



City of Port St. Lucie Community Redevelopment Agency Annual Report FY 2011- 12

October 1, 2011 - September 30, 2012



Planning and Zoning Department
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**FISCAL YEAR 2011-12 CITY COUNCIL SITTING AS THE COMMUNITY
REDEVELOPMENT BOARD OF DIRECTORS**



Linda Bartz
Vice Mayor
District 1



Michelle Lee Berger
District 2



JoAnn M. Faiella
Mayor



Shannon M. Martin
District 3



Jack Kelly
District 4

Fiscal Year 2011-2012 Staff
Gregory J. Oravec, City Manager/CRA Director
Pam E. Booker, Counsel
Karen A. Phillips, Secretary

INTRODUCTION

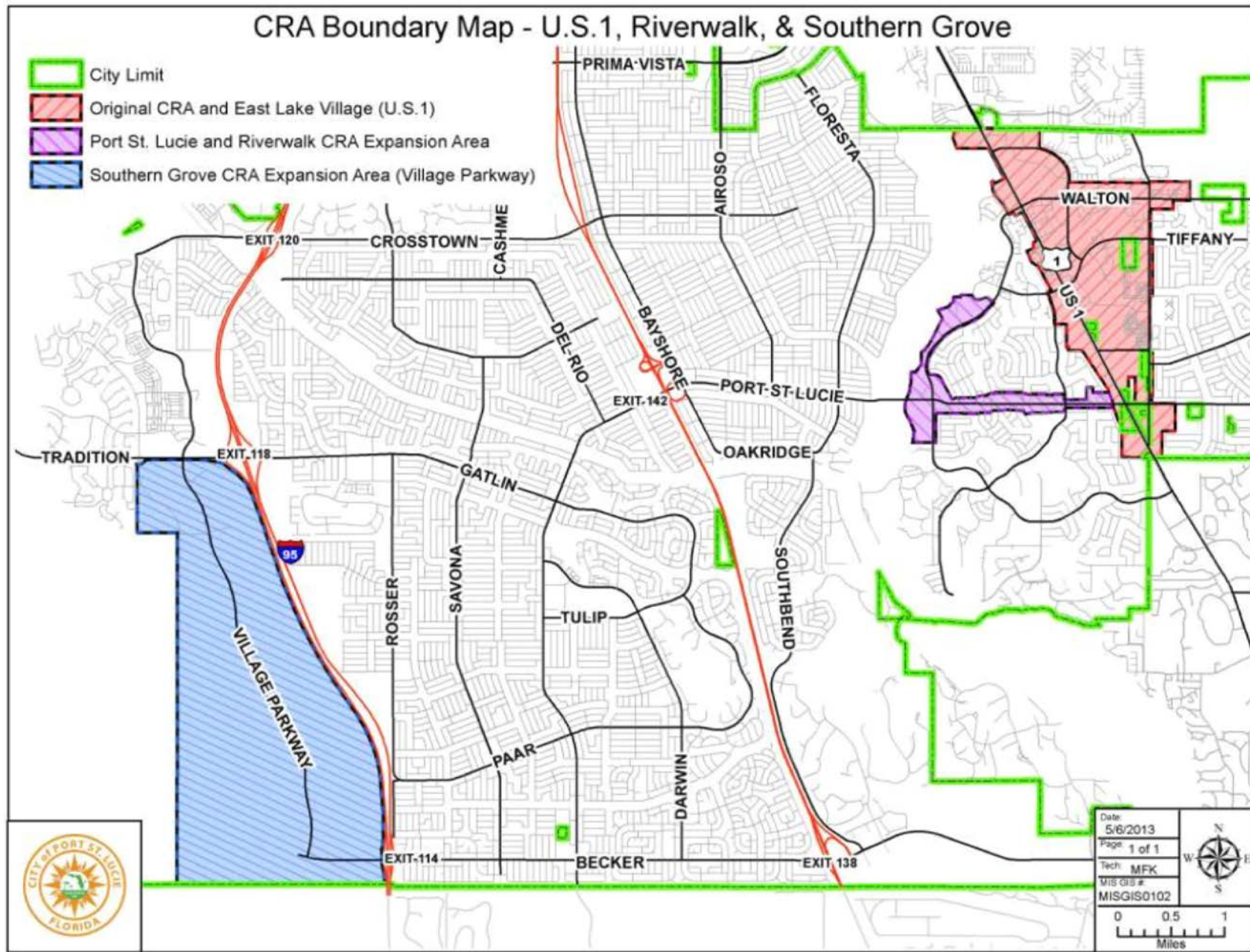
A Community Redevelopment Agency refers to a public entity created by a city or a county to implement redevelopment within a focused area. Chapter 163, Part III, Florida Statutes, outlines the physical, economic, and blight conditions that can support the creation of a Community Redevelopment Area. To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity or field study that formally identifies conditions within the established boundaries of the area. If the Finding of Necessity determines that the required conditions exist, the local government develops and adopts a Community Redevelopment Plan that addresses the unique needs of the targeted area and identifies programs and projects needed to foster and support redevelopment of the targeted area.

History

The City of Port St. Lucie Community Redevelopment Agency was created in 2001 by the City of Port St. Lucie City Council. The City designated a Community Redevelopment Area (CRA) along U.S. 1 in eastern Port St. Lucie. At the time, the CRA was approximately 1,700 acres or 2.7 square miles. The original CRA boundary includes the City's U.S. 1 corridor from just north of Village Green Drive and south to the St. Lucie/Martin County line. Lennard Road forms most of the eastern boundary, and the western boundary is predominantly the rear property line of those properties fronting U.S. 1.

Since the CRA's creation in 2001, three additional areas have been formally designated as part of the CRA: Lentz Grove (now known as "East Lake Village") in 2003, Port St. Lucie Boulevard/Riverwalk District (the "CRA Expansion Area") in 2006, and the Southern Grove Expansion Area west of Interstate 95 in 2012. The governing body of the City of Port St. Lucie CRA is the City of Port St. Lucie City Council sitting as the CRA Board of Directors. The boundary lines for the CRA are depicted in Figure 1.

Figure 1: City of Port St. Lucie Community Redevelopment Area Boundary Map



Tax Increment Financing

The major funding source for the Port St. Lucie CRA is tax increment revenue. Tax increment revenue is the increase in ad valorem (property) tax attributed to the increase in the assessed value over a base year for various jurisdictions in the redevelopment area. When a CRA is created, the Property Appraiser “freezes” the value of the property in the CRA at its current level (often called the “base value”). Annually thereafter, increases in property taxes collected above the base year amount (“increment”) are deposited in a redevelopment trust fund. Since the tax increment is used to finance and/or fund redevelopment, the term tax increment is commonly referred to as tax increment financing, tax increment funding or TIF.

Requirements for an Annual Report

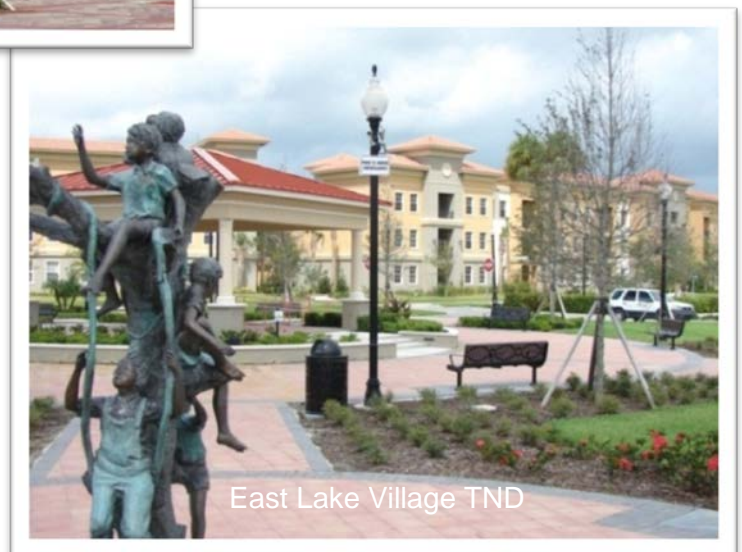
Pursuant to Section 163.356(3)(c), Florida Statutes, the City of Port St. Lucie Community Redevelopment Agency (Agency) is required to file with the governing body, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing this report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the clerk of the city and in the office of the agency.

The City of Port St. Lucie Community Redevelopment Agency Annual Report for Fiscal Year 2011-12 (FY 2011-12) covers all activities for the period October 1, 2011 to September 30, 2012. It includes a complete financial statement of the Agency’s revenues and expenses, amount of tax increment funds collected, and a record of activities for the fiscal year.

ABOUT THE CRA

U.S. 1 and East Lake Village

Located on U.S.1 just north of Village Green Drive and south to the St. Lucie/Martin County line, the original CRA is approximately 1,700 acres in size. Lennard Road forms most of the eastern boundary, and the western boundary is predominantly the rear property line of those properties fronting U.S. 1. It includes Port St. Lucie Industrial Park off of Village Green Drive, Port St. Lucie Civic Center at U.S.1 and Walton Road, the 150 bed St. Lucie County Medical Center off of Tiffany Avenue, East Lake Village traditional neighborhood development off of Hillmoor Drive, and big box retail (Sam's and Wal-Mart) at the Port St. Lucie/Martin County line on U.S. 1.



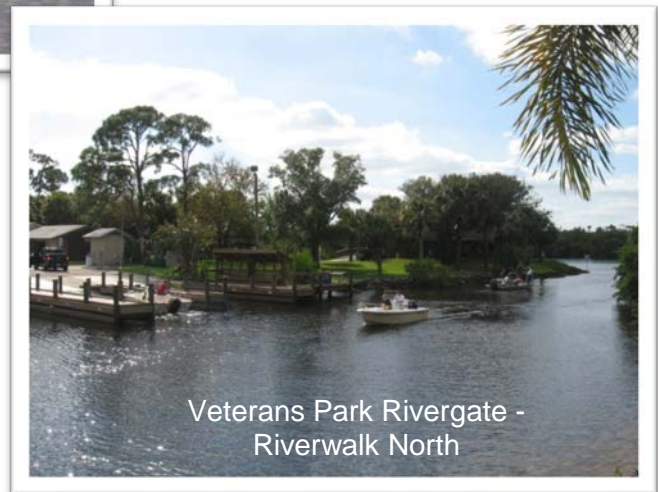
Wood Stork Trail

A dedicated greenway corridor, the Wood Stork Trail, runs through the CRA connecting East Lake Village to St. Lucie Medical Center and the Civic Center. Upon completion, the Wood Stork Trail will provide a recreational corridor throughout the CRA for pedestrian and bicycle travel.



Port St. Lucie Boulevard and Riverwalk

In November 2006, the City Council formally expanded the CRA to include Port St. Lucie Boulevard to the North Fork of the St. Lucie River and the Riverwalk District. The goal of the CRA expansion area is to improve the aesthetics and pedestrian and bicycle safety on Port St. Lucie Boulevard and to develop an economically viable riverfront area along the North Fork of the St. Lucie River. The area includes the City of Port St. Lucie Botanical Gardens, City Fountain Center, Rivergate Shopping Plaza, and the boat launch and lighted riverwalk boardwalk at Veteran's Park at Rivergate.

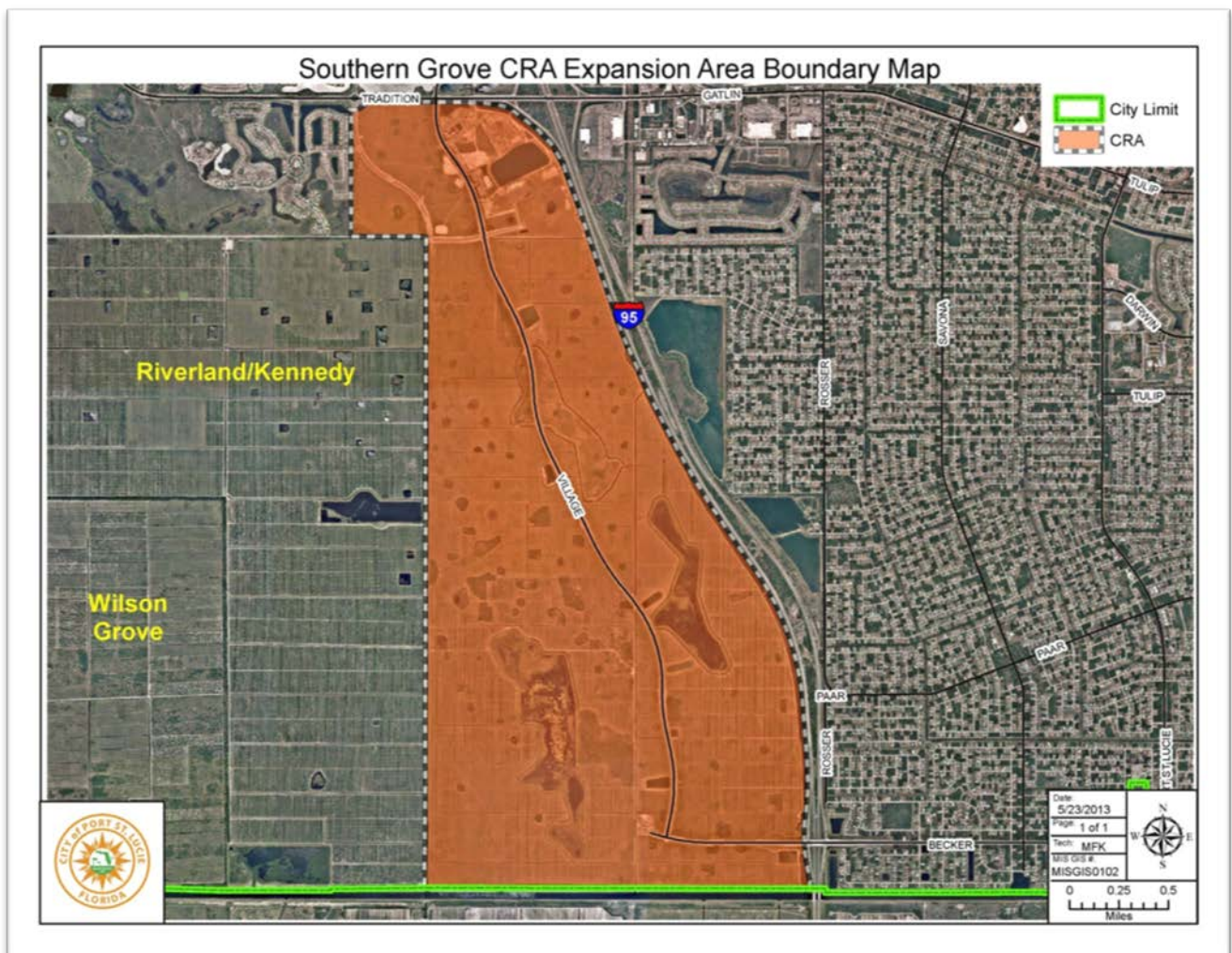


Southern Grove CRA Expansion Area

On June 25, 2012, the Port St. Lucie City Council approved Resolution 12-R65 amending the Community Redevelopment Plan to expand the boundaries of the CRA to include the area known as Southern Grove. Approximately 3,606 acres or 5.63 square miles, the Southern Grove District is bound by Tradition Parkway to the north, Interstate 95 to the east, the C 23/Martin County line to the south, and the Riverland Kennedy Development of Regional Impact (DRI) to the west as shown in Figure 2.

Formerly a citrus grove, Southern Grove was annexed into the City in 2004 and approved as a Development of Regional Impact (DRI) in 2006. The Southern Grove DRI is approved for 7,388 dwelling units, 13.1 million of non-residential square footage, 791 hotel rooms, and 300 hospital beds.

Figure 2: Southern Grove CRA Expansion Area Boundary Map



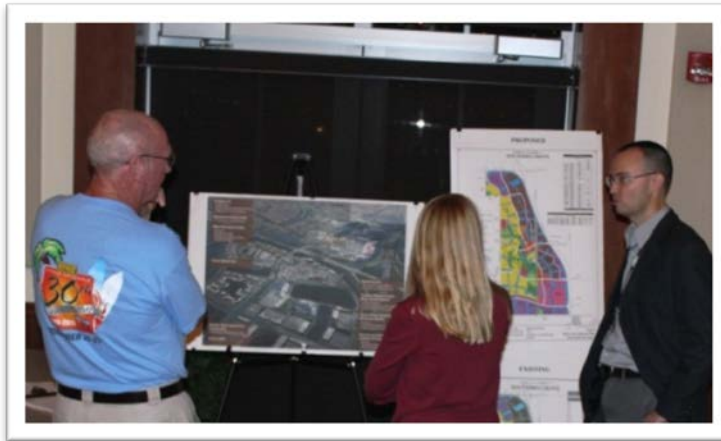
Identified in the City's comprehensive plan as future jobs corridor, Southern Grove was negatively impacted by the Great Recession and the fall in property values. Although the area is home to the Torrey Pines Institute for Molecular Studies, the Vaccine and Gene Therapy Institute of Florida (VGTI Florida), and the future Tradition Medical Center, most of the land is undeveloped. The infrastructure to serve the properties was constructed as part of a special assessment district.



Rendering of Tradition Medical Center

FY 2011/2012 CRA ACTIVITIES

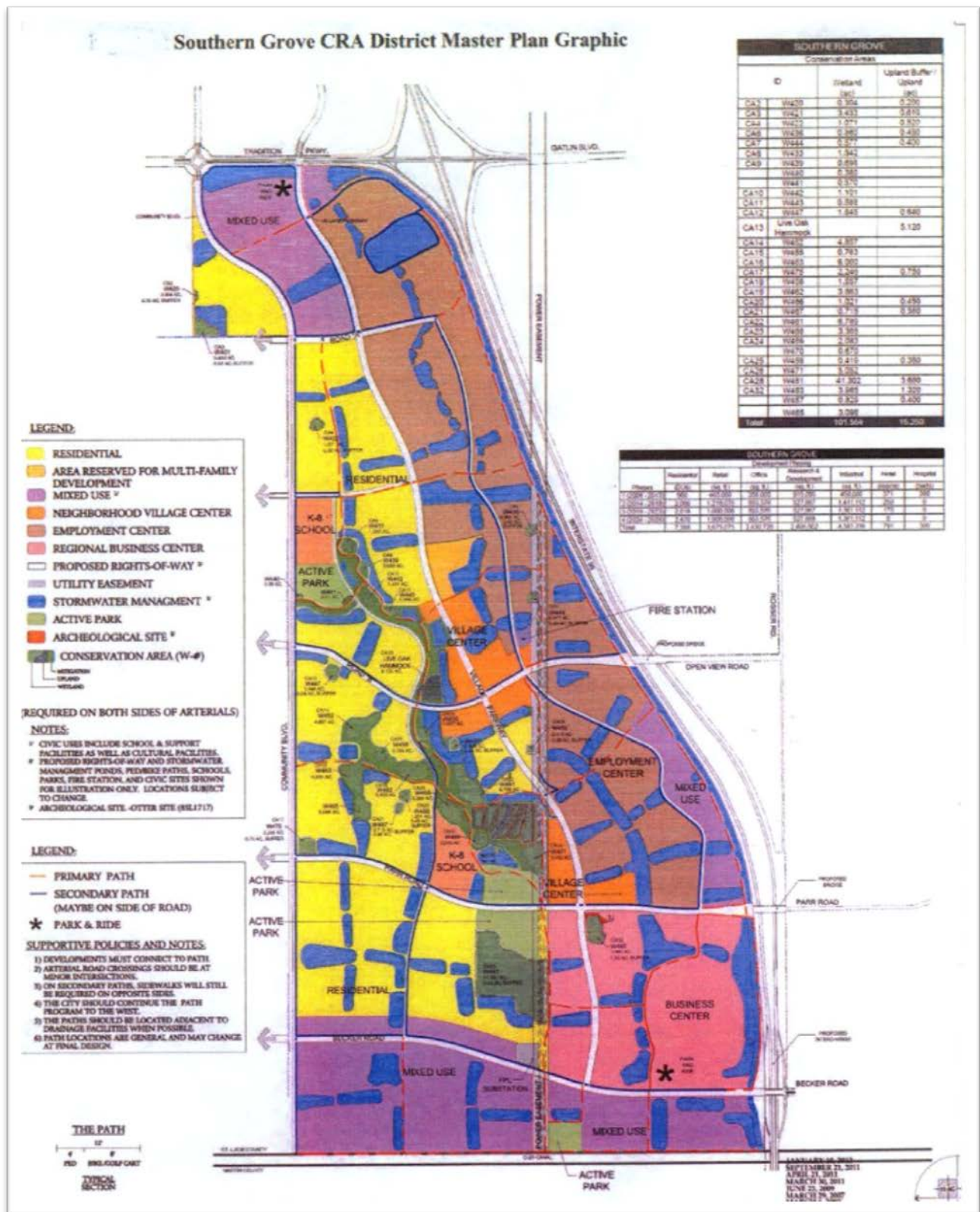
The expansion of the CRA to include the area known as Southern Grove was the primary focus of the Agency in Fiscal Year 2011-12. On August 29, 2011, the City Council approved Resolution 11-R50 finding that a blighted area exists in the City based on the Finding and Declaration of Necessity Report prepared by the Agency.



Following the adoption of the Finding of Necessity Report, city staff conducted over 50 stakeholder interviews with property owners, business owners, public officials, and citizens and held a public workshop at Tradition Town Hall before preparing the Modification to the Community Redevelopment Plan.

The master plan for the Southern Grove CRA Expansion Area mirrors the master plan for the Southern Grove DRI with added emphasis on open space, pedestrian connectivity, and multi-modal transportation options. Figure 3 depicts the master plan for the Southern Grove CRA.

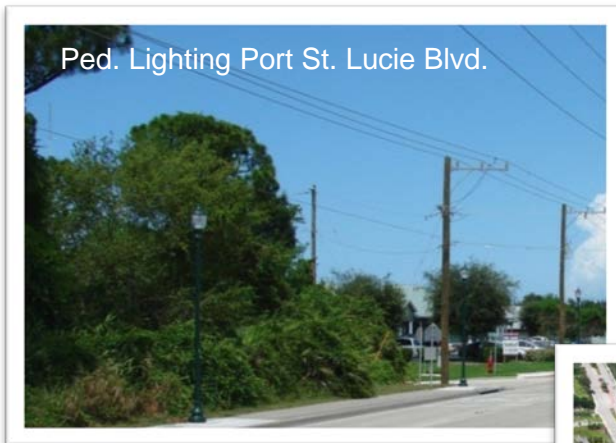
Figure 3: Southern Grove CRA Expansion Area Master Plan



OTHER ACTIVITIES

Non-TIF funded Capital Improvements within the CRA in FY 2011-12 include:

- Replacement of culvert pipes crossing Village Green Drive southeast of City Center as part of the Eastern Watershed Improvement Project (EWIP). Funded through the City's Stormwater Fund.
- Construction of triple left lanes at the intersection of U.S. 1 and Port St. Lucie Boulevard. Funded by FDOT.
- Installation of pedestrian lighting facilities and sidewalk improvements along the north side of Port St. Lucie Blvd. from Veterans Memorial Parkway to US 1. Funded by FDOT
- Construction of Elks Cane Stormwater Treatment Area (STA) at the northwest corner of the intersection of Cane Slough Road and Lennard Road as part of EWIP and funded through the City's Stormwater Fund.
- Construction of Lennard Square STA at the southeast corner of the intersection of Mariposa Road and Lennard Road as part of EWIP and funded through the City's Stormwater Fund.
- Clearing of exotic vegetation at the Hogpen Slough drainage right-of-way between Walton Road and Village Green Drive. Funded through a CDBG.



COMMUNITY REDEVELOPMENT AGENCY FINANCIAL DATA FY 2011-12

Tax Increment Revenue

The primary revenue earned by the CRA is ad valorem taxes generated from the increase in the assessed value over the base year of the CRA. This is the amount of tax attributed to increased property values within the CRA District. The jurisdictions remitting tax increment revenue to the Port St. Lucie CRA include the City of Port St. Lucie, St. Lucie County, and the St. Lucie County Fine and Forfeiture Fund. Pursuant to an Interlocal Agreement between the City and St. Lucie County Fire District, the St. Lucie County Fire District stopped participating in FY 2007-2008.

In the original CRA, East Lake Village, and the Port St. Lucie Boulevard/Riverwalk CRA Expansion Area, the participating taxing authorities levying property taxes are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within those corresponding areas pursuant to Section 163.387, Florida Statutes.

Ordinance 12-30 set the tax increment at 50 percent of the difference between the current valuation of all levied properties within the Southern Grove CRA boundary compared to the base year valuation of the same properties. The ordinance establishes the base year as January 1, 2012. The Southern Grove CRA will receive tax increment funding in FY 2013-14 if there is a positive change in the taxable values.

Financial Statement

The City of Port St. Lucie Community Redevelopment Agency is considered a blended component unit of the City. As a blended component unit, the Agency's operating fund and capital improvements funds are accounted for as major governmental funds of the City and included in the City's Comprehensive Annual Financial Report (the "CAFR"). An annual budget is also adopted by the CRA Board.

The following tables contain the Agency's assets, liabilities, income, and operating expenses for the fiscal year ending September 30, 2012. The CAFR, in its entirety, is available for inspection in the Office of the City Clerk and the Finance Department.

**Table 1: Community Redevelopment Agency Trust Fund
FY 2011-12 Tax Increment Funding Values**

Original CRA (U.S.1 established 2001 (OR 01-23))

Taxing Authority	SLCBOCC	City of Port St. Lucie
2011 Taxable Value	\$ 320,988,876.00	\$ 322,052,986.00
Base Year Total Taxable Value (2001)	(\$231,826,024.00)	(\$231,826,024.00)
Increment for FY 2011-12	\$ 89,162,852.00	\$ 90,226,962.00
95% Increment for FY 2011-12	\$ 84,704,709.40	\$ 85,715,613.90

Payment Amount

Taxing Authority	Millage:		
SLCBOCC-Gen. Fund	0.0029221	\$ 247,515.63	
SLCBOCC-Fine and Forfeit Fund	0.0039699	\$ 336,269.23	
City of Port St. Lucie	0.0045096		\$ 386,543.13
Total		\$ 583,784.86	\$ 386,543.13

East Lake Village (FKA Lentz Grove Est. 2003 (OR 03-76))

Taxing Authority	SLCBOCC	City of Port St. Lucie
2011 Taxable Value	\$ 35,120,728.00	35,240,228.00
Base Year Total Taxable Value (2003)	\$ (279,481.00)	\$ (279,481.00)
Increment for FY 2011-12	34,841,247.00	34,960,747.00
95% Increment for FY 2011-12	33,099,184.65	33,212,709.65

Payment Amount

Taxing Authority	Millage:		
SLCBOCC-Gen. Fund	0.0029221	\$ 96,719.13	
SLCBOCC-Fine and Forfeit Fund	0.0039699	\$ 131,400.45	
City of Port St. Lucie	0.0045096		\$ 149,776.04
Total		\$ 228,119.58	\$ 149,776.04

CRA Expansion Area (Riverwalk and Port St. Lucie Boulevard est. 2007 (OR 07-114))

Taxing Authority	SLCBOCC	City of Port St. Lucie
2010 Taxable Value	\$ 48,633,350.00	\$ 49,125,050.00
Base Year Total Taxable Value (2006)	\$ (67,616,925.00)	\$ (67,996,925.00)
Increment for FY 2011-12	\$ (18,983,575.00)	\$ (18,871,875.00)
95% Increment for FY 2011-12	\$ -	\$ -

Total Due to CRA: \$ 811,904.44 \$ 536,319.17

Source: City of Port St. Lucie Finance Department 2012

**Table 2: Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Community Redevelopment Fund
Year Ended September 30, 2012**

	Original Budget Amount	Final Budget Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues							
Intergovernmental (St. Lucie County ad valorem)	\$ 886,039	\$ 811,904	\$ 811,905	\$ -	\$ -	\$ 811,905	\$ 1
Interest Income	1,500	1,500	225,671	-	-	225,671	224,171
Other	-	-	20,060	-	-	20,060	20,060
Total Revenue	<u>887,539</u>	<u>813,404</u>	<u>1,057,636</u>	<u>-</u>	<u>-</u>	<u>1,057,636</u>	<u>244,232</u>
Expenditures							
Operating Expenses	349,985	384,985	320,620	-	5,279	325,899	59,086
Debt Service:							
Principal	1,350,000	1,350,000	1,590,000	-	-	1,590,000	(240,000)
Interest	<u>2,757,963</u>	<u>2,757,963</u>	<u>2,448,988</u>	<u>-</u>	<u>-</u>	<u>2,448,988</u>	<u>308,975</u>
Total Expenditures	<u>4,457,948</u>	<u>4,492,948</u>	<u>4,359,608</u>	<u>-</u>	<u>5,279</u>	<u>4,364,887</u>	<u>128,061</u>
Excess of Revenues over (under) expenditures	(3,570,409)	(3,679,544)	(3,301,972)	-	(5,279)	(3,307,251)	372,293
Other Financing Sources (Uses)							
Transfers In (includes City of PSL ad valorem)	<u>3,707,814</u>	<u>561,321</u>	<u>536,319</u>	<u>-</u>	<u>-</u>	<u>536,319</u>	<u>(25,002)</u>
Total Other Financing Sources (Uses)	<u>3,707,814</u>	<u>561,321</u>	<u>536,319</u>	<u>-</u>	<u>-</u>	<u>536,319</u>	<u>(25,002)</u>
Net Change in Fund Balance	\$ 137,405	\$ (3,118,223)	(2,765,653)	-	\$ (5,279)	\$ (2,770,932)	\$ 347,291
Fund Balance - beginning	-	-	5,807,424	-	-	5,807,424	5,807,424
Fund Balance - ending	<u>137,405</u>	<u>\$ (3,118,223)</u>	<u>\$ 3,041,771</u>	<u>-</u>	<u>\$ (5,279)</u>	<u>3,036,492</u>	<u>6,154,715</u>

Source: FY 2012 CAFR

Table 3: Community Redevelopment Fund

Balance Sheet September 30, 2012

Assets

Cash and Equivalents	\$	-
Equity in Pooled Cash		
Investments		1,785,912
Receivables		503,137
Assessments Receivable		-
Due from Other Funds		-
Due From Other Governments		-
Prepaid Items		37
Deposits		-
Inventories		-
Restricted Assets		-
Equity in Pooled Cash		471,439
Investments		781,246
Total Assets	\$	<u>3,541,771</u>

Liabilities, Deferred Inflows, and Fund Balances

Liabilities:

Accounts Payable and Accrued Liabilities	\$	-
Accrued Salaries and Wages		-
Due to Other Funds		-
Due to Other Governments		-
Deposits		-
Payables from Restricted Assets		-
Retainage Payable from Restricted Assets		-
Total Liabilities		<u>-</u>
Deferred Inflows:		-
Deferred Revenue		500,000
Total deferred inflows		<u>500,000</u>

Fund Balance:

Non-spendable		37
Restricted		
Committed		5,279
Assigned		3,036,455
Unassigned		-
Total Fund Balances		<u>3,041,771</u>

Total Liabilities and Fund Balances**\$ 3,541,771**

Source: FY 2012 CAFR

Table 4: Community Redevelopment Fund Revenues and Expenditures September 30, 2012**Revenues**

City of Port St. Lucie (Ad Valorem)	\$	536,319
St. Lucie County (Ad Valorem)		811,905
City of Port St. Lucie Utility Systems Department		20,060
Interest Earnings		225,671
Total Deposits	\$	<u>1,593,955</u>

Expenditures

Debt Service Principal - Series 2004 Bonds	\$	590,000
Interest - Series 2004 Bonds		354,863
Debt Service Principal - Series 2006 Bonds		1,000,000
Interest - Series 2006 Bonds		2,094,125
Special Assessment District Payment		278,293
Stormwater Utility Payment		5,678
CRA Operating Expenses	\$	36,649
Total Expenditures	\$	<u>4,359,608</u>

Fund Balance - beginning		5,807,424
Fund Balance - ending	\$	3,041,771

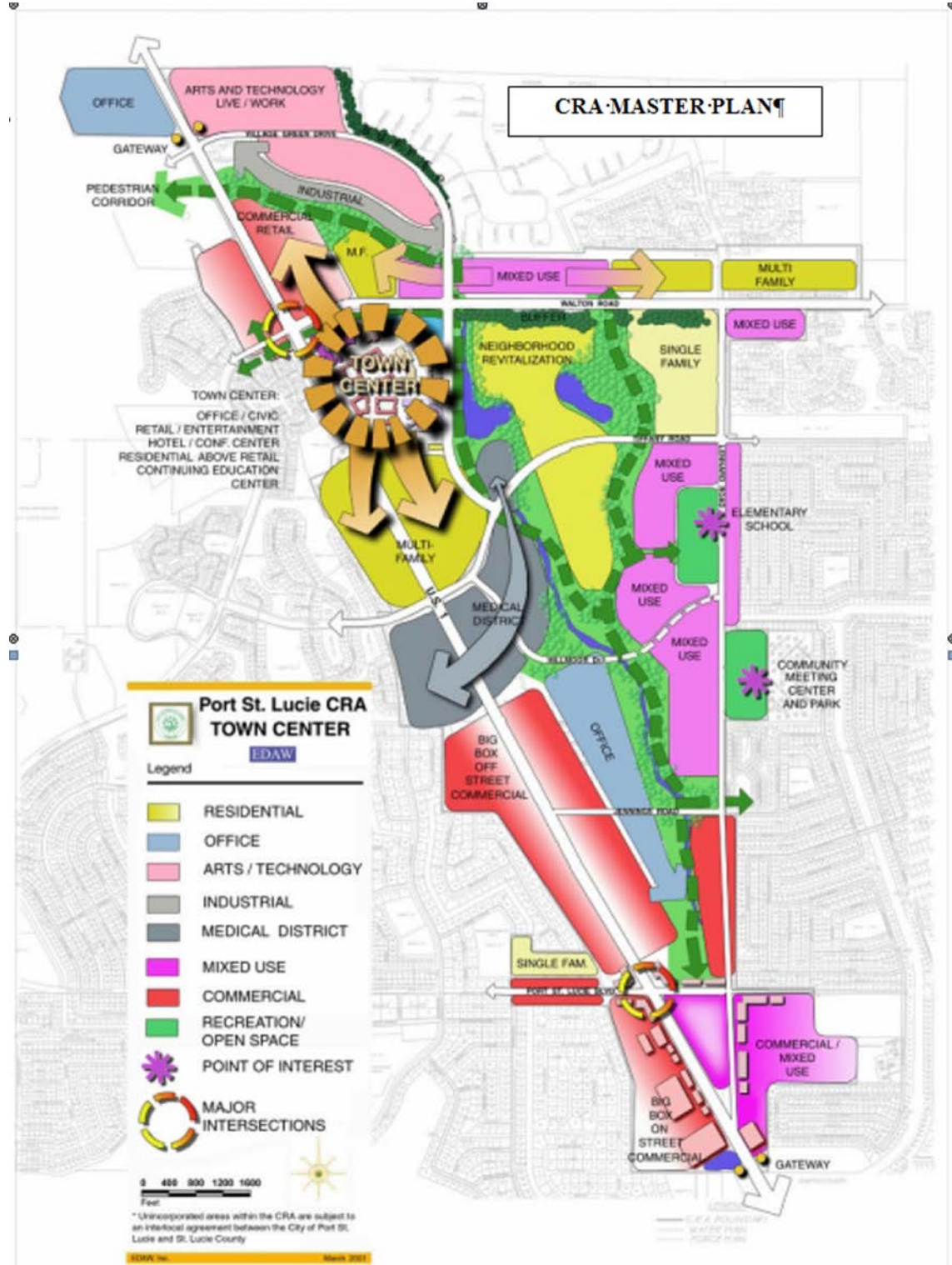
Source: FY 2012 CAFR

**Table 5: Community Redevelopment Tax Increment Bonds
Principal and Interest on**

Indebtedness	Principal	Interest	Total
Series 2004 Bonds	\$ 8,235,000	\$ 2,063,225	\$ 10,298,225
Series 2006 Bonds	\$ 44,000,000	\$ 18,508,900	\$ 62,508,900
Total	<u>\$ 52,235,000</u>	<u>\$ 20,572,125</u>	<u>\$ 72,807,125</u>

Source: FY 2012 CAFR

Appendix A: U.S.1 and East Lake Village CRA Master Plan



Appendix B: Port St. Lucie Boulevard/Riverwalk CRA Expansion Area Master Plan

