

MAY 14, 2025

UNITED STATES COLD STORAGE

ECONOMIC DEVELOPMENT INCENTIVE REQUEST

Economic Development Partnership Board Meeting

Erica Sullivan

Economic Development Program Administrator



Office of Economic Development

EDP25-012; 05/14/2205

COMPANY BACKGROUND

- Leader in temperature-controlled storage and transportation logistics for many of the country's largest food providers.
- Existing Denton Company that has 37 existing facilities in 13 states.
- The company, which has operating for 126 years, started as American Ice Company in 1899, it was renamed to United States Cold Storage (USCS) in 1920 and became a wholly owned subsidiary of John Swire & Sons in 1982.



BACKGROUND: PRIOR INCENTIVE

- **2018:** received a 50% cost share of the sales and use taxes for the construction of their distribution facility (Ord. 2018-1065).
- **2020:** Received a Certificate of Occupancy.
- The electric demand of the company is 1.5 megawatts annually, which makes them a Top 25 customer for DME.
- **2023:** Agreement was terminated, as the grantee did not obtain a Texas Direct Pay Permit and the City could not verify the sales taxes for the construction and equipping of the facility.

LOCATION: 3255 Jim Christal Road



Facility is located on a 45-acre site in the Westpark TIRZ Number Two

INCENTIVE REQUEST

- USCS is examining multiple expansion opportunities in Texas
- The Denton facility has been identified as a potential location for a 100,000 square foot expansion.
- The request includes the investment in the building, machinery and equipment.



INCENTIVE APPLICATION

TOTAL CAPITAL
INVESTMENT

\$35

Million

IMPROVEMENTS

\$12

Million

BUS. PERSONAL
PROPERTY

\$23

Million

NEW JOBS*

172

*Weighted average wage of **\$57,164** for all positions.

JOB/WAGE INFORMATION

New Jobs Created Type/Description	Year 1	Year 2	Year 3	Year 4	Total Number	Annual Salary	Hourly Wage
Logistics / Distribution	40	40	40	40	160	\$55,806	\$26.83
Professional / Management	1	1	1	1	4	\$108,024	\$56.08
Administrative Support	0	0	3	0	3	\$58,333	\$30.28
Customer Care	1	1	1	2	5	\$59,211	\$30.75
Totals	42	42	45	43	172		

- Weighted average of the **172** new jobs is **\$57,164** (annually)/ **\$27.48** an hour for all positions
- The jobs are approaching the County's average wage of **\$61,651** (annually)/ **\$29.6** an hour

MIT Living Wage for Denton County

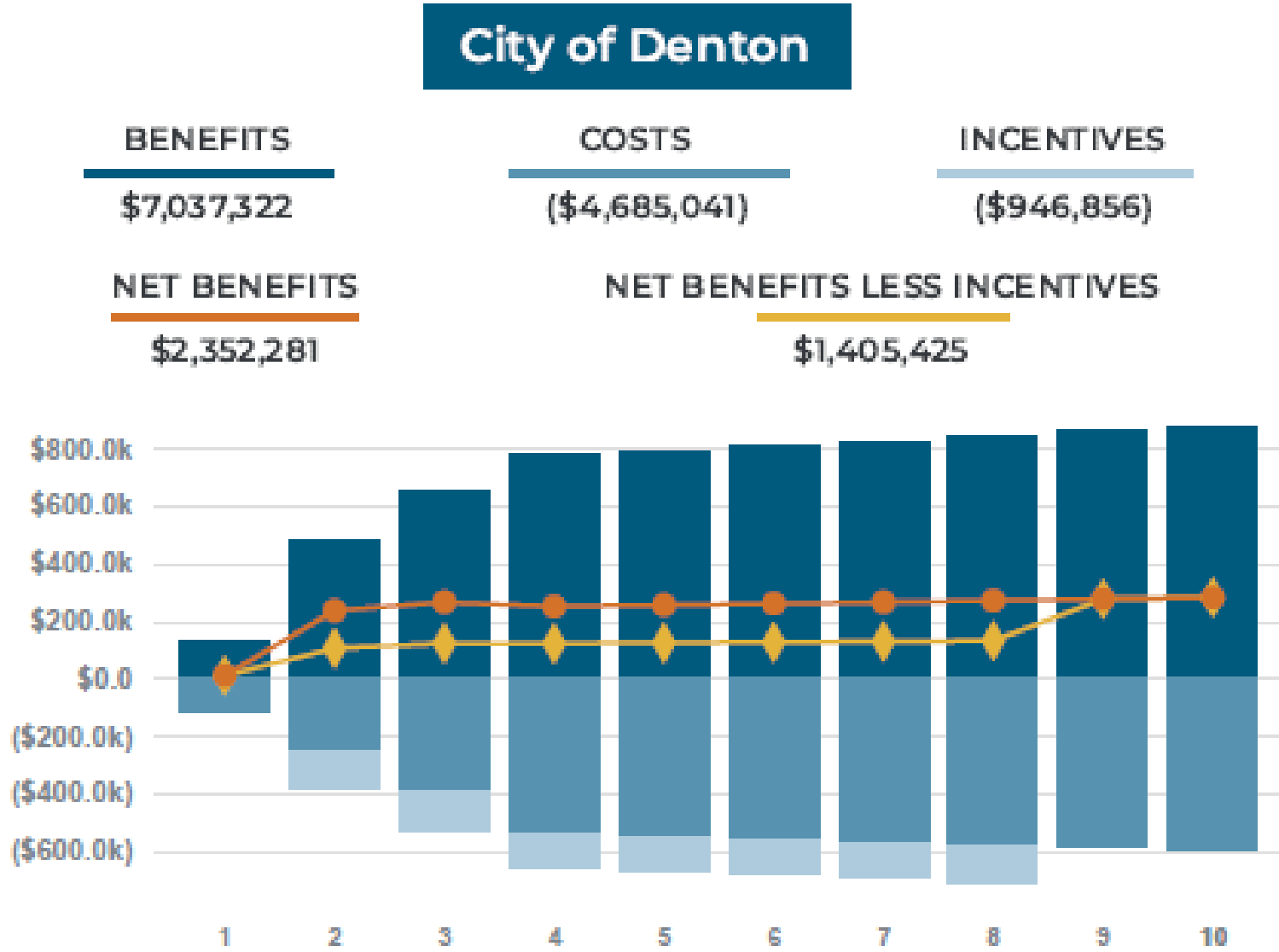
1 ADULT				2 Adults				2 Adults			
				(1 WORKING)				(BOTH WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children
Living Wage	\$25.09	\$40.35	\$49.54	\$62.10	\$33.52	\$39.82	\$43.38	\$49.73	\$16.76	\$22.66	\$27.10
Poverty Wage	\$7.52	\$10.17	\$12.81	\$15.46	\$10.17	\$12.81	\$15.46	\$18.10	\$5.08	\$6.41	\$7.73
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

- The living wage **\$27.48** is higher for the company for 1 adult 0 children and 2 adults (both working) 0-2 children

IMPACT REPORT

Business Retention & Expansion

48-49 - Transportation and Warehousing



NET BENEFITS LESS INCENTIVES OVER 10 YEARS

CITY	\$1,405,425
COUNTY	\$642,743
SCHOOL DISTRICT	\$1,610,992
TRANSIT DISTRICT	\$108,637

JOBS

283.7 Total
172.0 Direct
111.7 Spin-off

SALARIES

\$60,019 Avg
\$57,164 Direct
\$64,416 Spin-off

172.0 New Jobs @ \$57,164
This summary does not include the impact from the company's current activity including:
148.0 Retained Jobs @ \$53,053

CAPITAL INVEST.

\$34.9M
Buildings + FF&E

24.8%	4.8 Yrs
Rate of Return	Payback Period

INCENTIVE & PROJECT REVENUE GENERATION

				Total Incentive		
Proposed Incentive						
60% Rebate on Improvements and BPP for 8 years				\$981,970		
Sales and Use Tax for Construction rebate 75% - Est. Year 2				\$85,901		
Cumulative Incentive/Total				\$1,067,871		
City Revenue						
40% on Improvements and BPP for 8 years, 100% for 2 years				\$1,063,801		
Sales and Use Tax for Construction rebate 25%				\$28,634		
Cumulative City Revenue/Total				\$1,092,435		
	Current Valuation	Estimated Increase in Valuation	Estimated Total Valuation	Current City Revenue	Estimated Increase in Revenue	Estimated Total Revenue
	\$5,902,162	\$0	\$5,902,162	\$34,552	\$0	\$34,552
	\$33,597,838	\$11,969,305	\$45,567,143	\$196,688	\$70,071	\$266,759
	\$8,466,200	\$22,976,052	\$31,442,252	\$49,563	\$134,506	\$184,069
	\$47,966,200	\$34,945,357	\$82,911,557	\$280,804	\$204,577	\$485,381

Benefits

BUSINESS RETENTION AND EXPANSION

- The project is retaining 148 jobs in Denton
- 172 New jobs created to help support the local economy

SUPPLY CHAIN

- USCS is a transportation logistics company providing best in service, facilities, and is essential to the cold chain

SUSTAINABILITY

- Project Winter's CO2 emission reduction 11.4% for the company
- Goal to reach net zero emissions by 2050
- Food waste and sustainability program

GENERATES NEW UTILITY CUSTOMERS

- The Company is a high energy electric user for DME

INCENTIVE RECOMMENDATION

Chapter 380 Grant

- Performance-based ad valorem tax rebate at 60% for 8 years for the business expansion
- Sales and Use Tax for Construction Rebate at 75%
 - Agreement to include a valuation threshold and cap on funding amounts for each grant.
- An incentive would make the company eligible for Nomination to the state Texas Enterprise Zone Program (separate approval and compliance process).

STAFF RECOMENDATION

- Provide an 8-year, performance-based Chapter 380 incentive, total not to exceed **\$1,067,871**

NEXT STEPS

- City Council individual consideration
- Execution of Agreement

QUESTIONS?