

Client: Columbia Sportswear

Project: Distribution center site selection and incentive negotiation

Location: Henderson, KY

Objective: Identify the optimal location for a 520,000 sq. ft. distribution center to service retailers in the central and eastern US, thereby improving delivery times and reducing the cost of shipping from Columbia's sole DC in Portland, OR.

Site selection objectives included:

- Locating the facility in a community within UPS two-day ground delivery time of major customers
- Low operating costs
- Attractive real estate options, with land sufficient to expand the building to 1 million square feet
- Low construction costs
- Strong non-union labor environment
- Excellent access to major highways, LTL terminals and intermodal yards

Challenges: Columbia's explosive growth and capacity constraints in the Portland DC mandated a very aggressive timetable. Site selection study encompassed portions of eight states.

Solution: Walker's WISERsm site selection optimization model quickly analyzed the very large study area, identifying all locations within two days' UPS ground service of Columbia's major customers, which also afforded close proximity to LTL and intermodal terminals in communities with low development and operating costs and none of the unions of concern to Columbia.

Detailed construction and operating cost projections in the short-listed locations served as the basis for Walker's recommendation.



Value Added: Walker developed a financing plan that allowed Columbia to avoid sales taxes on construction materials and equipment. We secured more than \$3 million in additional cash incentives to fund construction of roads, utilities and fire protection systems, reducing Columbia's construction budget by nearly 13%. Negotiations with state and local jurisdictions produced significant property tax reduction, cutting taxes by 70% for 20 years.

The Walker Way works best