

**City of Port St. Lucie - Amendment to the Original Community Redevelopment Agency Master Plan
(U.S. Highway One Corridor)
P25-085**



SUMMARY

Applicant's Request:	Application for an amendment to the original community redevelopment plan for the City's U.S. Highway One Corridor
Applicant:	City of Port St. Lucie Community Redevelopment Agency
Location:	The CRA boundary includes the US Highway One corridor from just north of Village Green Drive on the north end to the St. Lucie / Martin County Line on the south end. Lennard Road forms most of the eastern boundary.
Legal Description:	A legal description of the CRA boundary area is contained in the proposed amendment
Application Type:	Amendment to a community redevelopment master plan
Project Planner:	Bridget Kean, AICP, Deputy Director

Project Description and Background

The Port St. Lucie Community Redevelopment Agency (Agency) is requesting approval of an amendment to the Original Community Redevelopment Area (CRA) Master Plan for the CRA area along Port St. Lucie's U.S. Highway One corridor. The purpose of the amendment is to update certain sections of the document to extend the timeline for the master plan for an additional thirty (30) years, update and/or remove outdated data and text, clarify desired uses, add the master plan for Walton & One (formerly known as City Center) to the document, and other miscellaneous changes. The CRA is requesting that the local planning agency (the Planning and Zoning Board) review the amendment for conformity with the City's comprehensive plan prior to the CRA making its recommendation on the amendment to the City Council. Following Planning and Zoning Board action, this application will go to the Agency for a recommendation, and then to the City Council for approval.

In 2001, the City designated a CRA along U.S. Highway One in eastern Port St. Lucie and formally adopted a community redevelopment plan on June 11, 2001. The Original CRA is approximately 1,700 acres, or 2.7 square miles, and includes the Port St. Lucie's U.S. Highway One corridor from just north of Village Green Drive, south to the St. Lucie/Martin County line. Lennard Road forms most of the eastern boundary, and the western boundary is predominantly the rear property line of those properties fronting U.S. Highway One. The redevelopment strategy is to create a central business district or commercial town center along U.S. Highway One and a series of mixed-use pedestrian and transit friendly districts. Since the Original CRA's creation in 2001, three additional areas have been formally designated as community redevelopment areas: Lentz Grove (now known as East Lake Village) in 2003; Port St. Lucie Boulevard/The Port District (CRA Expansion Area) in 2006; and Southern Grove in 2012.

The redevelopment plan for the Original CRA represents a comprehensive long-term approach to redevelopment of the U.S. Highway One Corridor. The redevelopment strategy focuses on a town center district at the southeast corner of U.S. Highway One and Walton Road and additional mixed-use development along the U.S. Highway One Corridor. Implementation of the Original CRA Plan for the U.S. Highway One Corridor began with roadway improvements and property acquisition for a 69-acre town center (formerly known as City Center) at the southeast corner of Walton Road and U.S. Highway One. A PUD master plan and rezoning were approved for the project along with subdivision plats, and site plan approval. In 2005, the City entered into a redevelopment agreement between the City, the Community Redevelopment Agency, PSL City Center, LLC, and DeGuardiola Properties, Inc.

Under the terms of the redevelopment agreement, the City and Agency were responsible for certain infrastructure improvements including the construction of a 100,000 square foot event center (now known as MidFlorida Event Center), public plaza and interactive fountain, and a parking garage in Phase 1. DeGuardiola Properties, Inc., was responsible for the balance of the proposed mixed-use development on the private sector parcels. As further described in the cover letter and amended Original CRA Master Plan, the project was severely impacted by the Great Recession, the default of the private sector developer, and the sale of the private sector parcels to a non-affiliated third party, Lily Zhong, without the City or Agency's consent as required by the redevelopment agreement. The City Center parcels ended up in receivership when the Securities and Exchange Commission (SEC) determined that Ms. Zhong was engaged in fraudulent activities and all her assets, including the property she owned at City Center, were seized. No activities were initiated within City Center during the multiple years of SEC oversight. As a result of these factors, the CRA Master Plan was not implemented within the timeframe anticipated in the Original CRA Master Plan.

In 2019, the City and the Agency negotiated settlements on tax certificates with private tax certificate owners and outstanding obligations owed to local taxing authorities. In March 2022, the City took ownership of the SEC Receiver-held parcels at City Center. This acquisition allows for a more comprehensive development vision to be created for this area along U.S. Highway One.

In April 2022, the City engaged the Treasure Coast Regional Planning Council to assist the City and Agency in the development of an updated master plan for the town center area now known as Walton & One. After 24 years, the Agency is finally seeing renewed interest in redevelopment in eastern Port St. Lucie. Due to the continued lower taxable values and stagnant population growth in the Original CRA, the conditions which were present when the Original CRA Plan was adopted in 2001 still persist today.

Proposed Changes to the Original CRA Master Plan

1. Revisions to Section 1.0, Introduction and Historical Perspective, to update the document to identify current conditions and to recognize the City's and Agency's continuing efforts to plan for the redevelopment of the U.S. Highway One corridor including a revised development plan for the Town Center District known as the Walton & One Master Plan.
2. Updates to Section 4.0, Master Plan Redevelopment Initiatives, to identify the continuation of a thirty (30) year master planning process for the redevelopment of the Original CRA.
3. Changes to Section 5.0, Specific Plans and Improvements, Costs and Timeframes, to identify the timeline for the development of the Original CRA will occur over several decades and include the Walton & One Master Plan.
4. Changes to Section 7.0, Property Disposition and Development, to identify current conditions and to extend the timeline for the Original CRA Master Plan for a period of thirty (30) years starting in June 2025 and concluding in June 2055.
5. Changes to Section 10.0, Methods of Finance and Budgeting, to update Table 10-1, Estimated Increment Analysis, update Table 10-2, Tax Increment Funding by Project, and other miscellaneous changes.
6. Add Section 12.0 to add Walton & One Master Plan as the new development plan for the town center district.

The proposed amendment is attached as Exhibit "A" with additions shown as underlined and deletions shown as ~~strikethrough~~.

ANALYSIS: The Original CRA Master Plan was adopted in 2001. The proposed changes update the document to reflect current conditions, new planning initiatives such as the Walton & One Master Plan, and to extend the project time for the Original CRA Master Plan for an additional thirty (30) years.

Objective 1.1.10 of the future land use element supports the use of redevelopment to preserve property values and encourage livable neighborhoods. Policies 1.1.10.1 to 1.1.10.6 support the implementation of the of the Community Redevelopment Area (CRA) Master Plan including support for City Center (now known as Walton & One) and the development of a variety of mixed use, commercial, office, sports and entertainment, residential and recreational uses in the CRA.

STAFF RECOMMENDATION

The Planning and Zoning Department staff finds the petition to be consistent with the intent and direction of the City's comprehensive plan and recommends approval.

Planning and Zoning Board Action Options:

- Motion to recommend approval to the City Council
- Motion to recommend approval to the City Council - with conditions
- Motion to recommend denial to the City Council

Please note: Should the Board need further clarification or information from either the applicant and/or staff, it may exercise the right to *table* or *continue* the hearing or review to a future meeting.