



GROWING ORGANIC FOODS WHOLESALER TO BUILD DISTRIBUTION CENTER **IN WISCONSIN.**





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United Natural Foods, Inc. (UNFI), which formed in 1996 out of the merger of several regional natural foods distributors, has enjoyed tremendous growth in recent years. As the leading North American distributor of natural, organic and specialty foods, it supplies more than 27,000 retail food centers. In 2012, the public company reported net sales of \$5.24 billion, an increase of 15.6 percent over the previous year.

It's no wonder, says Senior Vice President Sean Griffin, given consumers' heightened awareness about the food they eat.

"Our mission is to deliver healthy food to consumers across North America," Griffin said. "We're incredibly fortunate to be in this thriving industry, and we're continually investing in our operations to sustain a growth rate of 15 percent a year."

BUSINESS NEED

UNFI is seeing increased demand particularly in the Midwest. In looking to expand its distribution network, UNFI leaders began searching for a site for a new 425,000-square-foot distribution center and truck maintenance facility. In summer 2012 they contracted with site consultant Mike Mullis of J.M. Mullis Inc., Memphis, Tenn., to lead the search and selection process.



Mullis used a comprehensive set of criteria to identify and evaluate numerous sites within a 200-mile geographic radius around Chicago.

The company also wanted a community partner that was a leader in sustainability, which is a core UNFI principle. The company uses LEED® gold-certified building standards for all new facilities, and the new planned distribution center would incorporate energy-saving technologies like CO2 refrigeration, high-efficiency lighting and water conservation measures.

In addition, Griffin said his team sought to get a feel for the community during site visits.

"We want to locate where residents are comfortable having a large distribution center as a neighbor, because, ultimately, joining a community is a symbiotic relationship," Griffin said. "When we're deciding where to invest \$40-50 million of the company's capital, it's not only about economics. We want to be confident that our project will get the appropriate level of attention, the planning and permit process will go smoothly, and that there's harmony in the community. It's simple, but it doesn't always happen."



SOLUTION

After several months of evaluation, site visits and meetings with local economic development officials, UNFI announced in December its decision to build its new facility on a 75-acre parcel in Sturtevant, Wis., in southern Racine County.

The site met all requirements, including a development-ready site with interstate highway access and strong workforce availability. In addition, numerous groups worked together to offer UNFI an attractive incentive package, which included: a \$3.5 million refundable tax credit award from the Wisconsin Economic Development Corporation (WEDC) to create 261 jobs, \$6 million in tax increment financing from the Village of Sturtevant, a \$500,000 grant from Racine County, a \$50,000 training grant from the Racine County Workforce Development Board, and up to \$400,000 in green energy incentives from WE Energies.

UNFI plans to break ground on its 425,000-square-foot building in April 2013, with the potential for a future expansion up to 650,000 square feet. The company expects to hire 250+ employees at wages of about \$15/hour initially, with a potential of 400+ workers as growth in the market occurs.



According to Patrick Drinan of WEDC, this is an attractive project for Wisconsin because of the company's market niche, its commitment to sustainability, and the number of planned jobs.

"This project represents a significant investment in bringing quality jobs into Wisconsin, which aligns with our job creation platform," Drinan said. "It's also a good example of how state and local economic development partners can work together to efficiently respond to business needs."

Jenny Trick of the Racine County Economic Development Corporation attributed that coordination to all partners understanding the business recruitment process and the roles they play. She said Sturtevant's village president engaged all stakeholders early on and compiled a team of engineers, village officials, a financial advisor and legal counsel to meet as needed with the site consultant and company leaders.

"This sent a compelling message that the village was prepared to address any site selection issues on a timely basis and ultimately resulted in an aggressive incentive package," Trick said.

“The State of Wisconsin, through WEDC and the local economic development network, is ready to do business.”

— Mike Mullis, J.M. Mullis Inc., Site Consultant

SUCCESS

UNFI's Griffin identified a consistent message of commitment as a key factor in choosing the Sturtevant site. His conversations with state leaders reinforced his impression of Wisconsin's support of business growth, and his interactions at the local level sealed the deal.

“I enjoy working with people who are passionate about what they do,” Griffin said. “In meetings with local leaders, I felt a commitment in their words that was real. And community officials backed that up by helping us access additional resources like the tax credits and energy incentives, which made everything fall into place.”

He said the next milestone for the project will be breaking ground as planned in April. Two years from now, he looks forward to having a fully staffed distribution center where employees are as committed and passionate about the company as employees at all UNFI locations.

Griffin added that while discussions are still in progress, UNFI may consider converting some of its 75 acres into organic gardens for community groups to get residents interested in organic farming.

“We want to be an engaged, involved partner in this community. I want people to say, ‘what a great decision for the community to invest in UNFI,’ and that we’re a good community citizen,” Griffin said. “We want to be an employer of choice.”

Griffin added he’s confident that will happen, because the early stages of the process have been both painless and invigorating. “I would recommend anyone looking at locating a new facility in the Midwest to consider Wisconsin, particularly the community we selected.”

Site consultant Mullis, who has represented numerous large Wisconsin corporations during expansion projects, also reported the process went smoothly, citing the ability of state and local economic development officials to listen and work together to respond to the needs of UNFI.

He said the state’s business climate assets include a qualified dependable workforce, a streamlined permit process and strong fiscal responsibility.

Mullis added, “The State of Wisconsin, through WEDC and the local economic development network, is ready to do business.”