

Client: Macy's, Inc.

Project: Northeast Direct-to-Consumer Fulfillment Center

Location: Martinsburg, WV

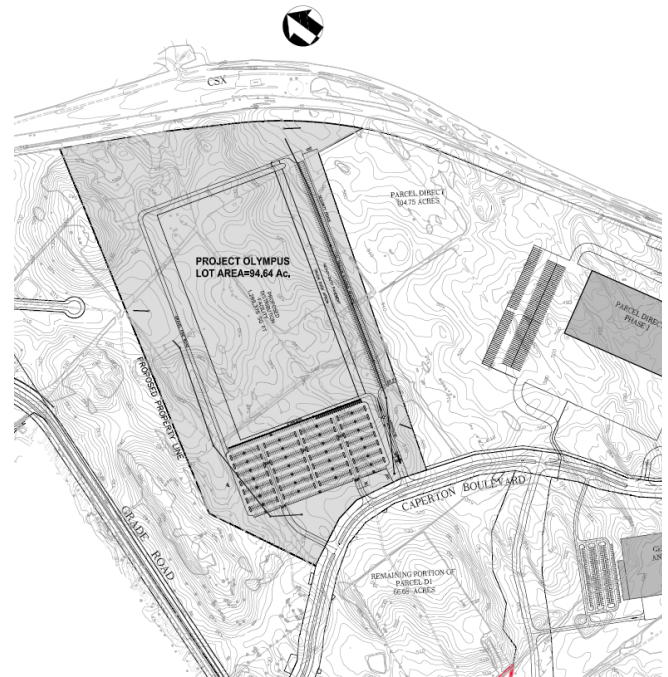
Objective: Identify ideal communities and sites on which to construct a \$150 million, 1.3 million square foot e-commerce fulfillment center

Challenges: The project had to advance with remarkable speed. From project launch in July 2010, we had to research suitable options in a seven-state area that could support Macy's need for 1,000 employees, complete an exhaustive labor and operating cost analysis on all short-listed options, perform site due diligence and negotiate the real estate transaction by December 1, 2010 (a project duration of less than five months).

Solution: Walker utilized WISERsm, its site selection optimization model, to filter counties in a seven-state area using client-defined location criteria for labor union avoidance, development and operating cost minimization, and access to abundant labor. Within days this process identified the best location options in the region, and information on over 150 sites was obtained for review. Walker's in-house engineer and real estate development experts physically inspected 40 sites to select four finalists.

Detailed labor surveys and projections on investment and operating costs for each finalist were prepared. Preliminary due diligence was completed on the preferred alternatives while incentive negotiations were advanced.

Value Added: Macy's December 1 deadline was achieved. A purchase contract was negotiated on a 95-acre site, which reduced land acquisition costs by nearly 50%, a savings to Macy's of more than \$3 million. A \$50 million incentive package was negotiated that included a combination of cash inducements, tax abatements and credits, and employment-related grants. Although the selected site was undeveloped, comprehensive due diligence was completed within 30 days, and we negotiated a 90-day entitlement and permitting process with the state and community.



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