



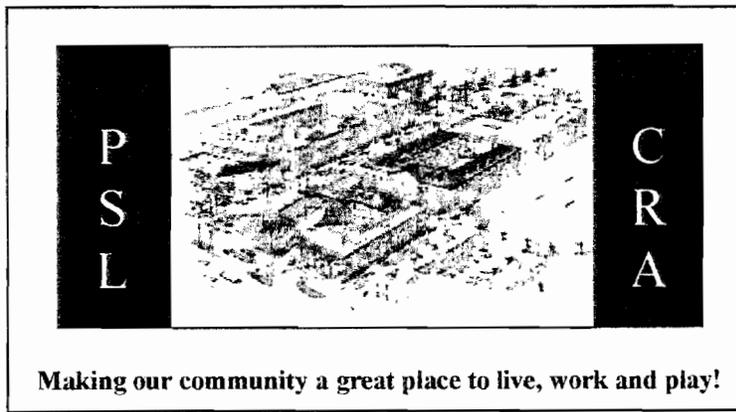
COMMUNITY REDEVELOPMENT AGENCY

Annual Report for Fiscal Year 2002-2003

Fiscal Year 2002-2003 CRA Board

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To the Mayor, Vice Mayor, City Council, City Manager and Citizens of Port St. Lucie:

I am pleased to present you with the Fiscal Year 2002-2003 Annual Report of the City of Port St. Lucie Community Redevelopment Agency (the "Agency"). This Report serves to highlight the accomplishments of the Agency in Fiscal Year 2002-2003, provide its financial profile and discuss future goals and programs.

***FY 2002-2003
THE SECOND FUNDED YEAR---
ON THE VERGE OF SOMETHING SPECIAL***

Fiscal Year 2002-2003 was the second funded year of the Agency; and with a 466% increase in revenue from the preceding fiscal year and projections calling for the Agency to reach the annual revenue milestone of \$1 million in FY 03-04, the Agency was, for the first time, in a position to make a sizable investment in the Community Redevelopment Area (the "CRA"). Working with de Guardiola Development, the developer of East Lake Village, the Agency and City successfully and formally outlined a program of infrastructure improvements which will likely leverage more than \$125 million of private investment in the CRA. In addition to leveraging this significant private investment, the infrastructure improvements will drastically enhance services within the CRA and serve to exemplify the positive changes the Agency can effect within the City's US 1 corridor.

These infrastructure improvements, or "CRA Improvements", consist of six notable component projects: a portion of the City's Lennard Road Widening, the Hillmoor Drive Extension, the Grand Drive Extension, the Jennings Road Widening, the Greenway and the Mary Ann Cernuto Family Park. These projects will directly improve the transportation, stormwater, water, sewer, and recreational facilities of the Community Redevelopment Area, and they are more than just road building and pipe-laying projects. From the enhanced landscaping and lighting on the public streets to the interactive play fountain and bandshell, the



Example of some of the amenities which will be constructed at the Mary Ann Cernuto Family Park.

CRA Improvements have been designed to create a sense of place and a unique destination. At

the end of Fiscal Year 2002-2003, the Agency had done much of the contracting necessary to carry out the CRA Improvements and was on the verge of commencing construction.

Although the CRA Improvements have, and will continue to dominate the agenda of the Agency, they should not overshadow several other significant accomplishments achieved in FY 02-03, including the following:

- Collaborated with the City and de Guardiola Development Team to process and receive approval of the Lentz Grove Redevelopment Proposal. This included but was not limited to annexation, land use and zoning applications, as well as the negotiation of the Redevelopment Agreement.
- Partnered with the City to successfully negotiate the transfer of Lennard Road (from Mariposa Avenue to Walton Road) and Jennings Road from County to City jurisdiction.
- Commenced the Greenway Master Plan.
- Collaborated with the property owners, stakeholders, City and Treasure Coast Regional Planning Council to create a City Center Master Plan.
- Created the Cultural and Special Events Advisory Committee, which resulted in the Community Redevelopment Area's first official special events: Art and All that Jazz and Oktoberfest.
- Worked with the County to achieve a preliminary design for the County's Walton Road Widening Project which includes a closed drainage system rather than the open swales originally proposed.
- Worked with agents of Sam's Club, the surrounding homeowners and the City to secure site plan approval for a new Sam's Club at Lennard Road and US 1.
- Witnessed continued growth in property valuation and employment, as the following projects were completed:
 - New Liberty Medical Center Building
 - Super Wal*Mart
 - Improvements to the St. Lucie Medical Center
 - Florida Orthopaedic Center
 - Eckerd Drugstore
 - New Medical Offices



Liberty Medical Complex



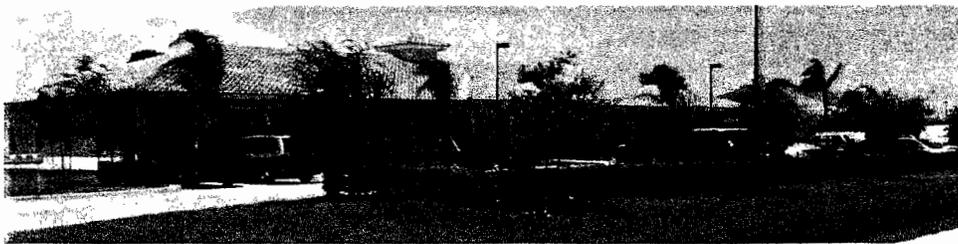
Super Wal*Mart



Improvements to the St. Lucie Medical Center



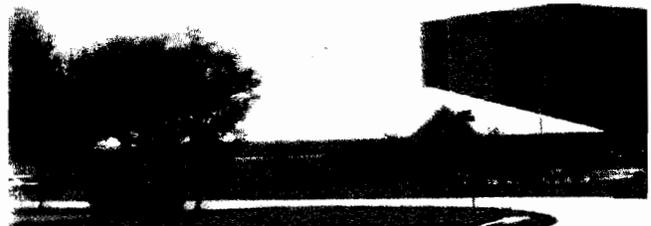
Chiropractic Center



New Medical Office Center



Eckerd Drugstore



New Medical Office

THE FINANCIAL PROFILE OF THE COMMUNITY REDEVELOPMENT AGENCY

Over the course of its existence, the Agency's most important revenue source will be Tax Increment Financing (TIF). As set forth in the local implementing ordinance and state law, the annual TIF revenue of the Agency is an amount equal to 95% of the incremental increase in ad valorem taxes levied each year in the CRA by the City of Port St. Lucie, St. Lucie County, St. Lucie County Fine & Forfeiture Fund, and the St. Lucie County Fire District, as represented in the below equation.

Total Taxable Value of the Redevelopment Area (as determined by the St. Lucie County Property Appraiser)
 - Total Taxable Value in the base year of 2000
 = Increment

Annual Revenue = (95%)(City millage)(increment) + (95%)(County millage)(increment) + (95%)(County Fine & Forfeiture millage)(increment) + (95%)(Fire District millage)(increment)

It is important to note the mathematical relationship between TIF revenue, Total Taxable Value (TTV) and the cumulative millage of the taxing authorities. An increase in TTV or the cumulative millage increases CRA TIF revenue. While a decrease in TTV or cumulative millage decreases TIF revenue. Given that millages do not usually change substantially in any given year, the CRA's TIF revenue is driven by growth in TTV (property value).

As in Fiscal Year 2001-2002, the Agency's revenue in Fiscal Year 2002-2003 was almost solely derived from TIF revenue; and as in Fiscal Year 2001-2002, the Agency's revenue in Fiscal Year 2002-2003 exceeded expectations. Figure 1 provides the Agency's TIF revenue from inception to Fiscal Year 2002-2003, showing an increase from \$103,551 in Fiscal Year 2001-2002 to \$585,950 in Fiscal Year 2002-2003. This increase of \$482,399 or nearly 466% in TIF revenue was primarily attributable to the \$34 million increase in the TTV of the CRA.

Figure 1: Agency TIF Revenue, Inception to Fiscal Year 2002-2003

Fiscal 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.		
2000-2001 (Base Year)	231,826,024	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001-2002	239,330,269	7,504,245	4.2733	30,464	2.9639	21,129	4.6155	32,904	2.6726	19,053	103,551	
2002-2003	273,336,594	\$34,006,325	4.6066	\$181,661	2.9639	\$116,882	4.6155	\$182,012	2.6726	\$105,394	\$585,950	

As shown in Figure 2 on the following page, the growth in TTV and the corresponding growth in TIF revenue exceeded the projections provided by the Community Redevelopment Plan.

Figure 2: 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
2000-2001	231,641,924	231,641,924	0	14.192	0
2001-2002	237,432,972	231,641,924	5,791,048	14.192	82,187
2002-2003	246,988,838	231,641,924	15,162,814	14.192	214,033

GREEN = HIGHER THAN PROJECTED

RED = LOWER THAN PROJECTED

ACTUAL					
Year	District Taxable Value	Tax Base Value	Increment	Incremental Millage Rate	Annual TIF Revenue
2000-2001	231,826,024	231,826,024	0	NA	0
2001-2002	239,330,269	231,826,024	7,504,245	13.799	103,551
2002-2003	273,336,594	231,826,024	34,006,325	17.231	585,950

To a great extent, the \$34 million, or 12.4%, increase in TTV was due to the modest appreciation of many properties. Of the approximately 1,935 properties within the CRA, 1,552 properties increased an average of \$15,282 in TTV. However, there were seven properties which increased in TTV by more than \$1 million, including: 1) Super Wal*Mart; 2) the Sam's site; 3) St. Lucie Medical Center; 4) Liberty Medical North Campus; 5) East Port Plaza; 6) Eckerd's; and 7) the Lyngate Medical Office Building and out-parcels.

It is important to remember that prior to the creation of the Agency, property values within the CRA were stagnant and even declining. Since the designation of the CRA and creation of the Agency, however, the annual increase in property values has been significant: 3% in Fiscal Year 2001-2002 and 14% in Fiscal Year 2002-2003. As a total percentage since inception, the TTV of the CRA has increased a very robust 17.9%. This is phenomenal and atypical growth for a community redevelopment area. As I have previously discussed with the City Council and Agency Board, the City of Port St. Lucie is in a very fortunate position. Many other community redevelopment areas have been so designated for decades without experiencing this rate of growth. Fortunately, the growth in TTV and TIF revenue is forecasted to continue.

**Figure 3: Actual & Projected CRA Revenue from Fiscal Year 2000-2001 through Fiscal Year 2008-2009
Categorized by Taxing Authority Contribution**

Fiscal Year	County General	County F&F	Fire District	City	Total	Comments
2000-2001 (Base Year)	NA	NA	NA	NA	NA	
2001-2002	21,130	32,904	19,053	30,464	103,551	
2002-2003	116,882	182,012	105,394	181,661	585,950	
2003-2004	259,601	223,511	198,073	321,752	1,002,937	Actual
2004-2005	467,584	376,103	328,916	534,660	1,707,262	Estimate
2005-2006	536,794	431,773	376,251	613,503	1,958,321	Estimate
2006-2007	886,676	713,202	612,785	998,116	3,210,779	Estimate
2007-2008	1,161,817	934,513	exempt	1,310,450	3,406,780	Estimate
2008-2009	1,399,501	1,125,694	exempt	1,580,169	4,105,364	Estimate

As illustrated in Figure 3, the Agency's annual TIF revenue is projected to increase significantly over the next five years. This latest projection has a conservative bias, 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.

GOALS FOR FY 2003-2004 AND BEYOND

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

Goal 1: Successfully carry out CRA Improvements.

The CRA improvements have the potential to transform the Community Redevelopment Area and to set the stage for even greater redevelopment in the future. However, this can only occur if the project is successfully completed. It is vital that the CRA's resources be focused on this project to facilitate its success.

Goal 2: 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 3: 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 4: 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 5: 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.

CONCLUSION

Market dynamics and the actions of the Board, community, and staff have put the Agency in a very strong financial and strategic position. We have begun infrastructure improvement projects which will profoundly change the Community Redevelopment Area as it exists today. We are truly on the verge of something special, and the best is yet to come.

It is a continuing honor and pleasure to work with you as we strive to make our community a better place to live, work and play.

Respectfully yours,

Gregory J. Oravec
CRA Director



City of Port St. Lucie

Community Redevelopment Agency Memorandum

TO: MAYOR & CITY COUNCIL
DONALD B. COOPER, CITY MANAGER
KAREN A. PHILLIPS, CITY CLERK

FROM: GREGORY J. ORAVEC, CRA DIRECTOR *gjo*

RE: COMMUNITY REDEVELOPMENT AGENCY ANNUAL REPORT
FOR FISCAL YEAR 2002-2003

DATE: NOVEMBER 18, 2004

Attached, please find the Community Redevelopment Agency Annual Report for Fiscal Year 2002-2003. Please be advised that this report is normally transmitted to you, St. Lucie County and the St. Lucie County Fire District soon after the City Council adopts the Comprehensive Annual Financial Report (the "CAFR") for the corresponding fiscal year. The Annual Report and CAFR are sent out to the aforementioned contributing taxing authorities as a package in order to fulfill the CRA's reporting requirements, as set forth by Florida Statutes. This year the CAFR was approved on July 12, 2004. Unfortunately, due to the threat of Charlie and the reality of Frances, Ivan and Jeanne, the transmittal of the Annual Report was delayed. I apologize for this delay. However, please be advised that you have already received all of the information within the Annual Report as part of the update provided at the Winter Retreat. For you, the information contained in the Fiscal Year 2002-2003 Annual Report will be "old news".

If you have any questions or require additional information, please do not hesitate to contact me.

Thank you.

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