



Jack Muhs, CEO and president of FedEx Trade Network, left, and Tom Montante, developer, were on hand Tuesday for the grand opening of the new facility in Tonawanda. Robert Kirkham/Buffalo News

FedEx opens Tonawanda distribution facility

Innovative, environmentally sustainable office and distribution facility will create more jobs

BY: [Jonathan D. Epstein \(mailto:jepstein@buffnews.com\)](mailto:jepstein@buffnews.com)

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As Gov. Andrew Cuomo was announcing a major investment in solar technology that would bring several thousand jobs to South Buffalo, one of the most prominent names in corporate America was unveiling its new solar-powered operations and warehouse center more than a dozen miles away in the Town of Tonawanda.

The international trade division of shipping giant FedEx Corp. cemented its presence in Western New York on Tuesday when it opened a new energy-efficient distribution facility in the Riverview Solar Technology Park.

FedEx Trade Networks Transport and Brokerage, the freight-forwarding and customs brokerage arm formerly known as Tower Group, will consolidate more than 1,000 local employees into its new 88,000-square-foot building.

The goal is to streamline its regional operations under one roof. And in keeping with the concept of the park, that roof – as well as the grounds in front of the \$5.2 million building – include several solar panel arrays to power the facility.

The move to the 14-acre site at 555 Riverwalk Parkway has already brought 145 people together from 13 departments at several locations in the area, including existing Tonawanda office and warehouse facilities on Ensminger Road and Kenmore Avenue, with the rest of the employees to follow by 2017. The project will lead to the creation of 92 new jobs.

In exchange for the jobs and investment, FedEx received \$4.5 million in tax breaks and incentives from

the state and Erie County. The Tonawanda site, in a park owned by T.M. Montante Development, beat out other upstate cities, as well as locations in FedEx's corporate home of Memphis and in Indianapolis.

"FedEx Trade Networks has deep roots in the Buffalo-Niagara region, and we are proud to lead the way for businesses to operate more responsibly with the environment and local community top of mind," Jack Muhs, president and CEO of FedEx Trade Networks, said in a news release. "Our operations at the Riverview Solar Technology Park will be a model for environmental corporate responsibility through a committed investment in renewable energy and green building best practices."

The occasion drew the company's top executives, including FedEx Corp. Chairman and CEO Frederick Smith, as well as company executives overseeing operations in Europe, Latin America and Asia.

"That speaks volumes to the importance FedEx places in this facility," Muhs said during the grand opening. "It's an honor to be the first to utilize this new technology."

The Trade Networks business is separate from FedEx's other businesses, including its ground-packaging division that is leasing 53,000 square feet near the Buffalo Niagara International Airport. It's also unrelated to the parent company's plans to spend \$1.25 million to buy 50 acres of the former Bethlehem Steel complex in Hamburg, and invest another \$50 million to build a 375,000-square-foot distribution center that would create as many as 600 new jobs.

FedEx Trade Networks Transport & Brokerage helps companies ship goods internationally by providing international ocean and air freight forwarding services. It also offers full-service customs brokerage, in which it works to smooth the passage of freight through international customs inspections, and it provides other "value-added services" related to shipping. Its affiliated Trade Services group provides trade and customs advisory services, and offers global duty and tax information.

Based in Memphis alongside its parent company, the division was cobbled together from acquisitions of multiple companies with a 100-year history in international trade, including Tower Group, which was purchased in February 2000. Tower had maintained the operation in Buffalo. Long focused on the United States and Canada, the business launched a major international expansion starting in 2008, doubling the number of offices it has and quintupling its revenues.

Today, it has 144 offices in 27 countries on five continents, including 89 offices in North America, 17 in the Asia-Pacific region, 33 in Europe, the Middle East, India and Africa, and five in Latin America and the Caribbean. It employs 4,700, and posted \$1 billion in revenues last year, up from \$200 million in 2008. The Buffalo office is its third-largest, after Memphis and Seattle.

The new building is part of FedEx' corporatewide portfolio of solar facilities under its EarthSmart Innovation program, designed to find ways to minimize the company's environmental impact through "sustainable" business practices.

Thomas M. Montante, CEO and principal of TM Montante, said he wants to go even further with solar power, and build enough solar arrays to provide power for the entire 185-acre park, which is only partly built out so to date.

"We are very proud to be part of this FedEx facility. From the beginning our two companies agreed that this would only be a success if it's significant," he said. "That's significant. That's success. That's what matters."

email: jepstein@buffnews.com

Jonathan D. Epstein
