



Commonwealth of Kentucky
Governor's Office

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UPS to Create 1,000 Jobs in Louisville
with \$750 Million in Projects,
Including New Maintenance Hangar

**Multiple infrastructure upgrades, expansions will support
aircraft fleet growth and demand for Next Day Air delivery**

FRANKFORT, Ky. (Oct. 3, 2019) – Alongside a 747-8F, the largest aircraft in UPS Airlines' fleet, Gov. Matt Bevin today joined company executives in Louisville to unveil \$750 million in projects to further support the shipping giant's Worldport air hub and create 1,000 jobs across the coming years.

"UPS is a great corporate citizen and a significant economic driver for the commonwealth. We are thrilled to see the company's continued growth here," Gov. Bevin said. "Businesses and consumers now operate at a faster pace than ever, and that is reflected in their shipping and distribution needs. It is the mark of a great company, that UPS has quickly responded to customer demand by expanding its air cargo fleet here in Louisville. We are grateful for the continued commitment of UPS to the highly skilled

workers of Kentucky, and we look forward to further expanding this strong partnership as we move into the future.”

A two-bay aircraft maintenance hangar ranks as the first and largest – at \$220 million and 262,000 square feet – among the UPS slate of projects. Others include ramp and taxiway improvements, office building renovations, flight-training facility expansions and new operations offices at Worldport.

“These projects are part of UPS’s overall strategy to make investments in its global logistics network to enable continued growth in strategic markets,” said UPS Airlines President Brendan Canavan. “That includes an infrastructure that allows us to continue providing our customers with safe, reliable and on-time service.”

The new hangar will directly facilitate ongoing fleet growth as UPS adds nearly 50 new 747-8s and 767s by 2022. Planned for the northwest corner of the airport, the hangar will accommodate two 747-8F aircraft for maintenance simultaneously. Company leaders plan to begin permitting and construction next year, with completion scheduled in 2022.

The infrastructure investments and new jobs reflect growth across UPS Airlines to meet increasing global demand for Next Day Air delivery. The high-paying positions will include pilots, aircraft mechanics and support staff.

In addition to its 10,000-employee Worldport operation, the company operates its 2,000-employee Centennial Ground shipping hub nearby the Louisville Muhammad Ali International Airport. Statewide, UPS operates 74 small package, freight and logistics facilities.

Louisville is the centerpiece in the UPS global logistics network with approximately 2 million packages moving through the city each day to destinations in more than 220 countries and territories around the world.

The company’s air and ground operations in Kentucky create a significant indirect economic impact, including 62,000 direct and indirect jobs created, \$2.5 billion in annual payroll, and \$2.4 billion in capital investments, which will climb to over \$3 billion with today’s announcement.

Vivek Sarin, interim secretary of the Kentucky Cabinet for Economic Development, said UPS, already a major force in the state’s economy, will create tremendous additional impact with this significant expansion.

“We’re grateful for the professionalism UPS brought to negotiations about this investment, which has resulted in a tremendously favorable set of projects for Kentucky, its citizens, the company and the greater Louisville area,” said Interim Sec. Sarin. “We recognize UPS’ presence is directly responsible for decisions by hundreds of companies to locate and grow in Kentucky... decisions that have created high paying jobs for thousands in our community. This investment by UPS – and the potential it represents – makes Kentucky even more attractive for any business needing to deliver products at lightning speed to customers around the globe.”

Senate President Robert Stivers, of Manchester, said a project like this UPS investment only happens when legislative policies align with the needs of businesses.

“Investments like this are the direct result of the business community working with the General Assembly to create good economic policy,” Sen. Stivers said. “These efforts allow for companies like UPS to grow and expand, boosting the economy of the city of Louisville. I appreciate UPS’ commitment to the commonwealth, and I look forward to continuing to work to cultivate an economic environment that assures major companies that Kentucky is home.”

House Speaker David Osborne, of Prospect, said the expansion indicates Kentucky has implemented the appropriate legislative policies to ensure economic growth in the commonwealth.

“For over three decades, UPS has been an outstanding corporate citizen and partner in our state’s economy. This expansion is great news for not only UPS, but for our commonwealth.” Rep. Osborne said. “This expansion and investment is further evidence that the work we are doing in Frankfort is delivering results for all of Kentucky. We know that good jobs go where strong public policies welcome them, and we have more work to do to build an economy that not only attracts businesses but also supports our own entrepreneurs and business owners.”

To encourage the investment and job growth in the community, the Kentucky Economic Development Finance Authority (KEDFA) in September preliminarily approved a 10-year incentive agreement with the company under the Kentucky Business Investment program. The performance-based agreement can provide up to \$36 million in tax incentives based on the company’s investment of \$516.2 million and annual targets of:

- Creation and maintenance of 1,000 Kentucky-resident, full-time jobs across 10 years, and
- Paying an average hourly wage of \$70 including benefits across those jobs.

By meeting its annual targets over the agreement term, the company can be eligible to keep a portion of the new tax revenue it generates. The company may claim eligible incentives against its income tax liability and/or wage assessments.

Additionally, KEDFA approved UPS for up to \$4 million in tax incentives through the Kentucky Enterprise Initiative Act. The program allows approved companies to recoup Kentucky sales and use tax on construction costs, building fixtures, equipment used in research and development and electronic processing.

In addition, UPS can receive resources from the Kentucky Skills Network. Through the Kentucky Skills Network, companies can receive no-cost recruitment and job placement services, reduced-cost customized training and job training incentives.

For more information on UPS, visit www.UPS.com.

A detailed community profile for Jefferson County can be viewed [here](#).

Information on Kentucky's economic development efforts and programs is available at www.ThinkKentucky.com. Fans of the Cabinet for Economic Development can also join the discussion on [Facebook](#), follow on [Twitter](#) and watch the Cabinet's "Now You Know" video on [YouTube](#).

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