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UPS closes \$9.4 million land deal for Mebane Distribution Center

By Adam Powell Enterprise Editor

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"This site will allow us to build for our current needs. It would also allows us to build two future expansions for growth opportunities in the area," Kevin Zaletel, a Senior Project Manager for UPS, said. "Our schedule looks like possibly opening the first phase of the building in 2023 with

15,000 packages (processed) per hour, and eventually reach 30,000 in 2024. There will be brown vehicle drivers, package handlers, tractor-trailer drivers, and smaller baggage processors. UPS is a technology company that delivers packages. So we would be relying on technology in this area to help provide timely delivery and meet our customers' needs. The site does look like it could meet our future growth opportunities. As UPS grows, the community could grow with us."

"UPS is looking to invest in Mebane \$262 million on a facility," outgoing City Manager David Cheek said back in September. "As part of that facility, they will be employing 451 full-time jobs at a salary of over \$65,000, producing an annual payroll of over \$30 million, plus benefits. There will likely be some part-time jobs with that."

According to the Triad Business Journal and the Alamance County Register of Deeds, Samet Corporation, which manages the North Carolina Commerce Park, purchased four tracts of land for approximately \$5.5 million from two different entities. Two tracts, comprising approximately 87 combined acres, was purchased by Samet from Kimrey Farms, LLC, for \$3.8 million.

Kimrey Farms, LLC, managed by Mebane resident Betty Kimrey Vernon and Kemp Kimrey, has sold considerable land holdings over the years to entities including the towns of Mebane and Graham as part of the North Carolina Commerce Park. An additional 70.5 acres was purchased by Samet from Interstate Investments of Alamance LLC for \$1.7 million, according to the Triad Business Journal.

Samet made heavy improvements to the properties prior to selling the parcels to UPS for the \$9.43 million price tag, including site work, necessary environmental, soil, and water testing, as well as surveys and other pre-purchase costs. The parcels also includes a 130,000-plus square foot pre-existing building.

Back in the late summer, the City of Mebane, along with Alamance County and the City of Graham, its partners in the North Carolina Commerce Park, approved a series of economic incentives totaling approximately \$4.6 million - including a cash incentives grant of \$3.9 million paid out over a five-year period - to lure UPS to the N.C. Commerce Park.

“We are going to offer cash incentives grant totaling over \$3.9 million (in addition to the land and utility fee waivers), for total incentives of approximately \$4.6 million,” Cheek explained. “Graham and Alamance County will share those costs equally with Mebane, making Mebane’s portion of the incentives just over \$1.5 million.”

Preliminary site development plans from UPS call for a 525,000 square foot main hub, including an automotive shop, vehicle wash bay, customer center, and employee entrance to the site. UPS could process approximately 30,000 large packages per hour in the facility, along with 15,000 smaller packages per hour.

The partnership will allow UPS free use of a 7-acre piece of land that Mebane and Graham own together within the N.C. Commerce Park, currently valued at approximately \$490,000. In addition, Mebane is waiving utility and site connection fees up to \$150,000 as part of its one-third commitment to the incentives, combined equally with Alamance County and Graham.