

Proposed 380 Agreement with ITS Logistics

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Economic Development Department

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Company Overview



- **Supply Chain Logistics and Technology company**
 - Premier Third-Party Logistics company that provides supply chain solutions
 - Asset-lite transportation division ranked #21 in North America, #11 drayage and intermodal provider, a top-tier asset-based dedicated fleet, and innovative omnichannel distribution & fulfillment services.
- **800 employees** nationwide
- Annual revenue of **\$1B** (150% revenue growth since 2020)
- One of the **fastest-growing logistics companies** in America
 - Ranked #1,751 on the Inc. 5000 list for the Fastest-Growing Private Companies in America in 2023
- Existing **presence in Fort Worth**
 - 1,045,889 SF, \$100 M distribution center at Northpoint Intermodal Logistics Center
 - North of BNSF intermodal facility near Perot Field, opened in 2022

Project Location

3rd floor at One West 7th

2821 West 7th Street
Fort Worth, TX 76107

One
West 7th

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Fort Worth, Texas 76107



Project Overview



- ITS is seeking a **new location for office, operations, and service** support
- Service offerings include **newly released ContainerAI**, a cutting-edge container management and visibility platform
- Location to accommodate up to **339 employees** with **average salaries over \$100,000**
- Capital investment to include up to **\$1.0 M** in tenant improvements, equipment, and other related expenditures
- Multiple competing locations

Company Commitments

- Lease at least 15,000 square feet of office space before 6/30/2024
- Proposed minimum capital investment of **\$1.0 M**
- **250** minimum new full time jobs by **Dec 31, 2027**
 - 100 jobs by Dec 31, 2025
 - 100 jobs by Dec 31, 2026
 - Balance of jobs, minimum 50, up to 139 by Dec 31, 2027
 - *Jobs are to be maintained for a minimum of 3 years from the year the job is added*
- **\$100,000** minimum average annual salary
- 30% of full-time employees to be residents of Fort Worth
- 15% of construction costs to BEF companies

Proposed Incentive Terms

- EDPA (Ch. 380) Agreement to provide **grants over three years, not to exceed \$847,500** total
 - **\$2,500 per FTE** with min. wages of **\$100,000** (for up to **339 employees**)
 - Grant paid after satisfaction of employment requirement as follows
 - \$250,000 by March 31, 2026
 - \$250,000 by March 31, 2027
 - \$125,000 min. up to \$347,500 by March 31, 2028
 - Jobs must be **maintained for min. of 3 years** at required average salary
Each year will be a separate grant with the jobs in that year extending for 3 years out
 - **Clawback provision** allowing City to recapture grant funds for a default

Development Summary

Private Investment

- Min. 15,000 SF lease
- \$1.0M min. in tenant improvements

Employment

- Create 250 min. new FTEs by 12/31/27, up to 339 total FTEs
- Maintain FTEs
 - 100 jobs from 12/31/25-12/31/28
 - 100 jobs from 12/31/26-12/31/29
 - 50 to 139 jobs from 12/31/27-12/31/30
- Minimum Annual Wages: \$100,000

3-year Economic Development Agreement

- 380 grant based on \$2,500 per FTE for up to 339 jobs earning \$100,000 or above, to be paid in three installments
- Grant capped at \$847,500
- Clawback if Company does not retain employees for a minimum of 3 years (after year added)

Recommendation/Next Steps

- Enter into an Economic Development Agreement to provide three grants not to exceed \$847,500 in total, subject to Company performance on requirements
- M&C for City Council consideration on May 14th Agenda

Thank you

