



BUSINESS IMPACT ESTIMATE

Before the enactment of a proposed ordinance, the County shall prepare or cause to be prepared a business impact estimate in accordance with Section 125.66(3), Florida Statutes.

BOCC Meeting Dates: Permission to Advertise requested on May 21, 2024, for a public hearing to be held on June 4, 2024 at 6:00 p.m.

Proposed Ordinance Title/Reference:

AN ORDINANCE RELATING TO ST. LUCIE COUNTY, FLORIDA TO ENCOURAGE ECONOMIC DEVELOPMENT IN THE COUNTY: AMENDING ORDINANCE 2022-023, WHICH ESTABLISHED AN EXEMPTION FROM CERTAIN REAL AND PERSONAL PROPERTY AD VALOREM TAXATION FOR FEDEX GROUND PACKAGE SYSTEM, INC., 13701 SW ANTHONY F. SANSONE SR. BOULEVARD, PORT ST. LUCIE, FLORIDA, FOR A NEW BUSINESS, TO REFLECT THE NAME CHANGE FROM FEDEX GROUND PACKAGE SYSTEMS INC. TO FEDERAL EXPRESS CORPORATION AKA FEDEX EXPRESS.

The Proposed Ordinance does does not fall under one of the following enumerated exceptions:¹

- The proposed ordinance is required for compliance with Federal or State law or regulation;
- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the county government;
- The proposed ordinance is an emergency ordinance;
- The ordinance relates to procurement; or
- The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
 - c. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
 - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

A business impact estimate is not required for the above exceptions.

Summary of Proposed Ordinance and Statement of Public Purpose to be Served:

FedEx Ground Package System, Inc. previously received a real and personal property economic development ad valorem exemption through Ordinance 2022-023, related to a 245,000 square foot warehouse facility with associated parking located at 13701 SW Anthony F. Sansone Sr. Boulevard. As a result of this expansion, the company has added 46 jobs to its workforce. The Property Appraiser previously reviewed the application and determined the company is eligible for the exemption, which provides for a sliding scale for no more than a ten (10) year period. FedEx is currently in Year 3 of the 10-year tax exemption.

FedEx Ground Package System, Inc (“FedEx Ground”), a subsidiary of FedEx Corporation, and Federal Express Corporation (“FedEx Express”), a subsidiary of FedEx Corporation, expect to consummate a transaction by which FedEx Ground will merge with and into FedEx Express (the “Merger”). In accordance with the Merger, all assets and liabilities of FedEx Ground will be transferred by operation of law to, and all of its rights and obligations will become those of FedEx Express. FedEx Express and FedEx Ground expect to effectuate the Merger as of June 1, 2024 (the “Merger Date”).

FedEx Express and FedEx Ground have requested a new ordinance be adopted to grant the remaining years of the tax exemption to FedEx Express under the same terms and conditions as Ordinance 2022-023, to be effective as of the Merger Date, in order to reflect the internal reorganization described above.

¹ F.S. 125.66(3)(c)(2023)

The Board of County Commissioners previously found that FedEx Ground Package System, Inc. was a new business as defined by the St. Lucie County Ordinance No. 92-24 and Section 196.012(14), Florida Statutes.

Estimate of Direct Economic Impact on Private/For Profit Businesses:

- a. Estimate of Direct Business Compliance Costs: Minimal direct compliance costs. The business will have expenses related to the time and effort to provide evidence of improvements to real property and tangible personal property due to the company's expansion. This will include but is not limited to providing the County and the St. Lucie County Property Appraiser with proof of expense reports due to the expansion of the existing business.
- b. New Charges/Fees on Businesses Impacted: None. The qualifying business will benefit from a reduction in the County portion of their ad valorem taxes.
- c. Estimate of Regulatory Costs: No additional costs to businesses or revenue to the County are contemplated.

Good Faith Estimate of Number of Businesses Likely Impacted: One (1) business impacted. Federal Express Corporation AKA FedEx Express.

Any Additional Information: The purpose of this ordinance is to implement Section 196.1995, Florida Statutes by allowing ad valorem tax deferral for Federal Express Corporation, which is a new business as defined by the St. Lucie County Ordinance No. 92-24 and Section 196.012(14), Florida Statutes.