



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

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UPS Summary June 22, 2020

Company:
UPS

Background:

UPS, an international distribution company, has been making strategic investments in various markets around the U.S. in recent years, to keep up with the demands of the ecommerce marketplace. In 2017, the City of Jacksonville approved a REV Grant for UPS related to a proposed investment of \$196 million at its Imeson Road facility. Of that projected \$196 million, by the end of 2019 UPS had invested approximately \$173 million. UPS is now evaluating its Imeson Road location for an additional \$138 million investment (above the original projection of \$196 million), totaling an overall investment of \$334 million, over a 4 year period.

UPS is evaluating sites in several other states to invest the additional \$138 million in proposed improvements. If Jacksonville is selected, they propose to create an additional 240 new full-time jobs no later than December 31, 2024. The average annual wage is \$50,000 plus benefits. UPS has stated that the City of Jacksonville's financial incentive proposed is a material factor in their decision to further develop the logistics, warehouse and distribution center in Jacksonville.

The City is proposing to revise the 2017 REV Grant so that it reflects a total investment of \$334 million by the company. The terms of the REV Grant, 5 years at 50%, would remain the same. The cap would be increased from \$4.3 million to \$6.8 million.

No. of Jobs To Be Created	Total Capital Investment	Intangibles
240 new jobs @ an average wage of \$50,000 plus benefits no later than Dec. 31, 2024.	Estimated to be up to \$334 million net, comprised of \$173 million in improvements made since 2017 and an additional \$161 million in machinery/equipment, furniture and fixtures, etc., over the next 4 years.	Supports the expansion of a targeted industry business in Jacksonville resulting in the creation of no less than 240 new full-time jobs and adding to the logistics, warehouse and distribution base.

Project Rationale & Benefits:

1. Supporting the UPS investment will expand Jacksonville's logistics, warehouse and distribution base and provide 240 new full-time jobs for logisticians, warehouse receiving and shipping personnel, truck drivers, support staff and expand the commercial tax base.
2. The annual payroll resulting from the 240 new full-time jobs is \$12 million (excluding benefits).

Project Incentives:

The City of Jacksonville proposes to provide:

A REV grant based on 50 percent of the increase in real and personal property taxes generated at the project site, for 5 years up to a maximum of \$6,800,000; provided the private capital investment is not less than \$300 million and the company creates a minimum of 240 jobs by the end of 2024.

The total amount of City incentives would be up to \$6,800,000.

The project will have a positive ROI for the City of Jacksonville of 3.12.