

CRA012312

CITY OF PORT ST. LUCIE
COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES
JANUARY 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 January 23, 2012, at 6:00 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 (Arrived 6:10 p.m.)
Shannon M. Martin

Others Present: Jerry A. Bentrutt, Executive Director
Gregory J. Oravec, Assistant City Manager/
CRA Director
Pam E. Booker, Senior Assistant City
Attorney
Anne Cox, Assistant Planning and Zoning
Director
Marcia Dedert, Finance Director/Treasurer
Daniel Holbrook, Planning and Zoning
Director
Roger G. Orr, City Attorney
Karen A. Phillips, City Clerk
Patricia Roebeling, City Engineer
Margie L. Wilson, Deputy City Clerk

3. PLEDGE OF ALLEGIANCE

Chair Faiella led the assembly in the Pledge of Allegiance.

4. ADDITIONS OR DELETIONS TO THE AGENDA AND APPROVAL OF AGENDA

Vice Chair Bartz moved to approve the Agenda. Ms. Berger seconded the motion. The City Clerk restated the motion as follows: for approval of the Agenda. The motion passed

unanimously by roll call vote. (Clerk's Note: Mr. Kelly was not present for the vote.)

5. APPROVAL OF CONSENT AGENDA

a) APPROVAL OF MINUTES - September 19, 2011

Ms. Martin 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. (Clerk's Note: Mr. Kelly was not present for the vote.)

6. DISCUSSION OF PROPOSED AMENDMENT TO THE COMMUNITY REDEVELOPMENT PLAN FOR SOUTHERN GROVE

Assistant City Manager Oravec stated, "Tonight's meeting has been scheduled so that you can have the opportunity to review and discuss the very first draft of the proposed amendment to the Community Redevelopment Plan for Southern Grove. At the end of today's meeting you will not give a vote of formal approval; you will just provide staff with guidance on the actual form of this document. I appreciate that we had the meeting at this table, because hopefully this meeting will serve as a document review session, where we can get into ideas. It's a large document. We can roll up our sleeves and workshop it, versus having a formal presentation from the lectern to the dais. I'm going to try to provide an overview in five to seven minutes to outline the big issues. Then I hope the rest of our time can be spent on hearing from you with your thoughts on where this document is and where you'd like it to go. If the document is deemed to be in good shape, or after your comments are incorporated, it will go to the Planning and Zoning Board for review for its conformance with the City's Comprehensive Plan. If it is deemed to be in conformance, which I expect it should be, because it also implements several provisions of the City's Comprehensive Plan, it will then come back to you for formal action, either approval, denial, or modification. At the point when it is approved it will be transmitted to the City Council and to St. Lucie County under Florida statutes, for formal review by those bodies. At the end of that process, if the City Council approves it, it will be in effect." Chair Faiella asked what the projected time frame is. Assistant City Manager Oravec replied, "The end of March, depending upon the type of participation by the county. The county has different options on how they can participate, as outlined by Florida statutes. That can take 30 days or up to 120 days. Depending on how involved

**COMMUNITY REDEVELOPMENT AGENCY
MEETING MINUTES**

JANUARY 23, 2012

they get and what actions they take, the timeline can be impacted but it can't be stopped."

Assistant City Manager Oravec said, "To refresh everyone's memory, the Southern Grove boundaries are roughly Tradition Parkway on the north, I-95 on the east, the county line on the south, and what will be Community Boulevard on the west. In August this board recommended approval of a change to the Community Redevelopment Plan that would expand the area to include Southern Grove. On August 29 the City Council adopted Resolution 11-R50, finding redevelopment of Southern Grove necessary pursuant to Florida statutes and prompting staff to undertake the process we're in now. Following the City Council meeting at the end of August, staff from the City Manager's office and the Planning and Zoning Department began the process of drafting the document before you. That planning team was me, Mr. Holbrook, and Ms. Cox. Right off the bat we hired an attorney. As part of the City Council's discussion of the item, they wanted to make sure everything was done properly. They wanted a second opinion, and they wanted a third party to look over everything and see if it was all by the book and allowable. We hired J. Michael Haygood, Esq., of Haygood & Harris to write a legal opinion relating to the legality of including Southern Grove as part of the Community Redevelopment Area. That is an appendix to the document in front of you. He found that everything was done pursuant to Florida statutes and that we should withstand challenge, if we were ever so challenged. As I set forth in my memo to Mr. Bentrutt that is included as part of that packet, it was actually bookended. Before we even started the process we had an opinion from Squire Sanders. We have certainly done due diligence. We also hired a financial consultant, Municap, Inc., to provide tax increment revenue projections. Those are included, as well. Then we got into the public input. We invited over 80 community leaders and people in the community to participate, and over 50 took us up on that offer and spent more than an hour with us. People opened their heart and soul to us and gave us the straight scoop on what they felt about Southern Grove and the City of Port St. Lucie. We really appreciate that input, time, and energy; it was key to producing a plan. After the one-on-one meetings we had a workshop for the general public, which was advertised. It was held at Tradition Town Hall on December 14 for anyone who was interested."

Assistant City Manager Oravec continued, "After we got through the public input part of the process, we reviewed existing planning and policy documents. That was ongoing the whole time.

We reviewed where we were and how we got there. Southern Grove didn't just appear on the map yesterday. It's really important to understand that it's what is called a DRI, a Development of Regional Impact. It has gone through an extensive and rigorous planning process pursuant to Florida statutes, because it's a DRI. Going into this it was our hope to not reinvent the wheel and re-do something that didn't need to be re-done. If there was good planning work that was done, we wanted to point to that, rather than recreate it. We studied those existing conditions and then we considered them hand in hand with the public opinion we received. We then tried to distill a vision, one goal, objectives, and policies to this document you have in front of you, which forms the Community Redevelopment Plan. Its purpose is to complete the process of adding Southern Grove to the Community Redevelopment Area. It specifies the City's vision for Southern Grove. It sets forth the programs to be utilized by the Agency to implement that plan. It contains tax increment revenue projections. It fulfills all the specific requirements of Florida statutes. Florida law requires the plan to do a number of things, and our plan does. It is actually part of the documents. It is modeled upon the existing Master Plan and the existing CRA Expansion Master Plan. As the board knows, we have amended the plan in the past to include the CRA expansion area, the Port St. Lucie Boulevard/Riverwalk district."

Assistant City Manager Oravec said, "Critical ideas went into the planning team's effort to draft this plan:

1. Southern Grove is not a typical CRA. It doesn't feature a built-out urban environment in decay requiring re-do's of everything. It doesn't need a new Comprehensive Plan or Zoning Code. Not all of the street grid is existing. Not all of the utilities are existing. There aren't parks with drug dealers on the corner. There aren't private buildings falling apart. It's not the stereotypical CRA. This is a proposed CRA because of economic factors. There is the impact of those economic factors on the approved entitlements and a huge infrastructure investment from the SW SAD and the City's exposure to that investment because of a guarantee and because of a lack of development.
2. Southern Grove is largely a clean slate. The buildings that are there are brand new. It has a good plan. It does not require extensive planning; it requires extensive investment, development, and construction.
3. The CRA is the most promising tool at the City's disposal to realize the desired development and job creation in Southern Grove. We believe that because the CRA provides

the Agency with a dedicated funding source and the authority to implement incentive programs, public improvements, and other projects which affect the community's vision for the area. As a result, the Agency can work to attack barriers to development, like the high costs of carry stemming from the SW SAD special assessments and the regional tax climate, or to provide public amenities that provide added value. That's a theme we will hit on again. The purpose of the Agency is to bring financial resources to bear to implement the plan. If the board or the City Council is not comfortable with the idea of spending public funds to create jobs through incentives or public amenities. . . . That's what a CRA does. It brings resources to bear to implement the vision. The vision here is all about creating jobs and economic development in Southern Grove. So if you're not comfortable in bringing those resources to bear, and I'm not talking about the structure, then the CRA is not the right tool. That's really what it's all about.

4. I've been here a while, and I love the City. We always talk about the GDC legacy and how they put us behind the eight ball. Southern Grove provides the City with an opportunity to overcome GDC's legacy. GDC can be blamed for a lot of the problems in the original City. If the City fails to seize the opportunity in Southern Grove, GDC will not be to blame.
5. As a result of these critical ideas, the vision, goals, objectives, and policies for Southern Grove aren't like your typical planning document. They are extremely focused."

Assistant City Manager Oravec said, "The planning team came up with the vision as follows: The Southern Grove District of the City of Port St. Lucie Community Development Area will be 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 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: a place to live, learn, work, shop, socialize, and play."

Assistant City Manager Oravec said, "That's the vision we offer to you. . . Certainly we are willing to tear that up and hit whatever you think." Ms. Berger said, "I'm ready to vote now. I love the mission statement; it's all encompassing. I love the

fact that the group took it upon themselves to meet with individuals. Inviting 80 and seeing over 50 is quite a feat in itself. This vision has been a long time coming. Thank you. I'm ready to go." Ms. Martin said, "I would like to thank all three of you. I know how much time you put into this. I agree with Ms. Berger. I applaud the vision you came up with. It's all encompassing. You took to heart what all the stakeholders said. One of my main concerns was to make sure the taxpayers weren't on the hook for any more dollars, since we have already backstopped this. I think you did a wonderful job of making sure of that. The Council's vision for that is incorporated. I spoke to Greg today about my concerns with some of the incentives. But I realize that for the long haul those things have to come into play. We can get more specific as we go down the road and businesses and opportunities come to us. I thank you. This is an amazing work product."

Assistant City Manager Oravec said, "On the vision, a lot of plans sometimes have hundreds of goals. This is one goal. The one goal of this Agency with regard to Southern Grove is to promote and support the build-out of Southern Grove pursuant to the approved Southern Grove DRI Development Order, the City's Comprehensive Plan, and the Vision Statement as they may be amended from time to time. It's all that non-residential square footage that the City has never had. That's where the jobs and a diversified tax base live. It's all about getting to that. We had stakeholder interviews with a broad spectrum of community leaders, from different organizations, and from different governmental entities. I remember one person asking what we are going to get from the developer to do the development. What we would get is 20,000 to 30,000 jobs. It's already entitled. What we need now is the non-residential square footage. We don't need thousands of residential units or homes. We need thousands of jobs. To support that one goal we have objectives and policies. The first objective is to promote and support the envisioned build-out by working with all of the stakeholders and interested parties to attract and recruit clean industries and approved development. Then you get into the policies and how we're going to do that, and that's when you get into the programs of the Agency. Look at Page 20 under Policies. To attract and recruit clean industries and approved development, the Agency will consider the following:

- The authorization of incentive programs.
- Partnering with organizations to market the District. That was another huge theme in the interviews. Where is the marketing for this? It's fallen off the face of the earth

for the last couple of years.' That's part of the reason we don't see more out there. We need incentive programs and marketing.

- The construction of public amenities, facilities, parks, and/or public infrastructure projects. The big example there is Tradition Trail, which provides an amenity that maybe the developer wouldn't normally do on their own, but that creates something special about the place.
- The creation of incubator buildings and/or programs.
- The authorization of community policing innovations to enhance public safety.
- Partnering with the School Board to market the school system and to help make sure our schools are the best they can be.
- Partnering with the City on a collaboration with all taxing districts to review the local tax environment.
- Working with IRSC and other institutions for higher learning to make sure that our system continues to evolve. It has done an excellent job, but we want to make sure it continues to meet the needs of a changing and growing community."

Assistant City Manager Oravec continued, "The Agency that brings those resources to bear to provide incentives. . . . The big one that has been floated is some kind of offset for the SW SAD. That's what the property owner has come to the City with. But there are other things that can be done. This plan tries to enable all of those tools so that the Agency has the flexibility to meet needs over time. What we think we know today. . . . We may find out tomorrow that we didn't know as much as we thought."

Chair Fajella said, "We all read the packet. I met with Greg and staff if I had any questions. This is well thought out. You spent a lot of time with staff. I commend staff. Do we have enough to go forward? Do we want to make a decision now, or do we want to hear the whole presentation?" Ms. Berger replied, "We have had an opportunity individually, and I think that this is to vet this in front of the public and give everybody the opportunity to see that this is well thought out. I think back to when the Inland Port representatives came before us and drew up a vision which did nothing but give us pretty pictures. When I see this, it is the antithesis of that. The only thing left to do is to make sure the public see it. I'm comfortable moving forward. From here on out, it's about making ourselves available to questions and making the process as transparent as possible."

COMMUNITY REDEVELOPMENT AGENCY
MEETING MINUTES

JANUARY 23, 2012

Assistant City Manager Oravec advised, "All the documents are on line. As soon as we issue Draft 2, we will make sure it is on the website. It is a very large document. I know we have at least one interested party who wasn't able to download it; he came in to get a hard copy. At home it took me about six or seven minutes to download it. I hope the public keeps that in mind." Chair Faiella noted that all of her questions have been answered.

Assistant City Manager Oravec noted, "The board and the Council specifically asked about tax increment revenue projections. They are in the document. They're not very valuable over time, other than to conceptualize the order of magnitude of money that would be available to implement programs. Based on Municap's conservative projections, it's on the order of \$80 million in revenue over the 30 year time frame of the Agency. There are conservative biases built into that. It doesn't include inflation. They are all predictions. But in fairness, the original concern was the estimates provided by a representative of the owner/developer. They originally thought it might create \$4 billion worth of value. The conservative estimate by Municap is \$1.6 billion. There is a significant difference there. Look to real world examples. St. Lucie West is still developing over 28 years. It has gone through a number of booms and busts. Southern Grove is a 30-year plus development."

The City Manager said, "I want to thank the team for all the work they did, especially Greg. He worked many nights and weekends to put this together. Had the City hired a consultant to produce this report, I believe we'd be on the north side of a \$100,000 contract. Other than a couple of consultants for legal opinions and financial work, this has been done in house while the staff has had other jobs to do, as well. I want to thank them. Greg is the author of this. He has put I don't know how many hours into this and has done a great job." Assistant City Manager Oravec said, "Thank you very much, sir, but thank you to Daniel and Anne and everyone who participated, including everyone at this table and people in the community. A lot of times people took three hours for this. The plan is only as good as the input. Thank you." Vice Chair Bartz said, "I want to thank you for all of your work and for the collaboration with the stakeholders and the sensitivity that it required. A lot of people had different visions; to intertwine all of those is quite a job. You have all done an excellent job. You've been available to everybody who had questions."

COMMUNITY REDEVELOPMENT AGENCY
MEETING MINUTES

JANUARY 23, 2012

Ms. Berger asked, "Have you communicated with the League of Cities or other agencies that may want to duplicate this type of project? Maybe you could collaborate with an agency that has something to offer." Assistant City Manager Oravec answered, "On the front side we reached out to the Florida Redevelopment Association, just to discuss some of the concepts, because this isn't a stereotypical CRA. We haven't had the perspective yet because we're in the process. It could still not get approved or hit roadblocks. As far as our process, this follows the community design methodology and borrowed elements of charrettes. Those are all tools that all communities utilize. This is the public planning process in action. If we are able to do what we plan, it will be better than 95% of all planning activities. That's a personal estimate."

Mr. Holbrook said, "The only thing I would add is that we're in the middle of it. At some point we will talk about our perspective of going through the interview and drafting processes, and engaging with the public. We are dealing with new times and technology. If anyone has any ideas that they haven't shared at this point, there is still an opportunity. In February the Planning and Zoning Board will review this as well." Assistant City Manager Oravec added, "It will come back to the Board for formal approval. I'll work with the Chair to schedule that as a public hearing item, so anyone can speak on it. It will be transmitted to the taxing authorities and ultimately it will be the decision of the Council after a public hearing. The important thing is that your staff did a good-faith planning effort on this. The Board and the Council can do with it what they see fit. You have good information in front of you to make the decision."

Mr. Kelly said, "You did a great job. I got this at 4:30 on Friday, and I had obligations all weekend. I have a lot of questions. This was supposed to be a discussion. I am certainly not ready to vote on this. I'm 99% sure I will support everything, but I want to go over some projections. Over the next five years I don't see any money coming in at all. It makes it moot to me, because if they do their obligations and pay all of their taxes, I don't see any future City Council not keeping the CRA. But if they don't live up to our expectations, we can always just stop it. I don't see any projected money in the next five years. Over 30 years, I agree. Municap went over Fishkind's projected developments, and I guess that's how they came up with different figures." Assistant City Manager Oravec explained, "Municap ran two projections. One was based on the developer-provided phasing and total entitlements. That's the one that was

COMMUNITY REDEVELOPMENT AGENCY
MEETING MINUTES

JANUARY 23, 2012

not included in the actual body of the document. I chose to select the more conservative model, which added seven to nine years to each phase and pushed it further out into time. It still used the same total square footage; it just took longer to get there, showing slower absorption than is hoped by the developer. There is no vote at this meeting. If you provide us with any comments, I will incorporate those into the document and change it before it goes to the Planning and Zoning Board. That is not outlined by Florida statutes. It was just a conservative approach. I didn't want to send a document to the Planning and Zoning Board twice. If you made major changes, why have the Planning and Zoning Board review it twice? They will review this for conformance with the Comprehensive Plan. Then it will come back to this body for a formal vote."

Ms. Martin commented, "I believe the whole point of going to Municap was because from the onset we believed that some of the numbers provided may have been a little high. Projections are projections, regardless." Assistant City Manager Oravec noted, "If a mall happens in two years, we will have real money in the first five years. It was our desire to go to an external, independent party to get their professional viewpoint. As far as dollars in the first five years, that is often the case with a CRA. Some have been around for decades and haven't had incremental dollars. It's not necessary to have that to structure an incentive program. You can do that for the SW SAD by stating that for any development that comes in that is a target industry, you will receive 50% of the incremental taxes that are applied to your special assessments. That doesn't take any money out of pocket. It's future money. But it allows the marketing effort by the owner/developer and the Agency to go to a mall developer and ask if that would help with their bottom line. Would that make them forget that the special assessments are standing in their way? It's not a cash-in-hand problem for a program like that. Other programs do require cash. It takes money to buy concrete and build roads, but it doesn't take it to set up special assessment programs." Ms. Berger said, "I understand Mr. Kelly's concern about no money over a course of years. But this is something shiny that we can use to attract the new investors. We can ask them to look again and say that this is a government that is willing to work with them. We are progressive in trying to bring in the new development that needs to happen in order for us to offer those jobs. Without having the courage to say we need to do something different to make it happen, we will always just be a very small and undeveloped suburb of West Palm. We need to offer our residents something more. This allows us to get the right players back in this

**COMMUNITY REDEVELOPMENT AGENCY
MEETING MINUTES**

JANUARY 23, 2012

market." Chair Faiella added, "It will also help the current players, which is the hotel that is in dire need now." Assistant City Manager Oravec remarked, "If we ever want a mall or retail amenities there, we need development. It's entitled and there is infrastructure in the ground. That's the difference." Mr. Kelly said, "I'm not being critical. My point is that future Councils will have a hammer. I want to make sure they pay and do what they're supposed to. If they say they're going to build a hotel next year, it will take two to three years to build. Then after they get a CO, it's another year before you get money. It's a good thing. If that's the tool that has to be used, so be it. I'm not being critical. I agree with everything that has been said."

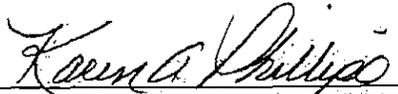
Assistant City Manager Oravec advised, "You do not have to vote. If you would please provide me with any comments you have as individuals, I will take them. If you have policy issues now is the time to address them in the sunshine." Mr. Kelly asked if the legal opinion correlated with the City's. Ms. Booker replied in the affirmative.

7. OTHER ISSUES BY BOARD MEMBERS

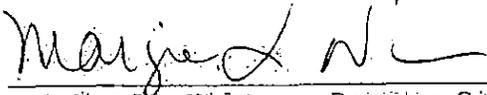
There was nothing discussed under Item 7.

8. ADJOURN

There being no further business, the meeting adjourned at 7:40 p.m.



Karen A. Phillips, City Clerk



Margie L. Wilson, Deputy City Clerk