

NFI



National Distribution Centers, LLC

Greensboro City Council

December 8, 2015



NFI – National Distribution

- Family owned company since its start in 1932
- About NFI
 - Generates more than \$1.1 billion in annual revenue
 - Employs more than 8,000 associates
 - Operates 25 million sf of warehouse and distribution space
 - Company-owned fleet consists of over 2,000 tractors and 8,200 trailers

215

LOCATIONS

25M

SQUARE FEET

2,277

TRACTORS

8,200

TRAILERS

NEW DISTRIBUTION CENTER

- Exploring locations for distribution center for major retail client – *household name*
- Possible lease of former K-mart facility
 - Operation at full operation – 800,000 square feet
 - Full building is 1.6 million square feet
- New Jobs - 80
- Average Annual Salary - \$42,199
- Investment - \$4,050,000
- Competition – Charlotte Region & Gaffney, SC



GROWTH OPPORTUNITY

- NFI's Client will operate direct distribution operation hiring 100 employees
- NFI will also bid for trucking contract
 - Additional truck drivers
 - Trucks licensed to facility
- Company has opportunity to grow into remaining portion of building



JOB CATEGORIES

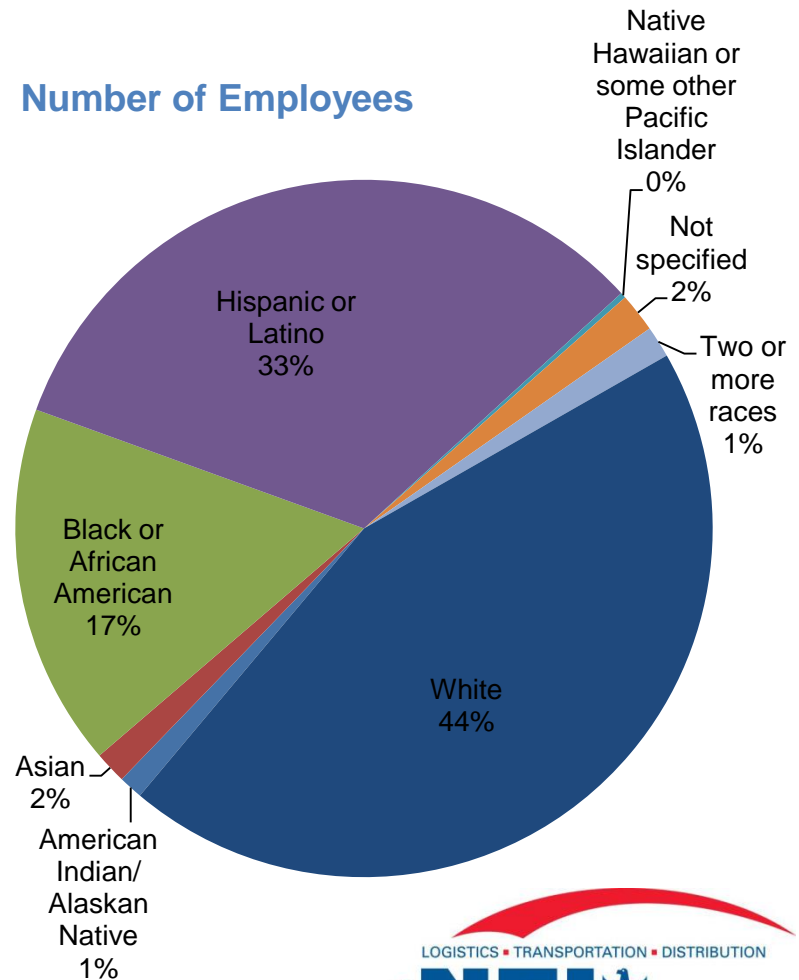
- General Manager I
- Logistics Coordinator
- Shipping Receiving Clerk
- Warehouse Operations Lead
- Warehouse Operations Supervisor II
- Data Entry Clerk
- Warehouse Operations Supervisor I
- Forklift Operator
- Driver Manager
- CSR
- Drivers

In 2015, NFI was voted as a Top Workplace in the Philadelphia region



DIVERSITY

- **Program for Veteran Recruiting**
 - 300 self-identified veterans among 8,000 employees
 - Company has doubled year-over-year veteran hires
- **Diversity**
 - 33% Hispanic origin/Latino
 - 17% African American
 - 6% Other
- **Positions are posted on a variety of sites encouraging diversity including (but not limited to):**
 - [Terra.com](#)---Tool which targets Hispanic populations/workforce
 - [AAUW](#)—American Association of University Women
 - [Black Men in American](#)—Tool which targets African-American men in the workforce (managerial and non)—in partnership with CareerBuilder.
 - [BlueSuit Mom](#)—Targeting working mothers in America (managerial and non)
 - [Christian Community Networking](#)—Website which targets faith-based audiences
 - [Memphis Minority Online](#)—This is a portal which targets the Memphis MSA area minority workforce, an area which has a focus on employees working in logistics.
 - [Disability Scoop](#)—developmental disabled audience, offering opportunities for career and self-advancement.



COMMUNITY INVOLVEMENT

- Social responsibility is one of six values at NFI
- National Multiple Sclerosis Society
 - MS150 City To Shore Bike Event - official logistics sponsor
 - *From bananas and bread to bicycles and luggage, NFI warehouses and transports each item to its destination for this two-day event.*
 - Team NFI (employees, family and friends) has over 150 participants and raises \$60,000+ in the multiple MS events across the nation
- A sampling of organizations NFI partners with:
 - The American Red Cross
 - The Ronald McDonald House
 - The American Cancer Society
 - The American Heart Association



National Distribution Centers LLC – Economic Development Incentive Request



Tuesday, December 8, 2015
Kathi Dubel - Manager
Economic Development & Business Support

Incentive Request and Criteria

- **Requesting incentives to assist with \$4.05 Million in capital costs and hiring at least 80 new employees**
- **Meets the minimum criteria in 2 of the 3 requirements of the Economic Incentive Guidelines and is in a targeted cluster – Supply Chain and Logistics**
- **Impact Zone (Incentive Zone 2 – 80% for 6 yrs) investment based incentive of \$102,549 paid out over 6 years (\$17,091/yr)**
- **Performance-based agreement with claw-back provision**
- **M/WBE compliance**



Incentive Criteria Details

	NFI Figures	City of Greensboro Incentive Guidelines	
New Jobs:	80 Jobs	25 Jobs	✓
Average Salary:	\$42,199	\$34,865*	✓
Investment:	\$4.05 Million	\$7 Million	58%

* Impact Zone average salary is 80% of Guilford County wage



Expected Return on Investment

- **Incremental increase in ad valorem tax revenue of**
 - \$ 57,886 over a 3 year period
 - \$105,333 over a 5 year period
 - \$ 214,487 over a 10 year period
- **Grant will be recaptured through property and incremental sales/use taxes in less than 8 years**

Recommendation

Consider A Performance-Based Incentive

- **\$102,549 incentive grant paid out over six consecutive years after the full investment has been made and ad valorem taxes paid**

AND

- **New jobs have been created based on the hiring schedule provided**
- **Execution of Performance-Based ED Incentive Grant Agreement**

