CRA022312

CITY OF PORT ST. LUCIE
COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES
FEBRUARY 23, 2012

A Regular Meeting of THE COMMUNITY REDEVELOPMENT AGENCY (CRA) of the City of Port St. Lucie was called to order by Chairman Faiella on February 23, 2012, at 1:30 p.m., at Port St. Lucie City Hall, 121 SW Port St. Lucie Boulevard, Port St. Lucie, Florida.

1. **MEETING CALLED TO ORDER**

2. **ROLL CALL**

Members Present: Chairman JoAnn M. Faiella
Vice Chairman Linda Bartz
Michelle Lee Berger
Jack Kelly
Shannon M. Martin

Others Present: Jerry A. Bentrott, Executive Director
Gregory J. Oravec, Assistant City Manager/ CRA Director
Pam E. Booker, Senior Assistant City Attorney
Marcia Dedert, Finance Director/Treasurer
Joel Dramis, Building Official
Edwin M. Fry, Jr., Assistant Finance Director
Jesus Merejo, Utilities Director
Renee Major, Risk Management Director
Roger G. Orr, City Attorney
Karen A. Phillips, City Clerk
Patricia Roebling, City Engineer
Tricia Swift-Pollard, Director of Community Services
April C. Stoncius, Deputy City Clerk

3. **ADDITIONS OR DELETIONS TO THE AGENDA AND APPROVAL OF AGENDA**

Mr. Kelly **moved** to approve the Agenda. Ms. Martin **seconded** the motion. The City Clerk restated the motion as follows: for approval of the Agenda. The **motion passed unanimously** by roll call vote.

4. **APPROVAL OF CONSENT AGENDA**

a) **APPROVAL OF MINUTES** - January 23, 2012

Ms. Berger **moved** to approve the Consent Agenda. Vice Chair Bartz **seconded** the motion. The City Clerk restated the motion as follows: for approval of the Consent Agenda. The **motion passed unanimously** by roll call vote.

5. **PUBLIC HEARING CONCERNING THE PROPOSED AMENDMENT TO THE COMMUNITY REDEVELOPMENT PLAN FOR SOUTHERN GROVE**

The Assistant City Manager said, "The area that we refer to as Southern Grove is identified on the map as south of Tradition Parkway, west of I-95, east of Community Boulevard, and goes down to the St. Lucie/Martin County line. Whether you are in favor of western development or not, when the big decision was made about the Western Annexation area, that question was answered, as development was going to come to Port St. Lucie. It is very appropriate that this CRA Board meeting is occurring at the City Retreat where the City Council discusses big picture issues, because Southern Grove was a big deal when it came in and will continue to be a big deal, even with the market changing. It will either be an engine that powers the City in the future, or will be the anchor that drags it down. It is important for the City to create jobs to bring us out of what may have been a recession nationally. For us, it really amounted to a depression."

The Assistant City Manager continued, "At its meeting of August 15, 2011, this Board recommended approval subject to the City Council's determination that redevelopment was necessary. I am proposing a modification of the CRA plan to expand the CRA to include Southern Grove. At its meeting of August 29, 2011, the City Council, after holding a public hearing, adopted Resolution 11-R50, finding redevelopment of Southern Grove necessary pursuant to Florida Statutes. That prompted staff to begin preparation of the modification of an actual document. Following that meeting, the City Manager's office and the Planning and Zoning Department, who served as the planning team on this initiative, got together and the City hired J. Michael Haygood, who is a legal expert on CRA's in the state of Florida. We hired Municap, a financial consultant, to provide tax increment revenue projections. We conducted more than 50 stakeholder interviews with property owners, business owners, public officials, and citizens regarding their thoughts and visions for Southern Grove. We also held a planning workshop on December 14,

2011, at Tradition Town Hall. After going through that process, we reviewed all of the existing planning and policy documents, and studied the existing conditions. We considered the existing planning policies and conditions in concert with the opinions that we received. We went through the process of distilling a vision called the One Goal Objectives Policies in the document, which formed the proposed modification of the Community Redevelopment Plan, often referred to as, 'The Plan.' A draft plan was presented to you on January 23, 2012, for discussion and after minor edits, the second draft was sent to the Planning and Zoning Board. At its meeting of February 7, 2012, the Planning and Zoning Board found the proposed modification to be consistent with the City's Comprehensive Plan. That document is now before you for your formal recommendation. If the Board recommends approval, the plan will be formally transmitted to St. Lucie County and the City. Depending upon St. Lucie County's level of participation, the plan will likely be headed by the City Council at a public hearing sometime between April and June."

The Assistant City Manager stated, "The plan itself has not changed since the last time you saw it, except for edits. If the plan were adopted, it would complete the process of adding Southern Grove to the Community Redevelopment area. It specifies the City's vision and this Board's vision for Southern Grove. It sets forth programs to be utilized by the Agency to implement the plan. It contains tax increment revenue projections that fulfill all of the specific requirements of the Florida Statutes pertaining to modifications and community redevelopment plans. It is modeled after its original Master Plan and the CRA Expansion Plan that was adopted by the City. This is the mission or the guiding statement where everything has to flow through it. The proposed vision for the Southern Grove district of the City of Port St. Lucie Community Redevelopment area will be a regional employment center and retail destination providing the City with a diverse economic base form of innovation, and an intricate facet of its identity and fiscal stability. The area will be a well planned mixed used community that is aesthetically pleasing, interconnected, sensitive to the environment, and unique. It will enable the City to become a place where its citizens need not leave to fulfill all of life's necessities. It will be a place to live, learn, work, shop, socialize, and play."

The Assistant City Manager said, "The way that redevelopment works in the state of Florida is that whatever the agency does, it has to be consistent with the plan, and everything in the

plan has to be consistent with that vision. Because this is a unique community redevelopment area, it is really high focused. A lot of times in planning documents, you will see a million goals, but with this plan we really wanted to focus and concentrate on what the most important thing is. That is where One Goal comes in, which indicates that the Community Redevelopment Agency will promote and support the build out of Southern Grove pursuant to the approved Southern Grove DRI order, the City's Comprehensive Plan, and the Vision Statement. They also may be amended from time to time. There are a number of objectives and policies, but one that will attract the most attention is: To promote and support the vision build out of Southern Grove, the agency will work with other governmental entities, property owners, business owners, developers, real estate professionals, citizens, and interested parties to attract and recruit clean industries and approved development. It needs to make the promise of development and jobs in Southern Grove happen. It needs to diversify the tax base and create jobs that were promised. It needs to help the City realize that vision."

The Assistant City Manager continued, "There are a number of policies in the document itself. There is the Master Plan that is just about the exact same Master Plan that is in the Development Order for Southern Grove, with the exception of the proposed Tradition Trail project and the Park and Ride Lots. There are specific initiatives set forth in the CRA Plan. They include administration, incentives, and the Tradition Trail, which will continue the walking paths that have been established. They will be similar to the City's Wood Stork Trail and the recreational amenities that the City has put into the Eastern Watershed Improvement Project. It combines transportation by non-motorized travel for pedestrians, cyclists, and electric golf carts with retention areas, natural restoration, and water quality. It combines all of the projects to create synergy, and makes the overall project much better than any of the individual elements. One of the interesting things that came up as a part of our interview process was that a lot of people felt that no one has been marketing the property. It is a great property, and a place to make things happen, where there are a number of good things going on not only in Southern Grove, but in greater Tradition with Torrey Pines, VGTI, Tradition Hospital, and Digital Domain. There are good things going on, and we have to capitalize on that. One of the things that we need to do is to make sure that people know about it. Another thing that came up was safety, schools, and taxes, which are concerns when it comes to the recruitment of

jobs and industries. The people that are coming with their companies are interested in those things. The plan calls for the agency to collaborate with the City and other public entities to maintain and enhance those critical concepts. The plan does and must include tax increment revenue projections, and as we all know, these projections are subject to change. The projections are pretty good for the one to three year period, and can be good for the five year period, but after that we found increasing unreliable projections. It is a necessary planning activity, but they are not written in stone and will change every couple of years."

The Assistant City Manager stated, "Another element of the plan is the overall budget, which shows how that projected tax increment revenue will be utilized. It is something that is not written in stone, but it must be provided in important planning activities. They are the key elements of the proposed Community Redevelopment Plan, and it is important to note that there is no new debt in this district. Unlike other districts on the eastern side of town where 95% of the increment flows to the City, only 50% of the increment in this district is being proposed to flow to the CRA, and 50% will remain with the City. It is actually a little bit different with the county, because they are not being charged their full millage rate. It doesn't end up being 50% for them, whereas in the eastern district, 95% of the county's incremental taxes flow to the agency for implementation of the plan. It would be limited to less than 50%, because their contribution is capped at the City's millage rate, as they have a lower millage rate. Pursuant to the Florida Statutes, an outside entity like the county can't pay more than the City pays to its CRA. Even though the City's millage warrants a higher payment, it is capped out at the City's lower millage rate. The money continues to flow to the county's General Fund and Fine and Forfeiture Fund for the new services that they will have to provide out there."

Mayor Faiella said, "Yesterday, the City Manager and I met with one of the Governor's cabinet members, who is also the CEO of Enterprise Florida, at Tradition. This was brought to the table, and they were ecstatic about what has been going on in Tradition. They think it is the 'It' place in Florida, so anything that we can do to help the economy is very well warranted."

Mayor Faiella opened the Public Hearing.

FRED COOK, resident, said, "I have been a resident for 26 years. I'm here today to represent the members of CZ Entertainment, Inc., a community enrichment company looking to enhance the economic and the social status of our local area by providing the Treasure Coast a multiplex sports and entertainment center. I have talked to a number of people in regards to this, including the City Council, the County Commissioners, and all the way up to the President of the United States, and everyone has given me a positive reaction to the program. The project will act as a catalyst for future development of the area. It will be a centerpiece of activity on and off an ice-based facility for all residents. We could use a facility of this nature to keep our residents from having to go 150 miles away to pay exuberant prices to another county. I am imploring you to investigate the possibility of putting something like this in our vicinity to attract more people. I also think there should be a creation of a consortium of businesses where they would enter into a partnership for the creation of the facility. Thank you for your attention. I hope I will hear a positive reaction so we can do something worthwile in our area."

There being no further comments, Mayor Faiella closed the Public Hearing. Ms. Berger **moved** to approve the Community Redevelopment Plan for Southern Grove. Vice Chair Bartz **seconded** the motion. The City Clerk restated the motion as follows: for approval of the Community Redevelopment Plan for Southern Grove. The **motion passed unanimously** by roll call vote

Mr. Kelly inquired, "Mr. Oravec, can you explain the CRA, because when I speak to people, they don't know what it is. I know it is funded by the TIF fund." The Assistant City Manager responded, "The Community Redevelopment Agency is a separate body from the City Council. It is legally distinct, as we have a CRA Board that implements a Master Plan. The CRA has a designated funding source of tax increment revenue. The value of the entire CRA is frozen when a CRA is established. Any increase in value and taxes that is paid on would flow to the Agency for implementation of the plan. In the eastern CRA, it is 95% of that incremental increase. If the value of my house is $100,000, and next year it is $150,000, the incremental increase would be $50,000. The City and county taxes generated on that would flow to the Agency to implement the Plan. The CRA does not set a millage rate and it does not control millage. It is just a calculation that is utilized to calculate its revenue. We use that revenue to implement the plan. We have a base year, and any incremental increase provides incremental tax revenue, which flows to the agency to implement the plan. You can have a

negative increment, unfortunately, as we found out in the expansion area. The value of the CRA expansion area is less today than it was when the redevelopment district was formed. Fortunately, the CRA doesn't have to pay out when it goes negative. Southern Grove's taxable value is very low, as it is in the neighborhood of $17 million. Mathematically, it is a good time to establish the CRA District, because we hope that it can only go up to create the increment to fund the plan by the things that the Agency is going to do. What I find appealing about CRA's is if the Agency does its job, it increases property values. If they go up, there is more money for the agency to do its job, so it is a positive cycle or feedback loop."

Mr. Kelly stated, "For example, if I have a vacant lot, which I paid $5,000 in taxes, and it is now in the CRA, and I build a $500,000 building on that lot, the difference between what I paid and what my taxes are now, which could be $50,000, a share of that goes to the City and the county, which goes into the Tax Increment Fund. You have to build, expand, or improve the lot to get the money. It will be generated by improvements, and that is the only way it gets generated." The Assistant City Manager pointed out, "You do not have to construct an improvement if the value of land goes up due to appreciation. It is much better when the whole portfolio of properties goes up. The existing eastern district has a $400 million portfolio. It is much better to get 3% on one project to get a lift or impact. It is also the amount of taxes calculated on the incremental increase, as it is your taxable value times the millage rate that equals the amount of taxes that you pay." Councilman Kelly explained, "The key word I'm trying to get across is improvement, because even if I buy a $5,000 lot and I don't do anything, but everybody around me improves the area, now my property is worth more and the difference in that money goes from $5,000 to $10,000, so my value was still improved by the CRA. We don't get anything unless there is an improvement in the tax base or in building something." The Assistant City Manager advised, "There has to be an incremental increase to generate tax increment revenue."

6. **ADJOURN**

There being no further business, the meeting adjourned at 2:00 p.m.

Karen A. Phillips

Karen A. Phillips, City Clerk

April C. Stoncius

April C. Stoncius, Deputy City Clerk