



**Urban Land
Institute**

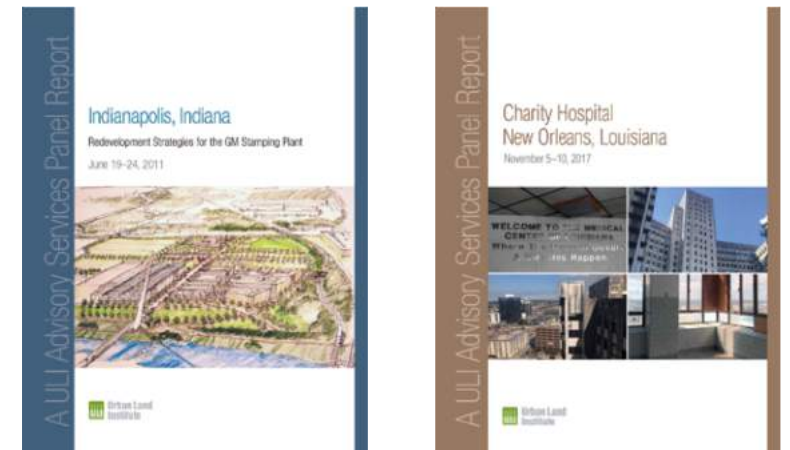
Advisory Services Program

Port St Lucie, FL

October 28—November 2, 2018

About the Urban Land Institute

- The mission of the Urban Land Institute (ULI) is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.
- ULI is a membership organization with more than 42,000 members, worldwide representing the spectrum of real estate development, land use planning and financial disciplines, working in private enterprise and public service.
- What the Urban Land Institute does:
 - Conducts Research
 - Provides a forum for sharing of best practices
 - Writes, edits and publishes books and magazines
 - Organizes and conducts meetings
 - Directs outreach programs
 - Conducts Advisory Services Panels



The Advisory Services Program

- Since 1947
- 15 - 20 panels a year on a variety of land use subjects
- Provides independent, objective candid advice on important land use and real estate issues
- Process
 - Review background materials
 - Receive a sponsor presentation and tour
 - Conduct stakeholder interviews
 - Consider data, frame issues and write recommendations
 - Make presentation
 - Produce a final report



Thank You to Our Sponsor!



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Panelists

John Walsh- TIG Real Estate Services, Inc., Dallas, TX (Chair)

Daniel Anderton- Dewberry, Rockville, MD

Page Bolin- Sustainable Development Solutions, Arvada, CO

Mary Beth Corrigan- Urban Land Institute, Washington, D.C.

Donny James- Prince George's County, Largo, MD

Craig Seymour- RKG Associates, Boston, MA

Ross Tilghman- Tilghman Group, Seattle, WA

ULI Staff

Paul Angelone- Director, Advisory Services

Ashley Robertson- Senior Associate, Advisory Services

Michaela Kadonoff- Associate, Meetings and Events

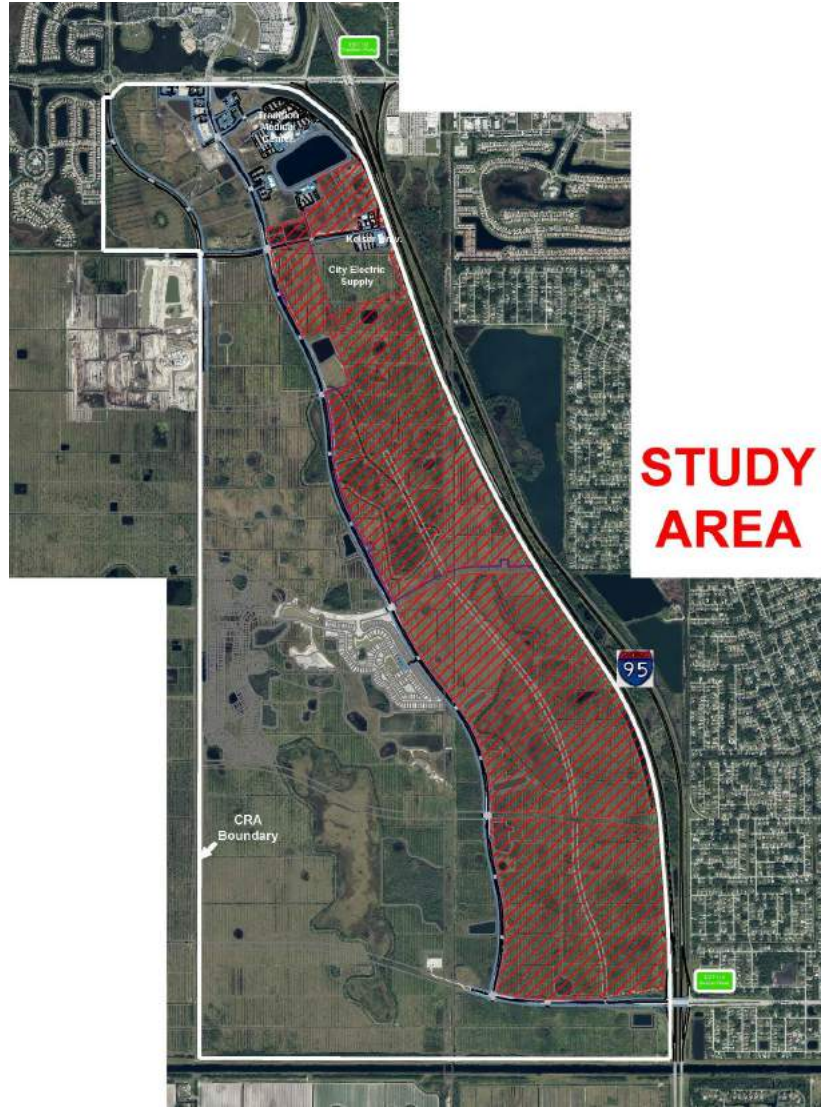


Panel Assignment

The Advisory Services panelists will be considering creative approaches for the development of Southern Grove that are sustainable, and which catalyzes further economic development to benefit the entire community:

- The appropriate and best land uses for Southern Grove, including recommended density and intensity; and types of land uses that best support the South Florida regional market in terms of site location, access, labor availability, and local/regional competing sites;
- The market's ability to absorb residential, commercial, industrial, and other types of uses proposed in the Master Plan;
- How best to facilitate appropriate development of industrial uses envisioned in the Master Plan to ensure integration with other land uses and limit the impact on low-density residential areas and other areas;
- The advantages and disadvantages of including one or more large industrial sites (50 acres – 300 acres);
- Development of a workable road network that accommodates the proposed Master Plan;
- The merits of the local government phasing the growth by location or other means versus allowing market demand to guide development and phasing;
- Strategies the city should consider for marketing, sales and development for each land use type (industrial, office, research/development, retail, multi-family, and mixed-use) given the city's objectives and its debt obligations; and
- The circumstances under which the City should consider a public-private partnership for the development of Southern Grove.

Study Area



Summary Panel Findings

- Port St. Lucie is **healthy and has great potential** as a city with jobs for its residents.
- This report starts with the assumption that Goal One is to **provide a mechanism for job creation and a stronger community**.
- **Planning will be required before action** is taken to ensure a result that continues to reap the values of your people, your location and your property.
- A **disciplined approach to developing** the remaining areas of Port St. Lucie is paramount to achieve the stated goals
- There is not a quick solution, but the panel is **confident in the long-term value contribution of the study area** - both economic and lifestyle.
- The panel believes that the priorities should be the **planned development of the community first** and retirement of past debt second.

Presentation Overview

I. Vision

II. Market Potential

III. Fiscal Investment and Debt Elimination

IV. Infrastructure and Design

V. Study Area Design

VI. Development Strategies

VII. Implementation

Vision

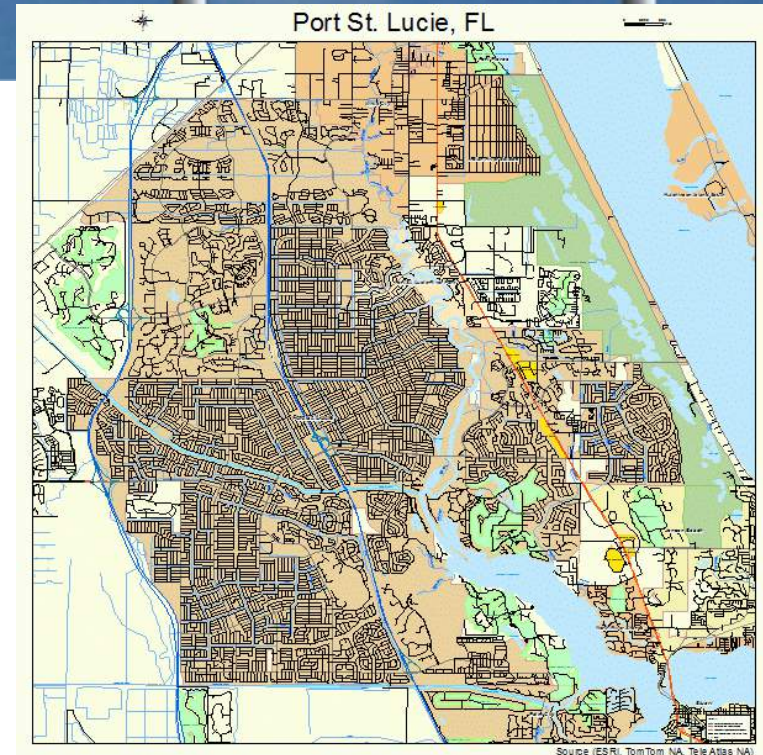
Master Planning

Unification and Connection

Cultural and Civic Realignment

Resiliency

Housing Diversity



Vision

Master Planning

Refocus vision

- Positive, unique, welcoming

Build on Positive Growth

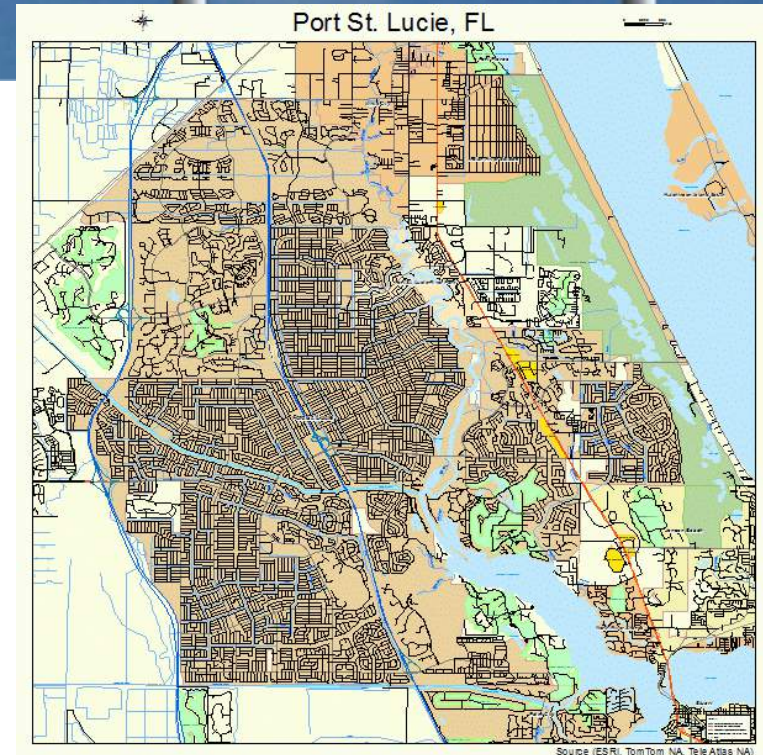
- Tradition Medical Center/Cleveland Clinic
- City Electric

Step Back from Marketing and Development Activities

- Ready, Aim, Fire

Successful Effort will take time

- Meet City Goals
- Need of Businesses
- Assist City in Paying Down Debt

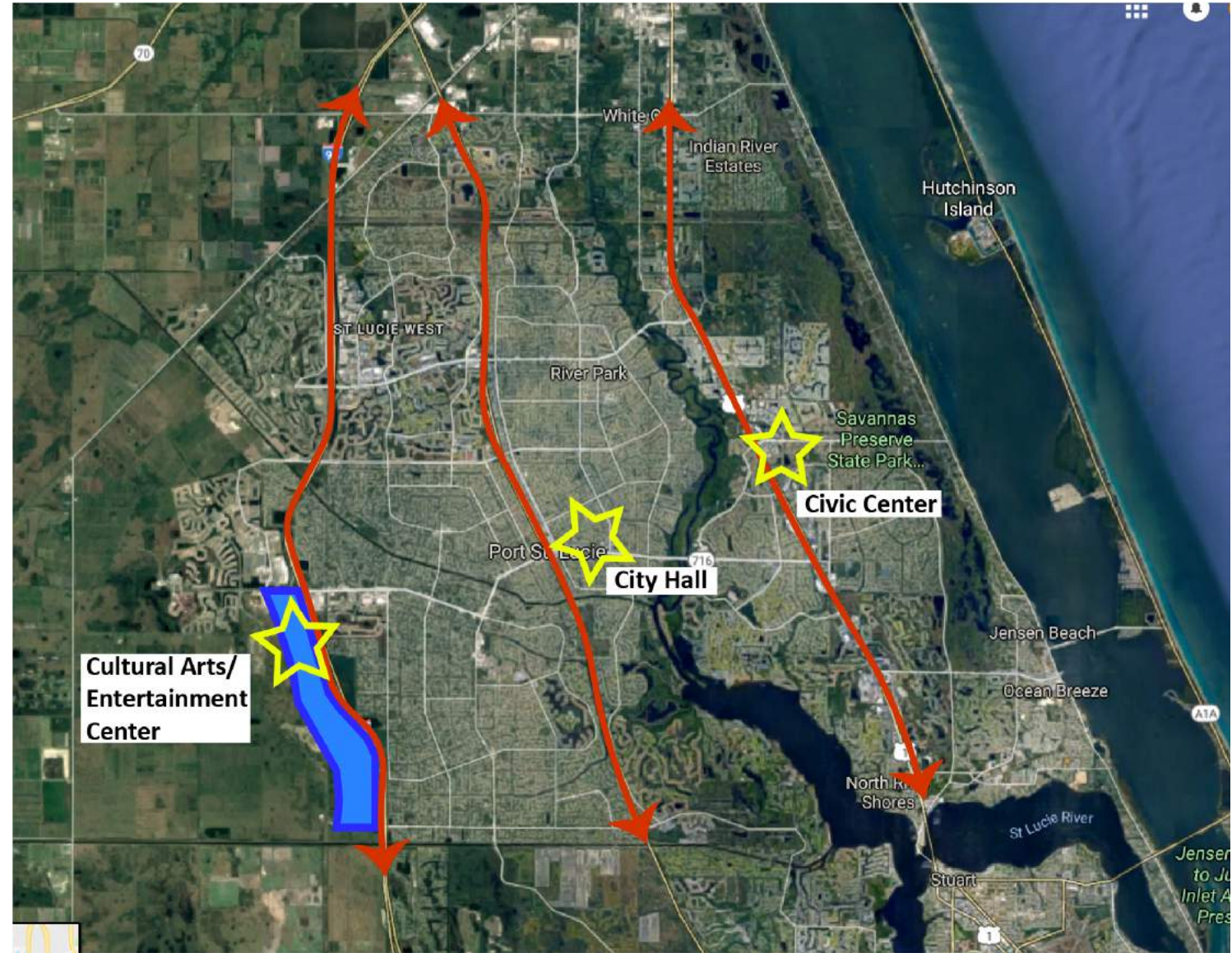


Vision

Unification and Connection

Connect the community

- Create ways to get between community spaces
- Minimize strip retail
- Internalize schools to neighborhoods for safety, while providing local park space



Vision

Cultural and Civic Realignment

Civic Center Conference and Meeting Center

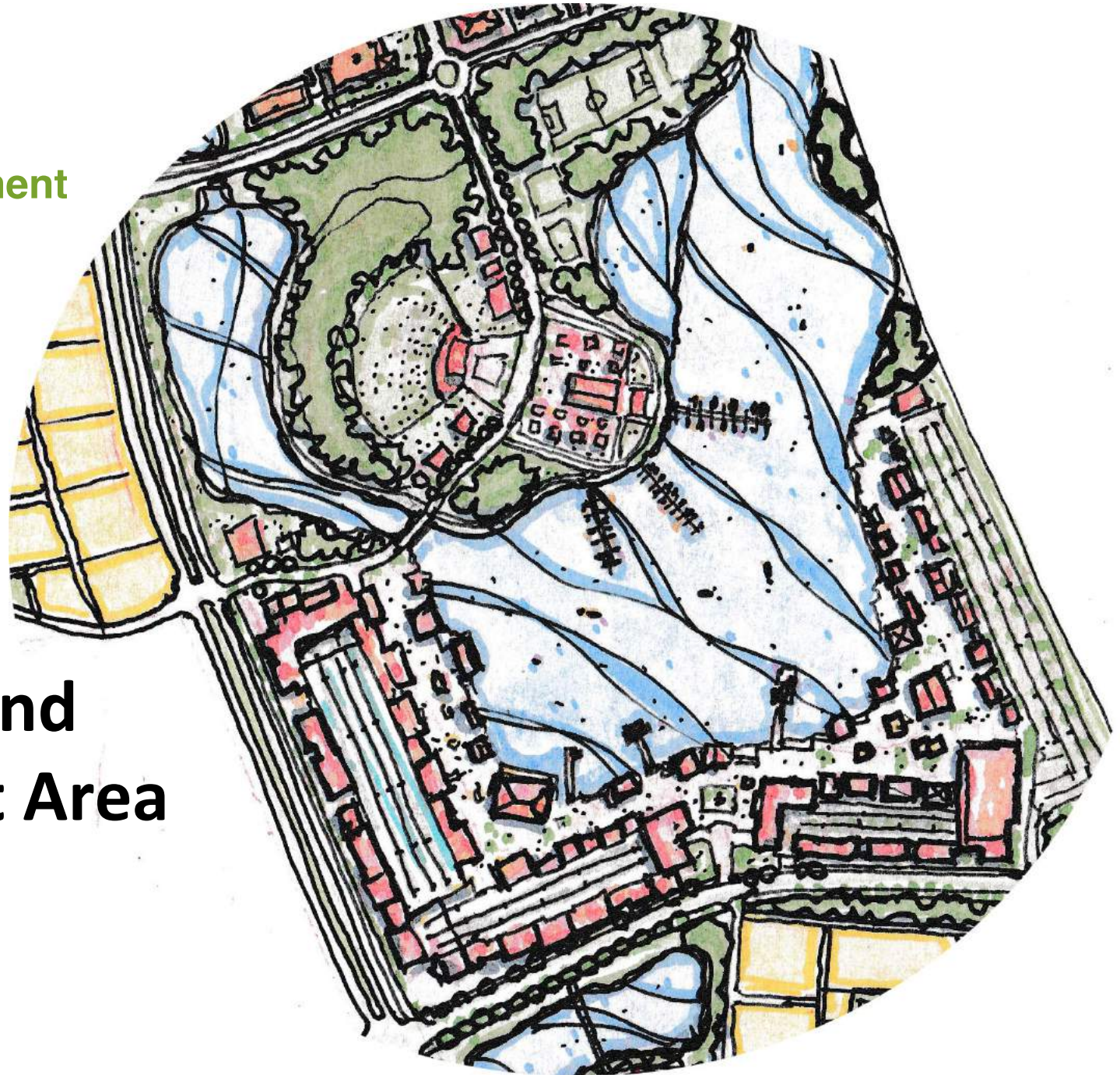
- 41-acres
- 100,000 sf
- Meeting Space
- Catering
- Recreation Center
- Parking Structure
- New Private Development on 21 vacant acres
- Potential Uses Include:
 - Hotel
 - Office Space
 - Mixed Use Residential/Retail



Vision

Cultural and Civic Realignment

Cultural Arts and Entertainment Area

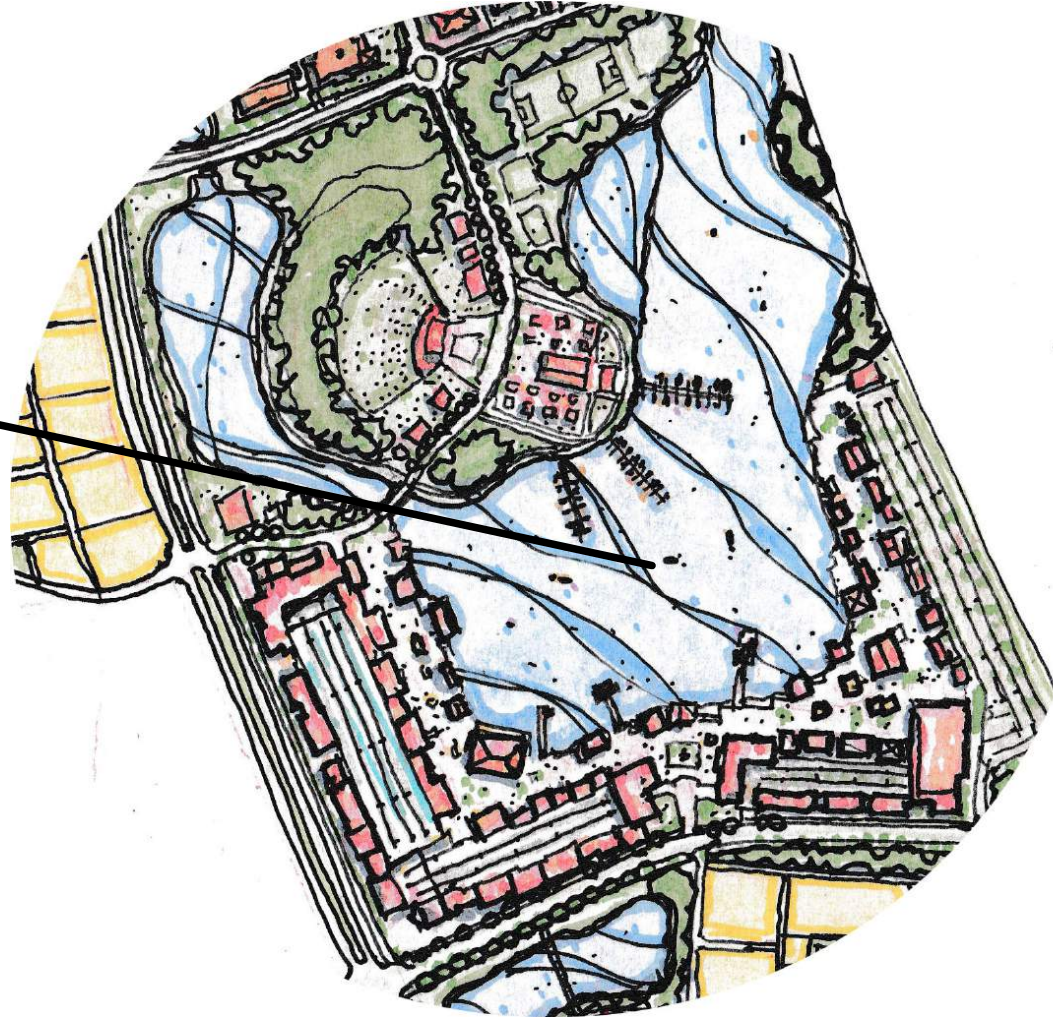


Vision

Cultural and Civic Realignment

Cultural Arts and Entertainment Zone

75-acre Lake/Stormwater Management

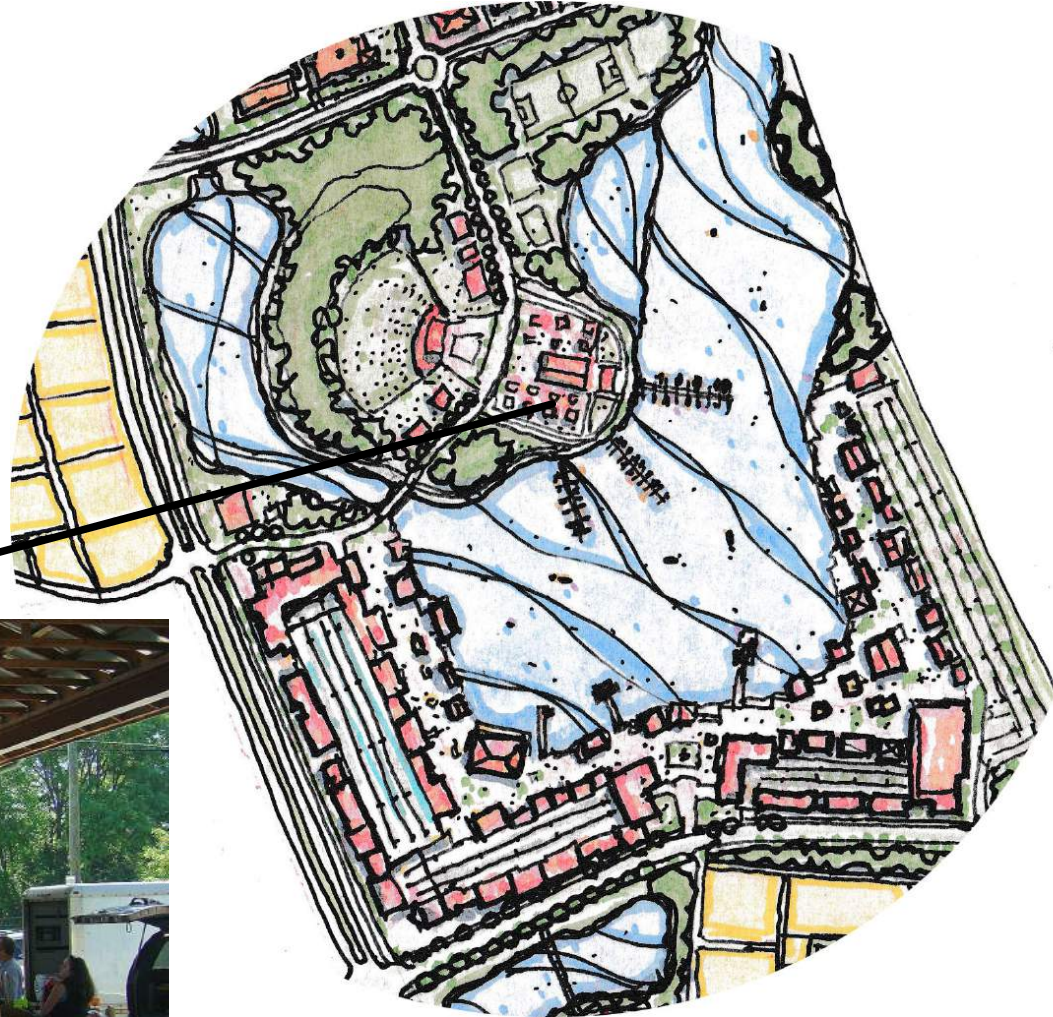


Vision

Cultural and Civic Realignment

Cultural Arts and Entertainment Zone

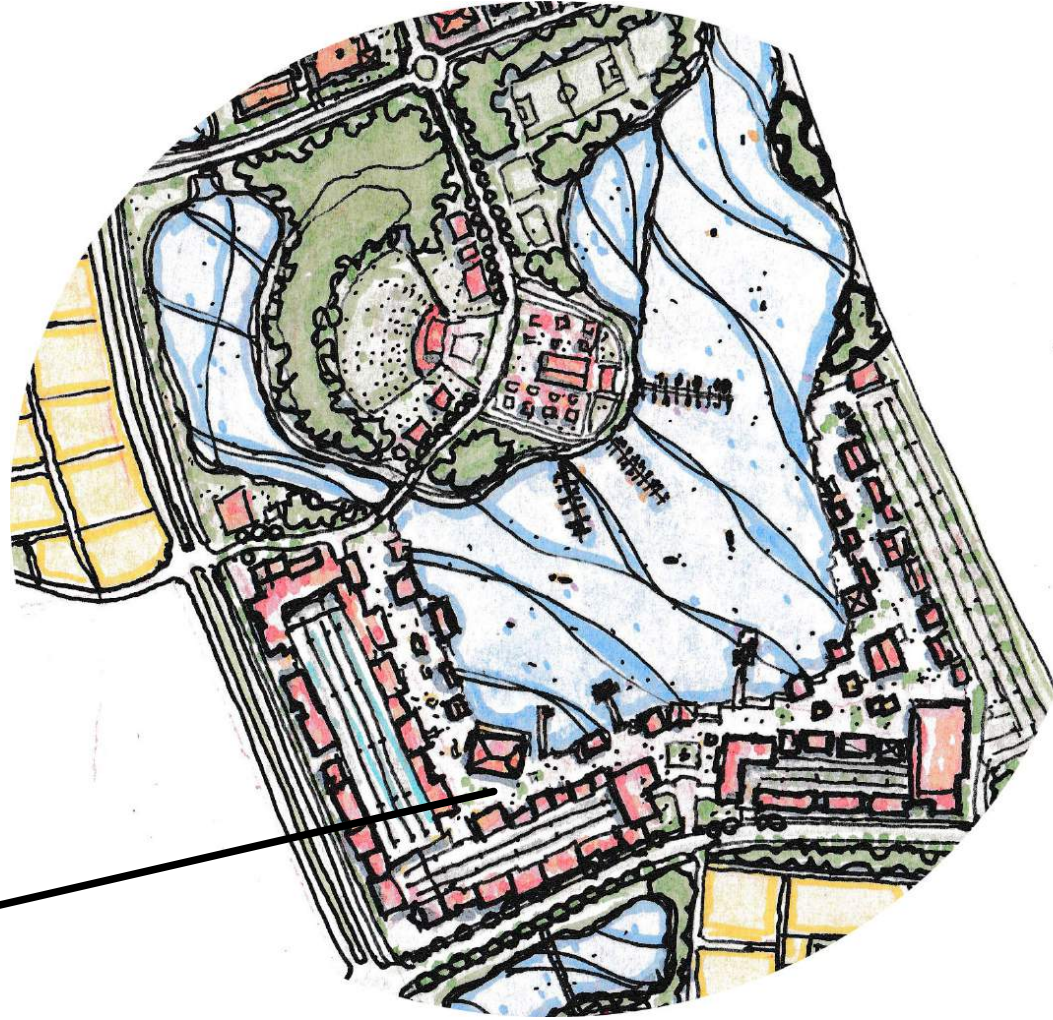
Market Square



Vision

Cultural and Civic Realignment

Cultural Arts and Entertainment Zone



Retail/Entertainment

Vision

Cultural and Civic Realignment

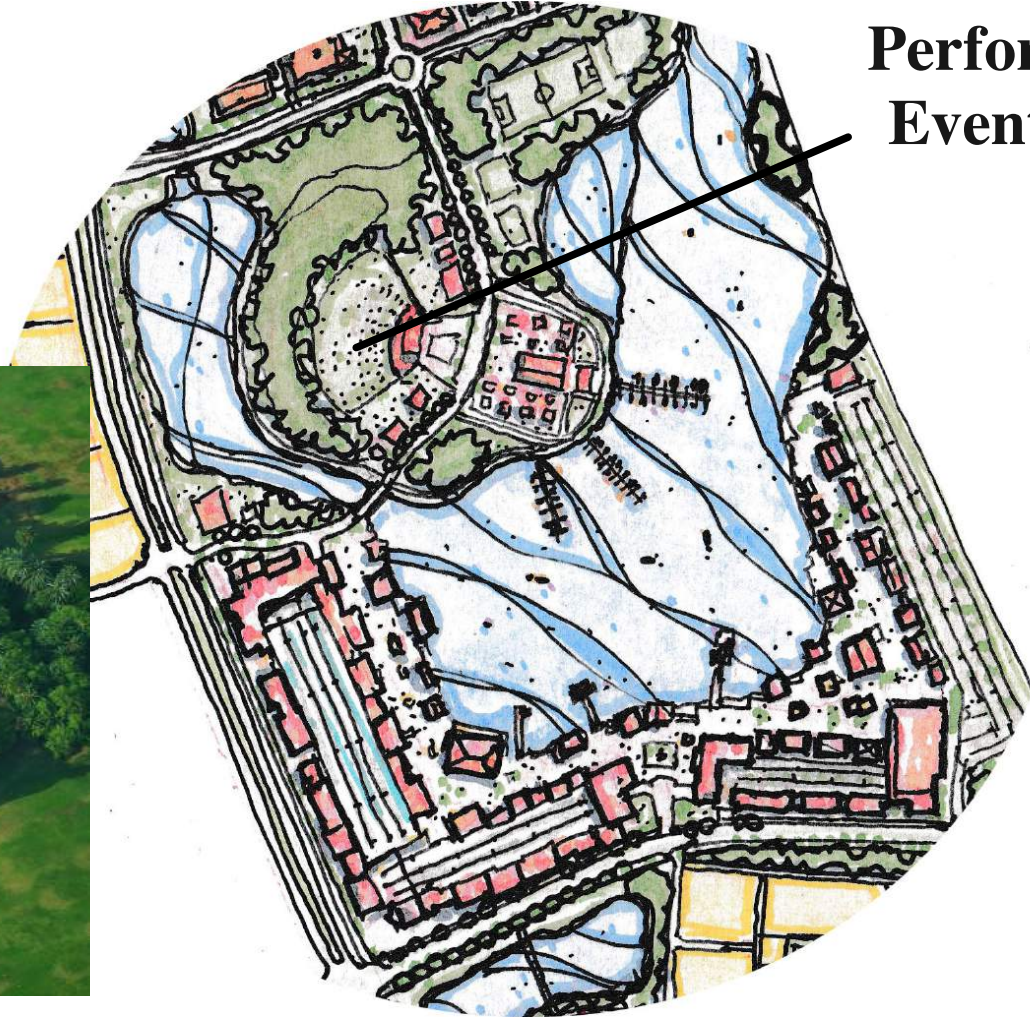


Programmed Sports



Vision

Cultural and Civic Realignment



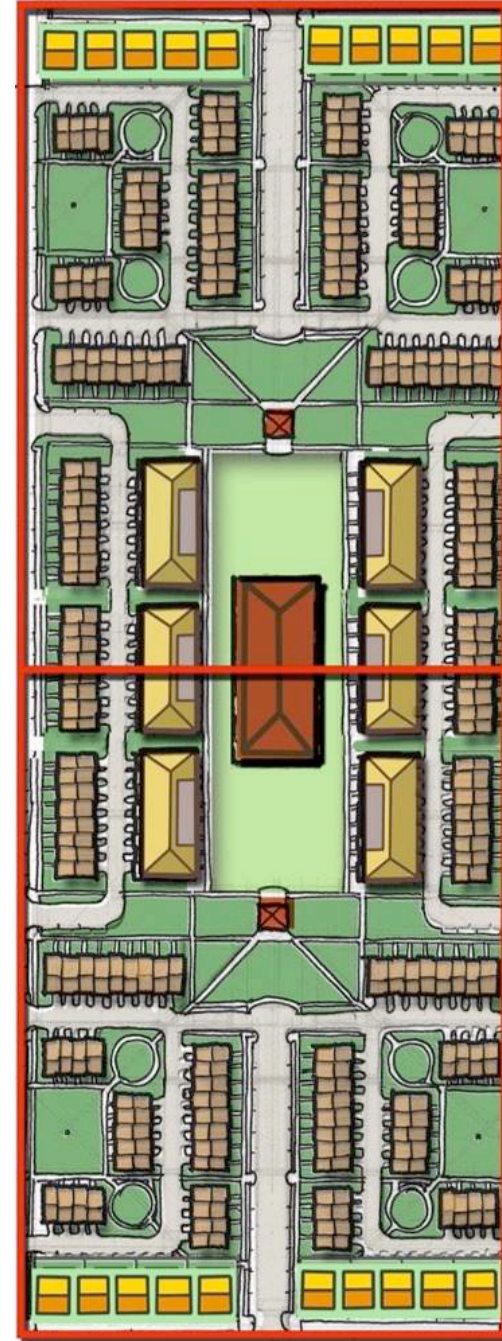
**Performance/Arts/
Events Space**

Vision

Housing Diversity



- Housing Diversity Gap
- For Rent vs Multi-family vs Condo
- Small lot homes, Townhomes, Apartments



Vision

Resiliency

- Emergency preparedness
- Reduce Carbon Footprint
- Save Businesses Money
- Be Green



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- II. Market Potential**
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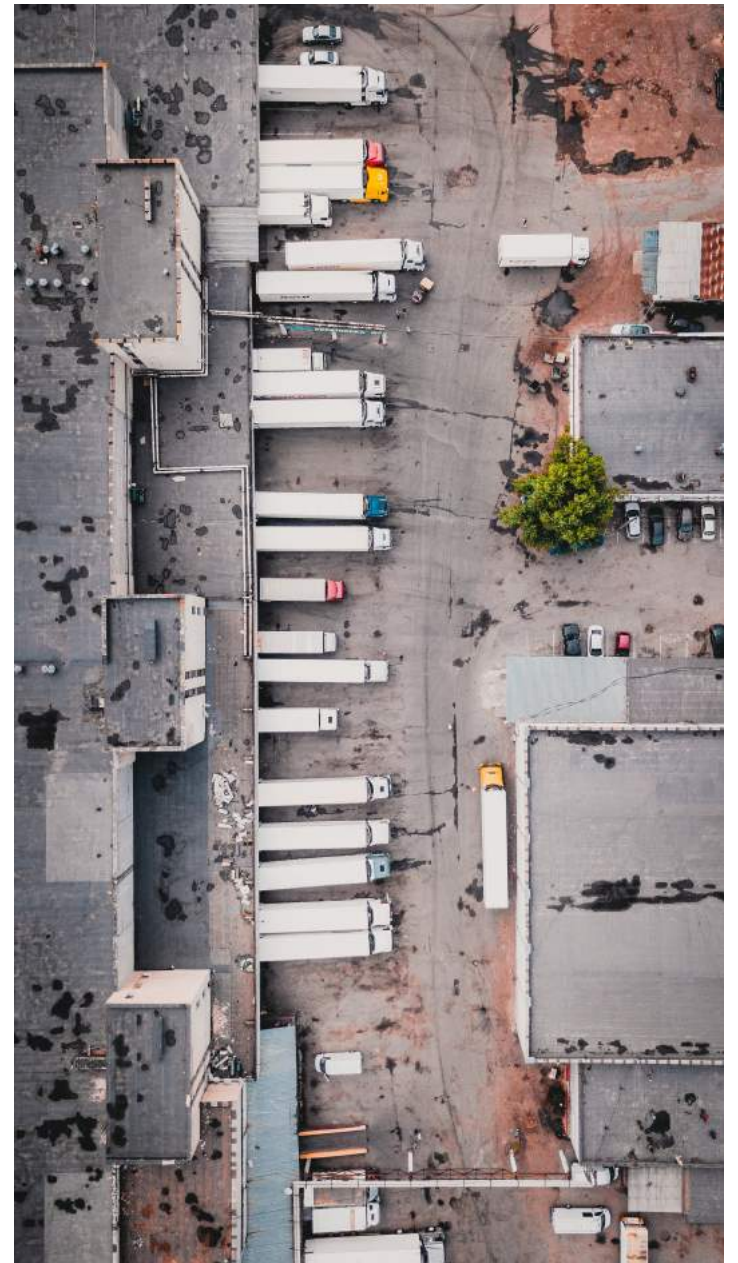
Market Potential

Growing Demand, Limited Supply, Existing Workforce

- Primary market is spillover from South Florida
 - Cost driven, as land and rents continue to rise
 - Strong manufacturing and distribution sectors
- Secondary market is “from away”
 - Orlando, balance of state, out of state
 - Seeking lower cost, access to markets, lifestyle
- Organic growth
 - 100+ members in Manufacturer’s Association
 - Strong entrepreneurial ecosystem

Market Segments

- Industrial – warehouse, distribution, traditional manufacturing
 - Location – between major growth markets
 - Workforce – Significant out-commute to south of more than 30,000 skilled workers
- Office/R&D – medical, financial services, specialty mfg.
 - Hospital/Cleveland Clinic
 - Population and income trends – families and 55+ segments



Market Segments

- Retail – good local mix of large and small, specialty and larger format
 - “Retail follows rooftops”
 - Rising incomes add to demand
 - Seasonality impacts
- Residential – single family, condos (M/F), apartments
 - Growing market share, strong demand, rising prices
 - Growing need for rental product across all income levels
 - Bullish, but cautious builders



Study Area

Location, location, location

- “Tradition” is a strong and growing “brand”
 - Cleveland Clinic will strongly reinforce location
- Visibility from I-95 is key attribute
 - Can add \$200,000+/- to roadside parcels
 - Need for height along highway
- Land prices here at 50% to 75% of West Palm and Broward, depending on product
 - Large differential between “raw” land and “shovel ready”
- Development Time Frame - 20-30+ years for full potential to be reached



Presentation Overview

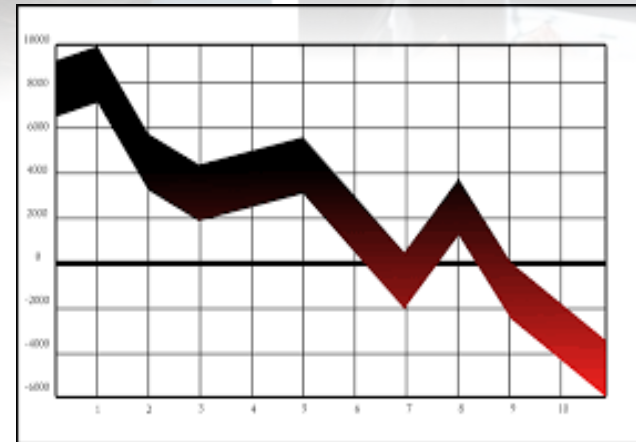
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Fiscal Investment and Debt Elimination

Two desires of the City of Port St. Lucie:

Attracting new employers would create new jobs in the study area which would result in:

- Increase tax revenue from new employers
- Increase in sales tax from the local market
- Increase in demand for good and services
- Increase in disposal income from residents
- Increase the demand for housing
- Better healthcare results
- Decrease in commuter's stress



Fiscal Investment and Debt Elimination

Mitigating the debt

- Recruit business that create new long-term jobs
- Pay higher wages
- Assist city in paying off bond debt
- **Elimination of debt**
 - Recruit a business that pays the taxes but doesn't create jobs.
 - City pays off debt at a reasonable rate of time.



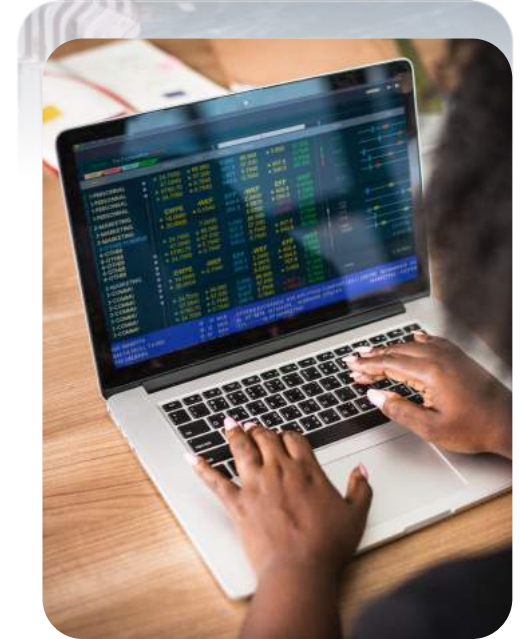
Fiscal Investment and Debt Elimination

Executing the strategy

There are multiple ways to meet this strategy as opposed to hiring a master developer:

It's vital to remember that you are looking at four different market type:

- Industrial
- Multi-family
- Office
- Retail



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Design

Creating Value through Infrastructure Design

- Create special places using streets, landscape and water together
- Build on historic patterns that offer human scale, connectivity & proximity
- Design infrastructure efficiently and artfully
- Make the study area a model for mixed-use development in Port St. Lucie, and the region



Design

Efficient Design Creates Value

Gain buildable land by:

- Revising Codes
 - Rights-of-way and street widths
 - Parking amounts and dimensions
 - Minimizing need for wide roads by prioritizing roundabouts
 - Using regional and sub-regional storm water management strategy
 - Plan & design entire system
 - Build in phases as needed
- *Small changes add up to big differences!*
 - **Potential Efficiencies:** gain 40 - 49 acres of buildable land
 - **Value:** gain up to \$1.9 million



Design

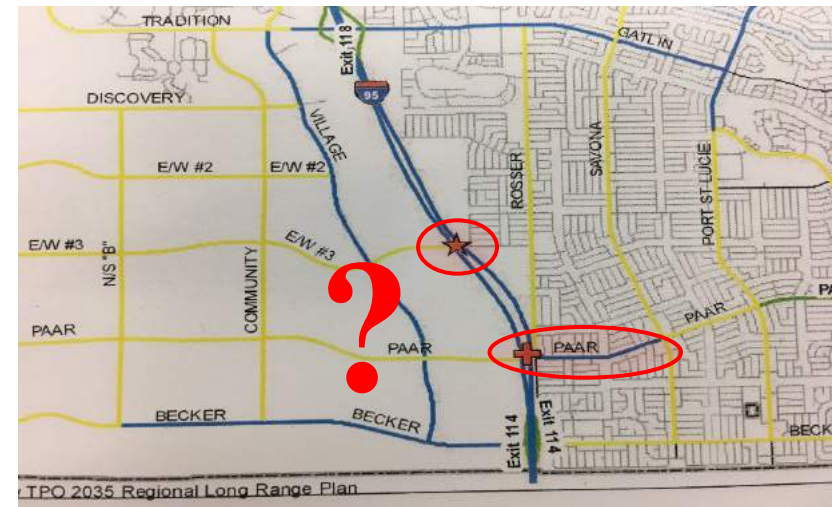
Connectivity Creates Value

Study Area

- A hierarchy of circulation suited to adjacent land uses
 - Spine street sized to commercial, residential and industrial zones
 - Cross-streets approx. ¼ mile apart
 - Shared-use walking/bike paths
 - Industrial access at southern periphery
- Interconnected waterways as scenic/recreational amenity
- Predictable development patterns & expenses

Regional

- Re-evaluate future road needs
 - Update traffic forecasts
 - Are future I-95 crossings/interchange still justified?



Design

Mobility by all Modes Essential to Quality of Life

- Investigate new transit routes
- Explore new transit partnerships
 - Ride-hailing services
- Expand bike share where possible
- Access to regional rail (Brightline)
- Eventual need for a regional commercial Airport



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Study Area Design

Design Principles

- Create an organized Master Plan that allows for flexibility and efficiency
- Master Plan that allows for
 - Addressing Missing Middle Student and Affordable Housing
 - Transition from single family detached to the employment corridor
 - Becomes a regional destination and a playground for residents
 - Uses water as a transitional buffer and create a feeling of uniqueness
- Prototype for a variety of housing, office, industrial, entertainment and retail types to allow for use throughout the study site and Port St. Lucie
- Create efficient and interesting streets which are more pedestrian, bike, and golf cart friendly
- Address regional storm water management issues and use water as a transitional buffer
- Transition from Suburban design to “Surban” design



Study Area Design

Design Principles Example: Hartwell Avenue



Study Area Design

Design Principles Example: Hartwell Avenue



Study Area Design

Design Principles Example: Hartwell Avenue



Study Area Design

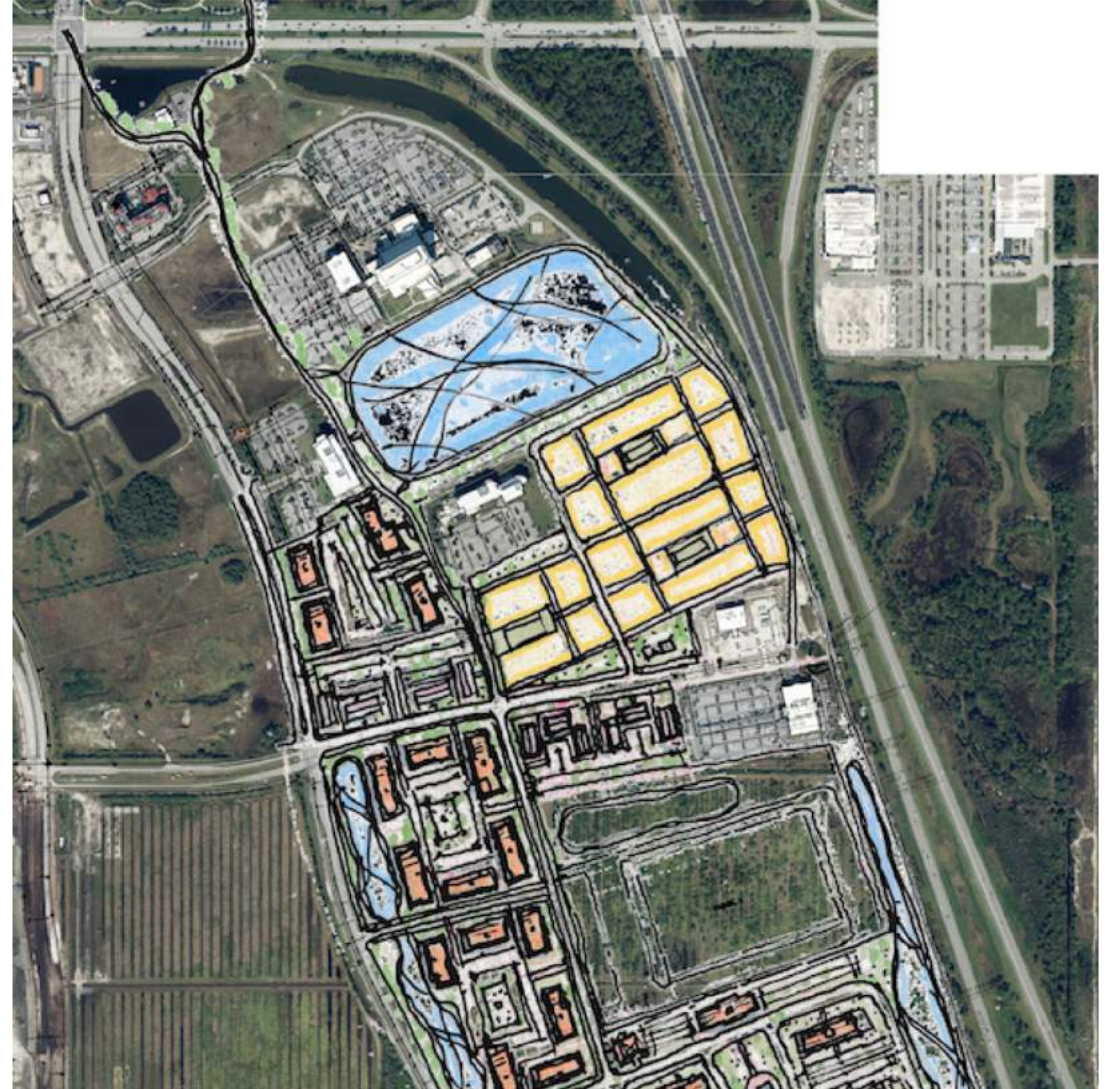
Design Principles Example: Hartwell Avenue



Study Area Design

Medical and Education Area

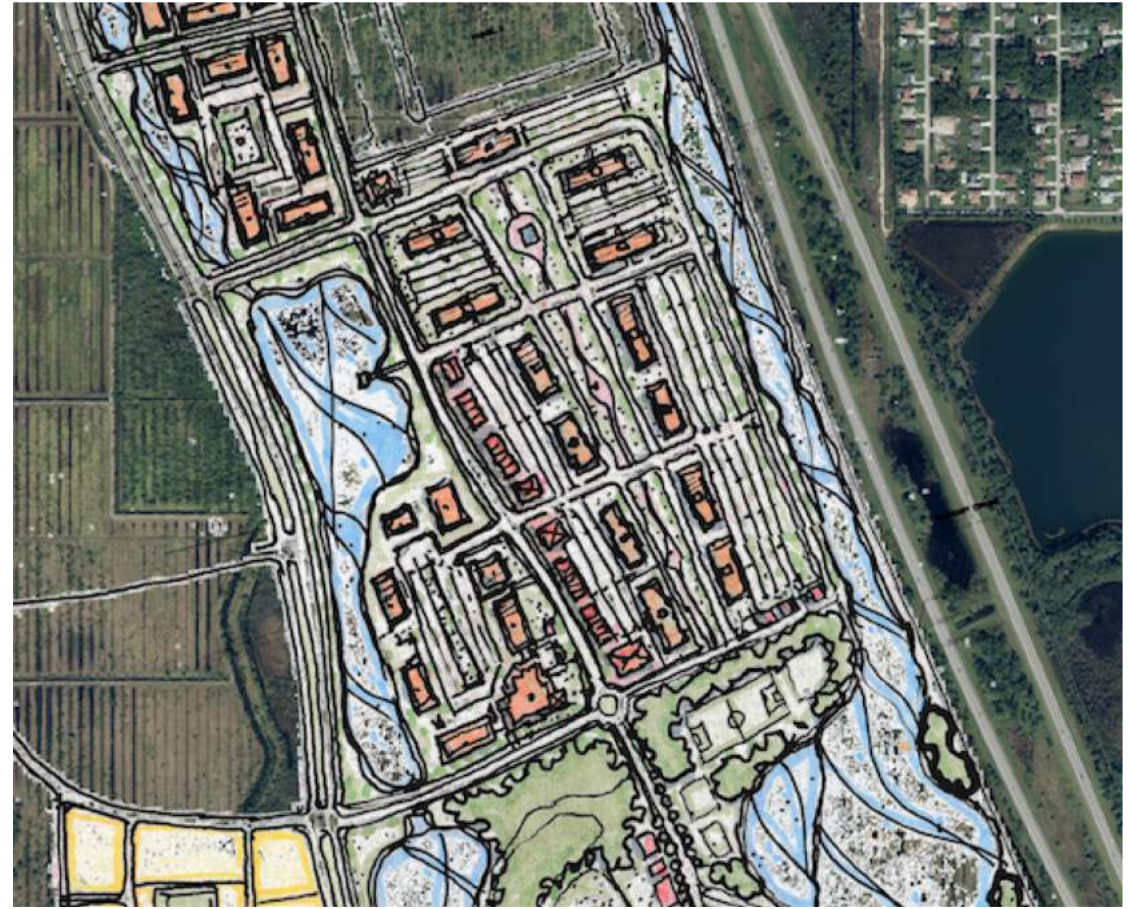
- Pedestrian connection to Tradition and continued connection to the new Market Street
- Allow for education to expand in more organized and logical way
- Add housing appropriate for student housing and medical staff
- Look to use more innovative and creative ways to make the housing more affordable



Study Area Design

Mainstreet/Office Area

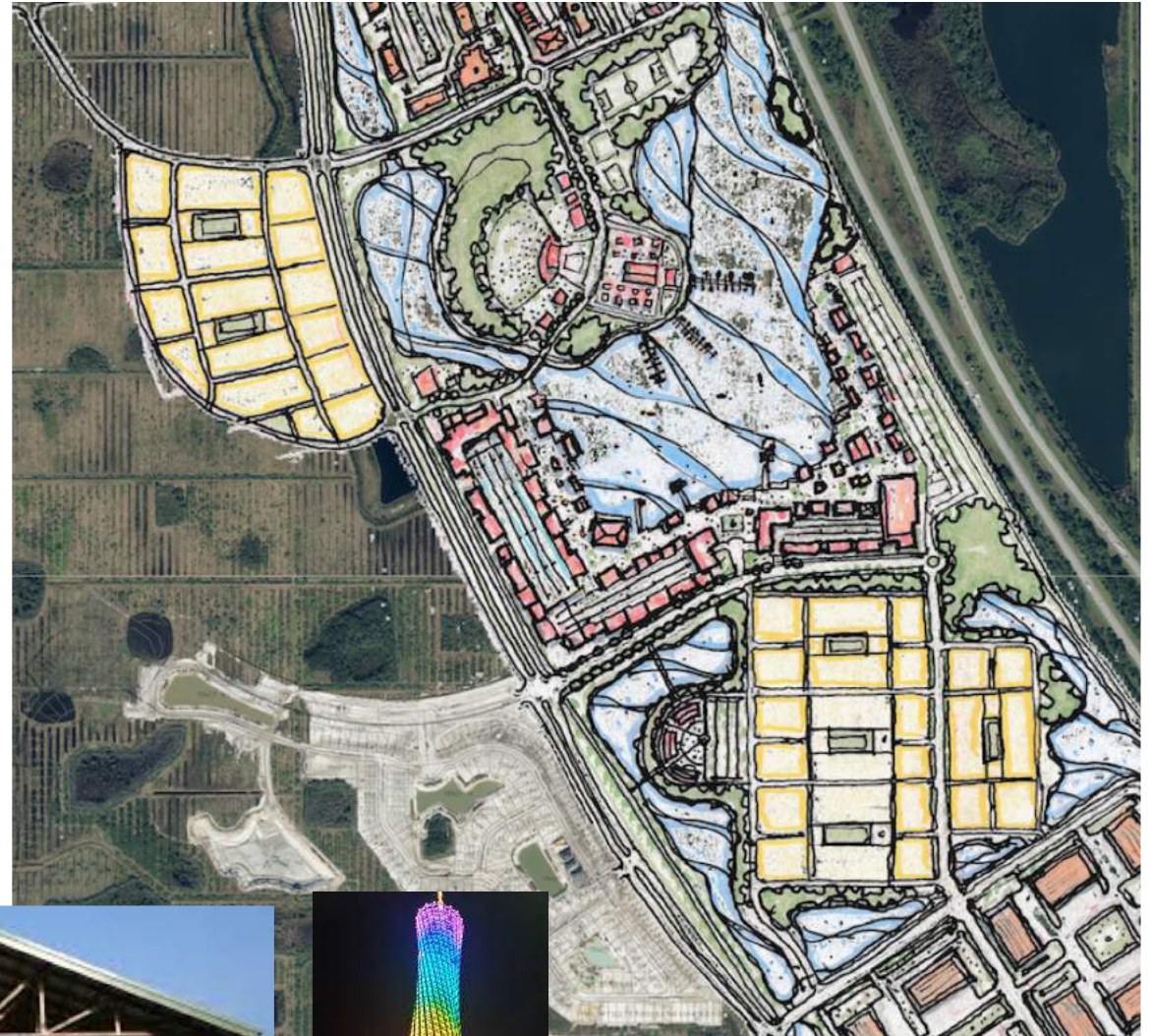
- Mainstreet retail/office elements
- Improved viewsheds
- Shared parking
- Market Street would allow for:
 - 75 Foot Right-of-Way
 - 2 Travel Ways
 - 2 Parallel parking lanes
 - Tree Pits
 - Bike Lanes
 - Pedestrian
 - Outdoor Seating Areas
- Design office to create
 - Outdoor green gathering spaces
 - Internalize parking areas to rear of streets
 - Activated streets
 - Use of solar on roofs



Study Area Design

Cultural Arts and Entertainment Area

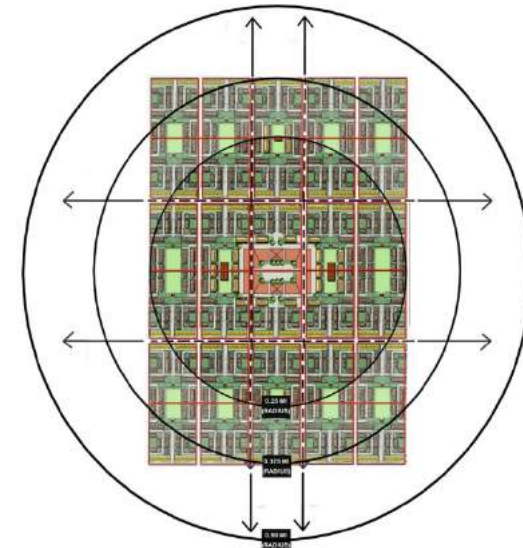
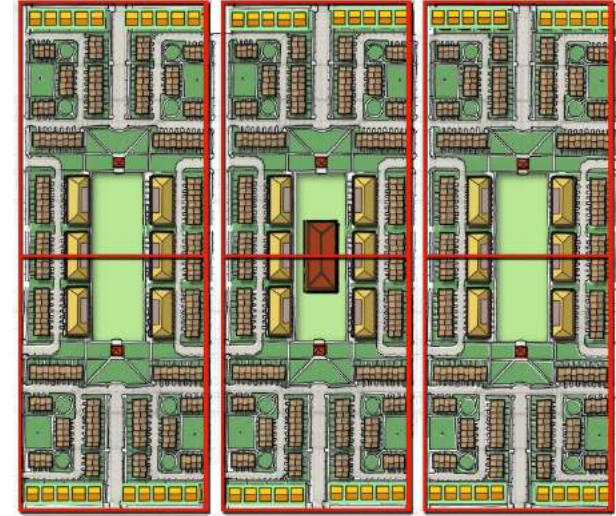
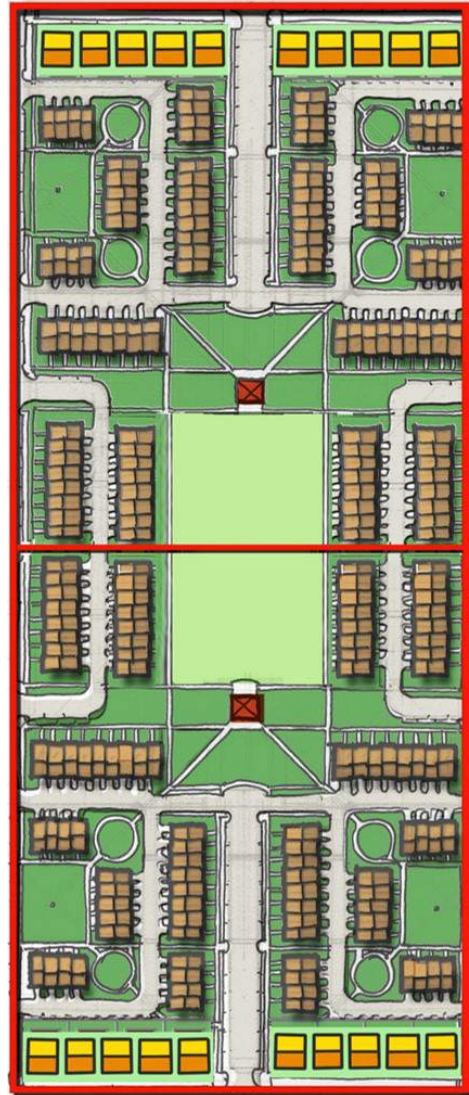
- Regional Destination Draw
- Local Recreation and Sports fields for play
- Area includes:
 - Lake – Water taxi, boats, piers, possible beach and swimming area
 - Market/Gathering Space – pavilion, pop up tents, hard space
 - Retail/Entertainment – shops, restaurants, theatres, kiosks, Food Hall
 - Programmed Sports/Recreation – fields, courts, dog park, picnic, barbeque
 - Performance/Arts/Events Space – small and large



Study Area Design

Residential Area

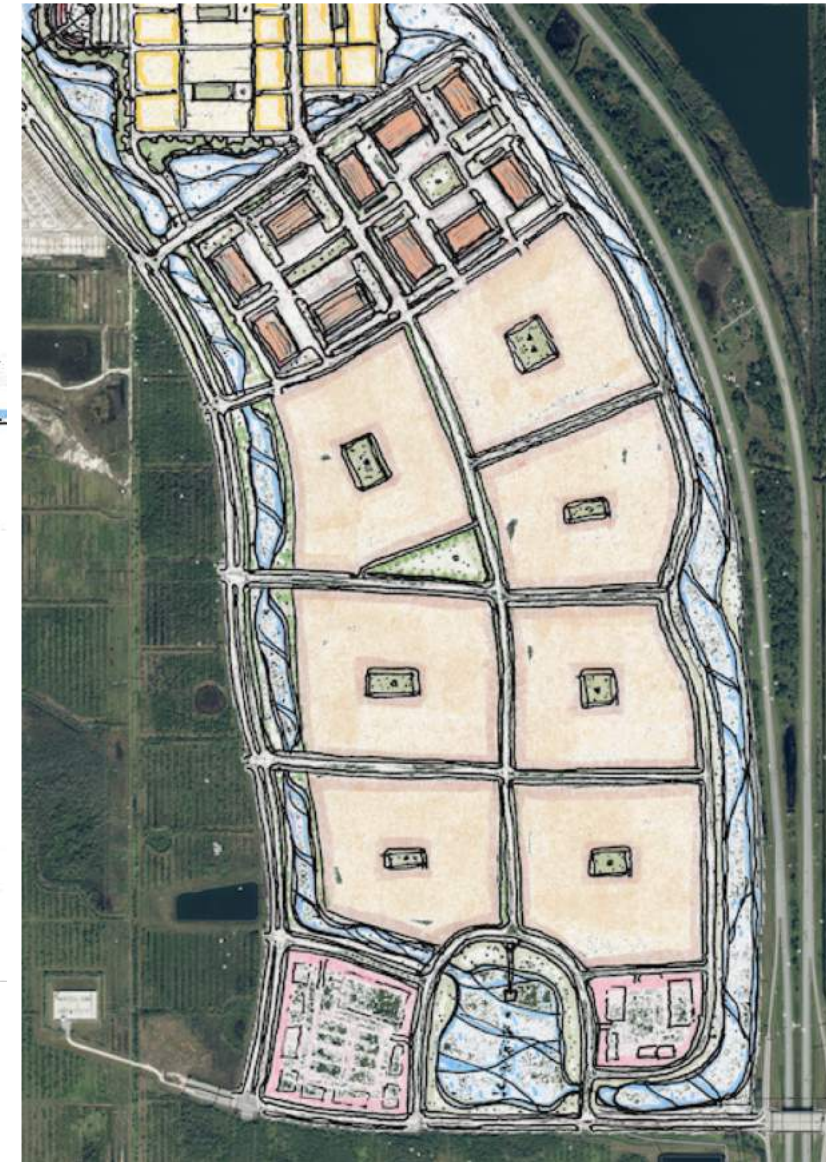
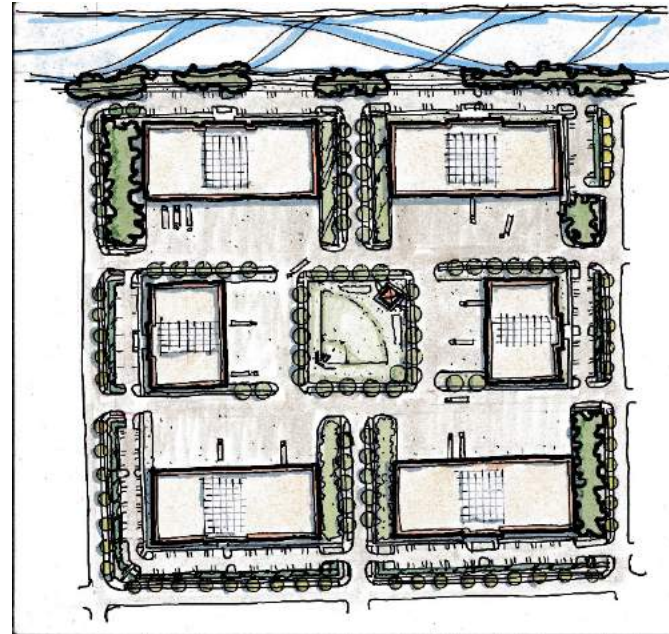
- Play off of design pattern and heritage of Port St. Lucie
- Designing neighborhoods in an organized fashion
- Create places and enable gathering
- Walkable, serviceable, and safe
- Allowing for multiple housing types in flexible modules



Study Area Design

Industrial Zone

- An organized design allows for flexible program for industrial properties
- Loading is in Interior of the block allowing for a better street experience
- On-site water retention and recreation area in the center of the block to allow for lunch time break + play
- Flexible floor plates – 6-200x400 bldgs or 2-400x1100 bldgs
- Transition properties to Becker Road
- Water as transitional buffer
- Potential for solar panels on roof
- These sites are all flexible and can transition to other uses depending on need as the project proceeds
- Pattern accommodates various sizes of projects



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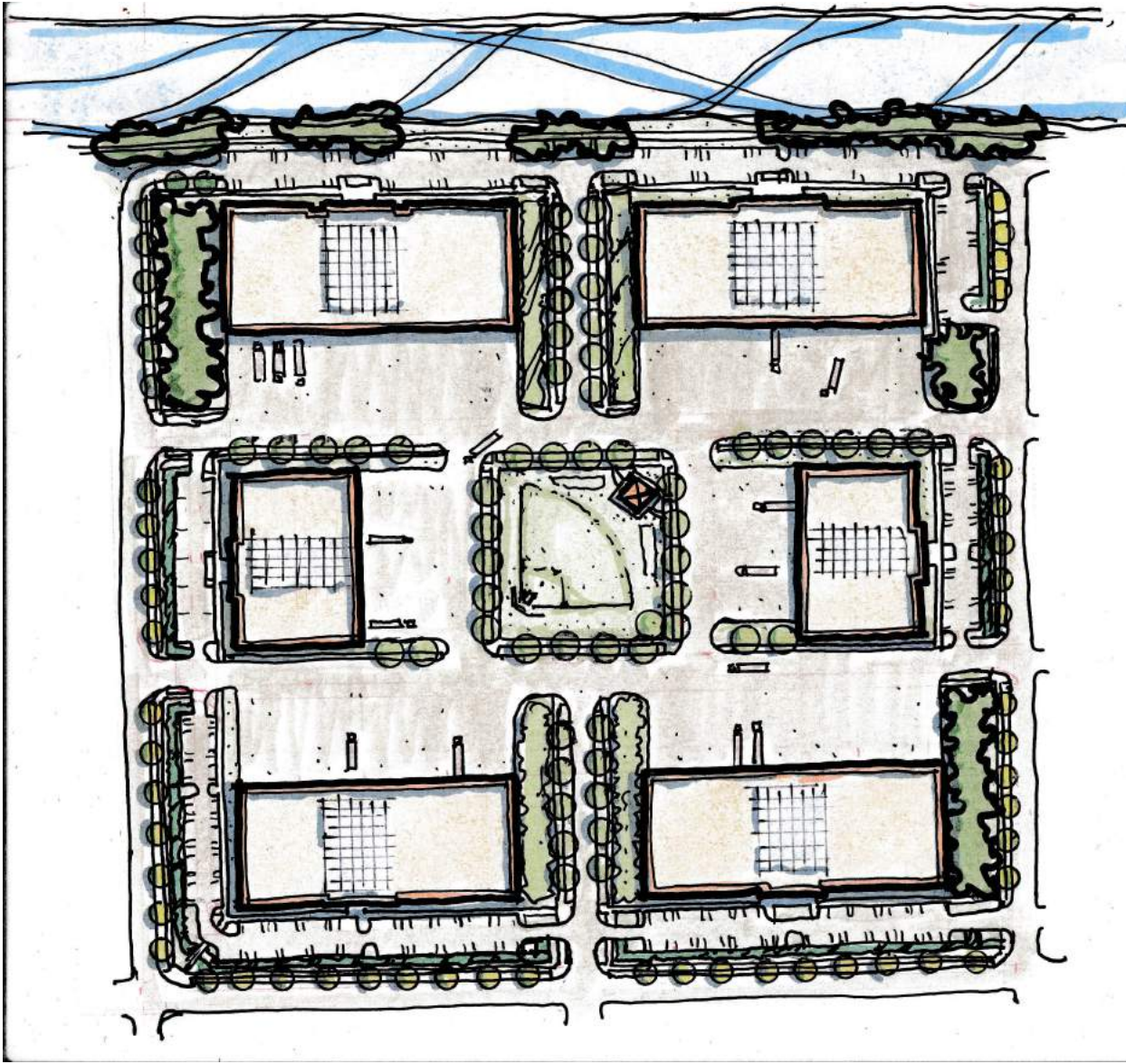
Development Strategies

How do we get from here to there?

- Property is “underwater” today
 - SAD and CDD assessments make land uncompetitive in the regional market
 - Up-front payments and allocation formula penalizes expansion plans
 - No local “comps” to help sellers and buyers (and banks) come to agreement
 - Property requires significant continued investment in infrastructure, marketing and administration
- Single Master Developer/JV not financially feasible
 - Too long term
 - Too high risk



Example: Prototypical Industrial Layout



- 40,000 & 60,000 SF bldgs.
- 24% coverage (10,500 SF/acre)
- Deemed coverage (14,500 SF/acre)
- SAP @ \$0.45 PSF, CDDC @ \$0.30
- \$10,875 payment per year
- Cap at 8.5% = \$128,000
- Effective cost on building = \$12.17 PSF
- ~38% premium on price
- Effective cost on land = \$3 PSF
- 120% premium over market

Business Plan Approach

Disciplined strategy to achieve City's goals

- Governmental Finance Corporation is the “owner”
 - Need to think (and act) like a developer
 - Financial and market expertise/resources
 - Bottom-line orientation
 - Singular focus on Study Area
 - Defining Principles:
 - #1 Jobs & Community – high quality, well paying employment for PSL residents
 - #2 Mitigation of debt service



Example of Strategic Approach

- City serves as ***Master Development Coordinator***
 - Phased takedown by sub-parcels
 - Shares risk across all sectors
 - Allows for flexibility
 - Ground Leasing
 - Contingencies
 - Leverage your assets

“You don’t have to swing hard to hit a homerun. If you got the timing, it’ll go.” – Yogi Berra

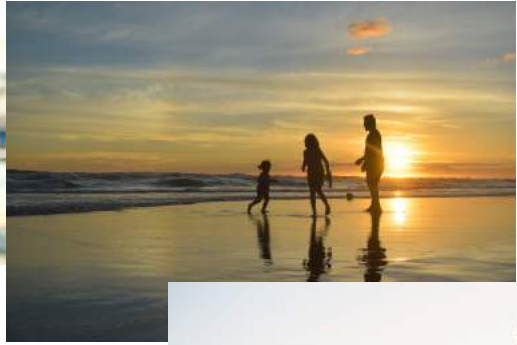
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Marketing and Branding

GO BIG and BE HOME

- Both for the site and the city
- Need to market Port St. Lucie based on its strengths and what we heard
 - Define your story then SELL it!
 - Small town feel
 - Feels like a hometown
 - Great place for all ages – from birth to retirement
 - Far enough – and close enough – to Miami and Orlando
- Need to Sell the Study Area
 - AGGRESSIVE – Proactive and not reactive
 - Emphasize the site identify and a sense of place
 - Capitalize on the Cleveland Clinic story – an achievement to be celebrated
 - Play offense, not defense – don't wait for the opportunities to come to you



Relationship Building

It's All About Your Partners

- Citizens – your main partner
 - Build on the Citizen Survey
 - Create opportunities for gathering throughout the city
- Employers
 - Provide a great place for their workers – Live Work Play
 - Provide incentives but don't sell the farm
- Businesses (including developers)
 - Fair and equitable regulations and fee structures (perceived and real)



Educational Institutions

Capitalize on the Assets

- Align goals, but don't rely on the schools as the sole source of employees
 - Continue close coordination – education and job placement
- Explore additional opportunities
 - FAU and FIU – locate in or near the study area to diversify job training in the area; also explore at least 1 post grad institution
 - Vocational School – not only for jobs training but as another recreational asset in the study area; use negotiated before the sale of the land



Structure for Delivery

Oversight Entity for the Study Area

- Autonomous board with five members appointed by the city council
- Only focus is the study area
 - Diverse skill set – like a ULI panel
- Hire an executive director who reports to the authority
 - First Priority: Recommend process for moving forward
 - Keep control of the property; joint venture; RFP for the whole site; other?
 - Start untangling the entitlements
 - Only job is to get this done
- Most critical part of this: Goal is to create jobs; will create the economic results wants

Staffing

- **Collaborative staff that has the trust of the City Council to implement the plans city-wide vision**
- **Fill in the skills gaps as appropriate**
- **Dedicated staff for delivering the community programs – arts, cultural, environmental**

Discipline and Patience

**Marathon not a
sprint...**

**Priority is creating
jobs and a high
quality-of-life; the debt
relief will follow**

Questions?

Port St. Lucie, Florida
October 28 – November 2, 2018

