



# **CCMP - Port St. Lucie, Florida**

**\*ALTERNATE SCENARIO\***

## **Economic Impact and Tax Increment Estimates & Disposition Scenarios**

November 2023

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## Development Program - Image

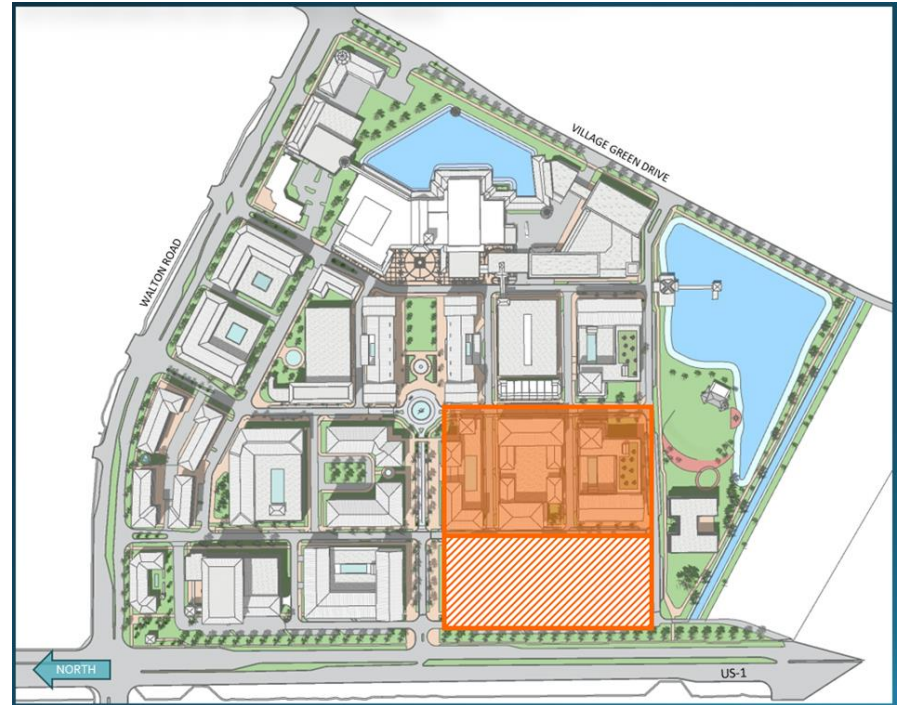
### Primary Concept Plan

#### City Center Master Plan Concept

*As presented to City Council, July 2023*



### Alternate Scenario Concept Plan





## Development Program Analyzed (Alternate Scenario)

	Phase 1	Phase 2	Phase 3	Phase 4	Total	Land Valuation
Development Summary	2024	2028	2032	2037	MAX	(1)
Residential - Apts (units)	247	411	411	412	1,481	3.00%
Retail Space (sqft)	16,458	20,573	20,573	24,686	82,290	15.00%
	4,115	28,802	8,229	37,030	78,176	10.00%
Hotel Rooms (units)	0	0	103	103	206	15.00%
Public Space/Amphitheatre (acres)					5.0	

(1) the data on land valuations is used for illustrative purposes only and do not reflect the actual valuation of land to be used for construction.

The actual valuation of land will be subject to an appraisal and market conditions at the time of disposition

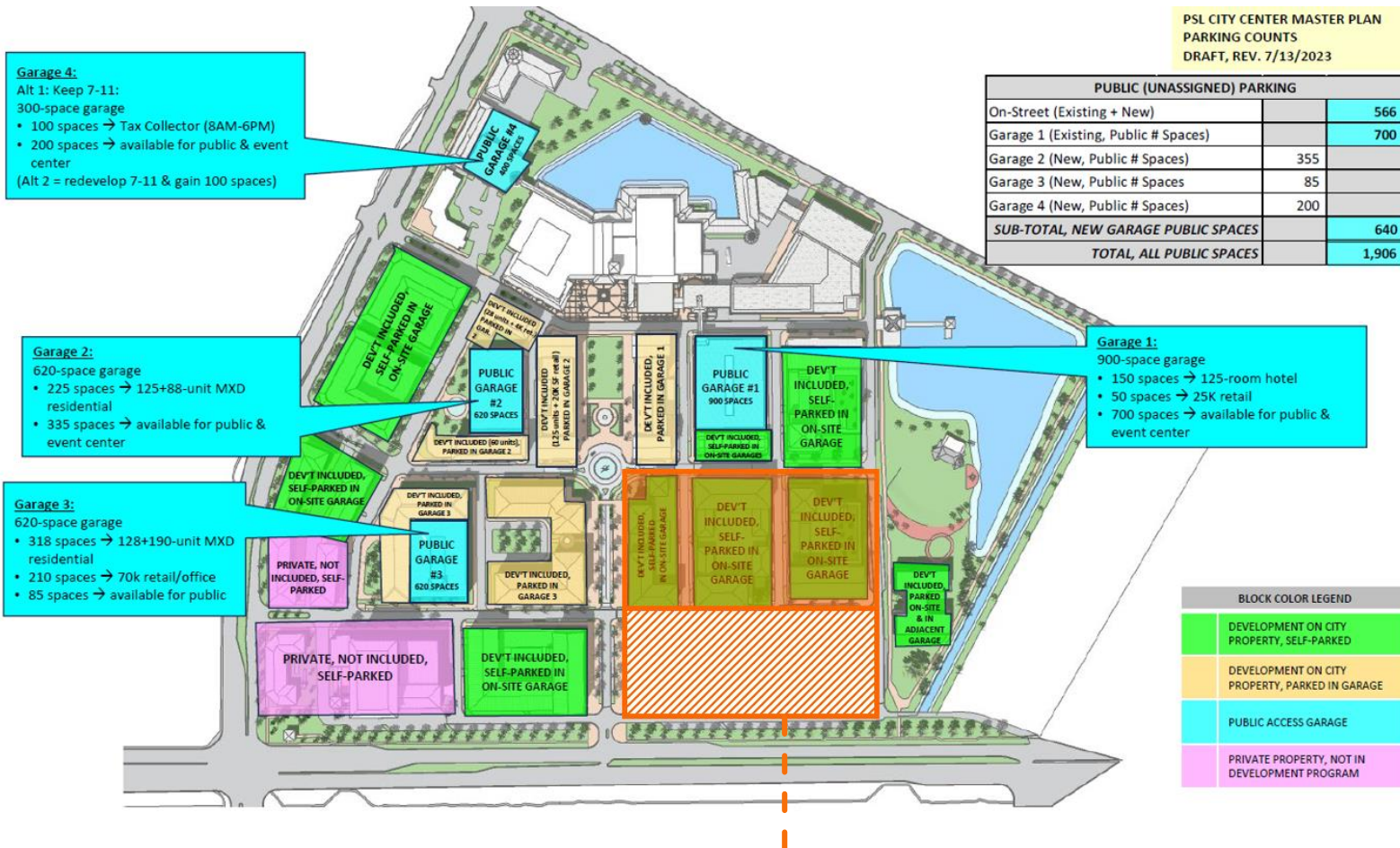
(2) assumes 5,000 sqft allocated to police substation and public city annex

(3) parking garage 1 - 900 spaces (existing - assumes 700 public), garage 2 - 620 spaces (335 public), garage 3 - 620 spaces (85 public)

- Note that the alternate scenario does not include any development volumes associated with the four parcels excluded from the analysis



## Development Program (Alternate Scenario) with Parking Garage Callouts



Anticipate a majority of the project to be self parked with supplemental parking provided throughout the remainder of the site.



## **Estimated Additional Costs\***

### **Infrastructure**

- Plaza - \$500,000
- Roundabout - \$500,000 to \$1 million
- Village Square Drive “Flexible Street” - \$1 million to \$4 million

### **Amphitheatre**

- \$4 million to \$8 million

\*Notes:

- Assumes developer financing for rebuild of Village Square Drive
- Excludes costs for Event Center Expansion and/or Recreation Center



## Summary of Economic Impact of CCMP (Construction)

### Primary

Impact	Employment	Labor Income	Value Added	Output
1 – Direct	3,335	\$153,898,669	\$196,837,978	\$379,878,660
2 – Indirect	734	\$27,551,196	\$48,123,015	\$110,477,904
<u>3 – Induced</u>	<u>576</u>	<u>\$22,956,891</u>	<u>\$48,333,341</u>	<u>\$88,632,361</u>
Total	4,645	\$204,406,757	\$293,294,335	\$578,988,925

Source: PFM Group Consulting LLC

### Alternate Scenario

Impact	Employment	Labor Income	Value Added	Output
1 – Direct	2,744	\$126,651,887	\$161,986,475	\$312,613,488
2 – Indirect	604	\$22,671,443	\$35,599,867	\$90,912,337
<u>3 – Induced</u>	<u>475</u>	<u>\$18,892,274</u>	<u>\$39,775,712</u>	<u>\$72,939,615</u>
Total	3,823	\$168,215,603	\$241,362,055	\$476,465,439

Source: PFM Group Consulting LLC, Note that the alternate scenario does not include any revenues associated with the four parcels excluded from the analysis





## Summary of Economic Impact of CCMP (Ongoing)

### Primary

Impact	Employment	Labor Income	Value Added	Output
1 – Direct	882	\$22,001,924	\$48,629,426	\$127,068,670
2 – Indirect	474	\$17,571,436	\$31,449,990	\$75,290,462
<u>3 – Induced</u>	<u>401</u>	<u>\$16,184,590</u>	<u>\$33,323,686</u>	<u>\$60,982,881</u>
Total	1,757	\$55,757,950	\$113,403,103	\$263,342,014

Source: PFM Group Consulting LLC

### Alternate Scenario

Impact	Employment	Labor Income	Value Added	Output
1 – Direct	725	\$18,062,695	\$39,952,293	\$104,458,503
2 – Indirect	390	\$14,450,034	\$25,865,564	\$61,921,751
<u>3 – Induced</u>	<u>330</u>	<u>\$13,310,528</u>	<u>\$27,405,822</u>	<u>\$50,153,047</u>
Total	1,444	\$45,823,257	\$93,223,769	\$216,533,301

Source: PFM Group Consulting LLC, Note that the alternate scenario does not include any revenues associated with the four parcels excluded from the analysis



## **Summary of Economic Impacts (Continued)**

### **◆ Direct Effects**

- Direct effects are the set of expenditures applied to the multipliers for an impact analysis

### **◆ Indirect Effects**

- Indirect effects are the business-to-business purchases in the supply chain taking place in the specified geography (typically at the County level)
- As the industry specified spends their money in the region with their suppliers, this spending is shown as the indirect effect

### **◆ Induced Effects**

- Induced effects are the values stemming from household spending of labor income (after removal of taxes, savings and commuter income)
- The induced effects are generated by the spending of the employees within the business' supply chain





## Summary of CCMP TIF Increment (Primary)

<u>CCMP Estimated Assessed Value</u>	<u>2022</u>	<u>2023</u>	<u>2026</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>2045</u>	<u>2050</u>	<u>2053</u>	
Residential - Apts (units)	\$0	\$0	\$52,222,616	\$150,739,839	\$270,447,063	\$413,439,800	\$456,470,946	\$503,980,809	\$534,828,466	
Retail Space (sqft)	\$0	\$0	\$3,889,508	\$9,472,790	\$16,269,128	\$25,660,617	\$28,331,395	\$31,280,149	\$33,194,744	
Office Space (sqft)**	\$0	\$0	\$989,418	\$8,567,827	\$11,824,466	\$24,804,815	\$27,386,520	\$30,236,931	\$32,087,674	
Hotel Rooms	\$0	\$0	\$0	\$18,804,011	\$41,522,296	\$45,843,970	\$50,615,447	\$55,883,544	\$59,304,064	
Total	\$0	\$0	\$57,101,543	\$187,584,466	\$340,062,954	\$509,749,202	\$562,804,309	\$621,381,433	\$659,414,948	
<u>CRA Value</u>	<u>2000 Orig Base Value</u>	<u>2022 CRA Value</u>	<u>2023</u>	<u>2026</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>2045</u>	<u>2050</u>	<u>2053</u>
Existing CRA + CCMP	\$231,826,024	\$525,539,840	\$525,539,840	\$582,641,383	\$713,124,306	\$865,602,794	\$1,035,289,042	\$1,088,344,149	\$1,146,921,273	\$1,184,954,788
Total			\$525,539,840	\$582,641,383	\$713,124,306	\$865,602,794	\$1,035,289,042	\$1,088,344,149	\$1,146,921,273	\$1,184,954,788
<u>Estimated Incremental Assessed Value</u>	<u>2022</u>	<u>2023</u>	<u>2026</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>2045</u>	<u>2050</u>	<u>2053</u>	
CCMP Increment Only		\$0	\$57,101,543	\$187,584,466	\$340,062,954	\$509,749,202	\$562,804,309	\$621,381,433	\$659,414,948	
Total		\$0	\$57,101,543	\$187,584,466	\$340,062,954	\$509,749,202	\$562,804,309	\$621,381,433	\$659,414,948	
<u>Estimated Tax Increment (95%)</u>	<u>Millage</u>	<u>2022</u>	<u>2023</u>	<u>2026</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>2045</u>	<u>2050</u>	<u>2053</u>
County General	4.2077		\$0	\$228,253	\$749,834	\$1,359,339	\$2,037,628	\$2,249,706	\$2,483,857	\$2,635,889
County Fines & Forefeiture	2.7294		\$0	\$148,060	\$486,393	\$881,759	\$1,321,744	\$1,459,312	\$1,611,199	\$1,709,817
Total			\$0	\$376,313	\$1,236,228	\$2,241,098	\$3,359,372	\$3,709,018	\$4,095,056	\$4,345,706
<b>Tax Increment Attributed to CCMP</b>				<b>2026</b>	<b>2030</b>	<b>2035</b>	<b>2040</b>	<b>2045</b>	<b>2050</b>	<b>2053</b>
				<b>\$376,313</b>	<b>\$1,236,228</b>	<b>\$2,241,098</b>	<b>\$3,359,372</b>	<b>\$3,709,018</b>	<b>\$4,095,056</b>	<b>\$4,345,706</b>

Source: PFM Group Consulting LLC

- TIF increment forecasted to be higher from the broader CCMP if including privately owned parcels adjacent to the CCMP (e.g., the adjacent medical office, etc)
- The CRA is currently in place through 2031 and can be extended 30 years
- Current TIF increment is committed to payoff of Events Center Bonds (current target repayment is 2025)



## Summary of CCMP TIF Increment (Alternate Scenario)

CCMP Estimated Assessed Value		2022	2023	2026	2030	2035	2040	2045	2050	2053	
Residential - Apts (units)		\$0	\$0	\$42,996,621	\$123,983,517	\$222,390,700	\$340,169,080	\$375,574,151	\$414,664,210	\$440,044,977	
Retail Space (sqft)		\$0	\$0	\$3,200,676	\$7,795,264	\$13,388,098	\$21,116,122	\$23,313,905	\$25,740,435	\$27,315,955	
Office Space (sqft)**		\$0	\$0	\$814,291	\$7,050,679	\$9,730,590	\$20,412,013	\$22,536,512	\$24,882,130	\$26,405,115	
Hotel Rooms		\$0	\$0	\$0	\$15,494,505	\$34,214,372	\$37,775,431	\$41,707,129	\$46,048,040	\$48,866,549	
Total		\$0	\$0	\$47,011,588	\$154,323,965	\$279,723,760	\$419,472,646	\$463,131,696	\$511,334,815	\$542,632,596	
CRA Value		2000 Orig Base Value	2022 CRA Value	2023	2026	2030	2035	2040	2045	2050	2053
Existing CRA + CCMP		\$231,826,024	\$525,539,840	\$525,539,840	\$572,551,428	\$679,863,805	\$805,263,600	\$945,012,486	\$988,671,536	\$1,036,874,655	\$1,068,172,436
Total				\$525,539,840	\$572,551,428	\$679,863,805	\$805,263,600	\$945,012,486	\$988,671,536	\$1,036,874,655	\$1,068,172,436
Estimated Incremental Assessed Value			2022	2023	2026	2030	2035	2040	2045	2050	2053
CCMP Increment Only				\$0	\$47,011,588	\$154,323,965	\$279,723,760	\$419,472,646	\$463,131,696	\$511,334,815	\$542,632,596
Total				\$0	\$47,011,588	\$154,323,965	\$279,723,760	\$419,472,646	\$463,131,696	\$511,334,815	\$542,632,596
Estimated Tax Increment (95%)		Millage	2022	2023	2026	2030	2035	2040	2045	2050	2053
County General		4.2077		\$0	\$187,920	\$616,882	\$1,118,144	\$1,676,764	\$1,851,283	\$2,043,966	\$2,169,073
County Fines & Forefeiture		2.7294		\$0	\$121,898	\$400,151	\$725,304	\$1,087,663	\$1,200,868	\$1,325,855	\$1,407,008
Total				\$0	\$309,818	\$1,017,033	\$1,843,448	\$2,764,428	\$3,052,151	\$3,369,822	\$3,576,082
Tax Increment Attributed to CCMP					2026	2030	2035	2040	2045	2050	2053
					\$309,818	\$1,017,033	\$1,843,448	\$2,764,428	\$3,052,151	\$3,369,822	\$3,576,082

Source: PFM Group Consulting LLC; Note that the alternate scenario does not include any revenues associated with the four parcels excluded from the analysis

- TIF increment forecasted to be higher from the broader CCMP if including privately owned parcels adjacent to the CCMP (e.g., the adjacent medical office, etc)
- The CRA is currently in place through 2031 and can be extended 30 years
- Current TIF increment is committed to paydown of Events Center Bonds (current target repayment is 2025)



## **Disposition Scenarios for CCMP Property**

### **◆ Scenario A – Sale**

- Sale of Property for Hotel, Residential, Retail, and Office Locations
- Retention of Property designated for municipal purposes

### **◆ Scenario B – Ground Lease**

- Ground Lease property for Hotel, Residential, Retail, and Office Locations
- Retention of property designated for municipal purposes

### **◆ Scenario C – Hybrid**

- Sale of Residential Property
- Ground Lease property for Hotel, Retail, and Office Locations
- City retains property to be used for municipal purposes



**Scenario C Results - Sale of Residential and Ground Leasing on Non-Residential (Hotel, Office and Retail)**

- Assumes a hypothetical sale of the parcels allocated for residential properties at \$20.1 million in the original scenario and \$16.3 million in the alternate scenario

	<u>PRIMARY</u>	<u>ALTERNATE</u>
• Year 1:	\$2.7 million	\$2.2 million
• Year 5:	\$5.1 million	\$4.2 million
• Year 9:	\$5.7 million	\$4.7 million
• Year 14:	\$6.6 million	\$5.4 million



## Summary of Findings (Primary)

	Scenario A:	Scenario B:	Scenario C:
	<u>Sale of Property</u>	<u>Ground Lease (All Parcels)</u>	<u>Hybrid (Ground Lease &amp; Sale) (1)</u>
Total Revenue	\$2,250,000	\$308,908,292	\$184,508,074
Total SAD PMTS \$ (2)	\$22,453,827	(\$22,453,827)	(\$22,453,827)
Net Revenues (Thru 2086)	\$24,703,827	\$286,454,465	\$162,054,247
Net Revenues (Thru 2054)	\$24,703,827	\$59,086,923	\$37,602,771
Breakeven from SAD	Year 1	Year 12	Year 8
NPV(3)	\$2,250,000	\$2,954,096	\$4,312,566
(1) hybrid scenario: ground lease of commercial parcels and sale of residential apartment parcels			
(2) including SAD payments not made as revenue given the removal of debt service exposure to the City			
(3) NPV of ground lease and hybrid scenarios assumes a 10% discount rate			

Source: PFM Group Consulting LLC



## Summary of Findings (Alternate Scenario)

	Scenario A:	Scenario B:	Scenario C:
	<u>Sale of Property</u>	<u>Ground Lease (All Parcels)</u>	<u>Hybrid (Ground Lease &amp; Sale) (1)</u>
Total Revenue	\$1,851,532	\$254,323,590	\$151,962,394
Total SAD PMTS \$ (2)	\$22,453,827	(\$22,453,827)	(\$22,453,827)
Net Revenues (Thru 2086)	\$24,305,359	\$231,869,763	\$129,508,567
Net Revenues (Thru 2054)	\$24,305,359	\$44,668,690	\$26,995,982
Breakeven from SAD	Year 1	Year 12	Year 12
NPV(3)	\$1,851,532	\$176,598	\$1,294,202

(1) hybrid scenario: ground lease of commercial parcels and sale of residential apartment parcels

(2) including SAD payments not made as revenue given the removal of debt service exposure to the City

(3) NPV of ground lease and hybrid scenarios assumes a 10% discount rate

Source: PFM Group Consulting LLC

- Note that the alternate scenario does not include any revenues associated with the four parcels excluded from the analysis



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