

An Ordinance approving the release of the reverter clause and waiving compliance with the post-closing employment and development covenants applicable to White Aluminum Fabrication.



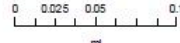
Regular City Council Meeting September 14, 2020

Presented by – Elijah Wooten, Business Navigator

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		<p>LTC Ranch PUD #1 8910 Glades Cut Off Road</p> <p><small>Map produced by the City of Port St. Lucie City Council Map Generator Website on: 8/10/2020</small></p>	<p>Scale:</p>  <p>0 0.025 0.05 0.1 mi</p>
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White Aluminum Fabrication

- In 2008, the City of Port St Lucie deeded Parcel 2 within LTC Ranch Industrial Park to White Aluminum pursuant to a Purchase and Sale Agreement.
- The Purchase and Sale Agreement included a reverter clause that stated if the company did not meet its employment and development requirements the property would revert back to the City.
- The reverter clause would be triggered when the company applied for a building permit and would be enacted if the company did not fulfill its development covenants within two years.
- White Aluminum Fabrication invested in infrastructure improvements to widen the road, sidewalk and entry to the site.
- The company also had an approved site plan and invested in the professional service and property improvement costs.
- Due to the Great Recession, White Aluminum Fabrication cancelled their expansion, while retaining the land and paying the property taxes.
- Since the company did not apply for a building permit, the reverter clause was not triggered and the property could not revert back to the City.



Total Truck Parts

- Total Truck Parts has been in St Lucie County for 30 years and is relocating their Fort Pierce location to LTC Ranch Industrial Park. The company has six locations in Florida and employs 106 employees.
- Total Truck Parts has a purchase and sale agreement with White Aluminum Fabrication to purchase the 6.10-acre parcel.
- The company is a distributor of truck parts and is considered a qualified targeted industry by the State of Florida and St Lucie County.
- Total Truck Parts will build a 46,000 sf distribution facility with a projected capital investment of \$3.3 million.
- The company will retain its 16 existing employees and create 10 additional jobs paying an average wage of \$63,000 (160% of St Lucie County's average wage) plus benefits.
- Total Truck Parts does not want to purchase the property with the reverter clause and the post-closing employment and development covenants.
- In order to facilitate the sale of the property with clear title, White Aluminum Fabrication is requesting the reverter clause and post-closing employment and development covenants be waived.



Financial Information and Special Consideration

- White Aluminum Fabrication will sell the 6.10-acre parcel to Total Truck Parts at a sales price of \$630,000.
- In exchange for the request to waive the reverter clause and post-closing employment and development covenants, White Aluminum Fabrication will agree to a payment in the amount of \$108,733 to the City of Port St Lucie from the sales proceeds at closing.
- White Aluminum Fabrication is agreeable to the waiver of the reverter clause and the employment and development post-closing covenants being conditioned only upon the simultaneous sale to Total Truck Parts.
- The City agrees to waive the \$260,000 employment penalty contained within the post-closing employment covenant in the Purchase and Sale Agreement for White Aluminum's failure to provide the jobs it contracted to provide.
- Approximately 20% of Total Truck Parts distribution facility will include service bays for the installation of parts.
- The existing PUD does not include the servicing of trucks as a permitted use.
- Total Truck Parts will require special exception use approval as a condition of the sale of the 6.10-acre parcel from White Aluminum Fabrication.



Staff Recommendation

- Move that the City Council approve the first reading of the ordinance approving the release of the reverter clause and waiving compliance with the post-closing employment and development covenants applicable to White Aluminum Fabrication.

