



BUSINESS

UPS's new Fargo air express facility improves region's ties to global economy

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A UPS cargo jet is unloaded at Fargo's Hector International Airport on Monday, Sept. 13, 2021, at the corporation's new package handling facility. (Photo courtesy of UPS)



By **Helmut Schmidt**

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FARGO — [Hector International](#)

[Airport\(https://www.inforum.com/tags/HECTOR_INTERNATIONAL_AIRPORT\)](https://www.inforum.com/tags/HECTOR_INTERNATIONAL_AIRPORT) is an undisputed cargo hub for the region. Now the opening of UPS's new air express package sorting facility promises to expand the area's ties to the global economy.

The 36,000-square-foot facility on the north side of the airport can process 3,000 packages an hour, doubling UPS's package handling capacity here, says Ninoska Meador, the project engineer for the facility.

It serves all of North Dakota as well as west central and northwest Minnesota.

"In this facility, we are going to be processing or receiving both national and international flights, depending on the demand," Meador said in a recent interview with The Forum. "We're really looking into expanding Fargo's connection to the global economy with our operations by increasing flights and capacity."

United Parcel Service currently has 28 arrivals and departures a week. "This will be increasing," Meador said

The operation will provide a mix of about 150 full- and part-time jobs and UPS is hiring, she said.

The first delivery from UPS's main air hub in Louisville, Ky., arrived on Sept. 13, with 12,678 pieces processed.

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The \$36 million cost of the building and infrastructure was split between UPS and the [Fargo Airport Authority](https://www.inforum.com/tags/Fargo_Airport_Authority)(https://www.inforum.com/tags/Fargo_Airport_Authority) .

The airport authority paid about \$18.5 million toward the project, including building a new ramp for the facility, Airport Authority [Executive Director Shawn Dobberstein](https://www.inforum.com/tags/SHAWN_DOBBERSTEIN)(https://www.inforum.com/tags/SHAWN_DOBBERSTEIN) said. Much of that has been funded with federal grants, though the airport also receives funding annually from the city of Fargo to fund improvements.

The new cargo facility is an economic boon for the airport, the city and the region, he said.

“It is a significant economic impact for the entire region and the community with the number of jobs created. There’s more fuel

sales, more landing fees that are paid. They are paying property taxes now, which benefits all of the political subdivisions,” Dobberstein said.

A wide range of businesses, including the [new 1.2 million-square-foot Amazon Fulfillment Center in north Fargo](https://www.inforum.com/business/workplace/7198417-A-look-inside-Fargo%E2%80%99s-new-1.2-million-square-foot-Amazon-facility)(<https://www.inforum.com/business/workplace/7198417-A-look-inside-Fargo%E2%80%99s-new-1.2-million-square-foot-Amazon-facility>) , will also benefit from improved global access with UPS’s new facility.

The primary sorting area of the new 36,000-square-foot UPS package handling facility at Fargo's Hector International Airport is seen in this undated photo. The facility received its first delivery of air cargo on Monday, Sept. 13, 2021. (Photo courtesy of UPS)

“It’s the entire state that benefits with more timely service, better access, through their network,” Dobberstein said. “Huge benefits.”

Air freight operations have increased by leaps and bounds at Hector International in recent years, Dobberstein said.

Since FedEx started its cargo hub service at Hector in late 2016, with UPS following in late 2018, the landed weight for cargo aircraft (the weight of the aircraft plus cargo) at Hector has taken off.

In 2016, the landed weight for cargo aircraft was 52,779,000 pounds.

In 2017 that jumped to 248,112,000 pounds, and in 2018 it rose to 275,367,000 pounds, Airport Authority records show.

In 2019, 6,203 air cargo aircraft landed weight was 391,019,295 pounds, and in 2020, 6,185 air cargo aircraft landed weight was 420,270,416 pounds, a 7.5 percent increase.

“As far as Fargo being able to have this (UPS facility), along with their competitor FedEx, is every airport director’s dream. Every airport loves to have this type of development and not too many get the opportunity to accommodate,” such hubs, Dobberstein said. “It’s a neat thing for Hector to be able to this. It took many, many years to attract both of them here.”

UPS, headquartered in Atlanta, Ga., is the world’s largest package delivery company, with more than \$84.6 billion in total revenues in 2020. Not far behind is FedEx, which posted \$84 billion in revenue in the 2021 fiscal year.

UPS has more than 540,000 employees and serves more than 220 nations and territories. It delivers 27.4 million packages daily.

In June, UPS announced it set a revenue target for 2023 of between \$98 billion and \$102 billion.

UPS also plans to become more environmentally sustainable, with 2023 goals including:

- A 50% reduction in carbon dioxide emissions per package for global small package operations (base year is 2020).

- 100% of the company's facilities to be powered by renewable energy
- 30% of the aviation fuel for its global fleet to be sustainable fuel.

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