

City of Port St. Lucie

# Community Redevelopment Agency Annual Report

FY 2013-14

October 1, 2013 - September 30, 2014



121 SW Port St. Lucie Blvd, Port St. Lucie, FL 34984

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**FISCAL YEAR 2013-14 CITY COUNCIL SITTING AS THE COMMUNITY  
REDEVELOPMENT BOARD OF DIRECTORS**

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**Linda Bartz**  
Vice Mayor  
District 1



**Michelle Lee Berger**  
District 2



**JoAnn M. Faiella**  
Mayor



**Shannon M. Martin**  
District 3



**Ron Bowen**  
District 4

Fiscal Year 2013-2014 Staff

Jeff Bremer, City Manager/Executive Director  
Daniel Holbrook, AICP, Assistant City Manager  
– Community Development Director  
Bridget Kean, AICP, 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 the community redevelopment activities outlined under Chapter 163, Part III, Florida Statutes. The Community Redevelopment Act of 1969 allows for the designation of special districts known as Community Redevelopment Areas and confers upon the Community Redevelopment Agency's governing board special regulatory abilities. These abilities include issuing revenue bonds, and utilizing tax increment financing (TIF). The Community Redevelopment Act outlines the physical, economic, and blight conditions that can support the creation of a Community Redevelopment Area (CRA). It provides a vehicle for counties and municipalities to form a Community Redevelopment Agency and create a Redevelopment Trust Fund for financing improvements within a target area pursuant to the approved community redevelopment plan.

To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity Report or field study that formally identifies conditions within the established boundaries of the area. If the Finding of Necessity Report 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.

The City of Port St. Lucie Community Redevelopment Agency was created in 2001 by the City of Port St. Lucie City Council. The Agency was established to address the lack of land set aside for commercial uses to serve the projected population in the original platted development of the city. Under the original developer's plan, most of the land in Port St. Lucie was platted for low density single-family residential development. As a result, there is no central core or traditional downtown and many residents work, shop, and find entertainment outside of the City. This increases traffic, negatively impacts the City's tax base, hinders the City's ability to meet the service demands generated by growth, impedes the City's ability to efficiently utilize its resources, and detracts from the quality of life. In 2001, the City designated a Community Redevelopment Area (CRA) along U.S. 1 in eastern Port St. Lucie and formally adopted a community redevelopment plan on June 11, 2001.

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, the Port St. Lucie Boulevard/Riverwalk District (the "CRA Expansion Area") in 2006, and the Southern

Grove District in 2012. The boundary lines for the CRA are depicted in Figure 1. The four redevelopment areas comprise approximately 5,627 acres as follows:

- U.S.1 Corridor - approximately 1,600 acres
- East Lake Village – approximately 100 acres
- CRA Expansion Area - approximately 321 acres
- Southern Grove District - approximately 3,606 acres

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 City Council is comprised of five (5) members.

### **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 2013-14 (FY 2013-14) covers all activities for the period October 1, 2013 to September 30, 2014. 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.

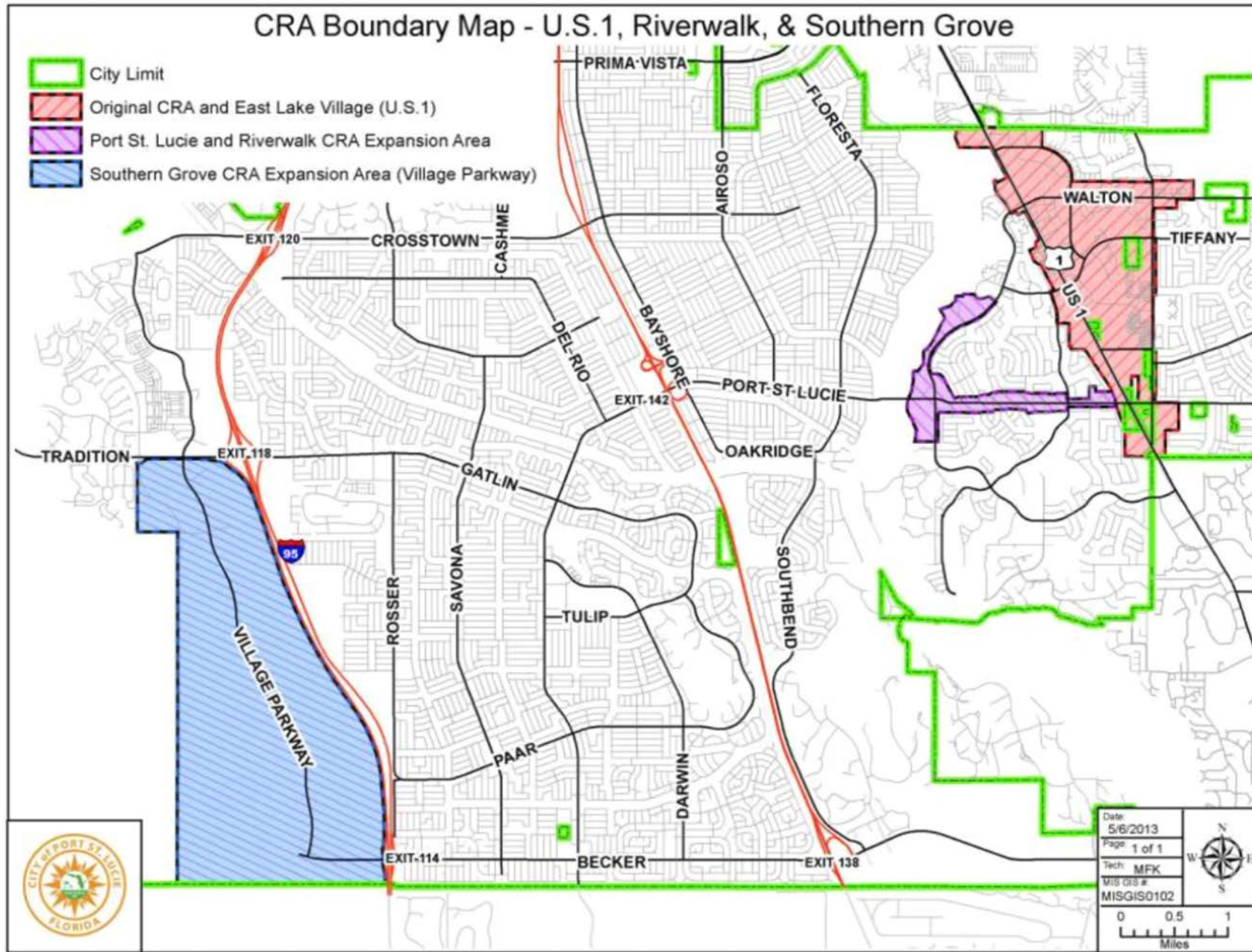
### **Funding Source**

The major funding source for the Port St. Lucie CRA is tax increment revenue. Tax increment revenue is a mechanism available to cities and counties to re-invest all new property tax dollars within a targeted redevelopment area. When a CRA is created, the current assessed values of the property (as determined by the Property Appraiser) are designated as the base year value. Taxing authorities that contribute to the tax increment continue to receive ad valorem (property tax) revenue based on the base year value. Ad valorem revenues from increases in real property value above the base year amount ("increment") are deposited in a redevelopment trust fund and dedicated to the community

redevelopment area. 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.

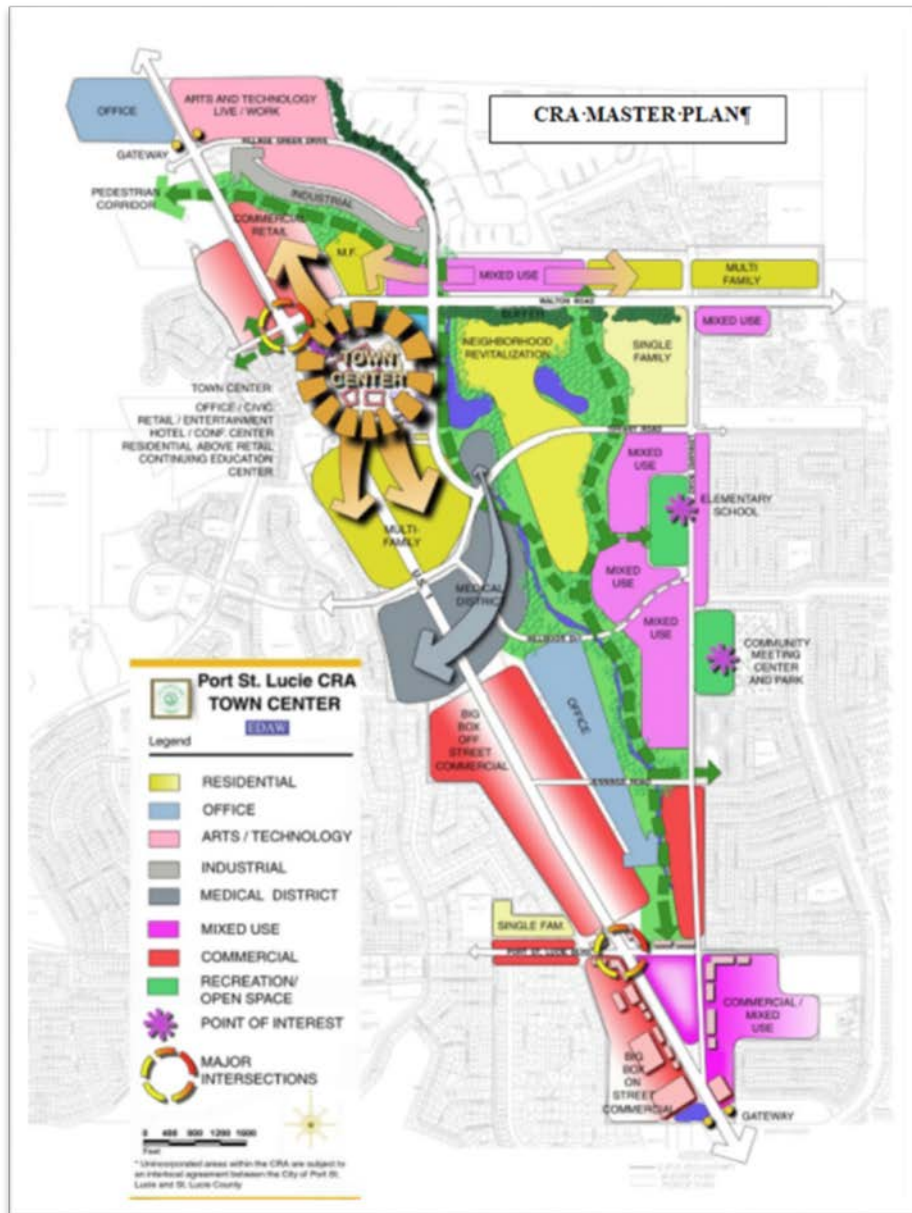
Tax increment revenue is calculated separately for the four CRA Districts. The tax increment revenue generated by the original CRA, East Lake Village, and the CRA Expansion Area is used to fund public improvements in the eastern portion of the CRA. The tax increment revenue generated by Southern Grove is be used to fund improvements within Southern Grove.

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



# Overview of the CRA

Figure 2: Original CRA Master Plan



Designed primarily as a low density residential retirement and bedroom community, the City Council established a Community Redevelopment Agency and designated a Community Redevelopment Area (CRA) along U.S. 1 in eastern Port St. Lucie in 2001 to address the lack of land set aside for commercial uses to serve the projected population in the original platted development of the city.



A Community Redevelopment Plan, also known as the “CRA Master Plan”, was adopted in 2001 following an extensive community-driven planning process which included design charrettes and workshops. The redevelopment strategy is to create a central business district or commercial town center along U.S. 1 and a series of mixed use pedestrian and transit friendly districts. The original CRA comprises an area of approximately 1700 acres (including East Lake Village) along 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.

### **City Center**

A central component of the CRA Master Plan is the creation of a mixed use Town Center at a former shopping center at the intersection of Village Green Drive and U.S. 1. It is intended as a central gathering place that creates an identity for the City and provides shopping, restaurants, and housing in an attractive well designed environment where people can walk to multiple destinations using a single parking space. Plans for City Center began in 2005 as a public-private partnership to redevelop the 69 acre Village Green shopping center into a mixed use town center of 253,820 square feet of retail space, 247,000 square feet of office space, and 1,125 residential dwelling units (including 150 hotel rooms).

Oktoberfest City Center



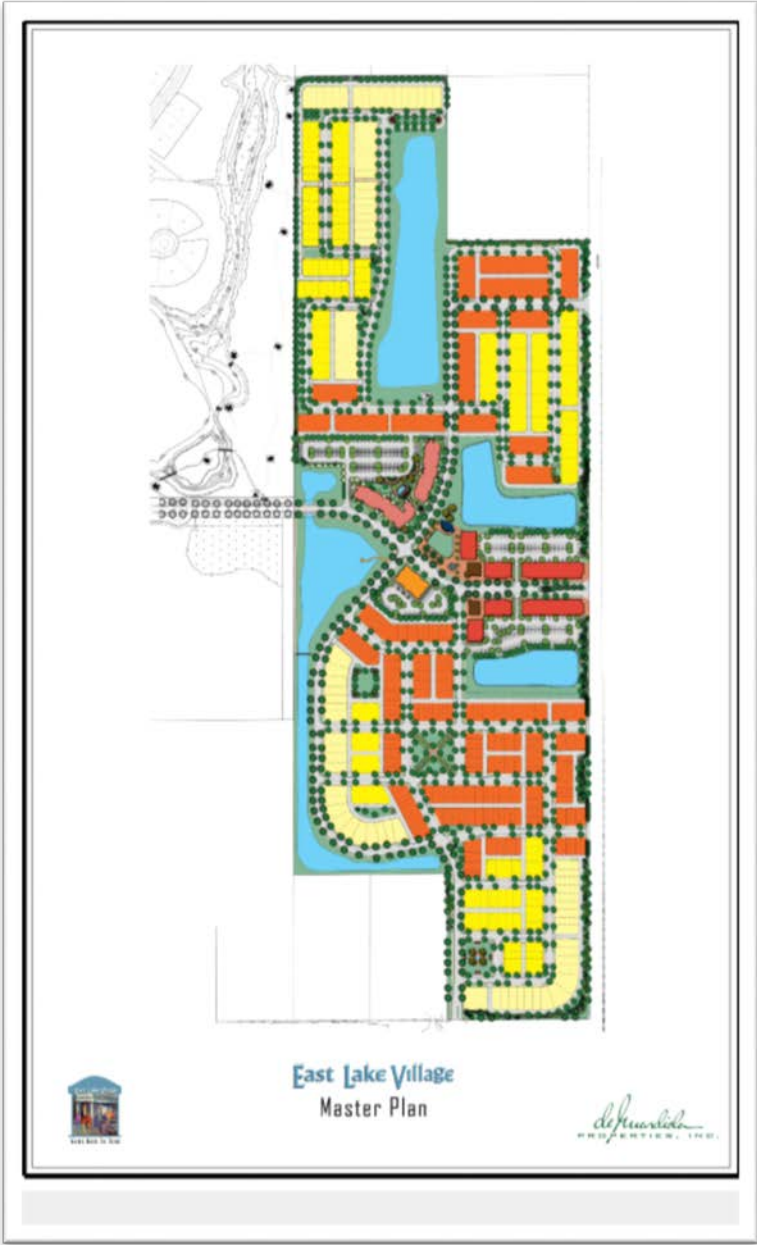
St. Patrick's Day Festival City Center



As part of the public-private partnership, the City and CRA funded the construction of a 100,000 square foot Civic Center with 20,000 square feet of meeting space and gymnasium, Village Square public plaza and interactive fountain, the Civic Center Warehouse, and the City Center parking garage. The SAD infrastructure improvements were completed in 2007/08 and include an urban street grid system with on street parking, lighting, landscaping,

irrigation, and stormwater improvements.

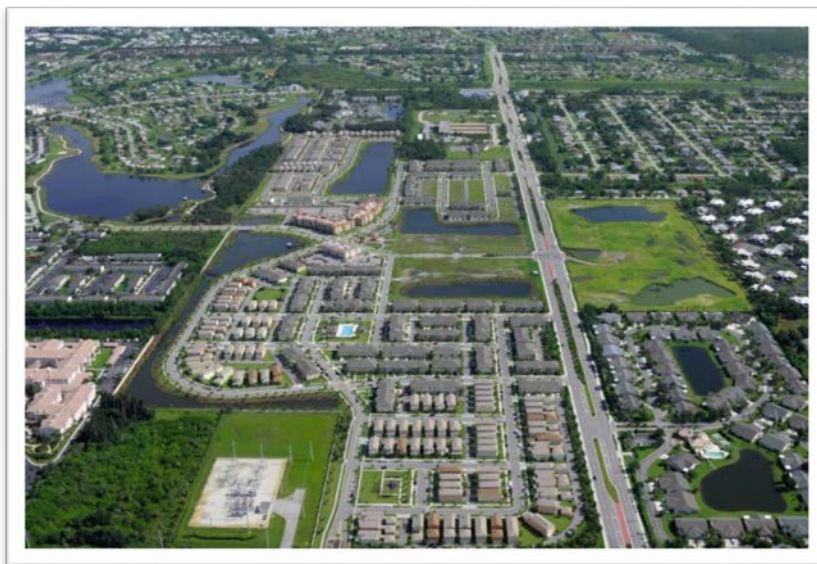
**Figure 3: East Lake Village Master Plan**



**East Lake Village**

The Community Redevelopment Plan was amended in 2003 to include East Lake Village through the adoption of Resolution No. 03-R31. Although located within the CRA original study area, the Lentz Grove property was an unincorporated St. Lucie County enclave and could not be incorporated into the CRA plan until the property was annexed into the City of Port St. Lucie in 2003. Ordinance No. 03-76 amended the Trust Fund to provide for community redevelopment within the Lentz Grove Area.

East Lake Village is a planned community that utilizes traditional neighborhood development design concepts. It is a mix of residential housing types within a neighborhood setting of pedestrian friendly streets, public open spaces, neighborhood squares and a greenway trail system linking its residents to the rest of the CRA. It was approved for approximately 200 multifamily units, 230 townhome units, 220 semi-detached townhome units, 240 single family units, a greenway (linear park), and an urban park on 52,665 square feet of commercial/retail space on 97.98 acres.



East Lake Village was developed pursuant to a public-private partnership agreement, approved in 2003, between the Agency, the City, and St. Lucie East Development Company, LLC, which required the Agency to manage and/or fund a number of significant capital improvement projects including the construction of the roadway network and public facilities. Improvements were funded by the \$10.35 million Series 2003D East Lake Village Special Assessment District (SAD) Bonds. By FY 07-08, the Agency had successfully completed all of the capital improvement including: Lennard Road Widening Project; the Hillmoor Drive Extension Project; the Jennings Road Widening Project; the Grand Drive Extension Project; the Mary Ann Cernuto Family Park; and the East Lake Village Segment of the Wood Stork Trail.

## Wood Stork Trail

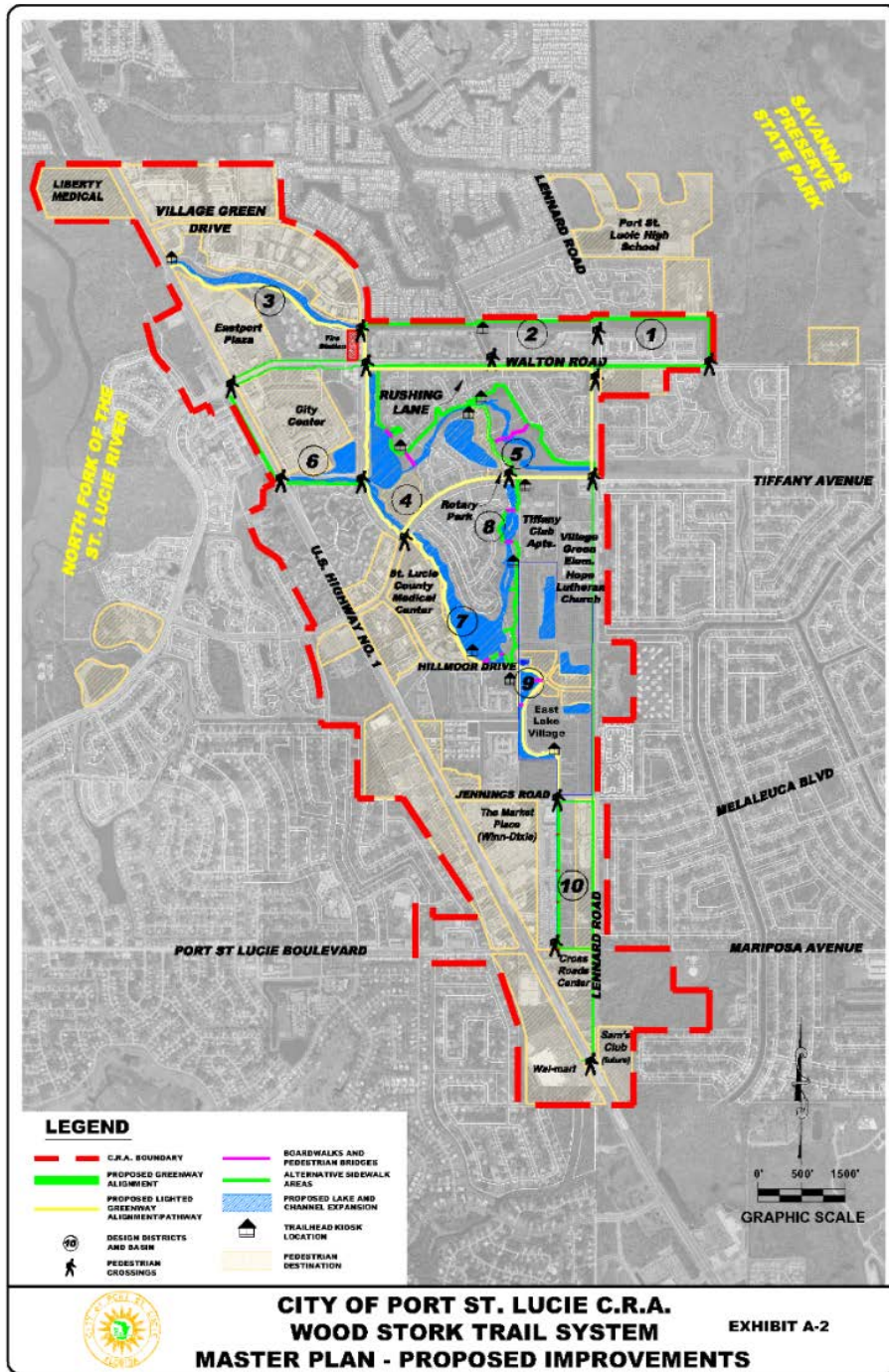


The Wood Stork Trail is an open space network within the CRA that connects East Lake Village, Hillmoor Lake, and the City Center. A master plan for the Wood Stork Trail was adopted on October 17, 2005. It sets forth a plan to transform the drainage swales, ditches and ponds of the CRA into a better functioning stormwater drainage system and a linear park, which interconnect the entire district. Following approval of the master plan, the Agency constructed a 1.5 mile trail around Hillmoor Lake, the paved trails around the stormwater treatment areas in City Center, and the wooden boardwalks and wooden outlooks in East Lake Village and Hillmoor Lake.

When fully developed, the Wood Stork Trail will provide a linear park with a dedicated trail and waterway that connects the entire CRA; enhanced stormwater drainage storage and conveyance capacity, improved water quality; and restored native vegetation and habitat.

The master plan for the Wood Stork Trail is illustrated in Figure 4.

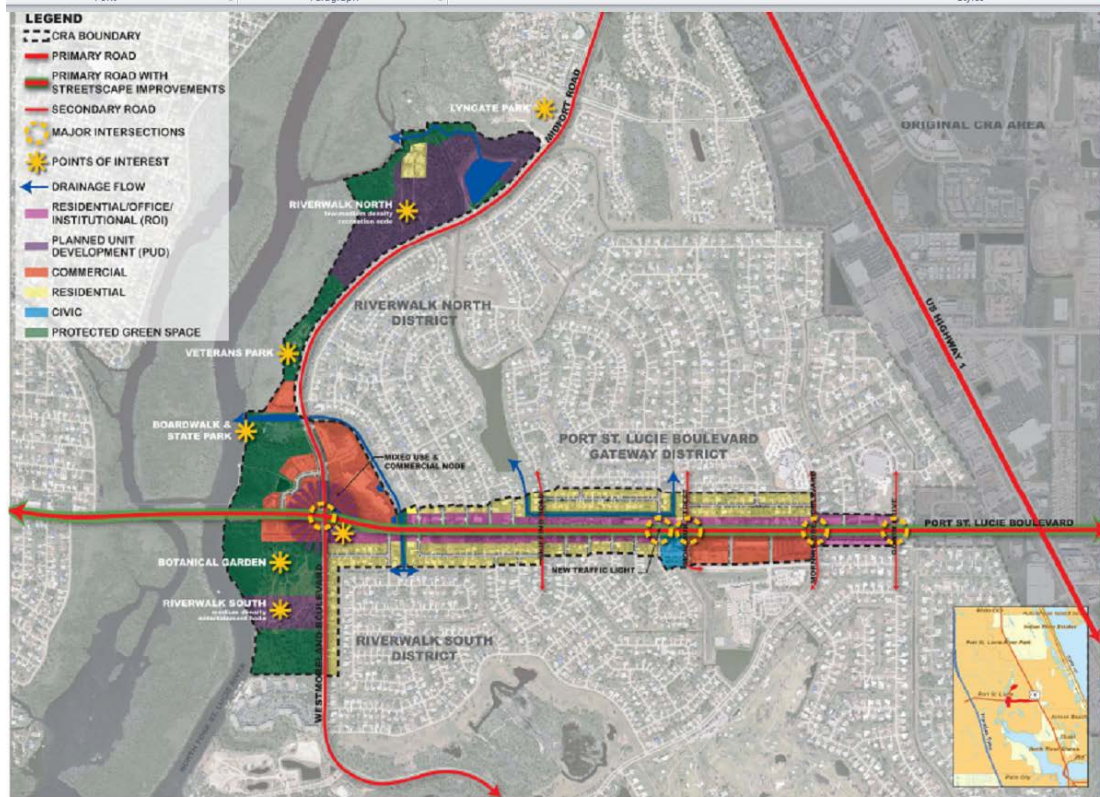
Figure 4: Wood Stork Trail Master Plan



## CRA Expansion Area

In 2006, the Community Redevelopment Area was expanded to include the Port St. Lucie Boulevard/Riverwalk District. The CRA Expansion Area extends along Port St. Lucie Boulevard from Gowin Drive west to the edge of the North Fork of the St. Lucie River and includes portions of Westmoreland Boulevard and Veteran's Memorial Parkway. The area is approximately 321 acres in size.

**Figure 5: CRA Expansion Area Master Plan**

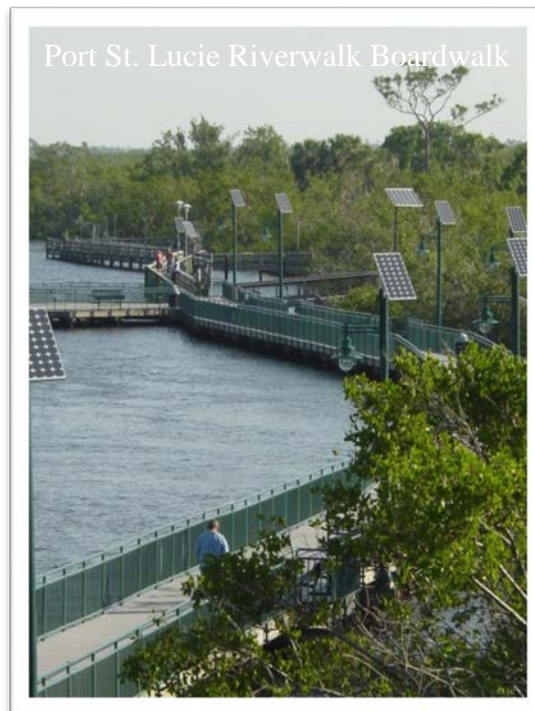


The major themes of the CRA Expansion Area Master Plan include:

- Protect residential neighborhoods
- Improve aesthetics of Port St. Lucie Boulevard
- Increase pedestrian and bicyclist safety
- Create additional recreation and open space
- Increase residential options and affordability



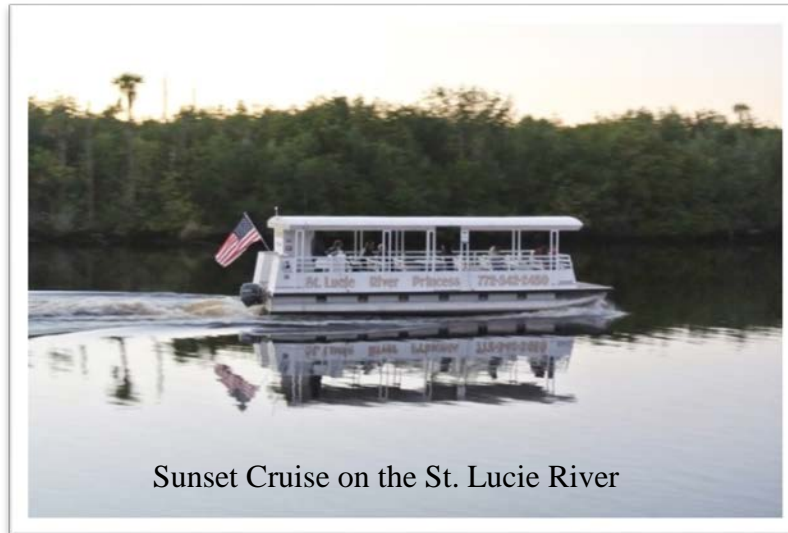
In 2010, the City opened Port St. Lucie Botanical Gardens on Westmoreland Boulevard in the area known as Riverwalk South. The botanical gardens is situated on 20 acres of property on the banks of the North Fork of the St. Lucie River. The property was acquired through the joint efforts of the City of Port St. Lucie, St. Lucie County, and the Florida Trust for Public Lands.



The Riverwalk Boardwalk consists of a 10-foot wide boardwalk and observation deck along the North Fork of the St. Lucie River. The boardwalk is accessible from Tom

Hooper Park and Veterans Park at Rivergate. Two paths lead through hundreds of feet of wooded mangroves to the 10-foot wide boardwalk and the observation deck.

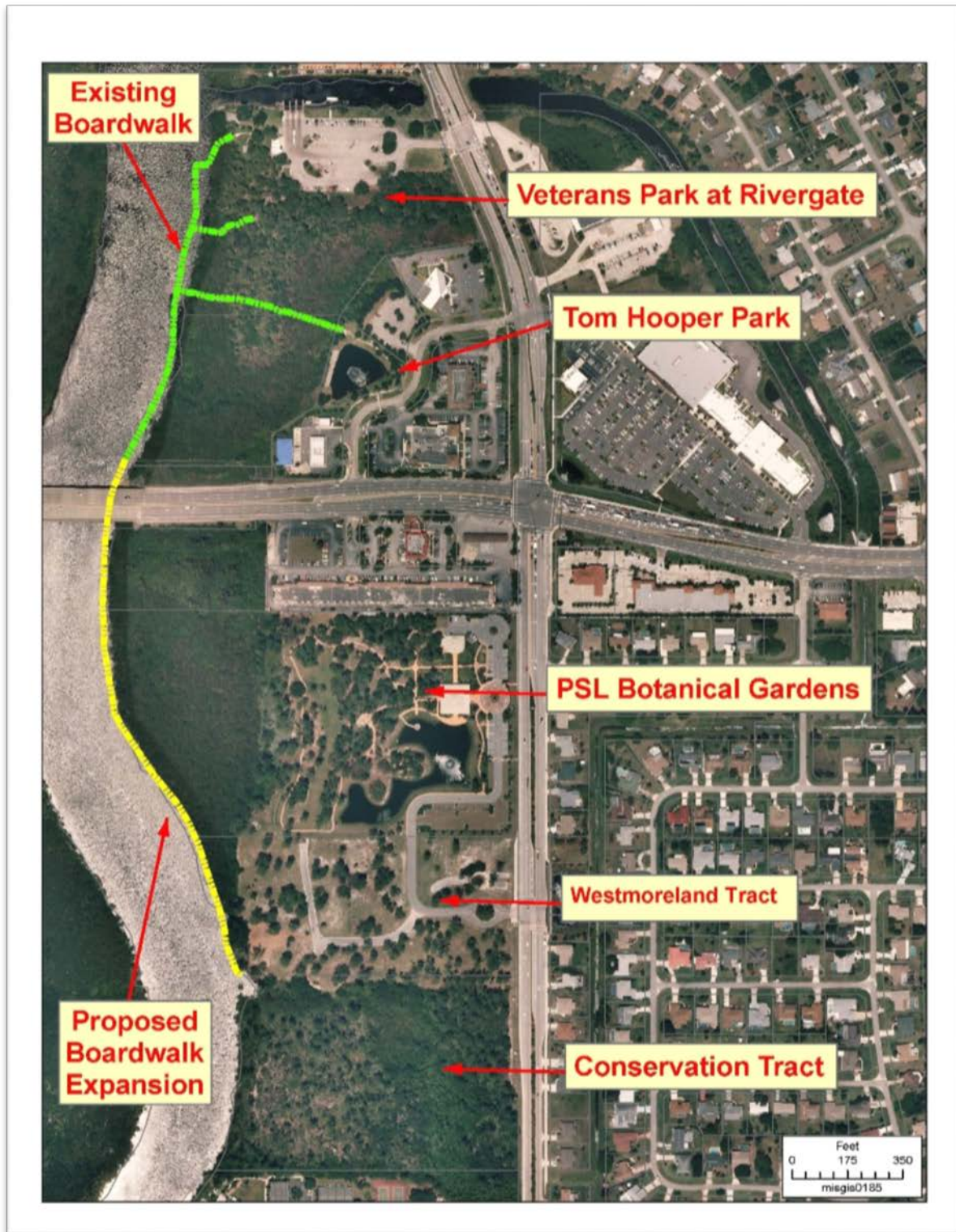
Port St. Lucie Riverwalk is identified as a major destination in the City's Strategic Plan. The Agency is currently working with City staff on proposals to provide improvements to the City owned parcels on Westmoreland Boulevard and the southern extension of the Riverwalk Boardwalk to the botanical gardens. A conceptual plan for the proposed extension is depicted in Figure 6.



In 2013, the City introduced River Nights on the St. Lucie River at Rivergate Park to provide an opportunity for residents to relax, listen to live music, and watch the sunset from the boardwalk or aboard the River Princess. Proceeds from River Nights go toward the southern expansion of the boardwalk.



Figure 6: Conceptual Plan for Riverwalk Boardwalk Extension



## Southern Grove District

**Figure 7: Southern Grove District**



On June 25, 2012, the City Council approved an amendment to the Community Redevelopment Plan to include the area known as Southern Grove and amended the Community Redevelopment Trust Fund to provide for additional funding for community redevelopment within Southern Grove. Formerly a citrus grove, the 3,606 acre Southern Grove property was annexed into the City in 2004 and approved as a Development of Regional Impact (DRI) in 2006. Southern Grove borders Tradition Parkway to the north, Martin County to the south, Interstate 95 to the east, and the Riverland Kennedy Development of Regional Impact (DRI) to the west. With four miles of frontage along Interstate 95, the Southern Grove District is envisioned as a mixed use regional employment center and retail destination pursuant to the approved Southern Grove DRI Development Order.

Identified in the City's comprehensive plan as a future jobs corridor, Southern Grove was negatively impacted by the Great Recession and the fall in property values. Infrastructure improvements were constructed as part of a special assessment district. Poor economic conditions coupled with the high cost of carry created by the SW SAD special

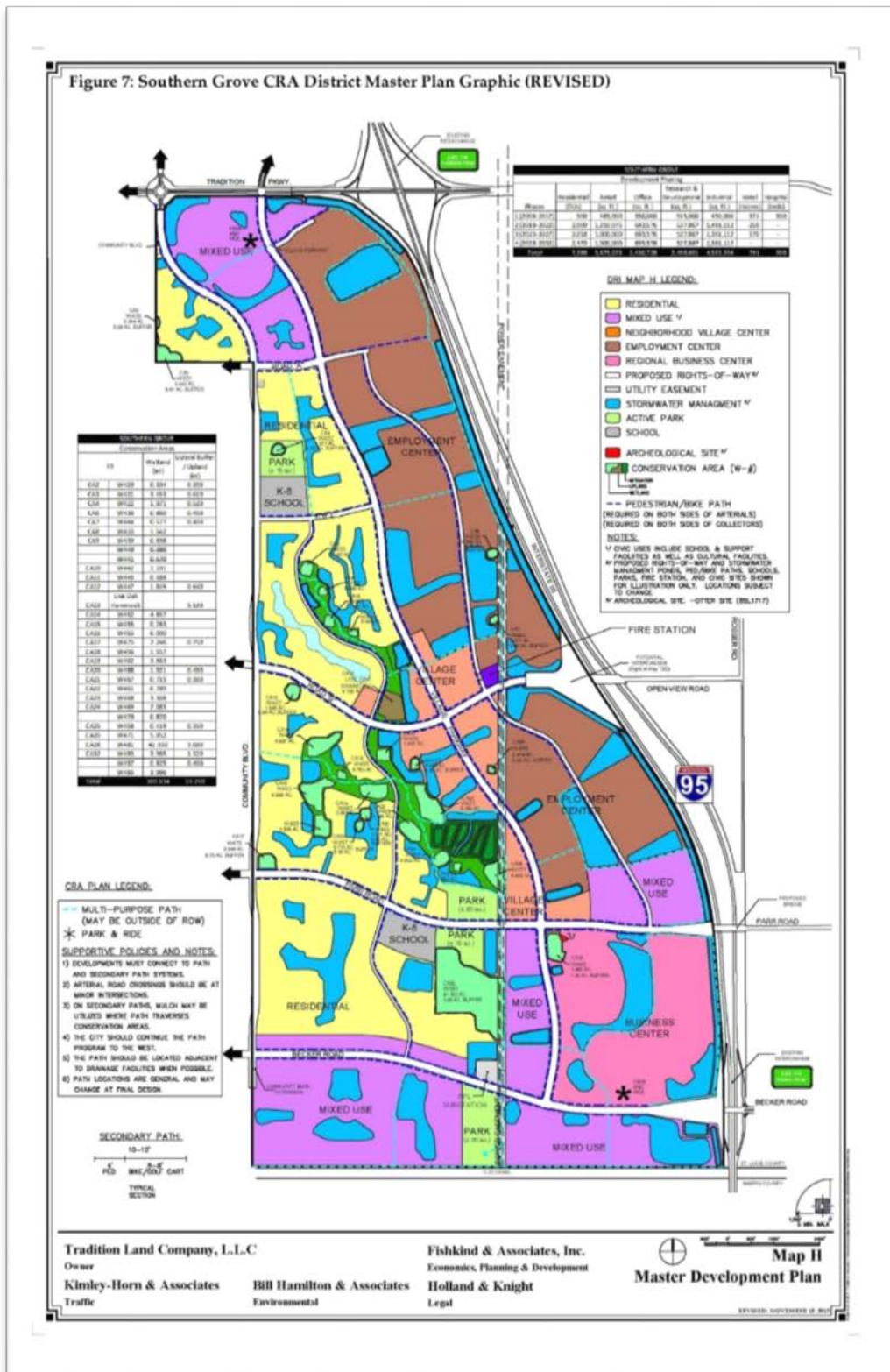
assessments inhibited any additional development and job creation within Southern Grove.

Although not a typical CRA in terms of a blighted urban environment, Southern Grove was included in the CRA due to economic factors, the impact of those economic factors on the approved entitlements and plans, the underutilization of a huge infrastructure investment, and the City's exposure to the guarantee being invoked on the SW SAD special assessments. In FY 2013-14, the CRA and City signed an interlocal agreement with Southern Grove Community Development District No. 1. Under the terms of the agreement, the CRA will transfer 95 percent of the tax increment revenue generated in Southern Grove to a trust account established by Southern Grove CDD No. 1. Southern Grove CDD No. 1 will use the funds to help defray the costs of the special assessments on qualified properties in Southern Grove.



The Southern Grove District is home to a 150-acre research park known as Tradition Center for Innovation (TCI). TCI's anchor institutions include the Torrey Pines Institute for Molecular Studies, the Vaccine and Gene Therapy Institute Florida (VGTI), Mann Research Center, and Martin Memorial Health System's Tradition Medical Center.

Figure 8: Southern Grove District Master Plan



## **Historical Data**

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 both the Original CRA and East Lake Village, the participating taxing authorities levying property taxes within these areas are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within those corresponding areas. In the Port St. Lucie CRA Expansion Area, the participating taxing authorities are required to annually deposit an amount equal to 95% of the incremental property tax revenues they receive from properties within the CRA Expansion Area; however, this requirement is subject to the following major exception set forth by Section 163.387(1)(b)(1)(a), Florida Statutes:

If a taxing authority imposes a millage rate that exceeds the millage rate imposed by the governing body that created the trust fund, the amount of tax increment to be contributed by the taxing authority imposing the higher millage rate shall be calculated using the millage rate imposed by the governing body that created the trust fund.

Based upon this exception, if the County's millage rate is higher than the City's, which it has been historically, the County shall calculate its tax increment payment for the Port St. Lucie CRA Expansion Area only by using the City's millage rate instead of its own higher rate.

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 collection of tax increment revenue within the Southern Grove District of the CRA began in FY 2013-14.

Table 1 provides a summary of the historical tax increment revenue for the Original CRA, East Lake Village, and the CRA Expansion Area. In FY 2013-14, the CRA saw an increase in tax increment revenue for the first time in seven years.

**Table 1: Historical Tax Increment Revenues Eastern CRA**

Year	Original CRA	East Lake Village	PSL Expansion Area	Total	Percent Increase Over Prior Year
2001	NA	NA	NA	0	
2001-02	\$ 103,551.34	NA	NA	\$ 103,551.34	
2002-03	\$ 585,949.51	NA	NA	\$ 585,949.51	465.85%
2003-04	\$ 1,002,936.60	0	NA	\$ 1,002,936.60	71.16%
2004-05	\$ 1,636,633.30	\$ 66,121.32	NA	\$ 1,702,754.63	69.78%
2005-06	\$ 2,065,595.93	\$ 97,770.21	NA	\$ 2,163,366.14	27.05%
2006-07	\$ 2,945,478.14	\$ 467,451.21	NA	\$ 3,412,929.35	57.76%
2007-08	\$ 2,390,324.60	\$ 572,095.62	\$ 64,098.48	\$ 3,026,518.70	-11.32%
2008-09	\$ 2,068,976.88	\$ 557,777.70	\$ 28,552.88	\$ 2,655,307.45	-12.27%
2009-10	\$ 1,309,651.45	\$ 497,964.41	0	\$ 1,807,615.87	-31.92%
2010-11	\$ 1,148,878.02	\$ 454,655.01	0	\$ 1,603,533.04	-11.29%
2011-12	\$ 970,327.99	\$ 377,895.62	0	\$ 1,348,223.61	-15.92%
2012-13	\$ 894,081.04	\$ 347,476.86	0	\$ 1,241,557.90	-7.91%
2013-14	\$ 935,968.17	\$ 348,045.53	0	\$ 1,284,013.70	3.42%

Source: City of Port St. Lucie Finance Department

### Historical Taxable Property Values

Table 2 provides a summary of the historical assessment (taxable) values in the Original CRA, East Lake Village, and the CRA Expansion Area as of January 1<sup>st</sup> of each year. In FY 2013-14, the CRA saw a slight increase in the overall property values within the eastern CRA.

**Table 2: Historical Taxable Property Values Eastern CRA**

Year	Original CRA	East Lake Village	Expansion Area	Total Taxable Value	Percent Increase Over Prior Year
2000-2001	\$ 231,826,024	NA	NA	\$ 231,826,024	
2001-2002	239,330,269	NA	NA	239,330,269	3%
2002-2003	273,336,594	279,481	NA	273,616,075	14%
2003-2004	300,387,447	240,501	NA	300,627,948	10%
2004-2005	346,847,031	4,946,800	NA	351,793,831	17%
2005-2006	390,245,781	7,797,800	NA	398,043,581	13%
2006-2007	479,555,744	39,495,400	\$ 67,996,925	587,048,069	47%
2007-2008	504,507,763	64,464,800	78,555,575	647,528,138	10%
2008-2009	468,762,261	62,858,424	72,762,713	604,383,398	-7%
2009-2010	373,063,532	53,485,838	61,208,156	487,757,526	-19%
2010-2011	341,274,200	43,227,900	51,696,688	436,198,788	-11%
2011-2012	322,052,986	35,240,228	49,125,050	406,418,264	-7%
2012-2013	315,799,817	32,767,158	49,497,554	398,064,529	-2%
2013-2014	319,740,433	32,823,518	50,268,987	402,832,938	1%

Source: City of Port St. Lucie Finance Department

Table 3 depicts the historical assessment (taxable) values and historical tax increment revenue for the Southern Grove District.

**Table 3: Historical Taxable Value and Increment Revenues for Southern Grove**

Taxing Authorities							
Year	Taxable Value	Percent Increase Over Prior Year	Increment	50% of Increment	Tax Increment Revenue City of Port St. Lucie	Tax Increment Revenue St. Lucie County	Total Tax Increment Revenue
2012-13	15,568,706						
2013-14	15,615,117	0.3%	\$ 46,411.00	\$ 23,205.50	\$ 102.33	\$ 102.33	\$ 204.66

Source: City of Port St. Lucie Finance Department

### Historical Taxing Authority Millage Rates

Table 4 provides a summary of the operating millage rates levied by each Taxing Authority obligated to make payments to the Community Redevelopment Trust Fund.

Table 4: Historical Millage Rates				
Fiscal Year	County--Gen. Millage	County--F&F Millage	Fire District Fund Millage	City--Gen. Millage
2000-2001 (Base Year)	NA	NA	NA	NA
2001-02	2.9639	4.6155	2.6726	4.2733
2002-03	2.9639	4.6155	2.6726	4.6066
2003-04	4.0728	3.5066	2.7800	4.9399
2004-05	4.1248	3.3178	2.7800	4.6899
2005-06	4.2619	2.9807	2.7562	3.6899
2006-07	4.2734	2.3778	2.4562	3.4399
2007-08	4.2299	1.9352	NA	3.2172
2008-09	3.6173	2.5478	NA	3.2172
2009-10	3.6173	2.5478	NA	3.6866
2010-11	2.8707	3.9699	NA	4.3098
2011-12	2.9221	3.9699	N/A	4.5096
2012-13	2.9221	3.9699	N/A	4.4096
2013-14	2.9221	3.9699	N/A	4.4096

Source: City of Port St. Lucie Finance Department

## **Tax Increment Revenue Pledge/Financial Obligations**

The following section provides a brief overview of the presently outstanding increment pledges/financial obligations of the City of Port St. Lucie Community Redevelopment Agency.

- **Tax Increment Revenue Bonds Series 2004**

In 2004, the Agency issued approximately \$11.8 million in redevelopment trust fund revenue bonds for the purpose of financing redevelopment projects associated with East Lake Village. The proceeds from these bonds were deposited into the Community Redevelopment Agency Capital Improvement Fund to fund the construction, in whole or in part, of the widening of Lennard Road, the extension of Hillmoor Drive, the widening of Jennings Road, the extension of Grand Drive, Mary Ann Cernuto Family Park, and the East Lake Village portion of the Wood Stork Trail. These bonds are payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$605,000 to \$915,000 plus interest semiannually at a rate ranging from 3.5% to 5.0% through January 2023.

- **Tax Increment Revenue Bonds Series 2006**

In 2006, the Agency issued \$46.45 million in redevelopment trust fund revenue bonds for the purpose of financing the City Center project that included property acquisition, a parking garage and surface parking, road improvements, and construction of a 100,000 square foot Civic Center, civic plaza, and warehouse. These bonds are payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from \$1,300,000 to \$6,285,000 plus interest semiannually at a rate ranging from 3.904% to 5.0% through January 2026.

- **City Center Special Assessment Bonds**

The CRA is responsible for assessments levied on nine city owned parcels within the City Center project in the amount of \$278,293.



## **Community Redevelopment Agency Activities FY 2013-14**

In FY 2013-14, the Community Redevelopment Agency was relocated from the City Manager's Office to the Planning and Zoning Department. The Agency now includes a full time CRA Director and a part time administrative assistant. The administrative assistant is a full time position that is jointly funded by the Planning and Zoning Department and the Community Redevelopment Agency. Both the Community Redevelopment Agency and Planning and Zoning Department are overseen by the Assistant City Manager - Director of Community Development.

In FY 2013-14, the Agency and the City learned that PSL City Center, LLC, sold its investment in City Center to U.S. Investments, LLC, for \$500,000. Although not notified of the sale of the property by PSL City Center, LLC, as required by the redevelopment agreement, city staff did meet with U.S. Investments, LLC, in good faith on two occasions to discuss U.S. Investments, LLC, plans for the property. U.S. Investments, LLC, submitted a three page proposal and conceptual master plan to develop the site as a mixed use International Trade Center under the EB-5 visa program. The proposal would increase non-residential intensity from 500,000 square feet to 1.5 million square feet, hotel space from 150 rooms to 200 rooms, and dwelling units from 925 units to 1,080 units. The Agency and the City Attorney's Office prepared a response letter seeking additional information. The letter also stated that delinquent real estate taxes for 2013 and the outstanding contribution of \$500,000 to the Civic Center project had to be paid before the City or CRA would engage in any formal discussions and negotiations. The letter was sent on July 30, 2014. To date, there has been no response to the letter and the delinquent property taxes and outstanding contribution to the Civic Center have not been paid.

In conjunction with the City Manager's Office and the Finance Department, the Agency negotiated an Interlocal Agreement among the City of Port St. Lucie, the Community Redevelopment Agency, and the Southern Grove Community Development District (CDD) Number 1. The Interlocal Agreement pertains to the use of tax increment revenue funds to help pay the costs of the special assessments on property in Southern Grove. As outlined in the Agreement, the Agency will transfer 95 percent of the tax increment revenue generated in Southern Grove to a trust account established by Southern Grove CDD No. 1 within five (5) business days of receipt of the tax increment from the taxing authorities. Southern Grove CDD No. 1 will then use the funds to help defray the costs of the special assessments on qualified properties in Southern Grove. The amount paid

to each property owner cannot exceed the annual SAD Assessment levied on the property. Southern Grove CDD No. 1 will provide the City and the Agency with a report at the end of each fiscal year that identifies the properties that qualified for the incentive, the amount paid to each property, and any excess revenue retained in or expended from the District No. 1 Trust Account. The first report is due in October 2015.



Tradition Medical Center, a 90 room acute care medical facility opened on December 18, 2013. The six-floor structure was designed to be able to expand to 300 beds. The hospital will serve residents of the region and partner with the life sciences organizations in Southern Grove for various research studies.

The Agency assisted the Planning and Zoning Department in the review and preparation of amendments to the Grove Park PUD (P14-025) and site plan (P14-098) amending the original development plan from a mix of 210 townhome and condominium units and 6,000 square feet of commercial development to a 210 multifamily residential rental apartment complex. The Agency also assisted in the review of the application to rezone the PSL Village Mobile Home Park from St. Lucie County commercial zoning to a City of Port St. Lucie Planned Unit Development (P13-100) and site plan (P14-135) to allow a total of 81 mobile home units that may be split between mobile home units and Recreational Vehicle sites. Both properties are located within the original study area for the CRA. The properties were unincorporated St. Lucie County enclaves when the CRA was established. Grove Park was annexed into the City in 2006 (OR 05-134) and PSL Village was annexed in 2005 (OR 05-133). The Agency will need to prepare an update to the City of Port St. Lucie's "Findings and Declaration of Necessity Report" to provide the data and analysis necessary to incorporate these additional properties within the officially designated Community Redevelopment Area.

#### Additional Planning and Activity Efforts:

- Assisted the Planning and Zoning Department in the review of an application for site plan approval (P14-156) from the Florida Power & Light Company for the construction of an electric substation in Southern Grove.
- Assisted the Planning and Zoning Department in the review of applications for a subdivision plat (P14-089) and site plan for a commercial development known as Village Point (P14-141) located at the southwest corner of the intersection of Tradition Parkway and Village Parkway in Southern Grove.
- Participated in the development of the City of Port St. Lucie Strategic Plan. Two areas of the CRA, City Center and Riverwalk, are identified as major activity centers in Port St. Lucie by the year 2028.
- Provided information and assistance to real estate professionals and potential investors within the CRA boundary, City Center, and Lots 26 and 27, City Center 1<sup>st</sup> Replat. Lots 26 and 27, City Center 1<sup>st</sup> Replat are owned by OB Florida CRE Holdings LLC, a subsidiary of Iberia Bank, and currently for sale.
- Attended staff level meetings with the City Manager's Office, the Finance Department, the Office of Management and Budget, and the City Attorney's Office to discuss the City Center project, property ownership, financial, legal, and other issues.
- Attended staff level meetings with the City Manager's Office, the Parks and Recreation Department, Public Works, and the Office of Management and Budget to discuss the southern extension of Riverwalk Boardwalk and the development of the Westmoreland properties.
- The Assistant City Manager – Director of Community Development and the CRA Director visited the Downtown Development Authority of West Palm Beach and the West Palm Beach CRA to discuss approaches to redevelopment, various projects, and economic incentives as well as staffing levels and the use of consultants.
- In October 2012, the City pursued legal action against PSL City Center, LLC, de Guardiola Properties, Inc., and National City Bank, for failure to timely and successfully meet the obligations and perform certain development actions concerning the City Center project as set forth in the Redevelopment Agreement, as amended. A final default judgment in the amount of \$56.2 million was awarded to the City of Port St. Lucie and CRA on August 26, 2014 by the Circuit Court of the Nineteenth Judicial Circuit.

## Southern Grove CDD No. 1 Planning and Activity Efforts

The following is a list of infrastructure projects recently completed, underway or programmed in Southern Grove:

- Improvement of the drainage canal located directly west of Interstate 95 along the Southern Grove perimeter from B Lake, northward approximately 2,400 feet, to Tradition Parkway. Improvements include excavation and shaping slopes to match the overall SFWMD master stormwater permit and ACOE permitted littoral shelf requirements. Approx. \$525,000



- Construction within the lake banks around B-Lake in Tradition Center for Innovation ("TCI") enhancing the lake bank area into a public linear park with 4,500 square feet of paved pedestrian pathway, lighting, landscape, hardscape, and irrigation improvements. Approx. \$1,875,000
- Construction of a wetland mitigation area to be owned and operated by and on behalf of the CDD and required to offset development impact in Phases 1A & 1B of the Southern Grove ACOE permit. Improvements include approximately 15.4 acres of wetland creation, 24.4 acres of wetland enhancement, and 20.7 acres of upland creation. Approx. \$1,210,000
- Selective clearing of approximately 4,500 feet along the Interstate 95 frontage and construction of decorative fencing and columns to provide a continuation of the distinctive project fencing used in the adjacent Tradition community. Clearing will include the eradication of invasive species. All of the foregoing will occur within

right of way owned by the State of Florida Department of Transportation. Approx. \$210,000

- Construction of the South Icon Tower. The tower is a part of the overall community signage program and will be located on the west side of I-95, north of the Becker Road interchange, and will be located in an easement owned by and on behalf of the Districts. Approx. \$350,000
- Project identification signage for the Tradition Center for Innovation (“TCI”). Approx. \$175,000
- Construction of approximately 4,000 feet of the public road known as Discovery Way from its previous terminus eastward to the property boundary and proceeding northward to provide additional access to Martin Memorial Hospital. Improvements include a public two lane roadway, drainage in public roads, signage in public right of way, and striping improvements. Approx. \$1,050,000



- Improvements to support the development of six to eight outparcels located in the southwest quadrant of the intersection of Tradition and Village Parkways in an area to be called Village Pointe, as well as one larger future development lot. Specific improvements include embankment for public roads, construction of approximately 350 feet of the public road known as Innovation Way, utility and drainage improvements in public roads, excavation of one water management lake with a surface area of 3.52 acres, one of the master control structures designated as D-

MXD2, and a segment of lake interconnect pipe, as well as a full median opening on public Tradition Parkway to provide access to the Village Pointe project. Approx. \$3,115,000

### **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, 2014. The CAFR, in its entirety, is available for inspection in the Office of the City Clerk and the Finance Department.

**Table 5: Community Redevelopment Agency Trust Fund FY 2013-14 Tax Increment Funding Values**

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

	SLCBOCC	City of Port St. Lucie
Taxing Authority		
2013 Taxable Value	\$ 318,529,778.00	\$ 319,740,433.00
Base Year Total Taxable Value (2001)	\$ (231,826,024.00)	\$ (231,826,024.00)
Increment for FY 2013-14	\$ 86,703,754.00	\$ 87,914,409.00
95% Increment for FY 2013-14	\$ 82,368,566.30	\$ 83,518,688.55

**Payment Amount**

Taxing Authority	Millage:		
SLCBOCC-Gen. Fund	0.0029221	\$ 240,689.19	
SLCBOCC-Fine and Forfeit Fund	0.0039699	\$ 326,994.97	
City of Port St. Lucie	0.0044096		\$ 368,284.01
<b>Total</b>		<b>\$ 567,684.16</b>	<b>\$ 368,284.01</b>

**CRA 2: East Lake Village (FKA Lentz Grove Est. 2003 (OR 03-76))**

	SLCBOCC	City of Port St. Lucie
Taxing Authority		
2013 Taxable Value	\$ 32,615,164.00	\$ 32,823,518.00
Base Year Total Taxable Value (2003)	\$ (279,481.00)	\$ (279,481.00)
Increment for FY 2013-14	\$ 32,335,683.00	\$ 32,544,037.00
95% Increment for FY 2013-14	\$ 30,718,898.85	\$ 30,916,835.15

**Payment Amount**

Taxing Authority	Millage:		
SLCBOCC-Gen. Fund	0.0029221	\$ 89,763.69	
SLCBOCC-Fine and Forfeit Fund	0.0039699	\$ 121,950.96	
City of Port St. Lucie	0.0044096		\$ 136,330.88
<b>Total</b>		<b>\$ 211,714.65</b>	<b>\$ 136,330.88</b>

**CRA 3: CRA Expansion Area (Riverwalk and Port St. Lucie Boulevard Est. 2007 (OR 07-114))**

	SLCBOCC	City of Port St. Lucie
Taxing Authority		
2013 Taxable Value	\$ 49,818,451.00	\$ 50,268,987.00
Base Year Total Taxable Value (2006)	\$ (67,616,925.00)	\$ (67,996,925.00)
Increment for FY 2013-14	\$ (17,798,474.00)	\$ (17,727,938.00)
95% Increment for FY 2013-14	\$ (16,908,550.30)	\$ (16,841,541.10)
<b>Total</b>	\$ -	\$ -

**CRA 4: Southern Grove District (Est. 2011 (OR 12-30))**

	SLCBOCC	City of Port St. Lucie
Taxing Authority		
2013 Taxable Value	\$ 15,615,117.00	\$ 15,615,117.00
Base Year Total Taxable Value (2006)	\$ (15,568,706.00)	\$ (15,568,706.00)
Increment for FY 2013-14	\$ 46,411.00	\$ 46,411.00
50% Increment for FY 2013-14	\$ 23,205.50	\$ 23,205.50

**Payment Amount**

Taxing Authority	Millage:		
SLCBOCC-Gen. Fund	0.0029221		
SLCBOCC-Fine and Forfeit Fund	0.0039699		
County Sub Total:	<b>0.006892</b>		
Less County Cap:	<u>0.0024824</u>		
Net County Millage:	<b>0.0044096</b>	\$ 102.33	\$ 102.33
City of Port St. Lucie	0.0044096		
<b>Total</b>		<b>\$ 102.33</b>	<b>\$ 102.33</b>

**Total Due to CRA: \$ 779,501.14 \$ 504,717.22**

Source: City of Port St. Lucie Finance Department

**Table 6: Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Community Redevelopment Fund  
Year Ended September 30, 2014**

	Original Budget Amount	Final Budget Amount	Actual Amount	Budget PY Encumbrance	Budget CY Encumbrance	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>Revenues</b>							
Intergovernmental (SLC Ad Valorem Revenue)	\$ 764,992	\$ 765,095	\$ 779,501	\$ -	\$ -	\$ 779,501	\$ 14,406
Interest Income on Investments	11,612	11,612	2,816	-	-	2,816	(8,796)
Other	<u>18,388</u>	<u>20,060</u>	<u>20,060</u>	<u>-</u>	<u>-</u>	<u>20,060</u>	<u>-</u>
<b>Total Revenue</b>	<u>794,992</u>	<u>796,767</u>	<u>802,377</u>	<u>-</u>	<u>-</u>	<u>802,377</u>	<u>5,610</u>
<b>Expenditures</b>							
Operating Expenses	300,601	372,517	304,409			304,409	\$ 68,108
Debt Service:							
Principal		2,030,000	2,030,000	-	-	2,030,000	-
Interest	<u>4,325,663</u>	<u>2,295,663</u>	<u>2,295,663</u>	<u>-</u>	<u>-</u>	<u>2,295,663</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<u>4,626,264</u>	<u>4,698,180</u>	<u>4,630,072</u>	<u>-</u>	<u>-</u>	<u>4,630,072</u>	<u>68,108</u>
<b>Excess of Revenues over (under) expenditures</b>	(3,831,272)	(3,901,413)	(3,827,695)	-	-	(3,827,695)	73,718
<b>Other Financing Sources (Uses)</b>							
Transfers In (City of PSL Ad Valorem Revenue)	495,098	505,513	504,717		-	504,717	(796)
Proceeds from Sale of Assets	<u>2,711,570</u>	<u>2,711,570</u>	<u>2,711,570</u>	<u>-</u>	<u>-</u>	<u>2,711,570</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>3,206,668</u>	<u>3,217,083</u>	<u>3,216,287</u>	<u>-</u>	<u>-</u>	<u>3,216,287</u>	<u>(796)</u>
<b>Net Change in Fund Balance</b>	(624,604)	(684,330)	(611,408)			(611,408)	72,922
<b>Fund Balance - beginning</b>			777,215	-	-	777,215	777,215
<b>Fund Balance - ending</b>	<u>\$ (624,604)</u>	<u>(684,330)</u>	<u>\$ 165,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,807</u>	<u>\$ 850,137</u>

Source: FY 2014 CAFR



**Table 7: Community Redevelopment Fund  
Balance Sheet September 30, 2014**

**Assets**

Equity in Pooled Cash and Investments	\$	165,191
Receivables		-
Assessments Receivable		-
Due from Other Funds		-
Due From Other Government Units		-
Prepaid Items		904
Deposits		-
Inventories		-
Restricted Equity in Pooled Cash and Investments		-
<b>Total Assets</b>	<b>\$</b>	<b>166,095</b>

**Liabilities, Deferred Inflows, and Fund Balances**

Liabilities:

Accounts Payable and Accrued Liabilities	\$	288
Accrued Salaries and Wages		-
Due to Other Funds		-
Unearned Revenue		-
Deposits Payable		-
Retainage Payable		-
<b>Total Liabilities</b>	<b>\$</b>	<b>288</b>

Deferred Inflows:

Unavailable Revenue		-
<b>Total deferred inflows</b>		<b>-</b>

Fund Balance:

Non-spendable		904
Restricted		164,903
Committed		-
Assigned		-
Unassigned		-
<b>Total Fund Balances</b>		<b>165,807</b>

<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>166,095</b>
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Source: FY 2014 CAFR

**Table 8: Community Redevelopment Trust Fund Transactions  
Year Ended September 30, 2014**

**Source of Deposits**

City of Port St. Lucie (Ad Valorem)	\$	504,717
St. Lucie County (Ad Valorem)	\$	779,501
Sale of Capital Assets	\$	2,711,570
City of Port St. Lucie Utility Systems Department	\$	20,060
Interest Earnings	\$	2,816
Total Deposits	\$	<u>4,018,664</u>

**Purpose of Withdrawals**

Debt Service Principal - Series 2004 Bonds	\$	630,000
Interest - Series 2004 Bonds	\$	312,288
Debt Service Principal - Series 2006 Bonds	\$	1,400,000
Interest - Series 2006 Bonds		1,983,375.00
Special Assessment District Payment	\$	278,293
Stormwater Utility Payment	\$	8,412
CRA Operating Expenses	\$	17,704
Total Withdrawals	\$	<u>4,630,072</u>

Source: FY 2014 CAFR

**Table 9: Community Redevelopment Tax Increment Bonds  
Principal and Interest on**

<b>Indebtedness</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Series 2004 Bonds	\$ 7,000,000	\$ 1,416,250	\$ 8,416,250
Series 2006 Bonds	<u>\$ 41,300,000</u>	<u>\$ 14,481,775</u>	<u>\$ 55,781,775</u>
Total	<u>\$ 48,300,000</u>	<u>\$ 15,898,025</u>	<u>\$ 64,198,025</u>

Source: FY 2014 CAFR