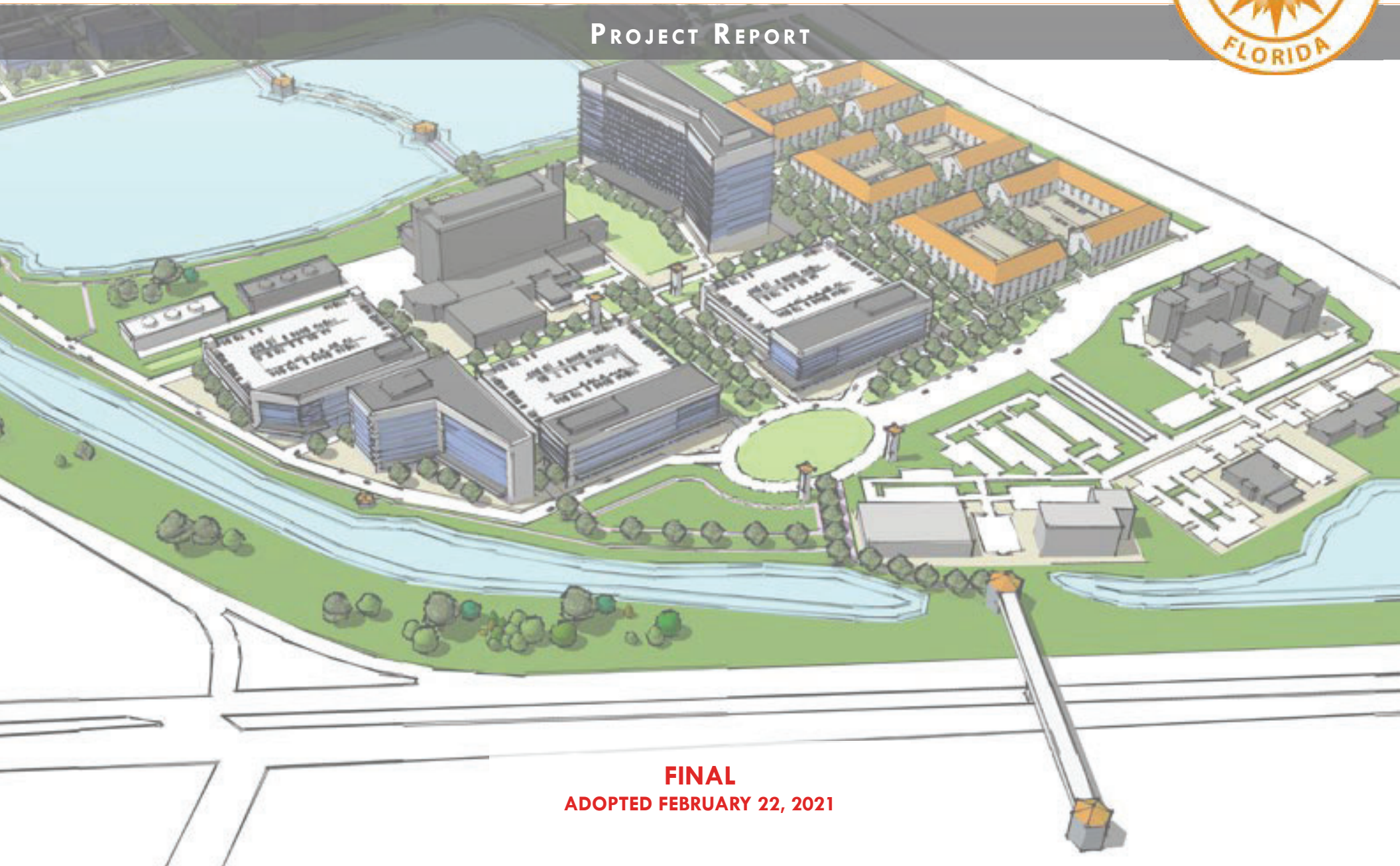


CITY OF PORT ST. LUCIE



SOUTHERN GROVE MASTER PLAN

PROJECT REPORT



FINAL
ADOPTED FEBRUARY 22, 2021

PREPARED FOR:



WWW.CITYOFPSL.COM

CITY COUNCIL MEMBERS

Gregory J. Oravec/ Mayor
Shannon M. Martin/ Vice Mayor, District 3
Stephanie Morgan/ District 1
David Pickett/ District 2
Jolien Caraballo/ District 4

PREPARED BY:



WWW.TCRPC.ORG

CITY STAFF

Russ Blackburn, City Manager
Anne Cox, AICP, Assistant Director, Planning and Zoning Department
Jennifer Davis, CRA Project Manager
Clyde Duffy, Permit Manager, Public Works Department
Elizabeth Hertz, Deputy City Attorney
Bridget Kean, AICP, Senior Planner, Planning and Zoning Department
Teresa Lamar-Sarno, AICP, Deputy City Manager
Wes McCurry, CRA Director
Jeffrey Snyder, Chief Financial Officer
Laney Southerly, P.E., Engineering Manager, Utilities Systems Department
Diana Spriggs, Regulatory Division Manager, Public Works
Elijah Wooten, Business Navigator

PROJECT TEAM

Treasure Coast Regional Planning Council

Thomas Lanahan, Executive Director
Lauren Moss Clark, Urban Designer
Kim Delaney, Director of Strategic Development and Policy
Stephanie Heidt, Intergovernmental/Brownfields Coordinator
Dana P. Little, Urban Design Director

WITH ASSISTANCE FROM:

CAPTEC Engineering, Inc.

JJV Studio Architects

Northstar Geomatics

REG Architects

Retail Development Strategies, Inc.

WTL+a



WTL +a

RDS

Retail & Development Strategies



JJV | STUDIO

TABLE OF CONTENTS

I. Executive Summary	4
II. Background and Market Conditions	20
III. Tour of the Plan.....	28
IV. Economic and Financial Analysis.....	60
V. Recommendations	79
Appendix A. Plans, Diagrams, and Maps	i
Appendix B. WTL+a Technical Memorandum #1 (Demographic and Market Analysis).....	xx
Appendix C. WTL+a Technical Memorandum #2 (Market Conditions and Development Potentials)	liv
Appendix D. WTL+a Technical Memorandum #3 (Financial Analysis Scorecard)	cliii
Appendix E. WTL+a Technical Memorandum #4 (Economic Impact Analysis)	cxci
Appendix F. WTL+a Technical Memorandum #5 (Case Studies of Comparable Communities)	ccxv
Appendix G. WTL+a Technical Memorandum #6 (Implementation Considerations)	ccxc
Appendix H. Southern Grove Infrastructure Cost Estimate	cccxxvi
Appendix I. Summary of Required DRI Infrastructure.....	cccxxix
Appendix J. Principles of Urban Design.....	cccxxxii

The Southern Grove Master Plan was adopted by Resolution 21-R18 on February 22, 2021.

ABBREVIATIONS & TERMS COMMONLY USED IN THIS REPORT

CDD	Community Development District, which is a special purpose unit of local government created under Florida law for the purposes of financing, constructing, operating, and maintaining community-wide infrastructure, improvements, and services for the benefit of properties within its boundaries.
CRA	Community Redevelopment Agency, www.cityofpsl.com/government/community-redevelopment
DRI	Development of Regional Impact, which is a large-scale development project as defined in Chapter 380, Florida Statutes.
FDOT	Florida Department of Transportation, www.fdot.gov
GFC	Governmental Finance Corporation, which is a subsidiary of the City of PSL, www.cityofpsl.com
SAD	Special Assessment District, which is a geographic district created for the purpose of repaying to a local government all or a portion of the cost of an improvement that specifically benefits the property within the district, such as infrastructure (e.g., roads, water, wastewater).
SFWMD	South Florida Water Management District, www.sfwmd.gov
TIF	Tax Increment Financing, which is a financing mechanism available to community redevelopment agencies as defined in Chapter 163, Florida Statutes.
TCRPC	Treasure Coast Regional Planning Council, www.tcrpc.org
USACE	United States Army Corps of Engineers, www.usace.army.mil

Public participation is solicited without regard to race, color, national origin, age, sex, religion, disability or family status. Persons who require special accommodations under the Americans with Disabilities Act or persons who require translation services, please call the City of Port St. Lucie Communications Department at (772) 871-5219 or send an email to humanresources@cityofpsl.com. Hearing impaired individuals are requested to telephone the Florida Relay System at #711.

I. EXECUTIVE SUMMARY

INTRODUCTION

In June 2018, the City of Port St. Lucie (City) acquired approximately 1,183 acres of property within the Southern Grove Development of Regional Impact (DRI). The property is being managed and developed through the City's Governmental Finance Corporation (GFC). This initial purchase was expanded by 37 acres to include right-of-way modifications and a pending additional parcel to be transferred to GFC, creating a roughly 1,220-acre "Southern Grove property" as the focus of this analysis. Along the property, the City inherited substantial infrastructure bond debt from the former developer, which amounts to an approximately \$4.5 million annual financial burden (2020 figures) through 2045 when the bonds will be retired.

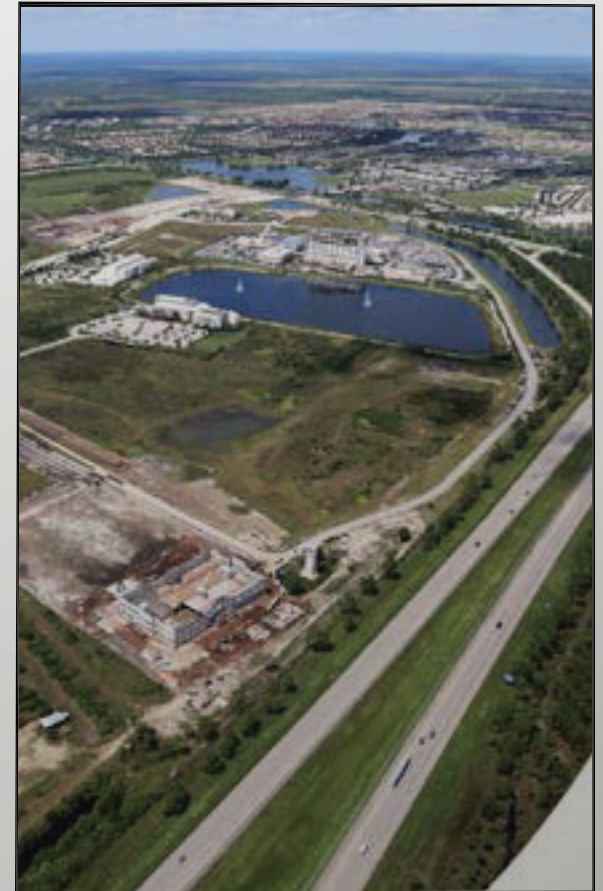


In early 2019, the City adopted its Strategic Plan, including a key goal of creating a diverse economy and employment opportunities, with a strategic initiative to facilitate the build-out of Southern Grove. In October 2019, the City engaged the Treasure Coast Regional Planning Council (TCRPC) to create an updated land development and infrastructure master plan for the property, including a financial and market analysis, review of competitive markets, and strategies for property disposition. The City of Port St. Lucie is one of the fastest growing cities in Florida, and its Southern Grove property is one of the most competitive and visible locations for large-format workplace uses in the region. Accordingly, the master plan sets forth a long-term, holistic development strategy that remedies prior infrastructure and drainage challenges; capitalizes on Southern Grove's size, location, and visibility; and distributes value across the City's complete holdings to create a signature mixed-use, jobs-centric corridor that will benefit the entire City for generations to come.

PURPOSE OF THE PLAN

The Southern Grove Master Plan is intended to build upon the City's prior planning efforts and reorganize the land uses and infrastructure to produce a more sustainable, economically viable development program to accomplish several key goals:

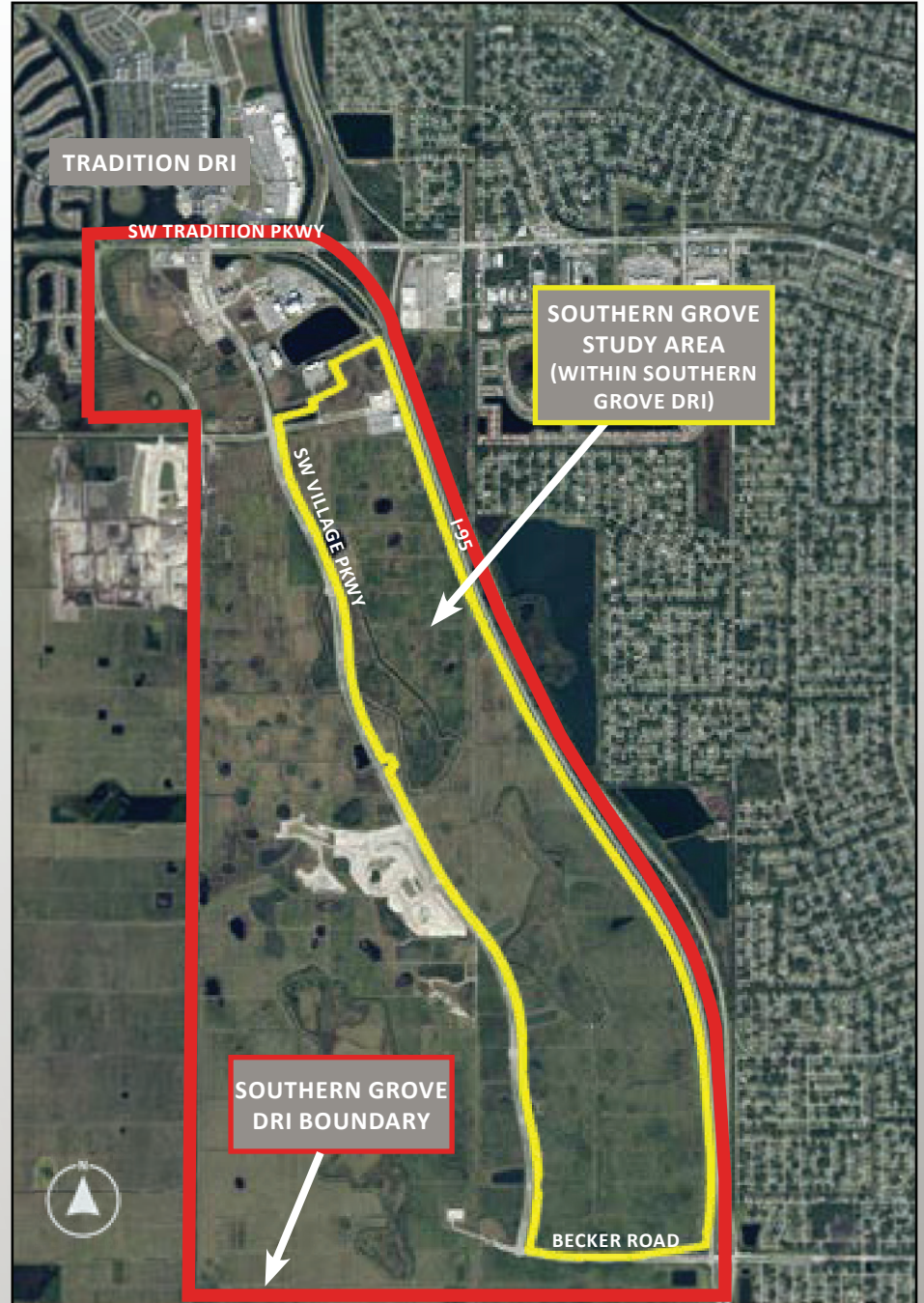
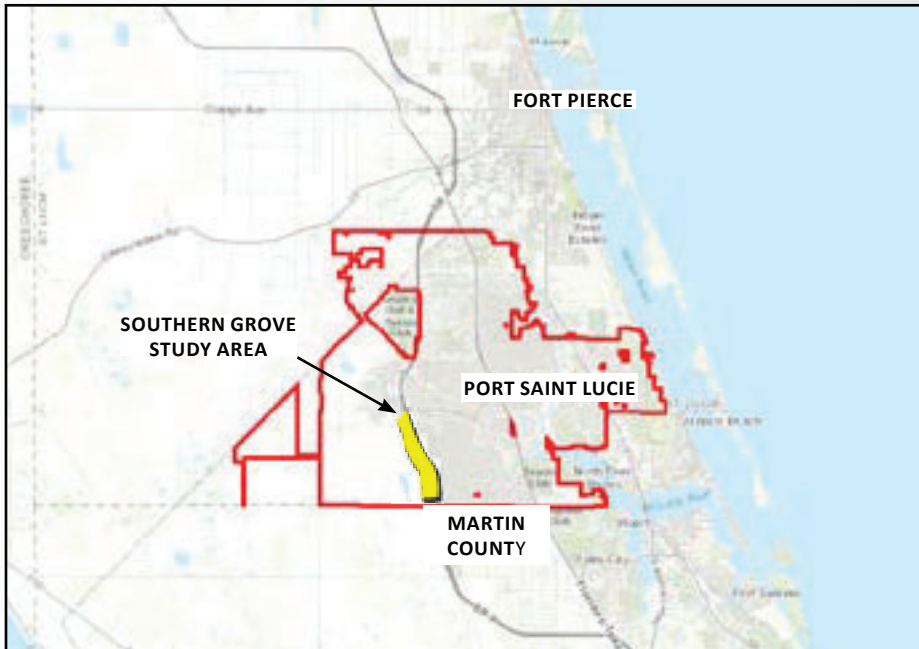
1. Reinforce the development of a high-intensity jobs corridor for the City that generates economic benefits and net new jobs
2. Create an integrated, multimodal and pedestrian-friendly transportation network that provides internal connectivity and access
3. Maintain an efficient water and sewer system with sufficient capacity and redundancy
4. Provide an interconnected master stormwater system with proper infrastructure to maintain appropriate lake levels, enhance natural systems, efficiently use the land, and enhance aesthetics
5. Complement surrounding neighborhoods and districts
6. Help establish a strong "sense of place" and identity for the City



I. EXECUTIVE SUMMARY

THE STUDY AREA

The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida, with a municipal boundary encompassing 121.5 square miles and a population of nearly 203,000 (2020 estimate). Following an extensive annexation effort from 2000-2008, the City's western boundaries include a "Western Annexation Area" that generally follows Rangeline Road, west of Interstate 95 (I-95). Of the seven DRIs in this area, the Southern Grove DRI includes approximately 3,606 acres. The eastern portion of this DRI, referred to as the "Southern Grove property," is the focus of this study and is generally bound by SW Discovery Way to the north, I-95 to the east, Becker Road to the south, and Village Parkway to the west. The Southern Grove Property is immediately south of Cleveland Clinic, which is a regionally significant hospital facility, as well as the Tradition DRI, which extends north and west of Southern Grove. The Martin County boundary lies south of the Southern Grove property, just south of Becker Road. General planning recommendations extend beyond the Study Area to also incorporate the eastern portion of the Tradition DRI, extending north to the "B" Canal.

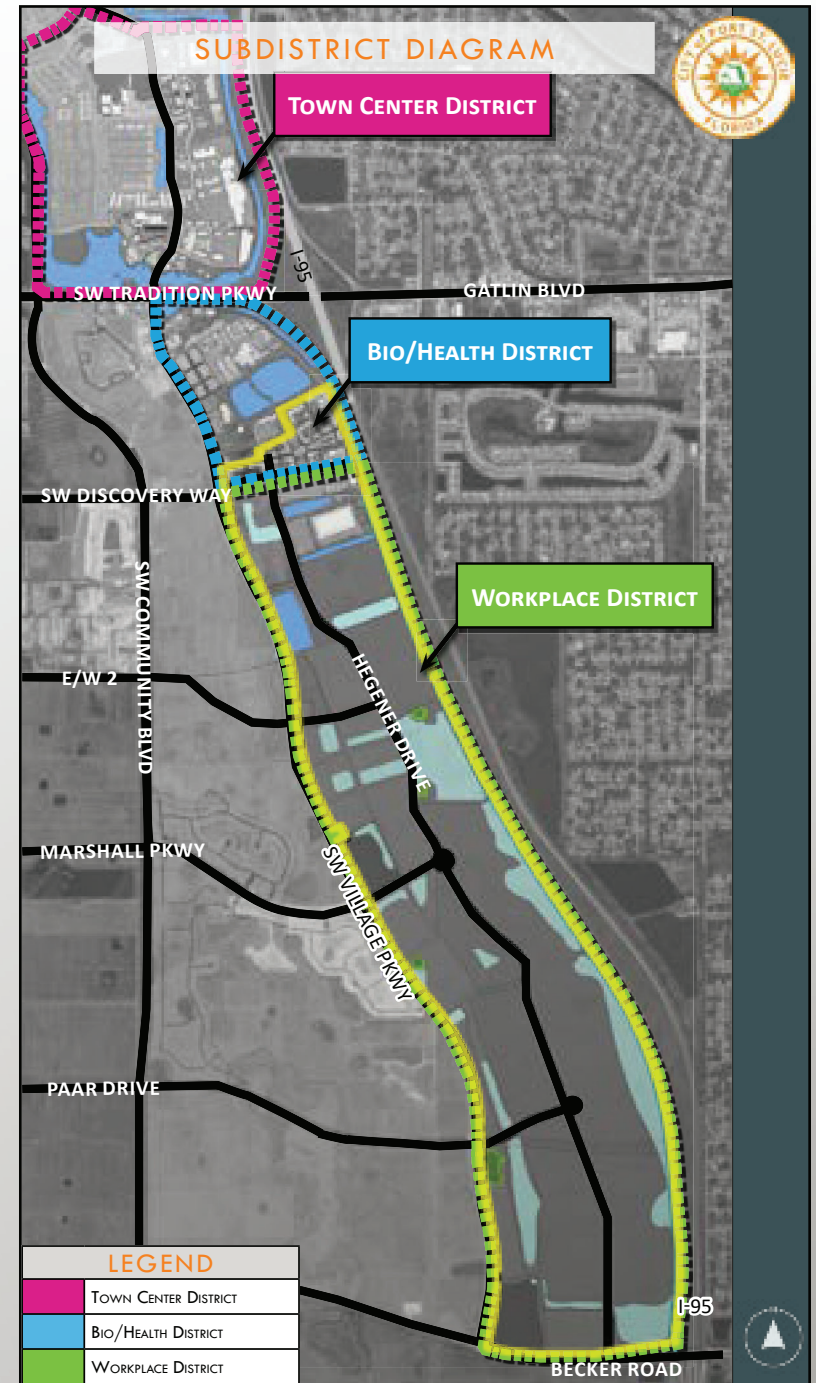


I. EXECUTIVE SUMMARY

MASTER PLAN COMPONENTS

The key elements of the Southern Grove Master Plan include:

1. **Land Development Master Plan** with three districts: **Bio/Health** and **Workplace Districts** (within the Southern Grove property) and a **Town Center District** (in the Tradition DRI)
2. Assignment of three distinctive **Land Use Types**: Employment Center, Lifestyle/Commercial and Mixed-Use
3. **Revised Development Entitlements** to better reflect updated market conditions with increased workplace, office, and residential and decreased retail quantities
4. **Master Stormwater System** with interconnected lakes that addresses upstream and downstream challenges, maximizes the utility of the Duda Canal and best on-site soil conditions, increases net developable area, and improves sustainability
5. **Multimodal Transportation Network** with primary, secondary, and local roads; freight truck route separated from non-freight traffic; transit stops; and an alignment for the shared-use Tradition Trail that could accommodate bicyclists, pedestrians, personal mobility modes (e.g., scooters, wheelchairs), golf carts, and micro-mobility (e.g, autonomous electric shuttles)
6. **Water and Sewer Infrastructure Improvements** that provide sufficient capacities for anticipated development
7. **Infrastructure Cost Estimates** for the infrastructure components identified in this plan (provided in Appendix H)
8. **Gateway Branding Feature Locations** along I-95, Becker Road, and Village Parkway
9. **Illustrative Development Scenarios** with diagrams showing recommended building programs, urban character, roadway frontages, parking locations, and transitions between uses
10. **Recommended Design Standards** that address densities and intensities of development, site design and building placement, building heights and features, parking and landscaping locations, architectural amenities, lighting, and signage



I. EXECUTIVE SUMMARY

OVERVIEW OF THE PROCESS



Providing a meaningful and consistent forum for public involvement has been a foundational tenet of the Southern Grove Master Plan process. The Plan builds on prior efforts by the City and has included a variety of public and stakeholder input opportunities:

- 1. Due Diligence:** Research was conducted with the City and its representatives to understand the City's regulatory and financial documents and requirements, development proposals and concepts for properties within the study area, and background permitting and financial obligations. Work sessions were conducted with City staff, adjacent property owners, agency representatives, and investors to gain insight and inform the process.
- 2. Stakeholder Interviews and Focus Groups:** A week-long series of interviews and focus groups were conducted in December 2019 to gain input on project issues and address any questions pertaining to the process. Input was gathered from City Council members, City staff, business and property owners, investors, agency and community representatives, and residents.
- 3. Interactive Public Workshops:** In January 2020, a community open house was conducted at Keiser University that attracted more than 275 residents, business and property owners, City representatives, and other interested parties. Subsequently, in September 2020, more than 100 participants were engaged in a virtual community workshop to review plan concepts and recommendations and provide additional input.
- 4. City Staff Design Session:** In March 2020, a virtual design workshop was held with City staff representatives and the multidisciplinary project team.
- 5. City Council Presentations:** Throughout the master plan process, presentations were provided for the City Council in public meetings, workshops, and the Council retreat to convey findings, preliminary recommendations, and gain additional direction for the master plan.

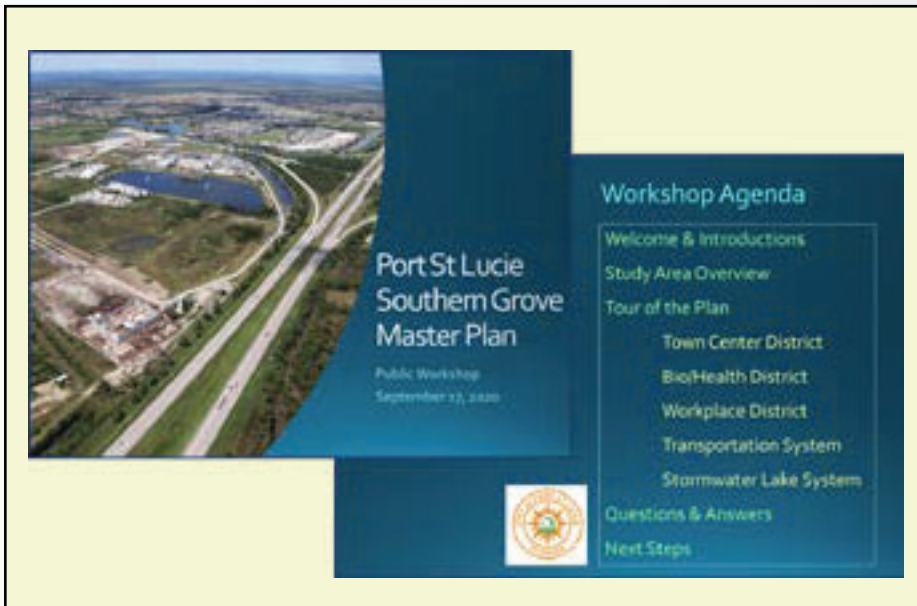


Figure 1 Images from the Southern Grove public input open house on January 9, 2020 and public workshop on September 17, 2020.

I. EXECUTIVE SUMMARY

OVERVIEW OF THE PROCESS

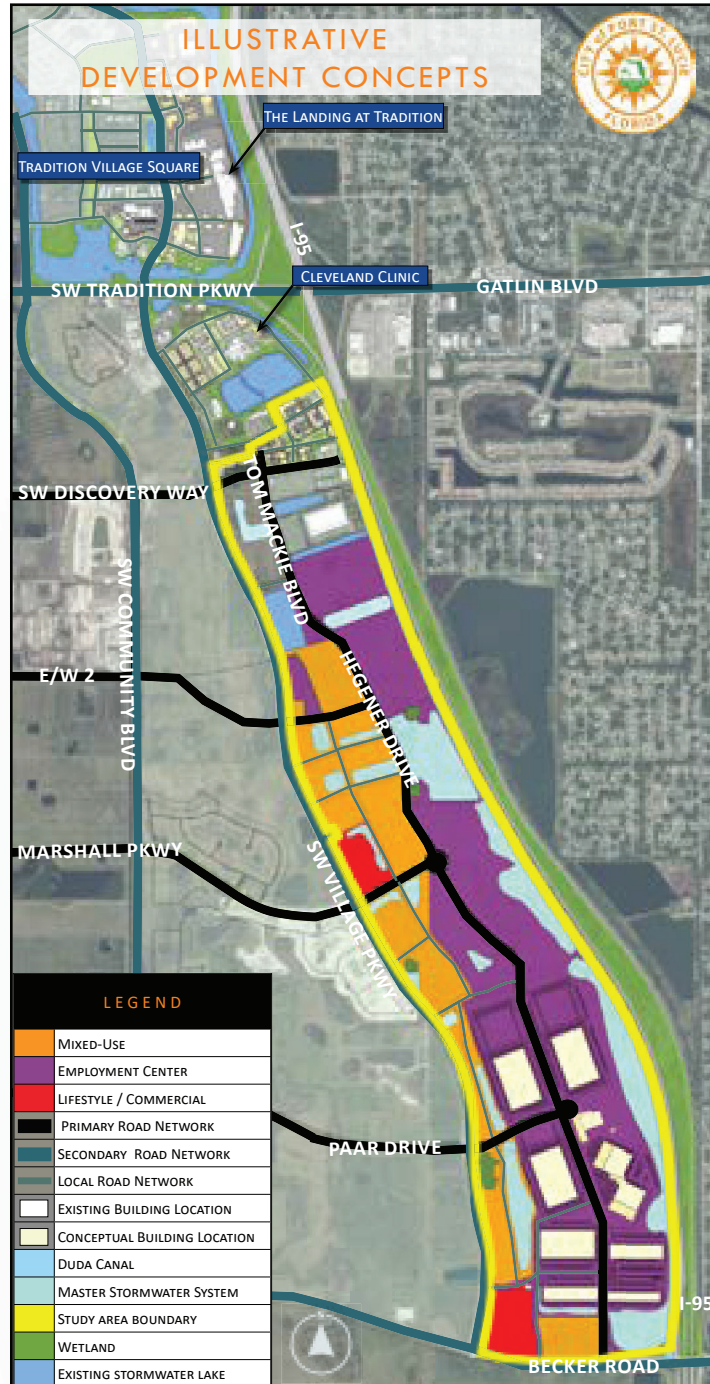
- INCREASE VALUE OF CITY-OWNED LAND
- MAXIMIZE THE NUMBER OF JOBS (WORKPLACE INTENSITY, BIO/HEALTH, INDUSTRIAL)
- CREATE GATEWAY ENTRANCES ALONG TRADITION PARKWAY AND BECKER ROAD
- IMPROVE STORMWATER MANAGEMENT EFFICIENCY (CONSOLIDATE LAKES, TIE INTO DUDA CANAL, ADDRESS UPSTREAM CHALLENGES)
- UTILIZE BEST SOILS FOR FILL & REMEDY DRAINAGE
- CREATE A SENSE OF PLACE AND DESTINATION FOR RESIDENTS
- EXPAND INTERCONNECTIVITY
- DISTRIBUTE VALUE OF I-95 VISIBILITY TO MULTIPLE PROPERTIES TO RAISE VALUE

- ESTABLISH A MORE COMPACT, URBAN ARRANGEMENT OF BUILDINGS AND USES
- EXPAND TRADITION TRAIL NETWORK (BECKER ROAD AND TRADITION TOWN CENTER, USE LAKE FRONTAGES WHERE POSSIBLE)
- ENHANCE WALKABILITY (BUILDING SETBACKS, PARKING LOCATIONS)
- IMPROVE BIKE/PED CROSSING ACROSS TRADITION PARKWAY TO TOWN CENTER
- ACKNOWLEDGE FPL EASEMENT AND ITS LIMITATIONS
- ANTICIPATE MARSHALL PARKWAY/I-95 INTERCHANGE AND PAAR ROAD/I-95 BRIDGE CROSSING IF WARRANTED
- MAKE THE CITY MORE SUSTAINABLE (E.G., LIVE, WORK, PLAY, LEARN)

PUBLIC ENGAGEMENT FOR THE DEVELOPMENT OF THE SOUTHERN GROVE MASTER PLAN INCLUDED STAKEHOLDER INTERVIEWS, PUBLIC WORKSHOPS, STAFF WORK SESSIONS, AND PRESENTATIONS TO THE CITY COUNCIL. GENERAL DESIRES DERIVED THROUGH THESE PROCESSES ARE SUMMARIZED ABOVE.

I. EXECUTIVE SUMMARY

SOUTHERN GROVE MASTER PLAN



SOUTHERN GROVE MASTER PLAN LAND USE DISTRIBUTION

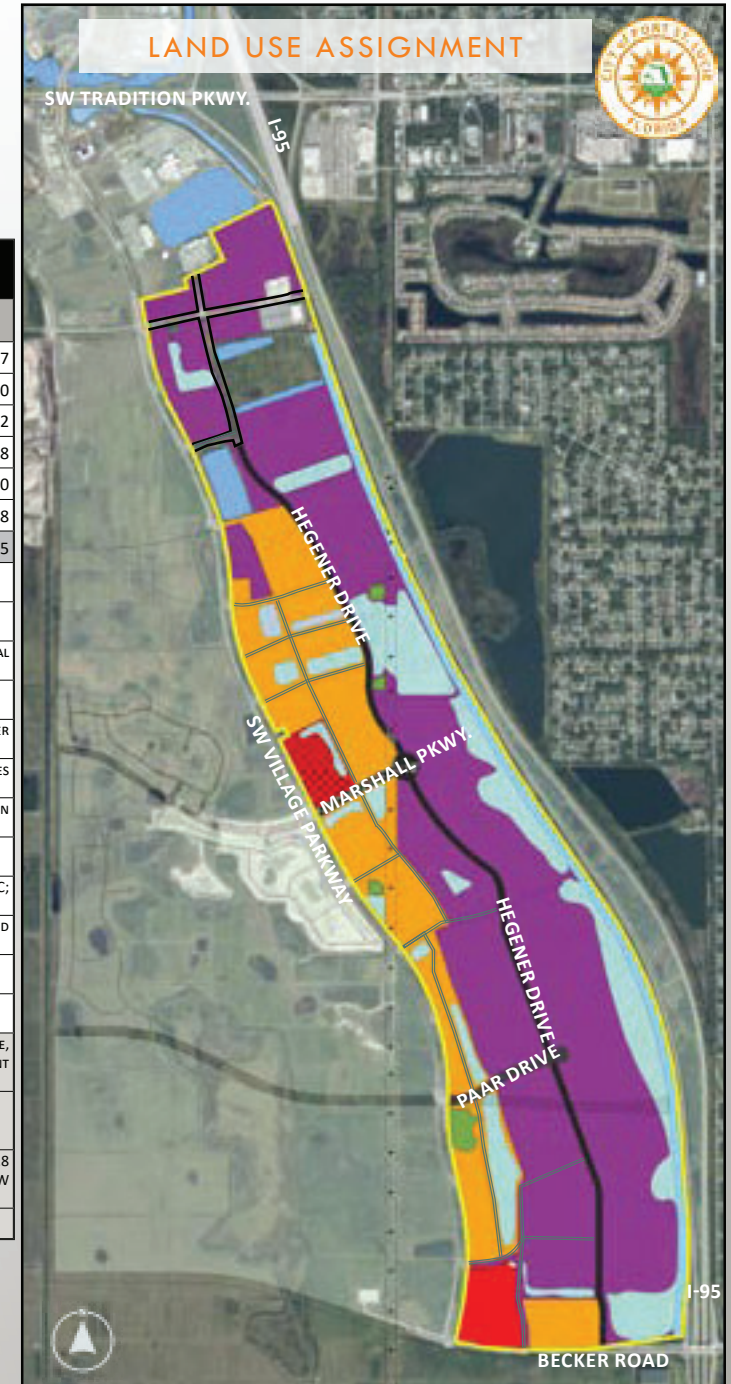
LAND USE	NET ACREAGE
MIXED-USE	234.7
EMPLOYMENT CENTER	668.0
LIFESTYLE / COMMERCIAL	43.2
SECONDARY ROAD NETWORK ¹	44.8
DUDA CANAL	55.0
MASTER STORMWATER SYSTEM ²	174.8
TOTAL GFC LAND	1,220.5

FOOTNOTES

- STUDY AREA BOUNDARY³
- AERIAL (PROPERTIES NOT OWNED BY GFC SHOWN AS BASE AERIAL WITHOUT COLOR OVERLAY; EXCLUDED FROM GFC LAND USE TOTALS)
- WETLANDS (8.8 ACRES, EXCLUDED FROM GFC LAND TOTALS)⁴
- EXISTING STORMWATER LAKES (18.6 ACRES; EXCLUDED FROM MASTER STORMWATER SYSTEM AND GFC LAND TOTALS)
- PENDING LAND TRANSFER TO GFC (21 ACRES; FORMER MATTAMY HOMES PROPERTY INCLUDED IN GFC LAND USE TOTALS)
- FPL EASEMENT (22.8 ACRES; INCLUDED IN ADJACENT LAND USE TYPES IN GFC LAND USE TOTALS)
- MARSHALL PARKWAY ROW
- FORMER PAAR DRIVE ROW (12.8 ACRES; TO BE ABANDONED TO GFC; INCLUDED IN GFC LAND TOTALS)
- NEW PAAR DRIVE ROW (7.3 ACRES; TO BE ABANDONED TO GFC; INCLUDED IN SECONDARY ROAD NETWORK TOTALS)
- RECOMMENDED ALIGNMENT FOR LOCAL ROADS

FOOTNOTES

- SECONDARY ROAD NETWORK INCLUDES PORTIONS OF HEGENER DRIVE, MARSHALL PKWY & PAAR DRIVE (ROW = 100-150'). STORMWATER TREATMENT FOR SECONDARY ROADS INCLUDED IN MASTER STORMWATER SYSTEM.
- MASTER STORMWATER SYSTEM = 15% OF TOTAL DEVELOPABLE LAND. ADDITIONAL ON-SITE PRE-TREATMENT WILL BE REQUIRED (UP TO 5% OF NET DEVELOPABLE AREA)
- BOUNDARY INCLUDES: 1,182 ACRES ORIGINAL GFC PURCHASE (+ 12.8 ACRES PAAR DRIVE ROW ABANDONMENT + 4.7 ACRES MARSHALL PKWY ROW ABANDONMENT +21 ACRES MATTAMY HOMES TRANSFER)
- WETLAND PRESERVATION PER US ARMY CORPS OF ENGINEERS PERMIT.



I. EXECUTIVE SUMMARY

Based on a review of market conditions and the opportunity represented by the GFC-owned property in Southern Grove, the Master Plan recommends a modification to the DRI development entitlements as summarized in Figure 4. The revised entitlements are intended to support the City's emphasis on job creation within Southern Grove with a balanced development program to strengthen the property's sense of place, efficiency, and attractiveness in the competitive economic development market. The program recommends increasing industrial and workplace uses, multi-family residential units, and hotel rooms while decreasing retail, office, and research/development square footage to better align with market conditions and ensure Special Assessment District (SAD) and other assessments remain proportionate to entitlement consumption over time.

Figure 2 As illustrated in the conceptual diagram of the Bio/Health District below, the revised Southern Grove development program anticipates increased building intensity in key locations.



RECOMMENDED ENTITLEMENTS FOR GFC OWNED LAND (1215.9 acres including pending 21-acre transfer from Mattamy)

CATEGORY	CURRENT	PROPOSED	ALLOCATED/ PENDING	REMAINING
Residential (SF units)	-	-	-	-
Residential (TH units)	786	900	-	900
Residential (Apt units)	900	900	372	528
Retail (SF)	2,582,851	500,000	49,478	450,522
Office (SF)	4,296,480	1,000,000	155,481	844,519
Warehouse/Industrial (SF)	3,838,336	8,000,000	4,353,743	3,646,257
School (SF)	-	-	-	-
R&D (SF)	(Included with ofc)	1,000,000	-	1,000,000
Hotel (Beds)	240	500	204	296
Hospital (Beds)	-	-	-	-

Figure 4 Recommended Entitlements for GFC owned land.



Figure 3 As gateway statements, the Master Plan recommends reserving key "main and main" corners to create a sense of arrival and communicate the quality of development that lies within the City.

I. EXECUTIVE SUMMARY

MARKET AND FINANCIAL ANALYSIS

To inform the Southern Grove Master Plan and help guide the corresponding recommendations and strategies, extensive market and financial analyses were performed. These include an assessment of the City's demographics, market trends, and development potentials; review of the City's SAD and Community Development Districts (CDDs) debt obligations; analysis of select "case study" land transactions utilizing a Southern Grove "financial scorecard;" and a study of economic development and land disposition strategies in five comparable communities. Additionally, the analysis includes an economic impact analysis that estimates potential jobs and revenues that could occur with the implementation of the Master Plan along with suggested implementation strategies for the City's continued disposition of its Southern Grove property.

MARKET SUMMARY

Reviewing historic trends, ongoing development activity, and anticipated conditions, a detailed real estate market analysis was developed, including an assessment of demographics, real estate market trends, and forecasts with a focus on four key land uses in the Southern Grove study area: "workplace" (multi-tenant, speculative office and general industrial); retail, hotel/lodging, and residential. Forecasts utilize an eight-year planning horizon unless otherwise noted. Key findings are noted below.

DEMOGRAPHICS & EMPLOYMENT

1. The City's population has nearly reached 203,000 (April 2020 BEBR estimate), with a forecast of nearly 210,000 in the next five years. The City has absorbed 88% of the total St. Lucie County population increase and will likely represent 61% of the County by 2024.
2. While the City's historic growth rate has totaled 6.2% annually over the past decade, the City's growth rate declined to a more moderate pace of 1.54% annually between 2010 and 2019. Forecasts suggest population growth will strengthen between 2019 and 2024, at an annual pace of 2.1% over the next five years.
3. Port St. Lucie's population tends to be slightly younger than the County's (median age of 42 versus 44.5), with the highest growth rates in the 25-34, 35-44, and 65-74 age cohorts (3%+) and 75+ (4.3%).
4. Average City household incomes are \$73,500 (2019 data), and are projected to increase by 2.5% per year over the next five years, rising to \$83,200 by 2024.
5. The City contains 35,275 jobs in just over 5,700 registered businesses, which accounts for roughly half of all jobs in St. Lucie County. While the City's job growth has increased steadily over time, the jobs-to-population ratio has declined. Comparatively, Port St. Lucie contains 0.24 jobs/person while the County contains 0.29 jobs/person, both of which are well below similar ratios in Martin and Palm Beach counties (0.46 and 0.49, respectively). This reinforces the importance of net new job creation in the Southern Grove study area (see Figure 5 indicating net outflow of workers from the City).



I. EXECUTIVE SUMMARY

MARKET AND FINANCIAL ANALYSIS

WORKPLACE/OFFICE:

Port St. Lucie's office market includes just over 3.6 million SF of office space, which represents 55% of the total St. Lucie County office market. The City's office market has strengthened in the past five years, with net absorption now nearing 125,000 SF annually. Forecasts for speculative new office cautiously suggest an unallocated demand of only 100,000 SF over the market study period. However, this quantity does not include potential build-to-suit office space for end users, which would be anticipated given the catalytic influences of Cleveland Clinic and the potential industrial users in the Workplace District.

WORKPLACE/INDUSTRIAL:

With nearly 3.5 million SF of industrial space, the City has consistently accounted for just under 30% of all industrial space county-wide since the mid-2000s. Considering population growth, absorption trends, and the City's fair share of job capture, gross city-wide demand for speculative industrial is estimated to be nearly 800,000 SF over the next eight years, or a net of 400,000 SF when reduced by approved/entitled yet unbuilt space. This figure does not include potential build-to-suit end users, exemplified by the recently built Tamco/City Electric facility or the several end-users in the current "Sansone" proposal being negotiated by the City.

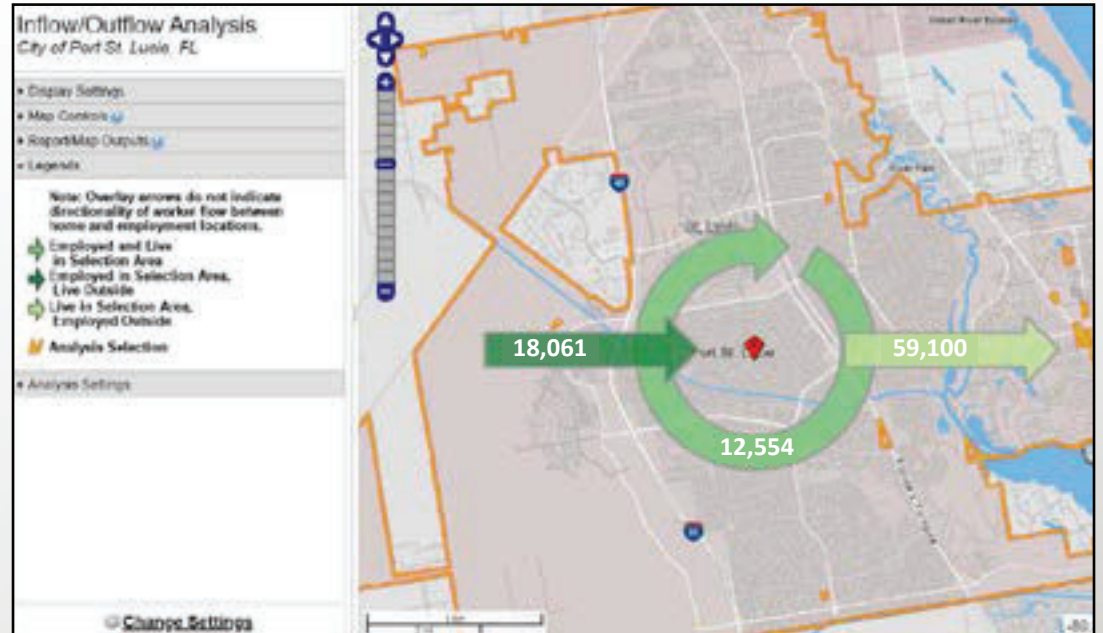


Figure 5 As indicated in the map graphic above, Port St. Lucie is a net exporter of workers, with roughly 18,061 people traveling into the City to work versus 59,100 leaving the City daily. This imbalance is highlighted by the City's declining jobs-to-population ratio, which emphasizes the need for net new job creation in Southern Grove to help moderate this trend. Credit: U.S. Census Bureau



Figure 6 Image of recent development, pictured here is the TAMCO building Credit: Globe Street



Figure 7 Image of recent development, pictured here is the Oculus building Credit: Globe Street

I. EXECUTIVE SUMMARY

MARKET ANALYSIS

RETAIL:

The retail market is changing nationally, and the retail demand study acknowledges that the impacts of the COVID-19 pandemic remain unknown. Historically, along with a fast-growing population, the City of Port St. Lucie has had a rapidly expanding inventory of retail space. The City has a high amount of retail square footage per person. While across the U.S., the average amount of retail/capita is estimated to be 26 SF per person, the City contains nearly 40 SF per person. Although the City has absorbed nearly 85% of all new retail county-wide in the past five years, its annual retail absorption rate has softened, falling from a decade average of 184,000 SF/year to roughly 104,000 SF/year over the past five years. Public input gathered for the Master Plan indicated a strong desire for neighborhood-serving retail as well as lifestyle centers with active recreational uses (e.g., golf driving ranges, go-kart arenas, water parks).

The retail demand analysis suggests there will be sufficient demand to support up to 135,000 SF of retail potential in the study area through 2024, which can include a new grocery store complemented by in-line retail and food/beverage establishments. However, given existing and anticipated retail vacancies in The Landing at Tradition, the Master Plan suggests that existing vacant space at The Landing can be reprogrammed with selected indoor recreational and other active uses to help reinforce the Town Center District as an activity center for residents and visitors in a known destination with I-95 visibility and direct access.



Figure 8 Examples of retail in and around the study area.

I. EXECUTIVE SUMMARY

HOTEL/LODGING:

Of the roughly 3,000 hotel rooms County-wide, the City contains nearly half the total hotel inventory, with 1,501 rooms. Noting that six-year hospitality trend data precedes the ongoing impacts of the COVID-19 pandemic, the City's average annual hotel occupancy rate has been solid at nearly 72% with steadily increasing average daily rates. Acknowledging the pending new hotel development in the western annexation area (128-room TownePlace Suites by Marriott), there may be sufficient demand and investment-level performance to support a limited number of new hotel rooms in the Southern Grove study area over the next ten years.

RESIDENTIAL:

The City's housing market is generally in balance, with stabilized occupancies, increasing values among owner-occupied properties, and strong lease-up (absorption) activity in new multi-family properties that are accompanied by solid achieved monthly rents. Port St. Lucie's housing stock is primarily single-family residential (87%) with more than 78,000 housing units and average values just under \$235,000 (2019 data). Annual housing starts have risen from 900 to 1,700 annually in the past three years, with most new units constructed in the western annexation area. New housing units in the Southern Grove area, especially multi-family housing geared to local employees, would be expected to enhance the City's overall marketability as an intensified jobs location and provide greater diversity in housing choices.

Further discussion of the market findings is presented in Chapter 2, and the full economic and real estate market memoranda are included in Appendices B and C.

FINANCIAL ANALYSIS

To test the recommendations of the Master Plan and help inform the City's recommended implementation actions, a financial analysis of prior land transactions was conducted along with a review of economic



Figure 9 TownePlace Suites by Marriott pictured here is located just north of the Landing at Tradition.



Figure 10 Del Webb at Tradition is a 55+ active adult community in Tradition featuring single-family homes and attached villas. Credit: Mattamy Homes

development approaches in comparable cities. Special consideration was given to evolving impacts of the COVID-19 pandemic, which emphasizes the importance of understanding historic trends as well as forecasts for the Master Plan's development program.

I. EXECUTIVE SUMMARY

When the City acquired the Southern Grove property, it also inherited a significant recurring debt obligation due to the carrying costs associated with prior SAD infrastructure bonds for large-scale infrastructure across the 3,606-acre Southern Grove DRI. The annual SAD bond obligation on the City’s holdings was approximately \$4.5 million in 2020, with bond retirement in 2045. This debt obligation underscores the City’s priorities to generate revenue from land sales, increase ad valorem tax revenues, and create and retain jobs. In addition to the SAD, seven CDDs were previously created to finance smaller-scale “community infrastructure,” for which costs are assigned after buildings are completed. A nominal Operations and Maintenance fee for the CDD corresponding to the City’s property has been assigned as well.

Since property acquisition of the Southern Grove property in 2018, the GFC-led efforts to recruit developers have been successful in generating property sales and attracting private investment, tax revenues, and net new jobs. A review of five comparable cities across Florida confirms the City has been utilizing progressive and appropriate development incentives similar to other jurisdictions, with direct land sales as the default transactional approach. As the City reduces its available property inventory with continued land sales, and the value of the City’s land increases accordingly, other transactional methods such as ground leases, public/private partnerships, land banking key sites, and/or joint venture opportunities may become appropriate and competitive mechanisms for private sector development.

To understand the City’s prior land transactions and inform future decisions, a “financial scorecard” was developed as a tactical analytical tool to evaluate long-term impacts of property transactions. While there are many different ways in which economic development projects can be measured, the City requested projects be analyzed considering the ratio of public incentives to ad valorem tax revenues and SAD/CDD bond debt reduction over a 20-year timeframe along with anticipated job creation and gross wages, both direct and indirect.

Three case study projects approved in 2019 and 2020 were selected by the City for analysis, including Tamco/City Electric, Oculus Surgical, and AHS Residential. Upon application of the scorecard, each project was found to generate positive net tax revenue to the City beginning in year one, with positive public investment ratios that improved over time.

Summary of Estimated Net Tax Revenue to City and Public Leverage Ratios - Selected Case Studies				
	10-YEAR (CUMULATIVE)		20-YEAR (CUMULATIVE)	
	Net Tax Revenue to City (est.)	Leverage Ratio (est.)	Net Tax Revenue to City (est.)	Leverage Ratio (est.)
Tamco/City Electric	\$ 2.7 M	2.14	\$ 5.9 M	3.77
Oculus Surgical, Inc. (at buildout)	\$ 857 K	1.91	\$ 2.9 M	5.44
AHS Residential	\$ 2.7 M	10.62	\$ 6.4 M	12.41
TOTAL	\$ 6.3 M	n/a	\$ 15.2 M	n/a

Each project was also evaluated regarding repayment of SAD debt obligation on an acreage basis (e.g., comparing the assigned SAD debt repayments/acre to each property versus the City’s total debt obligation on the cumulative acreage). Given the current SAD rate structure, the financial analysis indicates the Oculus Surgical project is projected to provide SAD bond debt repayments that are disproportionately higher than its acreage consumed (i.e., payments for this property will pay more than its “fair share” of SAD debt on an acreage basis). However, due to deal terms for the Tamco/City Electric project and the lower SAD rates for residential properties like AHS, both of these projects are projected to provide SAD debt repayment that is disproportionately less than their acreages. For a more comprehensive view, an aggregation of all land transactions should be considered.

Additionally, both the Tamco/City Electric and Oculus Surgical were evaluated by the St. Lucie Economic Development Council (EDC) for preliminary economic impacts, including one-time construction impacts as well as recurring revenues. Both projects were prioritized due to their commitment to provide net new jobs at wages that exceed the average wages in St. Lucie County.

I. EXECUTIVE SUMMARY

As presented to the City Council in 2017, the EDC estimated the Tamco/City Electric project would provide \$39.3 million in new construction, \$87.7 million in job retention, and \$18.1 million resulting from net new job creation. The project was anticipated to provide 250 direct jobs, increasing to 485 jobs when considering direct, indirect, and induced impacts, with a labor (or payroll) benefit of \$5.7 million annually. Similarly, the EDC also provided preliminary economic impact projections for the Oculus Surgical project in 2018, which concluded the project's potential for \$8.8 million in construction impacts and \$7 million in annual recurring wages. The Oculus project represented the opportunity to retain 32 jobs and create 50 net new jobs that would provide average wages that will be 115% of the average County wage.

Summary of Preliminary Cumulative Economic Impacts - Selected Case Studies									
Includes Direct, Indirect, and Induced Effort									
	CONSTRUCTION PHASE			JOB RETENTION			NET NEW JOB CREATION		
	Output (Sales)	Labor Income (Payroll)	Employment	Output (Sales)	Labor Income (Payroll)	Employment	Output (Sales)	Labor Income (Payroll)	Employment
Tamco/City Electric	\$39.3 M	\$12.3 M	350	\$89.7 M	\$26.7 M	485	\$18.1 M	\$5.7 M	98
Oculus Surgical, Inc. (at buildout)	\$8.8 M	\$3.3 M	69			32	\$34 M	\$7 M	143

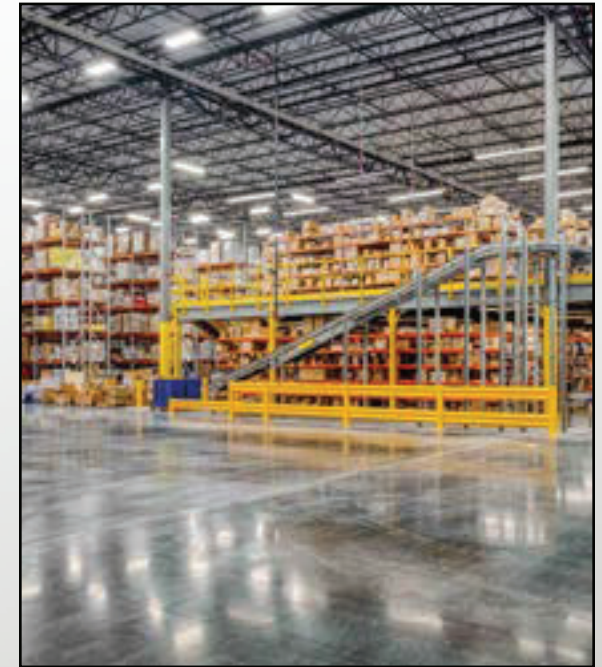


Figure 13 Tamco Building Credit: Tamco



Figure 11 Image of Oculus Surgical. Credit: Oculus Surgical



Figure 12 Tamco Building Credit: Tamco

I. EXECUTIVE SUMMARY

ECONOMIC IMPACT ANALYSIS

An economic impact analysis was also conducted to evaluate how the recommended development program for Southern Grove could be expected to impact the City of Port St. Lucie through the creation of new jobs as well as potential new ad valorem tax revenues. The Master Plan recommends a modified entitlement program that is designed to better correspond to market conditions, and the economic impact analysis considers the total potential development program cumulatively. If the Southern Grove property is developed as suggested in the recommended master plan, the GFC-owned land could potentially contain more than 13 million SF of total development. Total development costs could total \$1.762 billion (in current 2021 dollars) at build-out, as summarized in the table below.

Summary of Master Plan Recommended Entitlements			
	TOTAL	TOTAL SF	EST. CONSTRUCTION COSTS (2021 DOLLARS)
Residential	1,800 units	2,357,061	\$282,847,333
Workplace (includes office, commercial/retail, R&D, warehouse/distribution)	n/a	10,500,000	\$1,315,000,000
Supporting Services (hotel)	500 rooms	231,500	\$164,000,000
PROJECTED BUILDOUT	n/a	13,088,561	\$1,761,847,333

Southern Grove’s potential economic impacts were classified into two primary categories: (1) temporary/one-time impacts that would occur during site construction and sales/lease-up before the project is fully occupied, and (2) ongoing annual impacts that would occur when the project is built out and achieves stabilized occupancy. Because revenues and expenses vary before and after a project has stabilized, the analysis considered these two time periods separately. In addition to direct job growth and fiscal revenues, the analysis also considered indirect and induced fiscal impacts, which relate to both direct spending and investment and the “multiplier” effect of how long spending flows through the economy.

The recommended Southern Grove development program would be expected to create a significant number of temporary (or one-time) construction jobs to produce the project’s potential 13 million SF. In total, the construction period could produce more than 15,600 direct construction “job years” (i.e., the amount of labor needed for one year’s work) as well as roughly 9,500 additional direct, indirect, and induced jobs; nearly \$1.5 billion in “value-added” business revenues; and an estimated \$1.0 billion in total labor income. In addition, public infrastructure construction could add nearly 500 construction job years, \$44 million in “value-added” business revenues, and \$23 million in total labor income.

Considering Southern Grove’s permanent impacts, the total project has the potential to create nearly 17,000 direct jobs, 8,600 indirect and 4,000 induced jobs, for a total of more than 29,600 jobs at stabilized operations. This could translate to more than \$1.06 billion in annual labor income, \$1.59 billion in annual value-added business revenues, and just over \$3.7 billion in annual economic output. Finally, with a potential total gross assessed value of \$1.76 billion at current (2021) millage rates, the GFC-owned land has the potential to generate more than \$10.39 million in annual property tax revenues at build-out that would accrue to the City of Port St. Lucie.

For the City of Port St. Lucie, the buildout of the recommended Southern Grove Master Plan has the potential to generate a total improvement value of \$1.76 billion from buildings and site improvements alone. Although the future land values cannot be estimated, this value will certainly be increased substantially as land is transferred from the City to private owners and becomes taxable. Holding millage rates constant at their 2020 rates and without assigning the costs to provide municipal services, this has the potential to generate more than \$10.39 million in gross annual property tax revenues at build-out. Based on the review of recent land transactions, the City also appears to be on track to ultimately relieve itself of the annual recurring SAD debt obligation with the full implementation of the Master Plan.

I. EXECUTIVE SUMMARY

KEY RECOMMENDATIONS OF THE PLAN

1. **Commit to a Long-Term, Holistic Development Strategy** with the highest expectations for development, site design, and architecture to maintain the value of the entire Southern Grove property – on par with Port St. Lucie as A City of Excellence. This acknowledges the unique value of the Southern Grove property as one of the most competitive and visible locations for large-format workplace uses in the region and will advance the City’s reputation as a regional employment hub.
2. **Establish Southern Grove Sub-Districts:**
 - **Town Center District** - north of Tradition Parkway that complements the City’s holdings to the south and can absorb much of the retail demand and active recreational uses.
 - **Bio/Health District** - extending from Tradition Parkway to Discovery Way that capitalizes on Cleveland Clinic as an anchor and contains the greatest density and intensity of development with an urban development form.
 - **Workplace District** - south of Discovery Way with a blend of large-format industrial, warehouse/distribution, and office/research uses (generally east of Hegener Boulevard) and mixed uses (west of Hegener Boulevard, fronting Village Parkway and Becker Road).
3. **Assign Land Use Types within the Comprehensive Plan as follows:**
 - **Employment Center** - focused on industrial warehouse/distribution, research and development, and supporting office uses.
 - **Mixed-Use** - focused on higher density residential, including townhouse and apartment uses, local-serving retail/commercial, office, educational uses, and selected institutional and educational uses.
 - **Lifestyle/Commercial** - focused on higher-intensity retail/commercial centers that include office and higher density residential use.
4. **Recalibrate Land Use Entitlements to Better Reflect Market Conditions and Potentials** with increased industrial square footage, multi-family residential dwelling units, hotel rooms, and decreased retail, office, and research/development square footage.
5. **Revise SAD and CDD Assessments to Ensure Proportional Assignment of Debt Obligations** by utilizing the “true-up” or other appropriate mechanisms as related to the consumption of property and entitlements and application of a “financial scorecard” to confirm debt draw-down.
6. **Introduce a Master Stormwater Lake System**, comprised of 15% of the total developable area that is subdivided into four drainage sub-basins, each controlled by a drainage control structure with separately staged water levels to accommodate both drought conditions and pre-storm draw-downs. Stormwater lakes should be located to discharge treated stormwater to the Duda Canal, maximize the excavation of best quality soils for fill, include littoral-zone natural plantings, create lakefront aesthetic amenities along I-95, and provide buffers between workplace and mixed-use areas.
7. **Revise the Transportation Network to create:**
 - **Multimodal Roadway Network** of interconnected primary, secondary, and local/tertiary roads designed as complete streets with bicycle, pedestrian, and transit accommodations. Local roads should be constructed as part of private development activity, with block faces of 400-600 linear feet to maximize pedestrian connectivity and walkability. Roadway designs should channel freight trips onto primary and secondary roads using roadway geometries, traffic calming, and signage. Based on current traffic studies, the interchange of Marshall Parkway and I-95 and the overpass of Park Drive over I-95 are not necessary and should be removed from the DRI.
 - **County Transit Network** with future transit stops at key intersections with walkable designs to expand walk access to stops, micro-mobility as a complementary mode, and consideration of park-and-ride opportunities.
 - **Tradition Trail Network**, aligned east of Village Parkway from Becker Road north into the Town Center District, that utilizes stormwater natural edges where possible, considers the

I. EXECUTIVE SUMMARY

KEY RECOMMENDATIONS OF THE PLAN

potential for an autonomous circulator, and integrates bicycle/pedestrian intersection improvements at Village Parkway/Tradition Parkway to improve connectivity and safety.

8. Implement the DRI Recommendations Regarding Water and Wastewater Infrastructure with 12" water mains and fire hydrants on all secondary roads, a 24" water main at Paar Drive, additional gravity sewers, lift stations, and force mains as previously determined.

9. Implement New Development Design Standards that require:

- **Traditional Urban Design Principles** to increase efficiency, walkability, and connectivity through controlled building placement and alignment utilizing "build to" lines versus setbacks; a system of walkable streets and blocks; consolidated parking areas located along side and rear property lines; and high height-to-width ratios along streets where appropriate to create a sense of spatial enclosure.
- **A Mix of Uses**, both horizontally and vertically, to increase efficiency of parking and public spaces; create natural surveillance through more extensive daily activity; and maintain appropriate transitions between dissimilar uses.
- **Gateway Boulevard Features** along Becker Road and Village Parkway that specify building placement with maximum setbacks; minimum building heights; and enhanced landscaping, lighting, and signage.
- **Corner Architectural Elements** at prominent intersections, including Becker Road/Hegener Drive, Becker Road/Village Parkway, and Village Parkway/Marshall Parkway.
- **Protected I-95 Corridor Views** that integrate stormwater lakes and landscaping to increase building setbacks to distribute the value of I-95 visibility, broaden view corridors, and raise property values across the City's holdings. Development visible from I-95 should include enhanced architectural, signage, lighting, and landscaping requirements to produce an organized, well-integrated workplace district vista.
- **Parking Area Design and Efficiency** with interconnected parking lots accessed from side and rear property lines to reduce driveway

interruptions of primary and secondary streets, enhance walkability, and improve development efficiency and yield.

10. Develop Gateway Branding Features in Key Locations including prominent lakes with fountains, landscaping, signage, and lighting (adjacent to Cleveland Clinic, at the FP&L easement/I-95, and at Becker Road/I-95) along with artistic "gateway corner" features with pedestrian plazas at the intersections of Village Parkway/Becker Road and Village Parkway/Marshall Parkway.

11. Work with Florida Power and Light (FP&L) for Master Permitting of development activity within the 22.8-acre FP&L Easement to streamline productive use, identify permitting efficiencies for allowable uses in accordance with FP&L regulations, and ensure full sale price of the underlying land.

12. Continue Broker Relationships with Public and Private Real Estate Partners to facilitate land transactions, for which each transaction includes consideration of the impact on other parcels to be sold and the City's long-range vision with the merits of the sale itself.

13. Consider Diversifying Land Transactions as Market Evolves and Strengthens, including the potential for ground leases, public/private partnerships, and land value write-downs in addition to direct land sales to provide incentives for desired uses and/or increase City revenues.

14. Explore Land Banking Strategies in Key Locations to protect opportunities for catalytic uses and targeted industries, especially in the Bio/Health District to capitalize on the proximity to Cleveland Clinic.

15. Adopt the Southern Grove Master Plan and amend the City Comprehensive Plan, Southern Grove DRI, and other relevant City documents and plans as necessary to implement the recommendations provided herein.