

An ordinance of the City Council of Port St. Lucie approving an economic development ad valorem tax exemption for Cheney Brothers.

Presented by:

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City Council Regular Meeting May 13, 2024



Project Location

1 Cheney
Express Way
Port St. Lucie



Project Overview

Executive Summary

- Cheney Brothers constructed a 365,000 sf distribution facility located at 1 Cheney Express Way in Legacy Park at Tradition.
- Cheney Brothers is a regional food wholesaler and distributor.

Project Overview

- The capital investment includes \$65,000,000 in new construction and \$7,000,000 in machinery/equipment.
- The company will create 275 new high-wage jobs paying an average of \$63,000 plus benefits.

Economic Impact

NEW CONSTRUCTION (One Time Impact)

IMPACT	Employment	Labor Income	Output
Direct	591.64	\$24.587M	\$66.962M
Indirect	114.88	\$4.824M	\$17.404M
Induced	105.39	\$3.946M	\$13.931M
Total	811.91	\$33.357M	\$98.29M

NEW JOBS (Recurring Annual Impact)

IMPACT	Employment	Labor Income	Output
Direct	275	\$17.325M	\$47.189M
Indirect	146.16	\$5.084M	\$15.416M
Induced	79.52	\$2.879M	\$10.185M
Total	500.68	\$25.289M	\$72.79M

Economic Development Ad Valorem Tax Exemption

- Cheney Brother's economic development ad valorem tax exemption will be 100% for the first five years the exemption is granted. The exemption will decrease to 90% in year six; 80% in year seven; 60% in year eight; 40% in year nine and 20% in year ten.
- The capital investment was valued by the Property Appraiser's Office as \$51,383,200 in real property and \$9,776,136 in personal property value.
- The exemption will be for a ten-year period beginning fiscal year 2024 and continuing through fiscal year 2034.
- Per the St. Lucie County Property Appraiser, the amount of revenue currently available from ad valorem tax sources for the current fiscal year is \$258,924,008.10. The City lost \$620,114.64 for the current fiscal year due to exemptions previously granted.
- The estimated revenue lost during the current fiscal year if the exemption applied for Cheney Brothers is granted is \$439,533.80.

Monitoring and compliance

- Verification of new employment will begin 2024. Cheney Brothers will provide a copy of their affidavit and quarterly reports for 2024 in January 2025.
- The employment reports will be reviewed by staff to confirm the company created 125 new jobs based on their employment schedule.
- The City Council reserves the right to repeal Cheney Brother's economic development ad valorem exemption if the company fails to meet the criteria set forth for any of the years the exemption is granted.

Recommendation

- The staff recommends the City Council approve the economic development ad valorem exemption for Cheney Brother's expansion to Port St. Lucie.