

**FACT SHEET
MAY 2016
CLEVE CORP. AND
UNITED PARCEL SERVICE, INC.**

I. STATEMENT OF PURPOSE – ENTERPRISE ZONE

The Department of Development recommends an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements with Cleve Corp., the property owner, and United Parcel Service, Inc., the related site operator.

II. PROJECT HISTORY

Cleve Corp. is a real estate holding entity related to the site operator, United Parcel Service, Inc. (“United Parcel Service”). Founded in 1907, United Parcel Service is a package delivery company which provides global packaging delivery and supply chain management services. United Parcel Service offers logistics services to the global market, which include transportation, distribution, forwarding, ground, ocean and air freight, brokerage and financing.

Cleve Corp., together with the related site operator, United Parcel Service, Inc., is proposing to expand its existing 408,343-square-foot facility located at 5101 Trabue Road Columbus, Ohio 43228 (parcel number: 560-205289) by adding approximately 348,196 square feet of warehouse distribution space. United Parcel Service will occupy the entirety of the expanded space. This investment is both an expansion and modification project to upgrade United Parcel Service’s existing infrastructure to meet expected site demands for several years to come. Principally, these improvements are expected to increase the company’s package sorting capacity (packages per hour).

United Parcel Service, Inc. will retain 748 full-time permanent positions at the project site and create 75 new full-time permanent positions with an associated new annual payroll of approximately \$3,185,000. The project involves a total investment of approximately \$176,943,365, which includes approximately \$43,155,760 in real property improvement costs and the balance related to the acquisition of machinery, equipment, computers, and leasehold improvements.

Cleve Corp. and United Parcel Service, Inc. are requesting an Enterprise Zone property tax abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements to assist in the development of this project.

III. PROJECT INVESTMENT

INVESTMENT TYPE	PROPOSED VALUE
Additions/new construction	\$43,155,760
Machinery & equipment	\$96,431,923
Computers	\$357,578
Leasehold improvements	\$36,998,104
TOTAL INVESTMENT	\$176,943,365

IV. DECISION & TIMING

Real property improvements are expected to begin as soon as January 2017 with a scheduled time of completion in December 2019, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

As a result of this project, United Parcel Service, Inc. will retain 748 full-time permanent positions at the project site and create 75 new full-time permanent positions with an associated new annual payroll of approximately \$3,185,000.

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
Hub Sort Employees	50	\$15.00	\$31,200	\$1,560,000
Feeder and Package Car Drivers	25	\$31.25	\$65,000	\$1,625,000
TOTALS	75			\$3,185,000

United Parcel Service, Inc. offers their full-time employees the following benefits:

- Paid holidays
- Paid vacation/personal days
- Vacation pay
- 401(k) retirement plan
- Annual bonus
- Medical/dental insurance
- Severance policy
- Employee uniforms
- Disability pay
- Employee discount
- Pension
- Training & education benefits

Benefits for full-time employees begin on the first day of the first full pay period following 30 days from the date of hire/re-hire.

The project site, 5101 Trabue Road Columbus, Ohio 43228, is accessible by public transportation (Central Ohio Transit Authority).

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements for the purpose of constructing an additional 348,196 square feet of warehouse distribution space at 5101 Trabue Road Columbus, Ohio 43228 (parcel number: 560-205289).

VII. WORKFORCE DEVELOPMENT

Employers granted a tax incentive will meet with the Central Ohio Workforce Investment Corporation (COWIC) to develop a relationship to assure employment opportunities for Columbus residents who are unemployed or underemployed.

VIII. NEW TAX IMPACT: ANNUAL & 10-YEAR SUMMARY

Unabated Revenue	Average Annual	10-year Summary
A. Real Property Tax Revenue	\$433,141	\$4,331,410
B. New City Income Tax Revenue	\$79,625	\$796,250
C. Total Unabated Tax Revenue (i.e., A. + B.)	\$512,766	\$5,127,660

Proposed Tax Abatement Impact	Average Annual	10-year Summary
D. Total Proposed Tax Abatement seventy-five percent (75%)/ten (10) years on Real Property	\$1,038,474	\$10,384,740
E. Total Unabated Property Tax Revenue (i.e., C.-D.)	(\$525,708)	(\$5,257,080)

School District Impact: Hilliard City School Board of Education	Average Annual	10-year Summary
F. Existing School District Revenue from Real Property at site (pre abatement)	\$310,246	\$3,102,460
G. New Revenue as a Result of the Proposed Project (post abatement)	\$247,941	\$2,479,410
H. Total School District Revenue (i.e., F. + G.)	\$558,187	\$5,581,870

School District Impact: Tolles Career & Technical Center School District Board of Education	Average Annual	10-year Summary
I. Existing School District Revenue from Real Property at site (pre abatement)	\$7,560	\$75,600
J. New Revenue as a Result of the Proposed Project (post abatement)	\$6,042	\$60,420
K. Total School District Revenue (<i>i.e.</i> , I. + J.)	\$13,602	\$136,020

IX. TAX BENEFIT

The recommended Enterprise Zone property tax abatement could yield a tax savings of approximately \$10,384,740 over the incentive term of ten (10) years.

Hilliard City Schools are estimated to receive an additional \$2,479,410 over the term of the abatement, as a result of the project. Tolles Career & Technical Center Schools are estimated to receive an additional \$60,420 over the term of the abatement, as a result of the project.

X. AREA IMPACT/GREEN INITIATIVES

United Parcel Service, Inc. recycles plastics, cardboard, and paper waste at the project site.