

**To the Mayor and Members of the City Council****October 27, 2015**

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**SUBJECT: TEXAS ENTERPRISE ZONE NOMINATION FOR UNITED PARCEL SERVICE, INC.**

The City Council of the City of Fort Worth (City) has previously passed Ordinance No. 15733 electing to participate in the Texas Enterprise Zone Program. On May 12, 2015 the City Council adopted Ordinance No. 21743-05-2015, amending Ordinance No. 15733 by adding additional potential local incentives that could be made available to qualified businesses under the Texas Enterprise Zone Program. The Office of the Governor Economic Development and Tourism through the Economic Development Bank will consider United Parcel Service, Inc. (UPS) as an enterprise project pursuant to a nomination and an application made by the City.

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the State. An enterprise project is defined as a business that is nominated by a municipality or county and then approved for state benefits. Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

UPS qualifies for a single Enterprise Project Designation with a projected capital investment of \$45,000,000 for the expansion of UPS' Hub operations at the existing site located at 13700 Independence Parkway. The company will retain its current workforce of 803 total employees and create an additional 25 full-time jobs as a part of the overall project. UPS will submit 321 full-time jobs with an annual payroll of \$1,965,534.95 as qualified employment for the designation. The single project designation allows for a state sales and use tax refund on qualified expenditures of \$2,500 per job, for up to 500 jobs, with a maximum benefit of \$1.25 million over a five year period.

Under the Texas Enterprise Zone Act at least thirty-five percent (35%) of the business's new and retained employees must be residents of an enterprise zone or classified as economically disadvantaged individuals. In addition, the jobs will be provided through the end of the designation period or at least three years after the date on which a state benefit is received, whichever is later.

Staff will place an M&C for City Council consideration on the November 3, 2015 agenda nominating United Parcel Service, Inc. as an Enterprise Zone Project pursuant to the Texas Enterprise Zone Program. Submittal and approval of this application for State benefits will have no fiscal impact to the City's general fund.

If you have any questions concerning this information, please contact Robert Sturns, Interim Economic Development Director at 817-212-2663 or [robert.sturns@fortworthtexas.gov](mailto:robert.sturns@fortworthtexas.gov).

**David Cooke  
City Manager**