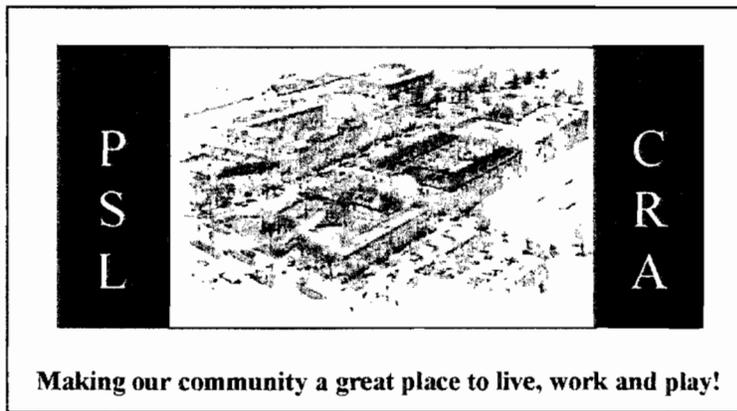
# COMMUNITY REDEVELOPMENT AGENCY

Annual Report for FY 2001-2002

## CRA Board

Robert E. Minsky, Chair  
James E. Anderson, Vice Chair  
Patricia Christensen  
Christopher Cooper  
Jack Kelly

Donald Cooper, City Manager  
Pam Booker, Counsel  
Karen A. Phillips, Secretary  
Gregory J. Oravec, CRA Director



To the Citizens of Port St. Lucie:

I am pleased to present you with the City of Port St. Lucie Community Redevelopment Agency's Annual Report for Fiscal Year 2001-2002. The Report not only relates the events of October 1, 2001 to September 30, 2002, but it also takes an important look into the Agency's future—a future filled with opportunity.

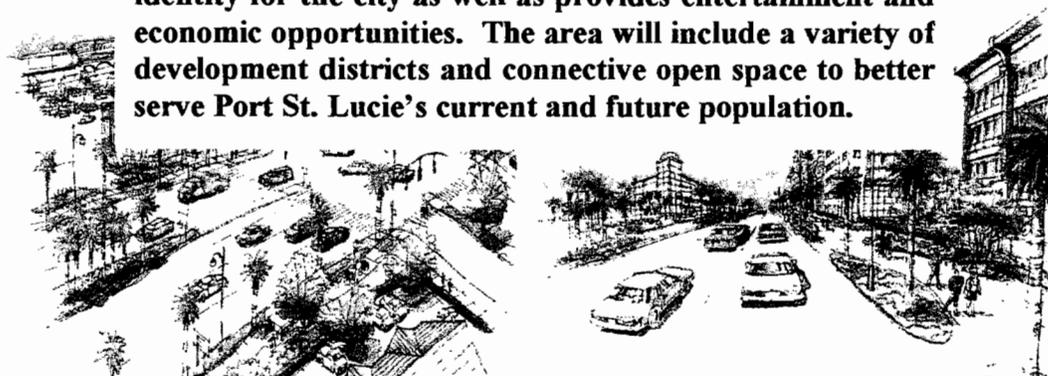
***FY 2001-2002  
HITTING THE GROUND RUNNING—  
THE FIRST FUNDED YEAR***

Fiscal Year 2001-2002 witnessed the benefits of the hard work that the community, City Council and staff poured into creating a community redevelopment agency, as the City of Port St. Lucie Community Redevelopment Agency (CRA) received its first tax increment financing (TIF) payments from local taxing authorities, and began, in earnest, its mission to implement the community's vision for the future, as set forth in the adopted Community Redevelopment Plan.



**CRA VISION STATEMENT**

**The City of Port St. Lucie's Community Redevelopment Area will be a central gathering place that creates an identity for the city as well as provides entertainment and economic opportunities. The area will include a variety of development districts and connective open space to better serve Port St. Lucie's current and future population.**



Although relatively small in comparison to the annual TIF payments projected for the future, the CRA's first year TIF revenue exceeded expectations and hinted at things to come. Utilizing this revenue and the abilities of its elected leadership and staff, the CRA hit the ground running and completed several significant projects and initiatives in its first funded year. Major accomplishments achieved in Fiscal Year 2001-2002 include the following:

- Won the Kodak American Greenway Award for the proposed Wood Stork Trail Master Plan project.
- Funded development activities which aided in locating a new Super Wal\*Mart within the Redevelopment Area.
- Funded development activities to facilitate the location of a Sam's Club within the Redevelopment Area.
- Partnered with the Polymedica Corporation and Wal\*Mart to locate gateway signs, as called for in the Community Redevelopment Plan, at the northern and southern boundaries of the Redevelopment Area/City on US 1.
- Contributed to the City's Lennard Road Improvement Project, which drastically improved a major entrance into the Redevelopment Area and enhanced a vital marketing corridor.
- Collaborated with the Lentz Family and Southcoast Realty to identify an appropriate buyer and developer for the Lentz Grove Property, which could enable the comprehensive and positive development of the Redevelopment Area's largest vacant tract.
- Completed a Market Study & Analysis to guide the redevelopment of the Village Green Shopping Center, Lentz Grove and Azzi properties and vacant big box retail locations.
- Recommended changes to the City's Land Development Regulations in order to achieve the goals and objectives of the Community Redevelopment Plan, including an increase to the maximum permitted height to encourage office development.
- Collaborated with the City to have a portion of Lennard Road and Jennings Road turned over to the City from the County, setting the stage for comprehensive improvement projects in future years.
- Acquired color aerial imagery of the Redevelopment Area to enhance the Agency's ability to market its redevelopment opportunities and analyze land use and existing development patterns.
- Worked with the County to permit a new 2-story, 25,000 square foot County administrative office building at City Center. The building will "address the street", provide on-street parking and include pedestrian amenities and other traditional development design characteristics.
- Hired a community redevelopment manager to lead the efforts of the CRA.

## **THE FINANCIAL PROFILE OF THE CRA**

Over the course of the next twenty years, tax increment financing (TIF) revenue will be the CRA's most important funding source. In Fiscal Year 2001-2002, the CRA's revenue consisted almost solely of TIF revenue, and the Agency was fortunate to have first year administrative costs absorbed by the City.

TIF revenue is calculated by the formula provided in the local implementing ordinance and state law and is equal to the sum of 95% of the incremental increase in ad valorem taxes levied each year by all participating taxing authorities. The taxing authorities required to make a TIF payment in FY 01-02 were the City of Port St. Lucie, St. Lucie County, the St. Lucie County Fine & Forfeiture Fund and the St. Lucie County Fire District. Figure 1 provides a breakdown of the TIF revenues received in FY 01-02.

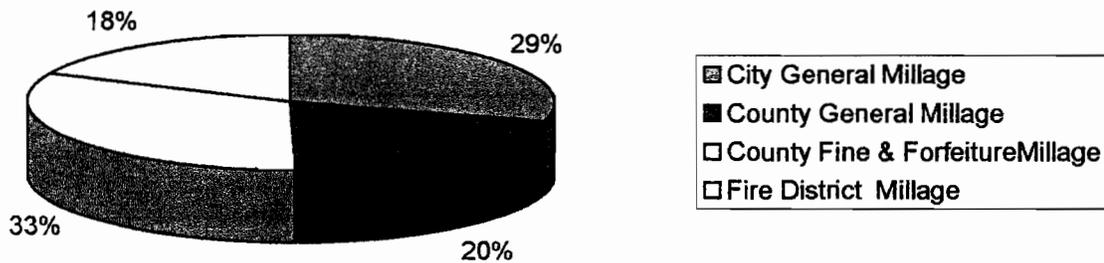
**Figure 1: Calculation and Analysis of TIF Revenues for the CRA in FY 2001-2002**

Tax Year	Total Taxable Value (TTV)	Increment	Millages and Contribution Amounts for Taxing Authorities								Total TIF Funds	
			City Gen. Millage	City Gen. Contrib.	County Gen. Millage	County Gen. Contrib.	County F&F Millage	County F&F Contrib.	Fire District Fund Millage	Fire Dist. Fund Contrib.		
2000 (Base Year)	231,826,024	na	na	na	na	na	na	na	na	na	na	na
2001	239,330,269	7,504,245	4.2733	30,464	2.9639	21,129	4.6155	32,904	2.6726	19,053	103,551	

As Figure 1 illustrates, each of the contributing taxing authorities is a substantial contributor. A loss of any of these taxing authorities as contributors would result in the loss of millions of dollars over the life of the Agency and significantly hinder the Agency’s ability to implement the Community Redevelopment Plan.

As Figure 2 demonstrates, even the smallest contributor, the St. Lucie County Fire District, provided 18 percent or nearly 1/5 of the total annual budget in FY 01-02.

**Figure 2: Relative TIF Contributions by Local Taxing Authorities**



As previously mentioned, FY 01-02 TIF revenue was higher than expected. Nearly 26% more than forecasted by the Community Redevelopment Plan. It is important to note that this increase was realized even though the aggregate millage was 0.393 mills lower than anticipated. The higher than forecasted TIF revenue was due to a \$7.5 million increase in the total taxable value (TTV) of the Redevelopment Area. As Figure 3 demonstrates, the Community Redevelopment Plan only forecasted a \$5.8 million increase in TTV.

**Figure 3: Estimated VS. Actual Annual TIF Revenues for the Port St. Lucie CRA**

ESTIMATED BY THE COMMUNITY REDEVELOPMENT PLAN					
Year	District Taxable Value	Tax Base Value	Increment	Incremental Millage Rate	Annual TIF Revenue
2000	231,641,924	231,641,924	0	14.192	0
2001	237,432,972	231,641,924	5,791,048	14.192	82,187

GREEN = HIGHER THAN PROJECTED  
 RED = LOWER THAN PROJECTED

ACTUAL					
Year	District Taxable Value	Tax Base Value	Increment	Incremental Millage Rate	Annual TIF Revenue
2000	231,826,024	231,826,024	0	NA	0
2001	239,330,269	231,826,024	7,504,245	13.799	103,551

The \$7.5 million increase, or 3.2% growth, in TTV was primarily attributable to general appreciation and not any one particular project.

The Community Redevelopment Plan (the “Plan”) estimated that there would be a large spike in Agency revenue in FY 02-03 due to the completion of large-scale projects such as Super Wal\*Mart and the Polymedica Office Complex. As noted in a separate report, however, this estimate was improperly modeled because these projects will not generate TIF revenue until FY 03-04.<sup>1</sup> As a result, at the beginning of the budget planning process for FY 02-03, staff was faced with the challenge of preparing a budget which was 50% less than projected by the Plan. Fortunately, on July 22<sup>nd</sup>, the Property Appraiser’s Office informed staff that the Preliminary Total Taxable Value of the CRA had jumped to over \$272 million, a 14% increase over the 2001 Final Total Taxable Value. Figure 4 illustrates the expected TIF Revenue in FY 02-03.

**Figure 4: Estimated Total TIF Revenue for FY 2002-2003  
 Broken Down by Participating Taxing Authority  
 (rounded to the nearest dollar)**

Contributing Entities	Millage Rate	Total Contribution
City of Port St. Lucie	4.6066	181,661
St. Lucie County	2.9639	116,882
St. Lucie Fine & Forfeiture Fund	4.6155	182,012
St. Lucie County Fire District	2.6726	105,394
<b>Total TIF Revenue</b>	<b>14.8586</b>	<b>585,949</b>

<sup>1</sup> CRA TIF revenue is calculated based on the total taxable value of the district, sometimes referred to as the “tax roll”. A new building or project is generally not assessed, or put on to the tax roll, until the fiscal year following the date when it received a certificate of occupancy (CO). For example, projects completed by January 1, 2003, will not generate taxes until the Fiscal Year 2003-2004.

This surprising rate of growth in valuation and revenue is attributable to both modest appreciation in many properties and significant increases to specific parcels. Figure 5 exhibits properties which increased by \$1 million or more from the 2001 Final Assessment Roll to the 2002 Preliminary Assessment Roll.

**Figure 5: Properties with an increase of over \$1 million in Total Taxable Value as identified in the 2002 Preliminary Tax Roll**

Common Name	Parcel ID	2001 TTV	2002 TTV	Change
Life Care Center (Harbor Place)	440181000010007	4,813,000	16,584,300	11,771,300
Super Wal*Mart	341450150130007	1,703,500	7,253,400	5,549,900
Hospital (Former City Parcel)	342074600020004	0	1,302,900	1,302,900
Merril Gardens	342257600010002	3,484,100	4,778,200	1,294,100
Holiday Inn	341450138100000	3,508,700	4,787,700	1,279,000
Liberty Medical @ Town Center	440170100020009	1,945,700	3,124,200	1,178,500
Polymedica (new site)	343512200010007	835,100	1,872,000	1,036,900

This unexpected growth has necessitated an update to the revenue projections provided in the Community Redevelopment Plan, as shown on the following page in Figure 6.

Figure 6:

**CITY OF PORT ST. LUCIE COMMUNITY REDEVELOPMENT AGENCY  
ANALYSIS OF ESTIMATED AND ACTUAL "TAX INCREMENT FINANCING" (TIF) FUNDING**

Year	Total Taxable Value (TTV) for County <sup>1</sup>	Total Taxable Value (TTV) for City and F.D.	Millages and Contribution Amounts for Participating Entities							Total TIF Funds	
			City-- Gen. Millage	City-- Gen. Contrib.	County-- Gen. Millage	County-- Gen. Contrib.	County-- F&F Millage	County--F&F Contrib.	Fire District Fund Millage		Fire Dist. Fund Contrib.
2000 (Base Year)	231,826,024.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	239,330,269.00	NA	4.2733	30,464.50	2.9639	21,129.74	4.6155	32,904.05	2.6726	19,053.05	103,551.34
Est. 2002	273,336,594.00	NA	4.6066	181,661.46	2.9639	116,881.52	4.6155	182,012.43	2.6726	105,394.09	585,949.51
Est. 2003	298,681,536.00	306,463,994.00	4.9399	350,268.90	2.9639	188,245.40	4.6155	293,143.03	2.6726	189,503.57	1,021,160.90
Est. 2004	313,615,612.80	321,787,193.70	4.9399	422,179.22	2.9639	230,295.35	4.6155	358,624.85	2.6726	228,408.71	1,239,508.14
Est. 2005	349,296,393.44	357,876,553.39	4.9399	591,543.16	2.9639	330,761.91	4.6155	515,075.27	2.6726	320,038.51	1,757,418.84
Est. 2006	376,761,213.11	385,770,381.05	4.9399	722,446.24	2.9639	408,094.74	4.6155	635,500.95	2.6726	390,860.10	2,156,902.03

<sup>1</sup> Due to the Senior Citizens Property Tax Exemption, which the County will begin granting in FY 03-04, the County has a separate Total Taxable Value figure from the City and Fire District.

As evidenced by Figure 6, the Agency's TIF revenue is projected to exceed the estimates provided in the Community Redevelopment Plan for each year in the five-year planning period. This latest projection remains conservative, and it is quite possible that these estimates will have to be adjusted upward in the future. Consequently, the Agency is in a very strong financial position relative to its age, and the following Goals and Highlights represent how the CRA will attempt to leverage this position to achieve immediate and future successes.

### ***FY 2002-2003 GOALS***

The recommended goals and priorities of the second funded year of the CRA are:

**Goal 1: Focus resources on projects which will have immediate tangible results.**

For the CRA to be successful, community support must be maintained and fostered and the valuation of the district must continue to increase. Both of these objectives can be accomplished through strategic capital projects. Such capital projects can improve the quality of life and be seen and touched, rewarding and encouraging the efforts of supporters by giving them a tangible example of success. Additionally, such projects provide an investment in the community that can directly result in increased property valuation; and perhaps more importantly, they attract and encourage an even greater level of private investment that results in increased property valuation. Although the Agency is in a strong financial position relative to its age, it does not have the funding to take on multiple cost-intensive, attention-grabbing projects. It should select one significant project and focus its resources accordingly. As is discussed in the "Project Highlights" on page 9, the CRA has the opportunity to achieve this goal by participating in the Lennard Road Improvement Project.

**Goal 2: Address administrative projects.**

Many of the administrative projects identified by the Community Redevelopment Plan are critical to the CRA's success, yet are not cost-intensive. Examples include recommending changes to the City's Land Development Regulations and working with the owners of City Center to develop a re-platting plan. These administrative projects should be addressed now while the Agency is not engaged in multiple capital projects.

**Goal 3: Aggressively seek additional funding sources.**

Although TIF funding will remain the most important source of income to the CRA through its lifetime, TIF revenue should be utilized to leverage additional grant funds. Several projects within the Community Redevelopment Plan could be funded through State, Federal and foundation grants. One of the more notable examples is the proposed CRA greenway and blueway. The CRA should aggressively seek additional funding sources to make such projects a reality.

**Goal 4: Continue to reach out to the community, developers and investors.**

The CRA was built on community support, and the Redevelopment Area's future will be built upon the input of the community and the actions of developers and investors.

It is vital that the CRA continue to reach out to these constituencies through all available mediums, including PSL TV, radio, newspaper, Board Member and staff speaking engagements, internet, conferences and special events.

**Goal 5: Continue commitment to develop cultural and special events.**

Not only are cultural and special events a way to reach out to the community, they provide several direct benefits to the community including: promoting additional commercial business, enhancing the quality of life and creating a sense of place. Cultural and special events will directly assist the CRA in implementing the Community Redevelopment Plan, and it is important that the CRA continue its commitment in the next fiscal year.

**Goal 6: Continue cooperation and team approach with the City of Port St. Lucie.**

Although a separate legal entity, the CRA is a dependent special district. The City Council and City Administration, through their diverse talents and abilities, have done a remarkable job of seizing collective opportunities and realizing that “we” are striving for the same goals. The continuation of this approach is critical to “our” success.

### ***FY 2002-2003 PROJECT HIGHLIGHTS***

The FY 2002-2003 work program is highlighted by the following key projects:

**Lennard Road Improvement Project**

The improvement project would upgrade the existing two-lane rural section from Mariposa Avenue to Walton Road to a four-lane divided section with lighted intersections, curb and gutter, enhanced landscaping, lighting and pedestrian furniture.

The adopted contribution for the Lennard Road Improvement Project is consistent with the Community Redevelopment Plan, and the Project represents an exemplary opportunity to: 1) improve the quality of life for the surrounding community by creating a safer, better functioning and aesthetically pleasing right-of-way; 2) provide a concrete example of how the CRA can improve the quality of life and fulfill the Community Redevelopment Plan; 3) make a direct investment in the community; 4) encourage private investment and development in the surrounding area, most notably Lentz Grove; and 5) create a sense of place. This project is the highest priority in the Adopted FY 02-03 Budget.

**Professional Services**

As the recently completed Market Study & Analysis identified, the Community Redevelopment Area is suffering from a lack of identity. This lack of identity hinders the economic development potential of the Area and should be addressed. As suggested by the Study, streetscape improvements and the proposed greenway and blueway project are fundamental ways in which the Agency can address this challenge. If properly designed and constructed, these projects would create a sense of place and brand the CRA as a destination. Although there is not enough funding in the FY 02-03 Budget to construct these improvements, funding should be available

for design services. Accordingly, the CRA will pursue planning, engineering and architectural design services for these projects as funding allows.

### *CONCLUSION*

Market dynamics and the actions of the Board, community, and staff have put the Agency in a very strong financial and strategic position. The Agency continues to enjoy the prospect of a bright future and being an agent of profound positive change.

It is a continuing honor and pleasure to work with the citizens of the City of Port St. Lucie, the CRA Board, City Council, St. Lucie County, the St. Lucie County Fire District and an outstanding professional team, as we strive to make our community a better place to live, work and play.

Respectfully yours,

Gregory J. Oravec  
*CRA Director*