



# SUCCESS STORY

AUTOZONE



## 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
- Client-defined labor union profile
- 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 Colliers Indsite® site selection optimization model identified all location options for the facility that satisfied AutoZone's logistics, labor,

operating cost, labor 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 and quality of the labor pool.

## VALUE ADDED



Acquired site at no cost to AutoZone



Development and project management of new 600,000 square foot distribution center



Negotiated incentive and expense reduction of \$13 million: cash grants, road construction, permit and fee waivers, utility infrastructure construction, land, and tax abatement



Incentives and expense reduction equaled 23% of total project investment

## PROJECT

Distribution center consolidation, incentive negotiation, and facility development

## LOCATION

Terrell, TX



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