



October 12, 2022



Mr. Russ Blackburn
City Manager
City of Port St. Lucie
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, Florida 34984

Re: Request to Modify and Amend Existing Incentive Ordinance and Related Agreements with City Electric Supply Company/TAMCO (“CES”)

Dear Mr. Blackburn,

With appreciation for the City’s efforts in recent years in connection with the attraction and expansion of CES’s facilities in Port St. Lucie and related incentives in support of those efforts – and following consultation with the City’s economic development staff related to this matter – please accept this letter as CES’s request for action by the City Council in furtherance of limited modifications to:

- the Ad Valorem Tax Exemption granted to CES by the City pursuant to Ordinance 20-26 (the “**Ad Valorem Ordinance**”); and
- the City of Port St. Lucie Impact Fee Mitigation Agreement between the City and CES pursuant to Ordinance 17-R78 (the “**Impact Fee Mitigation Agreement**”).

The Ad Valorem Ordinance and the Impact Fee Mitigation Agreement granted CES an exemption from a percentage of the ad valorem taxes and impact fees that would otherwise have been payable by CES in consideration of CES’s agreement to construct a new 400,000 square foot TAMCO factory in the City, the maintenance of 210 base line jobs for a period of 10 years, and the creation of 50 new jobs over a five-year time period, beginning in 2022.

CES has strived in good faith to maintain these job milestones despite the significant detrimental impact of COVID-19, including the effect of governmental mandates, the adverse impacts that the pandemic has inflicted on our industry overall, and related changes in our workforce and their mobility and migrations. CES has continued to, and does as of the date of this letter, suffer serious disruptions to our supply chain, business operations, and customer demand profile. These COVID-caused disruptions continue to manifest themselves in significant losses to revenue and negatively impact CES’s operations on many unexpected and destructive levels.

These pandemic challenges occurred shortly after our major building consolidation from eight operational sites into one enormous state-of-the-art building triggering tremendous efficiency throughout the operation. So, while the pandemic demanded tightening, the business efficiency resulting from our new building operation not only helped us survive the challenges, but now will allow us to grow in the facility given the significant available square footage and new systems that have solidified over the past two years.



CES has also worked to strategize around the supply chain issues by opening other large distribution centers nationwide, including in Las Vegas, Dallas, Jacksonville, Charlotte, and Indianapolis, affording CES the ability to select where in the country it desires to expand operations. But nowhere do we have a better relationship than with Port St. Lucie, where we hope to significantly grow into this large facility in the coming years.

CES remains committed to the overall business growth and job creation targets contemplated by the Ad Valorem Ordinance and Impact Fee Mitigation Agreement. However, given the unprecedented challenges of the past two years, CES respectfully requests that: (i) the Ad Valorem Ordinance and Impact Fee Mitigation Agreement be amended by the City in order to waive the 210 jobs baseline maintenance requirement for 2022; and (ii) extend the time frames provided by the Ad Valorem Ordinance and Impact Fee Mitigation Agreement for the creation of 50 new jobs for a period of one year – so that the first job creation milestone would be applicable for calendar year 2023 (rather than 2022), with the remaining job creation schedule being extended by one year through 2027 (rather than 2026).

We appreciate the City's past and future commitment to CES and we continue to recommend to CES's management at their headquarters in Dallas, Texas that, as mentioned above, CES continue its long term commitment to growing in Port St. Lucie. The management is appreciative of Port St. Lucie's work with CES to date and is supportive of CES continuing to grow and expand its long term operations in Port St. Lucie.

CES is a proud member of our beautiful and growing city Port St. Lucie community and has become an ambassador for the City – whether supplying materials to nearby developments, including the Legacy Project, or encouraging other developments in the City, such as with ARCO/Murray. CES has escalated its strong connection with the community and is increasingly active in local events, which also results in notable restaurant and hotel revenue. We look forward to many future years as we grow in Port St. Lucie. We remain optimistic that the community will continue to come together and recover.

Thank you for your consideration in this matter. If you should have any questions, please feel to call CES's representative, Mark Beattie, or me.

Sincerely yours,

Meg S. Shockley
General Counsel