

- Client:** Discount Auto Parts
- Project:** Distribution center site selection, acquisition and incentive negotiations
- Location:** Gallman, MS
- Objective:** Identify the optimal location for two new distribution centers to support the strong sales growth and geographic expansion of a 600-store retail chain.
- Challenges:** Discount Auto Parts had extremely dense store concentration in Florida, and was growing in the Gulf Coast area, with plans to enter Texas. Servicing existing stores from the company's lone distribution center in central Florida was becoming increasingly difficult as strong growth continued outside Florida. The locations of the next two distribution centers had to be based on store growth in the target markets and minimizing logistics costs.
- Solution:** A long-term distribution strategy was developed, based on a comprehensive logistics analysis of product throughput and projected store and volume growth in new markets. This analysis projected the size and location of the next two distribution centers, as well as the throughput of the facilities, employment levels, level of automation and projected capital investment.
- Value Added:** The logistics analysis optimized Discount Auto Parts' distribution network, resulting in a significant improvement in store service levels and reduced transportation costs. It also provided the retailer with a long range plan for the optimal method to serve stores as the retail network expanded.



Walker negotiated a broad incentive package that significantly reduced Discount Auto Parts' property tax burden and development cost of its new distribution center. Included were free fill material, all road and utility infrastructure, a 500,000-gallon water tank, and property tax abatements in excess of \$1 million. A unique financing and ownership vehicle was structured for the company, which reduced development costs by more than \$1 million. It also allowed the company to enter into an operating lease, but capture the depreciation deduction for federal income taxes.

The Walker Way works best