



GREGORY C. HARRELL
CLERK OF COURT AND COMPTROLLER – MARION COUNTY, FLORIDA

**Economic Development Financial Incentive Grant
Compliance Review:
FedEx Ground Package System, Inc.**

Report No. 2026-03

May 13, 2026

Issued To:

The Honorable Board of County Commissioners
Mounir Bouyounes, County Administrator

Presented By

Sachiko Horikawa, CPA, CIA, CISA, CRMA
Internal Audit Director

Engagement Team

Lucy Alonso, Staff Auditor

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REPORT ABBREVIATIONS AND TERMS

Terminology	Abbreviation
Economic Development Financial Incentive Grant	EDFIG
Full-Time Equivalent Employees	FTE
State Qualified Target Industry Tax Refund	QTI

EXECUTIVE SUMMARY

Pursuant to the Economic Development Financial Incentive Grant (EDFIG) Agreement executed on February 5, 2013, we performed a compliance review of FedEx’s mandatory requirements. The EDFIG award consisted of waived impact fees, reimbursement for gas line relocation costs, and the County’s match for the State’s Qualified Target Industry (QTI) Tax Refund program. Our review focused on the reporting, staffing, and occupancy requirements tied to the County-funded portion of the agreement.

FedEx has satisfied the mandatory requirements necessary to receive the \$400,000 reimbursement for gas line relocation expenses. In March 2026, County Administration processed the tenth and final \$40,000 installment.

Our opinion is that the County Administration’s assessment was reasonable and supported by sufficient documentation. The areas we reviewed are summarized in the table below.

Areas Reviewed	Results
Occupancy requirement	No exception
Maintained required minimum of 165 FTEs	No exception
Timely submission of the Annual Report with appropriate required supportive documentation	No exception

We note that the EDFIG agreement requires FedEx to maintain facility occupancy through December 31, 2026. Accordingly, FedEx must submit its final annual report by March 1, 2027 after which Internal Audit will conduct a close-out review.

We would like to thank County Administration for their cooperation during the audit.

BACKGROUND

The Board of County Commissioners awarded FedEx up to \$1,078,722.59 in economic incentive funding on February 5, 2013. This amount is consisted of:

- \$579,722.59 in waived county transportation impact fees
- Up to \$400,000 for the gas line relocation expense reimbursement, paid over 10 years in \$40,000 yearly installments
- \$99,000 as the county’s required match for the State Qualified Target Industry (QTI) Tax Refund program

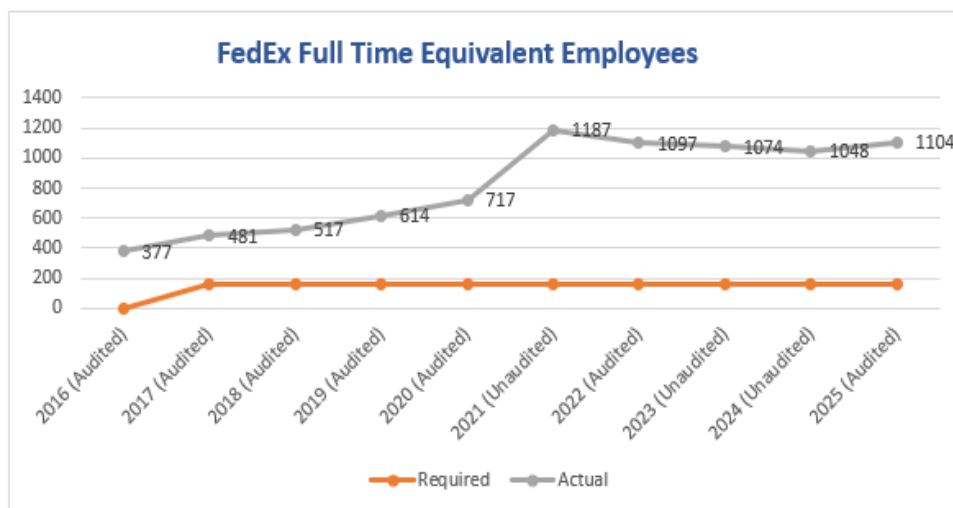
We confirmed that FedEx expended at least \$800,000 for gas line relocation, which made FedEx eligible to receive \$400,000 in 10 equal yearly installments of \$40,000 from the Board, given all requirements listed below were met.

As part of the agreement, FedEx had to comply with the following requirements:

- Build a 383,161-square-foot facility costing at least \$75 million.
- Purchase at least \$38 million in machinery and equipment.
- Begin using the facility by January 1, 2017 and remain for a term of 10 years.
- File an Initial Report by March 1, 2017 and annually thereafter for a term of 10 years.
- Employ 165 full-time equivalent (FTE) workers by December 31, 2018, with an average annual wage of \$31,536, and continue to employ at least 165 FTE for a term of 10 years.

The agreement requires FedEx to have at least 165 FTEs at the facility by a set date no later than December 31, 2018. After meeting this initial requirement, FedEx must continue to have at least 165 employees each year, based on the number of staff working on December 31st, through the end of the occupancy requirement period which we determined to be December 31, 2026.

Chart 1: Mandatory FedEx required FTE vs Actual



Our audit was risk-based, and its scope included the requirements concerning the county-funded portion of the grant. Requirements concerning the City of Ocala were not part of the audit scope. The State of Florida’s Department of Economic Opportunity performs audits of the QTI program including the county’s match.

OBJECTIVE, SCOPE, AND APPROACH

We had the following objectives to determine if FedEx was compliant with the EDFIG Agreement requirements regarding staffing, reporting, and occupancy:

- Did FedEx maintain 165 FTE at an average annual wage of \$ 31,536 at the Ocala Facility?
- Did FedEx meet the March 1st performance reporting due date?
- Did FedEx meet the occupancy requirement?

The scope included verification of compliance with the applicable mandatory requirements for calendar years 2021 through 2025. Our approach included inspecting relevant documents and performing a site visit.

REPORT DISTRIBUTION LIST

Name	Position Title
The Honorable Gregory C. Harrell	Clerk of Court and Comptroller
The Honorable Craig Curry	District 1 Commissioner
The Honorable Kathy Bryant	District 2 Commissioner
The Honorable Matt McClain	District 3 Commissioner
The Honorable Carl Zalak, III	District 4 Commissioner
The Honorable Michelle Stone	District 5 Commissioner
Mounir Bouyounes	County Administrator
Michael McCain	Executive Director
Jennifer Cole	Finance Director