



Item: 11(a)  
Date: 6/25/12

# City of Port St. Lucie

## Memorandum

TO: MAYOR & CITY COUNCIL

FROM: GREGORY J. ORAVEC, CITY MANAGER *GO*

DATE: JUNE 25, 2012

SUBJECT: RESOLUTION 12-R65, PROPOSED AMENDMENT TO THE COMMUNITY REDEVELOPMENT PLAN TO EXPAND THE BOUNDARIES OF THE COMMUNITY REDEVELOPMENT AREA TO INCLUDE SOUTHERN GROVE

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For the past year, the City has been engaged in the process of amending the Community Redevelopment Plan to expand the boundaries of the Community Redevelopment Area to include Southern Grove. Milestones and significant actions to date include:

- On August 15, 2011, the CRA Board approved moving forward with the proposed amendment.
- On August 29, 2011, the City Council approved Resolution 11-R50, finding the redevelopment of Southern Grove necessary in the public interest.
- After the City Council meeting of August 29, 2011, City staff members began drafting the amendment to the Community Redevelopment Plan which included the following activities:
  - Hiring J. Michael Haygood, Esq., of Haygood & Harris, LLC, to provide a legal opinion relating to the legality of including Southern Grove as part of the Community Redevelopment Area.
  - Hiring Municap, Inc., to provide tax increment revenue projections.
  - Conducting more than 50 stakeholder interviews with property owners, business owners, public officials and citizens.
  - Holding a Southern Grove CRA Workshop for any concerned citizens at Tradition Town Hall on December 14, 2011.
- On January 23, 2012, the City staff members presented a draft of the proposed amendment to the CRA Board.
- On February 7, 2012, the Planning & Zoning Board found the proposed amendment to be consistent with the City's Comprehensive Plan.
- On February 23, 2012, after public hearing, the CRA Board recommended approval of the proposed amendment.
- The proposed amendment was transmitted to taxing authorities.

The City is now at the point at which it should approve the proposed amendment, approve it with modifications or terminate its effort.

The proposed amendment envisions Southern Grove as:

**...a regional employment center and retail destination providing the City with: a diverse economic base formed of innovation, an integral facet of its identity and fiscal stability. The area will be a well-planned mixed use community, 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, a place to live, learn, work, shop, socialize and play.**

The proposed amendment allows the CRA Board to utilize tax increment funding to provide incentives, construct public improvements and carry out other redevelopment activities, as further outlined in the document, in order to realize this vision.

As you consider the proposed amendment, it is important to note that:

- Southern Grove would become an additional district of the City's Community Redevelopment Area.
- No bonds or other indebtedness, other than internal borrowing, is allowed within Southern Grove District.
- The tax increment contribution within Southern Grove is limited to 50% of the incremental increase rather than 95%.

Over the last year, we have explored the potential benefits and impacts of including Southern Grove within the Community Redevelopment Area from many different angles. There are a number of important points to be made; and, for the public hearing, I would like to enter all of the minutes, memoranda and presentations that have been made on this topic, both at City Council meetings and CRA Board meetings, since August of 2011 into the record. However, for tonight's meeting, I offer the following argument. Economic development, or job creation, within Southern Grove is vitally important to the prosperity of our City. Our citizens have long recognized the importance of economic development in our community. In fact, voters here, as in many other places, have authorized the government to grant tax abatements for economic development purposes. As you know, with tax abatement, up to all of a property owner's property taxes are wiped out for a set period of time in return for the creation of a certain number of jobs and/or a certain level of investment in the community. If it is desirable to give a property owner a \$0 tax bill for economic development purposes, why would it be any less desirable to have the property owner continue to pay his/her tax bill but utilize 50% of the proceeds on public infrastructure or other projects for the same purposes?

Staff recommends approval of Resolution 12-R65.

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

Thank you.



MANN  
RESEARCH  
CENTER, L.L.C.

June 25, 2012

Mr. Gregory J. Oravec  
City Manager/CRA Director  
City of Port St. Lucie  
121 S.W. Port St. Lucie Blvd.  
Port St. Lucie, FL 34984-5099

10A  
COUNCIL ITEM 11A  
DATE 6/25/12

**Re: Amendment of the Community Redevelopment Plan to Include the Southern Grove area within Tradition**

Dear Mr. Oravec:

We respectfully request that the City consider our strong support for the amendment of the Community Redevelopment Plan and the designation of Southern Grove area within Tradition to become a part of the CRA district.

We are the property owner of a 22 acre site located in the Tradition Center for Innovation research park; a part of the Southern Grove section of the Tradition development. Our site is designed for 410,000 sf of medical office space, research and development and retail located adjacent to the Torrey Pines Institute for Molecular Studies, the Vaccine and Gene Therapy Institute and the Tradition Medical Center. Due to the drastic change in the national economy that occurred in 2008, we have seen employment opportunities and job growth stall. This in turn has created a development market for our industry in our location that is extremely difficult to be competitive.

The current SAD bond assessment on our property and all of Southern Grove creates a competitive disadvantage that is hindering development. Reallocating the means to pay for costs of the SAD improvements, businesses will become more interested in relocating and expanding. We believe this CRA designation will allow more businesses to develop and reduce the ever important bottom line.

This is all about job potential and being ready when the economy takes a positive turn. By doing nothing, you will get nothing. But by modifying the CRA plan, the City can only increase its competitiveness locally and nationally. We believe this is a way the City can once again put itself on the right path to increase the potential to have a vibrant employment center providing opportunities for all its residents.

If we can be of further assistance regarding this issue, please feel free to contact me. Thank you for your consideration.

Andy Favata  
Vice President