

- Client:** AutoZone
- Project:** Distribution center consolidation, incentive negotiation, and facility development
- Location:** Terrell, TX
- Objective:** Identify the optimal location for a 600,000 sq. ft. distribution center into which two smaller DCs could be consolidated, and negotiate a rich incentive package to defray development and operating costs. Ideal location to be determined based on:
- Minimizing total logistics cost
 - Low operating costs
 - Attractive real estate options
 - Low construction costs
 - Strong non-union labor environment
 - Excellent access to transportation infrastructure
- Challenges:** Fast-track project. Non-disclosure of the client's identity until facility construction was well underway. Heavy staffing requirements in a geographic region with historically low unemployment.
- Solution:** Within days of project inception Walker's WISERsm site selection optimization model identified all location options for the facility that satisfied AutoZone's logistics, labor, operating cost, union and infrastructure requirements.
- Detailed construction and operating cost projections in the short-listed options identified the most profitable location, and served as the basis for development of the capital and operating budget for the DC. On-site investigation confirmed the availability of quality labor and its strong non-union orientation.
- Value Added:** Negotiated incentives and capital contributions reduced AutoZone's capital budget by 15%. Property tax rebates were negotiated which reduced property tax liability by 90% for more than fifteen years. Improvements to existing roads and new road construction were fully funded by the state and local governments, valued at \$3 million.



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