

AN ORDINANCE OF THE CITY OF PORT ST. LUCIE, FLORIDA, PROVIDING AN AD VALOREM TAX EXEMPTION FOR CITY ELECTRIC SUPPLY, LOCATED AT 11675 TOM MACKIE BOULEVARD PORT ST. LUCIE, FLORIDA, TO ENCOURAGE ECONOMIC DEVELOPMENT WITHIN THE CITY FOR THE EXPANSION OF AN EXISTING BUSINESS, PROVIDING THE ESTIMATED REVENUE FOR THE CURRENT FISCAL YEAR WHICH WOULD BE LOST BECAUSE OF THE EXEMPTION GRANTED TO CITY ELECTRIC SUPPLY, PROVIDING FOR AN EXPIRATION DATE OF THE EXEMPTION, PROVIDING A FINDING THAT CITY ELECTRIC SUPPLY MEETS THE DEFINITION OF AN EXPANDING BUSINESS; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 115 of the City's Code of Ordinances is known as the City of Port St. Lucie Economic Development Ad Valorem Tax Exemption Regulations for Economic Development; and

WHEREAS, City Electric Supply Company ("City Electric") has applied for ad valorem tax exemption from the City of Port St. Lucie pursuant to the provision of said Regulations; and

WHEREAS, the City Council has considered City Electric's application for tax exemption and the Property Appraiser's report, the Council has determined that City Electric meets the criteria for tax exemption pursuant to section 115.06 of the City's Code, as an expansion of an existing business; and

WHEREAS, City Council has considered City Electric's anticipated number of employees, average wage, type of industry or business, environmental impacts, volume of business and production and has determined that City Electric's business would significantly improve economic development in the city.

NOW, THEREFORE, THE CITY OF PORT ST. LUCIE HEREBY ORDAINS:

Section 1. This ordinance shall be known as the City Electric Supply Company tax exemption

Section 2. The area subject to this ordinance shall be located in the incorporated area of the City of Port St Lucie.

Section 3. The City Council grants a tax exemption to City Electric whose principal place of business is 11675 SW Tom Mackie Boulevard Port St Lucie, Florida 34987.

Section 4. The amount of revenue currently available from ad valorem tax sources for the current fiscal year is \$54,425,825.97. The City lost \$3,595.41 for the current fiscal year due to exemptions previously granted under the City of Port St. Lucie Economic Development Ad

ORDINANCE 20-26

Valorem Tax Exemption Regulation for Economic Development. The estimated revenue lost during the current fiscal year if the exemption applied for by City Electric is granted is \$191,456.64.

Section 5. City Electric constructed a new 411,000 square manufacturing and distribution facility which received its certificate of occupancy in January 2020. The capital investment was valued by the Property Appraiser's Office as \$32,900,434 in real property value and \$4,976,521 in personal property value.

Section 6. City Electric is currently a business establishing ten (10) or more jobs to employ ten (10) or more full-time employees in the City, which manufactures, processes, compounds, fabricates, or produces for sale items or tangible personal property at a fixed location and which comprises an industrial or manufacturing plant.

Section 7. City Electric has met the initial criteria for the expansion of an existing business pursuant to section 115.06(3)(b)(1).

Section 8. This exemption shall run for a period of ten (10) years beginning with fiscal year 2019 and continuing through fiscal year 2029. The exemption will expire thereafter.

Section 9. The exemption shall be 100% for the first five (5) years the exemption is granted. The exemption will decrease to 90% in year six; 80% in year 7; 60% in year 8; 40% in year 9; and 20% in year 10.

Section 10. In order to continue to be eligible for the tax exemption City Electric must meet the following job creation and retention guidelines: (1) retention of the existing 210 existing jobs; and (2) creation of 50 new jobs over the next five years, which includes the following employment schedule; 2021 - 10 jobs, 2022 - 8 jobs, 2023 - 12 jobs, 2024 - 10 jobs and 2025 - 10 jobs. Verification of existing employment will begin 2020. City Electric Supply will provide a copy of their affidavit and quarterly reports for 2020 in January 2021. The employment reports will be reviewed by staff to confirm the company retained 210 existing jobs. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees. Verification of the creation of new employment will begin in the second year of the exemption pursuant to the job creation schedule. City Electric Supply will provide a copy of an employment affidavit and quarterly employment reports for 2021 in January 2022. The employment reports will be reviewed by staff to confirm the company retained 210 existing jobs and created the additional jobs in compliance with the schedule. The City and County

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will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees and created the additional new jobs required for the relevant time period. All documentation evidencing job retention and job creation in compliance with this Section must be submitted to the City's Business Navigator and Finance Department for review and approval.

Section 11. The City Council reserves the right to repeal this Ordinance and the exemption granted hereunder should City Electric fail to meet the criteria set forth for any of the years the exemption is granted.

Section 12. City Electric, shall be required to submit proof of continued compliance with the criteria on an annual basis in order to maintain the grant of the tax exemption. City Electric shall submit documentation evidencing continued entitlement to this exemption each year. Should City Electric fail to meet the job criteria required in any given year, City Electric shall not be eligible for the tax exemption.

Section 13. If any portion of this Ordinance is for any reason held or declared to be unconstitutional, inoperative, or void, such holding shall not affect the remaining portions of this Ordinance. If this Ordinance or any provisions thereof shall be held to be inapplicable to any person, property, or circumstance, such holding shall not affect its applicability to any other person, property or circumstance.

Section 14. Conflict. If any ordinances, or parts of ordinances, are in conflict herewith this Ordinance shall control to the extent of the conflicting provisions.

Section 15. Severability. The provisions of this Ordinance are intended to be severable. If any provision of this Ordinance is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Section 16. Effective Date. This Ordinance shall become effective ten (10) days after final adoption on second reading.

ORDINANCE 20-26

PASSED AND ADOPTED by the City Council of the City of Port St. Lucie, Florida, this
11th day of May, 2020.

CITY COUNCIL
CITY OF PORT ST. LUCIE

By: 
Gregory J. Oravec, Mayor

ATTEST:


Karen A. Phillips, City Clerk

APPROVED AS TO FORM:


James D. Stokes, City Attorney

Melany Crawford,
Chief Assistant City Attorney





Agenda Summary

2020-387

Agenda Date: 5/11/2020

Agenda Item No.: 8.d

Placement: Second Reading of Ordinances / Public Hearing

Action Requested: Motion / Vote

Ordinance 20-26, Public Hearing, Adoption of an ordinance approving the economic development ad valorem tax exemption for City Electric Supply Company.

Submitted By: Elijah Wooten, Business Navigator

Strategic Plan Link: The City's Goal of a diverse local economy and employment opportunities.

Executive Summary (General Business): TAMCO completed the construction of their new 411,000 square foot manufacturing and distribution facility and received their certificate of occupancy in January 2020. The St. Lucie County Property Appraiser deemed TAMCO's manufacturing and distribution facility as significantly complete in December 2019. The company submitted their Economic Development Ad Valorem Tax Exemption application to the City, County and the Property Appraisers Office in January 2020. The Property Appraiser's Office prepared a financial analysis report and submitted it to the City for review pursuant to section 115.06 of the City's Economic Development Ad Valorem Tax Exemption Regulations.

Presentation Information: A brief presentation may be provided by Elijah Wooten, Business Navigator

Staff Recommendation: Move that the Council adopts an ordinance approving the Economic Development Ad Valorem Tax Exemption for City Electric Supply.

Alternate Recommendations:

1. Move that the Council amend the recommendation and provide staff direction.
2. Move that the Council not approve adopting an ordinance for City Electric Supply's Ad Valorem Tax Exemption.

Background: In October 2017 the City Council approved a package of incentives to retain the expansion of City Electric Supply. The incentive package included impact fee mitigation, Economic Development Ad Valorem Tax Exemption, expedited site plan review and permitting. The City was also awarded a \$3 million grant from the Florida Job Growth Grant program to fund the construction of the loop road and provide site access for City Electric Supply. City Electric Supply selected Port St Lucie as the location of their expanded TAMCO manufacturing and distribution facility. The expansion included the construction of a 411,000 square foot manufacturing and distribution facility, the retention of 210 jobs and the creation of 50 new jobs over a ten year period. TAMCO completed the construction of their new 411,000 square foot manufacturing and distribution facility and received their certificate of occupancy in January 2020. The St. Lucie County Property Appraiser deemed TAMCO's manufacturing and distribution facility as significantly complete in December 2019. The company submitted their Economic Development Ad Valorem Tax Exemption application to the City,

County and the Property Appraisers Office in January 2020. The Property Appraiser's Office prepared a financial analysis report which included the information required by section 115.06 of the Code:

- (a) Total revenue to the City for the current fiscal year from ad valorem tax sources.
- (b) Revenue lost to the City for the current fiscal year by virtue of exemptions previously granted.
- (c) Estimate of the revenue which would be lost to the city during the current fiscal year if the exemption applied for were granted and the property for which exemption is requested would otherwise have been subject to taxation.
- (d) A determination that the business meets the definition of a new or expanding business as defined in the City's Economic Development Ad Valorem Tax Exemption Regulations.

Issues/Analysis: The City's Financial Management Department has reviewed and approved the Property Appraiser's financial report. Consequently, staff recommends approval of the requested ad valorem tax exemption, with the condition that documentation evidencing entitlement is submitted to the City on an annual basis. The ad valorem tax exemption will be based on a sliding scale with 100% tax exemption for the first five years. The amount of the exemption will decrease 20% per year for the following five years. The ad valorem tax exemption expires in 2029. In order to continue to be eligible for the tax exemption City Electric must meet the following job creation and retention guidelines: (1) retention of the existing 210 existing jobs and; (2) creation of 50 new jobs over the next five years, which includes the following employment schedule; 2021 - 10 jobs, 2022 - 8 jobs, 2023 - 12 jobs, 2024 - 10 jobs and 2025 - 10 jobs. Verification of existing employment will begin 2020. City Electric Supply will provide a copy of their affidavit and quarterly reports for 2020 in January 2021. The employment reports will be reviewed by staff to confirm the company retained 210 existing jobs. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees. Verification of the creation of new employment will begin in the second year of the exemption pursuant to the job creation schedule. City Electric Supply will provide a copy of an employment affidavit and quarterly employment reports for 2021 in January 2022. The employment reports will be reviewed by staff to confirm the company retained 210 existing jobs and created the additional jobs in compliance with the schedule. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees and created the additional new jobs required for the relevant time period.

Financial Information: The St. Lucie County Property Appraiser's Office prepared a financial analysis report. The total revenue available to Port St Lucie for the current fiscal year from ad valorem taxes is \$54,425,852.97. The revenue lost to the City in the current fiscal year due to prior ad valorem tax exemptions granted is \$3,595.41. The estimate of the revenue lost during the current fiscal year to Port St Lucie if the exemption were granted and property leased by City Electric Supply was subject to taxation is \$191,456.64. The estimate of the taxable value lost if the ad valorem exemption is granted for improvements to real property is \$32,900,434 and personal property is \$4,976,521.11. The ad valorem tax exemption expires 2029. The Financial Management Department has reviewed and approved the Property Appraiser's Financial Analysis report for City Electric Supply ad valorem tax exemption.

Special Consideration: Due to COVID-19, the sales revenue for City Electric Supply decreased which caused the company to lay off 37 employees of which 32 employees were from the TAMCO Port St Lucie location. The Ad Valorem Tax Exemption application was submitted in January 2020 and used information from the 2019-2020 tax year, and prior to COVID-19.

Location of Project: City Electric Supply, 11675 SW Tom Mackie Boulevard, Port St Lucie, FL 34987

Attachments:

1. Economic Development Ad Valorem Tax Exemption Application
2. St Lucie County Property Appraiser's Economic Development Ad Valorem Tax Exemption Financial Analysis Report for City Electric Supply.
3. Proposed Ordinance

NOTE: All of the listed items in the "Attachment" section above are in the custody of the City Clerk. Any item(s) not provided in City Council packets are available upon request from the City Clerk.

Internal Reference Number: 4475

Legal Sufficiency Review:

Reviewed by Elizabeth L. Hertz, Deputy City Attorney. Approved as to Legal form and sufficiency by James D. Stokes, City Attorney.

CITY OF PORT ST. LUCIE CITY COUNCIL
 ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION APPLICATION
 Ordinance No. 10-55, City of Port St. Lucie Code of Ordinances,
 Chapter 196, Florida Statutes

To be submitted to the Legal Department

1. Business Name and Mailing Address: City Electric Supply Company d/b/a TAMCO Group, 11675 Tom Mackie Boulevard, Port St. Lucie, Florida
2. Please give name and telephone number of Owner or Person in Charge of this business:
 Name: Frank McShane, Co-COO Telephone Number: (772) 878-4944
3. Exact Location (Legal Description and Street Address) of Property for which this return is filed:
11675 Tom Mackie Boulevard, Port St. Lucie, Florida.
See Exhibit "A" attached for legal description of property.
4. Date you began, or will begin, business at this facility February 1, 2020
5. a. Description of the improvements to real property for which this exemption is requested:
411,852 s.f. factory and office building, along with access roads and parking lots.
 - b. Date of commencement of construction of improvements: July 17, 2018
6. a. Description of the tangible personal property for which this exemption is requested and date when property was, or is to be, purchased:

Class of Item	age	Date of Purchase	Original Cost	Taxpayer's Estimate of Fair Market value			APPRAISER'S USE ONLY	
				good	Avg.	poor	condition	
See Exhibit		"B" attached.						

- b. Average Value of Inventory on hand _____
 - c. Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.
7. Do you desire exemption as a: _____ "New Business" or as an
 "Expansion of an Existing Business"
 8. Describe the Type of Nature of Your Business Manufacture and distribution of lighting products and accessories under in the electrical wholesale business of City Electric Supply Company.
 9. Trade Level (check as many as apply): Wholesale _____ Manufacturing Professional _____
Service _____ Office _____ Other _____
 10. a. Number of full-time employees to be employed in the City of Port St. Lucie, Florida 230 employees
(1) Average hourly wage _____
b. If an expansion of an existing business:
(1) Net Increase in Employment 50 new employees to be hired over 5 year period
(2) Increase in productive output resulting from this expansion 25% increase over 5 year period.
 11. Sales factor for the facility requesting exemption:
Total sales in Florida from this facility-One (1) location only _____ divided by
Total sales everywhere from this facility-One (1) location only _____ = _____
 12. For office space owned and use by a corporation newly domiciled in Florida:
a. Date of incorporation in Florida: _____
b. Number of Full-time employees at this location: _____
 13. If requesting an exemption due to location in a slum or blighted area, please such additional information as required by the City Council or Property Appraiser

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.195, Florida Statutes as incorporated by Ordinance No. 10-55, City of Port St. Lucie Code of Ordinances. I agree to furnish such other reasonable information as the City Council or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his/her declaration is based on all information of which he has any knowledge.)

DATE: January , 2020

SIGNED: _____

SIGNED: _____
(Taxpayer)

38 S. Sewall's Point Road
Stuart, FL 34996
(Preparer's Address)

TITLE: General Counsel

(561) 346-1393
(Preparer's Telephone Number)

**PROPERTY APPRAISER'S USE ONLY
TAX EXEMPTION – CHAPTER 196, FLORIDA STATUTES**

1. Total revenue available to the City for the current fiscal year from ad valorem tax sources:

2. Revenue lost to the City for the current fiscal year by virtue of exemptions previously granted under this section _____
3. Estimate of the taxable value lost to the City during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation:

4. Estimate of the taxable value lost to the City if the exemption applied for were granted: _____
5. Estimated number of City of Port St. Lucie residents to be employed in the City _____ Improvements to real property _____ Personal Property _____
6. I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as incorporated by Ord. No.10-55, City of Port St. Lucie Code of Ordinances as a New Business _____, as Expansion of an Existing business _____, or Neither _____.
7. Last year for which exemption may be applied _____

DATE: _____ SIGNED: _____
(Property Appraiser)

RETURN TO BE FILED NOT LATER THAN _____

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Parcel 3, SOUTHERN GROVE PLAT NO. 23, according to the Plat thereof, as recorded in Plat Book 77, Pages 23 through 26, of the Public Records of Saint Lucie County, Florida.

Containing 37.873 acres +/-

Parcel No. 4315-800-0003-000/6

EXHIBIT A
TANGIBLE PERSONAL PROPERTY FOR
WHICH TAX EXEMPTION IS REQUESTED

(To be completed by Zach Wheeler)

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION

Chapter 196.1995, Florida Statutes

DR-418
R. 12/99

To be filed with the Board of County Commissioners, the governing boards of the municipality, or both,
no later than March 1 of the year the exemption is desired to take effect.

1 Business name City Electric Supply Company, a Florida corporation		Mailing address 11675 S.W. Tom Mackie Boulevard	
2 Please give name and telephone number of owner or person in charge of this business.		Port. St. Lucie, Florida 34987	
Name Frank McShane, Co-Vice President of Operations		Telephone number 7728784944	
3 Exact Location (Legal Description and Street Address) of Property for which this return is filed 11675 S.W. Tom Mackie Boulevard, Port. St. Lucie, Florida 34987			4 Date you began, or will begin, business at this facility 2/1/20
5 Description of the improvements to real property for which this exemption is requested 411,852 s.f. factory and office building, along with access roads and parking lots			Date of commencement of construction of improvements 7/17/18
6 Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased			APPRAISER'S USE ONLY
	Age	Date of Purchase	Taxpayer's Estimate of
Class or Item			Original Cost Cond* Fair Market Rent Cond*
See Schedule Attached			\$ \$ \$ \$
			\$ \$ \$ \$
			\$ \$ \$ \$
			\$ \$ \$ \$
			\$ \$ \$ \$
			\$ \$ \$ \$
			\$ \$ \$ \$
			\$ \$ \$ \$
Average value of inventory on hand:			*Condition: good, avg (average), or poor
Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.			
7 Do you desire exemption as a <input type="checkbox"/> new business or <input checked="" type="checkbox"/> expansion of an existing business		9 Trade levels (check as many as apply)	
8 Describe type or nature of your business Manufacture and distribution of electrical lighting products and accessories		<input type="checkbox"/> Retail <input type="checkbox"/> Wholesale <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other, specify:	
10 Number of full-time employees to be employed in Florida 211 employees in St. Lucie County			
If an expansion of an existing business:		Net increase in employment 50	23.69 % Increase in productive output resulting from this expansion 130.00 %
11 Sales factor for the facility requesting exemption:			
Total sales in Florida from this facility-one (1) location only N/A		divided by	Total sales everywhere from this facility-one (1) location only N/A = %
12 For office space owned and used by a corporation newly domiciled in Florida		Date of incorporation in Florida N/A	Number of full-time employees at this location N/A
I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)			
Date 1/29/2020		Signature, preparer	
Signature, taxpayer		Preparer's address 38 S. Sewall's Point Road Stuart, FL 34996	
Title Phillip Flaherty, Chief Financial Officer		Preparer's telephone number 5613461393	
Property Appraiser's Use Only			
I	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources		\$ 54,425,852.97
II	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section		\$ 3,595.41
III	Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation		\$ 191,456.64*
IV	Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted Improvements to real property \$ 32,900,434 Personal property \$ 4,976,521.11		
V	I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a <input type="checkbox"/> new business <input checked="" type="checkbox"/> expansion of an existing business <input type="checkbox"/> neither		
VI	Last year for which exemption may be applied 2029		

Application to be filed not later than March 1

3/13/2020
Date

Signature, Property Appraiser

*All tax values and rates stated are based on the 2019 Final Roll submitted to the Department of Revenue on 3/11/2020. Additionally, values used in the calculations above are the customer's estimate of fair market value as stated in the Economic Development Ad Valorem Tax Exemption application (and supporting documentation) and do not reflect the Property Appraiser's opinion of value. The Property Appraiser's value is not available at the time of the application.

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Parcel 3, SOUTHERN GROVE PLAT NO. 23, according to the Plat thereof, as recorded in Plat Book 77, Pages 23 through 26, of the Public Records of Saint Lucie County, Florida.

Containing 37.873 acres +/-

Parcel No. 4315-800-0003-000/6

EXHIBIT "B"

**TANGIBLE PERSONAL PROPERTY FOR
WHICH TAX EXEMPTION IS REQUESTED**

(To be completed by Zach Wheeler)

EXHIBIT "B" - TANGIBLE PERSONAL PROPERTY FOR WHICH TAX EXEMPTION IS REQUESTED

Class or Item	Age	Date of Purchase	Taxpayer's Estimate of			Appraiser's Use Only	
			Original Cost	Cond*	Fair Market Rent	Cond*	
Materials for Assembly Line - New Building	not provided	2019	\$6,320.83	not provided	not provided	avg	\$0*
Materials for Assembly Line - New Building	not provided	2019	\$589.3	not provided	not provided	avg	\$0*
WRG, LLC Office Furniture	not provided	2019	\$369,317.28	not provided	not provided	avg	\$0*
WRG, LLC Office Furniture	not provided	2019	\$369,317.28	not provided	not provided	avg	\$0*
Furniture & Fixtures - New Building	not provided	2019	\$3,884.02	not provided	not provided	avg	\$0*
Camouflage Electric Inc. Electrical Hook Ups	not provided	2019	\$76,400.	not provided	not provided	avg	\$0*
Data Ports - New Building	not provided	2019	\$872.05	not provided	not provided	avg	\$0*
Data Ports - New Building	not provided	2019	\$1,193.64	not provided	not provided	avg	\$0*
Ethernet Cables	not provided	2019	\$845.23	not provided	not provided	avg	\$0*
Dietz Supply Co. Paint Plant	not provided	2018	\$143,758.5	not provided	not provided	avg	\$0*
30 Ton Crane - Move Machinery to 11675 SE Tom Mackie	not provided	2018	\$37,000.	not provided	not provided	avg	\$0*
30 Ton Crane - Move Machinery to New Building	not provided	2019	\$3,400.	not provided	not provided	avg	\$0*
ARUBA Computer Hardware - New Building	not provided	2019	\$207,186.98	not provided	not provided	avg	\$0*
Assembly Tables	not provided	2019	\$4,770.8	not provided	not provided	avg	\$0*
Chain Slings for 30 Ton Kone Crane	not provided	2019	\$2,462.52	not provided	not provided	avg	\$0*
Chain Slings for 30 Ton Kone Crane	not provided	2019	\$7,506.68	not provided	not provided	avg	\$0*
Conduit & Wire for Laser Machine - New Building	not provided	2019	\$1,248.64	not provided	not provided	avg	\$0*
Conduit & Wire for Laser Machine - New Building	not provided	2019	\$1,576.36	not provided	not provided	avg	\$0*
Conduit & Wire for Laser Machine - New Building	not provided	2019	\$644.28	not provided	not provided	avg	\$0*
Cones, Containers, Carts - New Building	not provided	2019	\$8,485.86	not provided	not provided	avg	\$0*
Control Cables - New Building	not provided	2019	\$945.3	not provided	not provided	avg	\$0*
Control Cables - New Building	not provided	2019	\$849.32	not provided	not provided	avg	\$0*
Crane Operator - New Building	not provided	2019	\$577.8	not provided	not provided	avg	\$0*
Crane Operator - New Building	not provided	2019	\$433.35	not provided	not provided	avg	\$0*
Crane Operator - New Building	not provided	2019	\$1,547.4	not provided	not provided	avg	\$0*
Crane Operator - New Building	not provided	2019	\$7,920.5	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$1,840.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$2,906.54	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$1,656.08	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$47.91	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$810.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$765.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$4,230.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$6,750.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$2,250.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$457.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$387.88	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$1,013.96	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$2,700.	not provided	not provided	avg	\$0*
Installation Services New Building	not provided	2019	\$2,700.	not provided	not provided	avg	\$0*
Inventory Cones - New Building	not provided	2019	\$1,029.57	not provided	not provided	avg	\$0*
LED Controllers	not provided	2019	\$1,879.19	not provided	not provided	avg	\$0*
LED Controllers	not provided	2019	\$483.94	not provided	not provided	avg	\$0*
LED Controllers	not provided	2019	\$350.05	not provided	not provided	avg	\$0*
LED Controllers for New Building	not provided	2019	\$8,548.6	not provided	not provided	avg	\$0*
LED Controllers for New Building	not provided	2019	\$19,948.53	not provided	not provided	avg	\$0*
LED Cylinder Pendant & Plate Covers - New Building	not provided	2019	\$288.	not provided	not provided	avg	\$0*
LED Drivers - New Building	not provided	2019	\$13,724.51	not provided	not provided	avg	\$0*

Prepared by: Chris Mitts, Senior Personal Property Appraiser for the Saint Lucie County Property Appraiser, from documents supplied by Zach Wheeler.

EXHIBIT "B" - TANGIBLE PERSONAL PROPERTY FOR WHICH TAX EXEMPTION IS REQUESTED

Class or Item	Age	Date of Purchase	Taxpayer's Estimate of			Appraiser's Use Only	
			Original Cost	Cond*	Fair Market Rent	Cond*	
LEDs With Integrated Drivers	not provided	2019	\$2,660.	not provided	not provided	avg	\$0*
Lighting Control Computer Interface - New Building	not provided	2019	\$1,765.94	not provided	not provided	avg	\$0*
Dietz Supply Co. Paint Plant	not provided	2019	\$169,861.25	not provided	not provided	avg	\$0*
Dietz Supply Co. Paint Plant	not provided	2019	\$280,023.	not provided	not provided	avg	\$0*
Nikotrack LLC Cranes	not provided	2019	\$81,166.	not provided	not provided	avg	\$0*
Nikotrack LLC Cranes	not provided	2019	\$84,566.	not provided	not provided	avg	\$0*
Comp-Air Service Co. New Piping System	not provided	2019	\$119,931.75	not provided	not provided	avg	\$0*
20 Ton Jacks - New Building	not provided	2019	\$9,488.84	not provided	not provided	avg	\$0*
30 Ton Crane - Move Machinery to 11675 SE Tom Mackie	not provided	2019	\$3,400.	not provided	not provided	avg	\$0*
Konecranes Inc. Cranes	not provided	2019	\$31,160.	not provided	not provided	avg	\$0*
Konecranes Inc. Cranes	not provided	2019	\$31,160.	not provided	not provided	avg	\$0*
Comp-Air Service Co. New Piping System	not provided	2019	\$39,977.25	not provided	not provided	avg	\$0*
Konecranes Inc. Cranes	not provided	2019	\$49,856.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$57,602.	not provided	not provided	avg	\$0*
Dietz Supply Co. Paint Plant	not provided	2019	\$71,325.25	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$72,051.6	not provided	not provided	avg	\$0*
Konecranes Inc. Cranes	not provided	2019	\$73,084.	not provided	not provided	avg	\$0*
Flexible Portable Cord - New Building	not provided	2019	\$348.	not provided	not provided	avg	\$0*
Forklift Picking Carts - New Building	not provided	2019	\$2,535.32	not provided	not provided	avg	\$0*
Freight In & Customes Fees - S. Lite - Fixtures - New Building	not provided	2019	\$1,431.87	not provided	not provided	avg	\$0*
Diamond Plate Mats - New Buildings	not provided	2019	\$776.39	not provided	not provided	avg	\$0*
Edge Protectors - New Building	not provided	2019	\$2,940.19	not provided	not provided	avg	\$0*
Order Picking Carts - New Building	not provided	2019	\$3,720.94	not provided	not provided	avg	\$0*
Osram Encelium Outdoor 7-Pin	not provided	2019	\$6,359.12	not provided	not provided	avg	\$0*
Overhead Crane - Epoxy Primer and Yellow Safety Paint	not provided	2019	\$9,039.25	not provided	not provided	avg	\$0*
Overhead Crane - Transport to New Building	not provided	2019	\$1,100.	not provided	not provided	avg	\$0*
Padlocks - New Building	not provided	2019	\$872.03	not provided	not provided	avg	\$0*
Plexiglass - New Building	not provided	2019	\$6,253.76	not provided	not provided	avg	\$0*
Pluggable Terminal Blocks - New Building	not provided	2019	\$856.14	not provided	not provided	avg	\$0*
Powder Coat Assmby Line Pieces - New Building	not provided	2019	\$7,077.8	not provided	not provided	avg	\$0*
Powder Coat Flat Plates - New Building	not provided	2019	\$659.12	not provided	not provided	avg	\$0*
Powder Coat U Shape Covers - New Building	not provided	2019	\$424.79	not provided	not provided	avg	\$0*
Powder Coat U Shape Covers - New Building	not provided	2019	\$770.4	not provided	not provided	avg	\$0*
Power Outlets for Furniture - New Building	not provided	2019	\$577.8	not provided	not provided	avg	\$0*
Project Manager Hotel Acomodations	not provided	2019	\$4,704.	not provided	not provided	avg	\$0*
Shelving - New Buildings	not provided	2019	\$833.64	not provided	not provided	avg	\$0*
Steel for Fabrication - New Building	not provided	2019	\$530.66	not provided	not provided	avg	\$0*
Steel for Fabrication - New Building	not provided	2019	\$348.29	not provided	not provided	avg	\$0*
Steel Tubes for Fabrication - New Building	not provided	2019	\$283.73	not provided	not provided	avg	\$0*
Storage Cabinets, Work Benches - New Building	not provided	2019	\$12,220.52	not provided	not provided	avg	\$0*
UNIFI AP AC Mesh Pro & Accessories for New Building	not provided	2019	\$9,955.98	not provided	not provided	avg	\$0*
UPS Management Network Cards for New Building	not provided	2019	\$8,306.	not provided	not provided	avg	\$0*
Wall Tubing for New Building	not provided	2019	\$585.02	not provided	not provided	avg	\$0*
Waste Receptacles - New Building	not provided	2019	\$5,730.71	not provided	not provided	avg	\$0*
Waste Receptacles - New Building	not provided	2019	\$6,565.22	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$5,004.	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$3,496.07	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$2,876.16	not provided	not provided	avg	\$0*

Prepared by: Chris Mitts, Senior Personal Property Appraiser for the Saint Lucie County Property Appraiser, from documents supplied by Zach Wheeler.

EXHIBIT "B" - TANGIBLE PERSONAL PROPERTY FOR WHICH TAX EXEMPTION IS REQUESTED

Class or Item	Age	Date of Purchase	Taxpayer's Estimate of			Appraiser's Use Only	
			Original Cost	Cond*	Fair Market Rent	Cond*	
Wire for New Building	not provided	2019	\$459.08	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$3,049.5	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$490.06	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$494.88	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$1,484.63	not provided	not provided	avg	\$0*
Wire for New Building	not provided	2019	\$267.08	not provided	not provided	avg	\$0*
Bastian Solutions Conveyor System	not provided	2019	\$37,416.15	not provided	not provided	avg	\$0*
Bastian Solutions Conveyor System	not provided	2019	\$47,988.9	not provided	not provided	avg	\$0*
Bastian Solutions Conveyor System	not provided	2019	\$58,217.	not provided	not provided	avg	\$0*
Bastian Solutions Conveyor System	not provided	2019	\$63,985.2	not provided	not provided	avg	\$0*
Plastic Containers - New Building	not provided	2019	\$1,121.91	not provided	not provided	avg	\$0*
Plastic Containers - New Building	not provided	2019	\$1,596.38	not provided	not provided	avg	\$0*
Plastic Containers - New Building	not provided	2019	\$965.28	not provided	not provided	avg	\$0*
Plastic Containers - New Building	not provided	2019	\$1,206.64	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$147,174.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$156,335.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$192,864.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$245,290.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$348,235.8	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$348,235.8	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$348,235.8	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$78,524.	not provided	not provided	avg	\$0*
Air Centers of Florida, Inc. Air Compressor Equipment	not provided	2019	\$79,884.16	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$29,450.	not provided	not provided	avg	\$0*
Air Centers of Florida, Inc. Air Compressor Equipment	not provided	2019	\$30,724.68	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$32,144.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$34,598.	not provided	not provided	avg	\$0*
Southern States Toyota Lift Forklifts	not provided	2019	\$62,534.	not provided	not provided	avg	\$0*
TVs - New Building	not provided	2019	\$1,283.97	not provided	not provided	avg	\$0*
TVs - New Building	not provided	2019	\$599.18	not provided	not provided	avg	\$0*
TVs - New Building	not provided	2019	\$898.77	not provided	not provided	avg	\$0*
TVs - New Building	not provided	2019	\$684.78	not provided	not provided	avg	\$0*
Original Cost			\$4,976,521.11				

St. Lucie County Board of County Commissioners
Economic Development Ad Valorem Tax Exemption
Ordinance No. 92-24, St. Lucie County Code of Ordinances
Chapter 196, Florida Statues

SUPPLEMENTAL APPLICATION

Applicant Name: City Electric Supply Company, a Florida corporation

NOTICE: This supplement is to be used by the Applicant to provide additional information required by the Economic Development Tax Abatement Ordinance 03-258, Board of County Commissioners, St. Lucie County, Florida; and to provide other information requested by the Board of County Commissioners and the entities that will review the application. Please provide a one page narrative describing the company and the relocation/expansion plans.

- Length of exemption requested is a total of 10 years - Resolution # 17-242 - Ad Valorem Tax Exemption Real and Tangible Personal Property Years 1-5 at 100%/Year 6 at 90%/Year 7 at 80%/Year 8 at 60%/Year 9 at 40% and Year 10 at 20% (length of exemption approved is sole discretion of the Board of County Commissioners and commences on the adoption date of the ordinance granting the exemption).
- Property Owner Name: CES Port St. Lucie FL Landlord, LLC, a Delaware LLC
Address: 3333 Peachtree Road N.E., 10th Floor city/zip Atlanta, GA 30326
Telephone No.: (404) 926-5455 Fax No.: (404) 439-7652
- Authorized Agent: Frank McShane, Co-Vice President of Operations for City Electric
Address: 11675 S.W. Tom Mackie Boulevard city/zip Port St. Lucie 34987
Telephone No.: (772) 878-4944 Fax No.: ()
- Type of Industry or Business: Manufacturing
- Anticipated new capital investment as a result of expansion or relocation of Business:
New construction: \$32,900,434 New tangible personal property: _____
- Environmental impact of Business. (Identify the number of and type of environmental permits required as a result of this project: e.g. air, soil and water pollution, water and sewer, dredge and fill, stormwater, industrial waterway):

- This relocation or expansion would not occur without the exemption: Yes [] No []
- Source of supplies (local or otherwise): NOT APPLICABLE
% source of supplies County: _____
% source of supplies Florida: _____
% source of supplies out-of-State: _____
- Business is/will be located in a community redevelopment area: Yes [] No []
Name of area: Southern Groves - Tradition Center for Commerce, Port St. Lucie

I hereby confirm the information provided by City Electric Supply Company to the Board of County Commissioners, Business and Concurrency Management Division, St. Lucie County, Florida, for the purpose of calculating the economic impact and benefit of the proposed tax abatement is true, accurate and complete. I further confirm that City Electric Supply Company is not in violation of any federal, State or local law, or regulation governing environmental matters:

DATE: January 29, 2020

SIGNED: _____

(Preparer)

SIGNED: _____

(Taxpayer)

W. Glenn Dempsey, Esq.

(Preparer)

TITLE: Philip Flaherty, CFO

(561) 346-1393

(Preparer's Telephone Number)

BUSINESS AND CONCURRENCY MANAGEMENT DIVISION USE ONLY

BCMD Economic Impact Analysis:

Staff's recommendation:

Date: _____

Signed: _____

(print name and title)

AN ORDINANCE OF THE CITY OF PORT ST. LUCIE, FLORIDA, PROVIDING AN AD VALOREM TAX EXEMPTION FOR CITY ELECTRIC SUPPLY, LOCATED AT 11675 TOM MACKIE BOULEVARD PORT ST. LUCIE, FLORIDA, TO ENCOURAGE ECONOMIC DEVELOPMENT WITHIN THE CITY FOR THE EXPANSION OF AN EXISTING BUSINESS, PROVIDING THE ESTIMATED REVENUE FOR THE CURRENT FISCAL YEAR WHICH WOULD BE LOST BECAUSE OF THE EXEMPTION GRANTED TO CITY ELECTRIC SUPPLY, PROVIDING FOR AN EXPIRATION DATE OF THE EXEMPTION, PROVIDING A FINDING THAT CITY ELECTRIC SUPPLY MEETS THE DEFINITION OF AN EXPANDING BUSINESS; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 115 of the City’s Code of Ordinances is known as the City of Port St. Lucie Economic Development Ad Valorem Tax Exemption Regulations for Economic Development; and

WHEREAS, City Electric Supply Company (“City Electric”) has applied for ad valorem tax exemption from the City of Port St. Lucie pursuant to the provision of said Regulations; and

WHEREAS, the City Council has considered City Electric’s application for tax exemption and the Property Appraiser’s report, the Council has determined that City Electric meets the criteria for tax exemption pursuant to section 115.06 of the City’s Code, as an expansion of an existing business; and

WHEREAS, City Council has considered City Electric’s anticipated number of employees, average wage, type of industry or business, environmental impacts, volume of business and production and has determined that City Electric’s business would significantly improve economic development in the city.

NOW, THEREFORE, THE CITY OF PORT ST. LUCIE HEREBY ORDAINS:

Section 1. This ordinance shall be known as the City Electric Supply Company tax exemption

Section 2. The area subject to this ordinance shall be located in the incorporated area of the City of Port St Lucie.

Section 3. The City Council grants a tax exemption to City Electric whose principal place of business is 11675 SW Tom Mackie Boulevard Port St Lucie, Florida 34987.

Section 4. The amount of revenue currently available from ad valorem tax sources for the current fiscal year is \$54,425,825.97. The City lost \$3,595.41 for the current fiscal year due to exemptions previously granted under the City of Port St. Lucie Economic Development Ad

ORDINANCE 19-__

Valorem Tax Exemption Regulation for Economic Development. The estimated revenue lost during the current fiscal year if the exemption applied for by City Electric is granted is \$191,456.64.

Section 5. City Electric constructed a new 411,000 square manufacturing and distribution facility which received its certificate of occupancy in January 2020. The capital investment was valued by the Property Appraiser's Office as \$32,900,434 in real property value and \$4,976,521 in personal property value.

Section 6. City Electric is currently a business establishing ten (10) or more jobs to employ ten (10) or more full-time employees in the City, which manufactures, processes, compounds, fabricates, or produces for sale items or tangible personal property at a fixed location and which comprises an industrial or manufacturing plant.

Section 7. City Electric has met the initial criteria for the expansion of an existing business pursuant to section 115.06(3)(b)(1).

Section 8. This exemption shall run for a period of ten (10) years beginning with fiscal year 2019 and continuing through fiscal year 2029. The exemption will expire thereafter.

Section 9. The exemption shall be 100% for the first five (5) years the exemption is granted. The exemption will decrease by 20% each year for years six (6) through ten (10).

Section 10. In order to continue to be eligible for the tax exemption City Electric must meet the following job creation and retention guidelines: (1) retention of the existing 211 existing jobs; and (2) creation of 50 new jobs over the next five years, which includes the following employment schedule; 2021 - 10 jobs, 2022 - 8 jobs, 2023 - 12 jobs, 2024 - 10 jobs and 2025 - 10 jobs. Verification of existing employment will begin 2020. City Electric Supply will provide a copy of their affidavit and quarterly reports for 2020 in January 2021. The employment reports will be reviewed by staff to confirm the company retained 211 existing jobs. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees. Verification of the creation of new employment will begin in the second year of the exemption pursuant to the job creation schedule. City Electric Supply will provide a copy of an employment affidavit and quarterly employment reports for 2021 in January 2022. The employment reports will be reviewed by staff to confirm the company retained 211 existing jobs and created the additional jobs in compliance with the schedule. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company

ORDINANCE 19-__

retained their existing employees and created the additional new jobs required for the relevant time period.

Section 11. The City Council reserves the right to repeal this Ordinance and the exemption granted hereunder should City Electric fail to meet the criteria set forth for any of the years the exemption is granted.

Section 12. City Electric, shall be required to submit proof of continued compliance with the criteria on an annual basis in order to maintain the grant of the tax exemption. City Electric shall submit documentation evidencing continued entitlement to this exemption each year. Should City Electric fail to meet the job criteria required in any given year, City Electric shall not be eligible for the tax exemption.

Section 13. If any portion of this Ordinance is for any reason held or declared to be unconstitutional, inoperative, or void, such holding shall not affect the remaining portions of this Ordinance. If this Ordinance or any provisions thereof shall be held to be inapplicable to any person, property, or circumstance, such holding shall not affect its applicability to any other person, property or circumstance.

Section 14. Conflict. If any ordinances, or parts of ordinances, are in conflict herewith this Ordinance shall control to the extent of the conflicting provisions.

Section 15. Severability. The provisions of this Ordinance are intended to be severable. If any provision of this Ordinance is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Section 16. Effective Date. This Ordinance shall become effective ten (10) days after final adoption on second reading.

PASSED AND ADOPTED by the City Council of the City of Port St. Lucie, Florida, this ____ day of _____, 2020.

CITY COUNCIL
CITY OF PORT ST. LUCIE

By: _____
Gregory J. Oravec, Mayor

ATTEST:

ORDINANCE 19-__

Karen A. Phillips, City Clerk

APPROVED AS TO FORM:

James D. Stokes, City Attorney

Ordinance to approve City Electric Supply
Economic Development Ad Valorem Tax Exemption



- In October 2017 the City Council approved a pack of incentives to retain the expansion of City Electric Supply.
- The incentive package included impact fee mitigation, Economic Development Ad Valorem Tax Exemption, expedited site plan review and permitting.
- The City was also awarded a \$3 million grant from the Florida Job Growth Grant program to fund the construction of the loop road and provide site access for City Electric Supply.
- City Electric Supply selected Port St Lucie as the location of their expanded TAMCO manufacturing and distribution facility.
- The expansion included the construction of a 411,000 square foot manufacturing and distribution facility, the retention of 211 jobs and the creation of 50 new jobs.



- TAMCO completed the construction of their new 411,000 square foot manufacturing and distribution facility and received their certificate of occupancy in January 2020.
- The St. Lucie County Property Appraiser deemed TAMCO's manufacturing and distribution facility as significantly complete in December 2019.
- The company submitted their Economic Development Ad Valorem Tax Exemption application to the City, County and the Property Appraisers Office in January 2020.
- The Property Appraiser's Office prepared a financial analysis report and submitted it to the City for review pursuant to section 115.05 of the City's Economic Development Ad Valorem Tax Exemption Regulations.



- The St. Lucie County Property Appraiser's Office prepared a financial analysis report. The total revenue available to Port St Lucie for the current fiscal year from ad valorem taxes is \$54,425,852.97.
- The revenue lost to the City in the current fiscal year due to prior ad valorem tax exemptions granted is \$3,595.41.
- The estimate of the revenue lost during the current fiscal year to Port St Lucie if the exemption were granted and property leased by City Electric Supply was subject to taxation is \$191,456.64.
- The estimate of the taxable value lost if the ad valorem exemption is granted for improvements to real property is \$32,900,434 and personal property is \$4,976,521.11. The ad valorem tax exemption expires 2029. The Financial Management Department has reviewed and approved the Property Appraiser's Financial Analysis report for City Electric Supply ad valorem tax exemption.



- The ad valorem tax exemption will be based on a sliding scale with 100% tax exemption for the first five years.
- The amount of the exemption will decrease 20% per year for the following five years.
- The ad valorem tax exemption expires in 2029.
- City Electric Supply will create 50 new jobs over the next five years, which includes the following employment schedule.

Implementation Date	Project Jobs Per Phase	Aggregate Project Jobs
12/31/21	10	10
12/31/22	8	18
12/31/23	12	30
12/31/24	10	40
12/31/25	10	50



- Due to COVID-19, the sales revenue for City Electric Supply decreased which caused the company to lay off 37 employees of which 32 employees were from the TAMCO Port St Lucie location.
- The Ad Valorem Tax Exemption application was submitted in January 2020 and used information from the 2019-2020 tax year, and prior to COVID-19.
- It is recommended that the applicability of the tax exemption be evaluated on a yearly basis to ensure City Electric Supply meets the exemption qualifications for each tax year covered by its exemption request.



- The City's Financial Management Department has reviewed and approved the Property Appraiser's financial report.
- Consequently, staff recommends approval of the requested ad valorem tax exemption, with the condition that documentation evidencing entitlement is submitted to the City on an annual basis.





Agenda Summary

2020-346

Agenda Date: 4/27/2020

Agenda Item No.: 10.d

Placement: First Reading of Ordinances

Action Requested: Motion / Vote

Ordinance 20-26, Adoption of an ordinance approving the economic development ad valorem tax exemption for City Electric Supply Company.

Submitted By: Elijah Wooten, Business Navigator

Strategic Plan Link: The City's Goal of a diverse local economy and employment opportunities.

Executive Summary (General Business): TAMCO completed the construction of their new 411,000 square foot manufacturing and distribution facility and received their certificate of occupancy in January 2020. The St. Lucie County Property Appraiser deemed TAMCO's manufacturing and distribution facility as significantly complete in December 2019. The company submitted their Economic Development Ad Valorem Tax Exemption application to the City, County and the Property Appraisers Office in January 2020. The Property Appraiser's Office prepared a financial analysis report and submitted it to the City for review pursuant to section 115.06 of the City's Economic Development Ad Valorem Tax Exemption Regulations.

Presentation Information: A brief presentation may be provided by Elijah Wooten, Business Navigator

Staff Recommendation: Move that the Council adopts an ordinance approving the Economic Development Ad Valorem Tax Exemption for City Electric Supply.

Alternate Recommendations:

1. Move that the Council amend the recommendation and provide staff direction.
2. Move that the Council not approve adopting an ordinance for City Electric Supply's Ad Valorem Tax Exemption.

Background: In October 2017 the City Council approved a package of incentives to retain the expansion of City Electric Supply. The incentive package included impact fee mitigation, Economic Development Ad Valorem Tax Exemption, expedited site plan review and permitting. The City was also awarded a \$3 million grant from the Florida Job Growth Grant program to fund the construction of the loop road and provide site access for City Electric Supply. City Electric Supply selected Port St Lucie as the location of their expanded TAMCO manufacturing and distribution facility. The expansion included the construction of a 411,000 square foot manufacturing and distribution facility, the retention of 211 jobs and the creation of 50 new jobs over a ten year period. TAMCO completed the construction of their new 411,000 square foot manufacturing and distribution facility and received their certificate of occupancy in January 2020. The St. Lucie County Property Appraiser deemed TAMCO's manufacturing and distribution facility as significantly complete in December 2019. The company submitted their Economic Development Ad Valorem Tax Exemption application to the City,

County and the Property Appraisers Office in January 2020. The Property Appraiser's Office prepared a financial analysis report which included the information required by section 115.06 of the Code:

- (a) Total revenue to the City for the current fiscal year from ad valorem tax sources.
- (b) Revenue lost to the City for the current fiscal year by virtue of exemptions previously granted.
- (c) Estimate of the revenue which would be lost to the city during the current fiscal year if the exemption applied for were granted and the property for which exemption is requested would otherwise have been subject to taxation.
- (d) A determination that the business meets the definition of a new or expanding business as defined in the City's Economic Development Ad Valorem Tax Exemption Regulations.

Issues/Analysis: The City's Financial Management Department has reviewed and approved the Property Appraiser's financial report. Consequently, staff recommends approval of the requested ad valorem tax exemption, with the condition that documentation evidencing entitlement is submitted to the City on an annual basis. The ad valorem tax exemption will be based on a sliding scale with 100% tax exemption for the first five years. The amount of the exemption will decrease 20% per year for the following five years. The ad valorem tax exemption expires in 2029. In order to continue to be eligible for the tax exemption City Electric must meet the following job creation and retention guidelines: (1) retention of the existing 211 existing jobs and; (2) creation of 50 new jobs over the next five years, which includes the following employment schedule; 2021 - 10 jobs, 2022 - 8 jobs, 2023 - 12 jobs, 2024 - 10 jobs and 2025 - 10 jobs. Verification of existing employment will begin 2020. City Electric Supply will provide a copy of their affidavit and quarterly reports for 2020 in January 2021. The employment reports will be reviewed by staff to confirm the company retained 211 existing jobs. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees. Verification of the creation of new employment will begin in the second year of the exemption pursuant to the job creation schedule. City Electric Supply will provide a copy of an employment affidavit and quarterly employment reports for 2021 in January 2022. The employment reports will be reviewed by staff to confirm the company retained 211 existing jobs and created the additional jobs in compliance with the schedule. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees and created the additional new jobs required for the relevant time period.

Financial Information: The St. Lucie County Property Appraiser's Office prepared a financial analysis report. The total revenue available to Port St Lucie for the current fiscal year from ad valorem taxes is \$54,425,852.97. The revenue lost to the City in the current fiscal year due to prior ad valorem tax exemptions granted is \$3,595.41. The estimate of the revenue lost during the current fiscal year to Port St Lucie if the exemption were granted and property leased by City Electric Supply was subject to taxation is \$191,456.64. The estimate of the taxable value lost if the ad valorem exemption is granted for improvements to real property is \$32,900,434 and personal property is \$4,976,521.11. The ad valorem tax exemption expires 2029. The Financial Management Department has reviewed and approved the Property Appraiser's Financial Analysis report for City Electric Supply ad valorem tax exemption.

Special Consideration: Due to COVID-19, the sales revenue for City Electric Supply decreased which caused the company to lay off 37 employees of which 32 employees were from the TAMCO Port St Lucie location. The Ad Valorem Tax Exemption application was submitted in January 2020 and used information from the 2019-2020 tax year, and prior to COVID-19.

Location of Project: City Electric Supply, 11675 SW Tom Mackie Boulevard, Port St Lucie, FL 34987

Attachments:

1. Economic Development Ad Valorem Tax Exemption Application
2. St Lucie County Property Appraiser's Economic Development Ad Valorem Tax Exemption Financial Analysis Report for City Electric Supply.
3. Proposed Ordinance

NOTE: All of the listed items in the "Attachment" section above are in the custody of the City Clerk. Any item(s) not provided in City Council packets are available upon request from the City Clerk.

Internal Reference Number: 4475

Legal Sufficiency Review:

Reviewed by Elizabeth L. Hertz, Deputy City Attorney. Approved as to Legal form and sufficiency by James D. Stokes, City Attorney.

AN ORDINANCE OF THE CITY OF PORT ST. LUCIE, FLORIDA, PROVIDING AN AD VALOREM TAX EXEMPTION FOR CITY ELECTRIC SUPPLY, LOCATED AT 11675 TOM MACKIE BOULEVARD PORT ST. LUCIE, FLORIDA, TO ENCOURAGE ECONOMIC DEVELOPMENT WITHIN THE CITY FOR THE EXPANSION OF AN EXISTING BUSINESS, PROVIDING THE ESTIMATED REVENUE FOR THE CURRENT FISCAL YEAR WHICH WOULD BE LOST BECAUSE OF THE EXEMPTION GRANTED TO CITY ELECTRIC SUPPLY, PROVIDING FOR AN EXPIRATION DATE OF THE EXEMPTION, PROVIDING A FINDING THAT CITY ELECTRIC SUPPLY MEETS THE DEFINITION OF AN EXPANDING BUSINESS; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 115 of the City’s Code of Ordinances is known as the City of Port St. Lucie Economic Development Ad Valorem Tax Exemption Regulations for Economic Development; and

WHEREAS, City Electric Supply Company (“City Electric”) has applied for ad valorem tax exemption from the City of Port St. Lucie pursuant to the provision of said Regulations; and

WHEREAS, the City Council has considered City Electric’s application for tax exemption and the Property Appraiser’s report, the Council has determined that City Electric meets the criteria for tax exemption pursuant to section 115.06 of the City’s Code, as an expansion of an existing business; and

WHEREAS, City Council has considered City Electric’s anticipated number of employees, average wage, type of industry or business, environmental impacts, volume of business and production and has determined that City Electric’s business would significantly improve economic development in the city.

NOW, THEREFORE, THE CITY OF PORT ST. LUCIE HEREBY ORDAINS:

Section 1. This ordinance shall be known as the City Electric Supply Company tax exemption

Section 2. The area subject to this ordinance shall be located in the incorporated area of the City of Port St Lucie.

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Section 4. The amount of revenue currently available from ad valorem tax sources for the current fiscal year is \$54,425,825.97. The City lost \$3,595.41 for the current fiscal year due to exemptions previously granted under the City of Port St. Lucie Economic Development Ad

ORDINANCE 19-26

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Section 6. City Electric is currently a business establishing ten (10) or more jobs to employ ten (10) or more full-time employees in the City, which manufactures, processes, compounds, fabricates, or produces for sale items or tangible personal property at a fixed location and which comprises an industrial or manufacturing plant.

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Section 8. This exemption shall run for a period of ten (10) years beginning with fiscal year 2019 and continuing through fiscal year 2029. The exemption will expire thereafter.

Section 9. The exemption shall be 100% for the first five (5) years the exemption is granted. The exemption will decrease by 20% each year for years six (6) through ten (10).

Section 10. In order to continue to be eligible for the tax exemption City Electric must meet the following job creation and retention guidelines: (1) retention of the existing 211 existing jobs; and (2) creation of 50 new jobs over the next five years, which includes the following employment schedule; 2021 - 10 jobs, 2022 - 8 jobs, 2023 - 12 jobs, 2024 - 10 jobs and 2025 - 10 jobs. Verification of existing employment will begin 2020. City Electric Supply will provide a copy of their affidavit and quarterly reports for 2020 in January 2021. The employment reports will be reviewed by staff to confirm the company retained 211 existing jobs. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company retained their existing employees. Verification of the creation of new employment will begin in the second year of the exemption pursuant to the job creation schedule. City Electric Supply will provide a copy of an employment affidavit and quarterly employment reports for 2021 in January 2022. The employment reports will be reviewed by staff to confirm the company retained 211 existing jobs and created the additional jobs in compliance with the schedule. The City and County will both send confirmation to the St. Lucie County Property Appraiser's Office that the company

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retained their existing employees and created the additional new jobs required for the relevant time period.

Section 11. The City Council reserves the right to repeal this Ordinance and the exemption granted hereunder should City Electric fail to meet the criteria set forth for any of the years the exemption is granted.

Section 12. City Electric, shall be required to submit proof of continued compliance with the criteria on an annual basis in order to maintain the grant of the tax exemption. City Electric shall submit documentation evidencing continued entitlement to this exemption each year. Should City Electric fail to meet the job criteria required in any given year, City Electric shall not be eligible for the tax exemption.

Section 13. If any portion of this Ordinance is for any reason held or declared to be unconstitutional, inoperative, or void, such holding shall not affect the remaining portions of this Ordinance. If this Ordinance or any provisions thereof shall be held to be inapplicable to any person, property, or circumstance, such holding shall not affect its applicability to any other person, property or circumstance.

Section 14. Conflict. If any ordinances, or parts of ordinances, are in conflict herewith this Ordinance shall control to the extent of the conflicting provisions.

Section 15. Severability. The provisions of this Ordinance are intended to be severable. If any provision of this Ordinance is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Section 16. Effective Date. This Ordinance shall become effective ten (10) days after final adoption on second reading.

PASSED AND ADOPTED by the City Council of the City of Port St. Lucie, Florida, this 11th day of May, 2020.

CITY COUNCIL
CITY OF PORT ST. LUCIE

By: _____
Gregory J. Oravec, Mayor

ATTEST:

Karen A. Phillips, City Clerk

APPROVED AS TO FORM:

James D. Stokes, City Attorney