

**FACT SHEET  
EXEL FREIGHT CONNECT INC. & EXEL INC.  
JANUARY 2014**

**I. STATEMENT OF PURPOSE – JOB CREATION**

The Department of Development recommends a Columbus Downtown Office Incentive with Exel Freight Connect Inc. and Exel Inc. for a tax incentive of fifty percent (50%) for a period of four (4) years with the option to increase the term by one (1) year upon Exel Inc. exercising its lease renewal option to extend the lease term by a minimum of one (1) year (resulting in a total lease term of seven (7) years) in consideration of the creation of 117 new full-time permanent positions with an associated annual payroll of approximately \$7.22 million.

**II. PROJECT HISTORY**

Incorporated in 1983, Exel Inc. has a long history of providing third party logistics services across the United States, including Central Ohio. In order to expand its transportation offerings for its customers, Exel Inc. created a transportation brokerage operation in North America – Exel Freight Connect Inc. Exel Freight Connect Inc. was incorporated in 2013 and is fully backed by Exel Inc. The brokerage operation will leverage Exel Inc.’s existing managed transportation operation, dedicated fleet routes, and its base of warehouse customers. The service offerings include freight brokering, fulfillment, and administration.

Exel Inc. is proposing to lease approximately 26,000 sq. ft. of office space located at 226 N. 5th Street, Suite 400 Columbus, Ohio 43215 to create a centralized brokerage operation near their corporate office in Central Ohio. Exel Inc. will accomplish an expansion of transportation service offerings as provided by Exel Freight Connect Inc., an affiliated company, which will occupy and equip the leased office space. The company will invest approximately \$524,000 related to the acquisition of furniture and fixtures, stand-alone computers, and improvements to the existing facility. The company will create 117 new full-time permanent positions with an associated annual payroll of approximately \$7.22 million to meet customer demands.

Exel Freight Connect Inc. and Exel Inc. are requesting a Columbus Downtown Office Incentive from the City of Columbus to assist in the establishment of operations in the downtown business district.

**III. PROJECT INVESTMENT**

<b>INVESTMENT TYPE</b>	<b>PROPOSED VALUE</b>
Improvements to existing buildings	\$113,000
Furniture and fixtures	\$121,000
Stand-alone computers	\$290,000
<b>TOTAL INVESTMENT</b>	<b>\$524,000</b>

**IV. DECISION & TIMING**

The project will begin soon after Columbus City Council approval of the recommended tax incentive with a scheduled time of completion of April 2014.

**V. EMPLOYMENT**

The project will create 117 new full-time permanent positions with an associated annual payroll of approximately \$7.22 million.

<b>Position Title</b>	<b>Number of New Jobs</b>	<b>Average Hourly Rate</b>	<b>Average Annual Salary</b>	<b>Total Estimated Payroll for New Positions</b>
Sales Associate	70	\$28.85	\$60,000	\$4,200,000
Freight Fulfillment Associate	27	\$28.85	\$60,000	\$1,620,000
Administrators/Supervisors	20	\$33.65	\$70,000	\$1,400,000
<b>TOTALS</b>	<b>117</b>			<b>\$7,220,000</b>

Exel Freight Connect Inc. offers their full-time employees the following benefits which begin 90 days after hire:

- Paid Holidays
- Paid Vacation/Personal Days
- Vacation Pay
- 401K Retirement Plan
- Annual Bonus
- Medical/Dental Insurance
- Disability Pay
- Training & Education Benefits

The proposed project site is located at 226 N. 5th Street, Columbus, Ohio 43215 and is accessible by public transportation (Central Ohio Transit Authority).

**VI. REQUESTED PUBLIC PARTICIPATION**

The Department of Development recommends a Columbus Downtown Office Incentive equal to fifty percent (50%) of the amount of new employee city income tax withholding for a term of up to four (4) years with the option to increase the term by one (1) year upon Exel Inc. exercising its lease renewal option to extend the lease term by a minimum of one (1) year.

**VII. WORKFORCE DEVELOPMENT**

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

**VIII. NEW TAX IMPACT AND ANNUAL SUMMARY**

<b>NEW REVENUE SUMMARY</b>			
<b>Revenue</b>	<b>Average Annual</b>	<b>4-year Summary</b>	<b>5-year Summary</b>
A. New City Income Tax Revenue	\$180,500	\$722,000	\$902,500
<b>Incentive</b>	<b>Average Annual</b>	<b>4-year Summary</b>	<b>5-year Summary</b>
B. Proposed Incentive is equal to 50% of New Employee withholdings	\$90,250	\$361,000	\$451,250
<b>Total</b>	<b>Average Annual</b>	<b>4-year Summary</b>	<b>5-year Summary</b>
C. Net Value to City (i.e., A. - B.)	\$90,250	\$361,000	\$451,250

**IX. TAX BENEFIT**

The recommended Columbus Downtown Office Incentive could yield cash payments totaling approximately \$361,000 for Exel Freight Connect Inc. and Exel Inc. over the incentive term of four (4) years with the possibility of receiving an additional cash payment of \$90,250 (total of \$451,250), should Exel Inc. exercise its lease renewal option to extend the lease term by a minimum of one (1) year, resulting in a total lease term of at least seven (7) years and a total incentive term of five (5) years.

**X. AREA IMPACT/GREEN INITIATIVES**

Exel Inc. is part of the Supply Chain division of Deutsche Post DHL, the world's leading logistics group. Deutsche Post DHL was the first globally operating logistics company to set itself a concrete CO2 efficiency target. Efforts are underway throughout the organization to optimize fleets, identify energy efficiencies in buildings and facilities, and manage the carbon accounting and controlling system to ensure transparency.