



UNFI Pacific Northwest Distribution Center

UNFI PACIFIC NORTHWEST DISTRIBUTION CENTER

1.15 Million SF State-of-the-Art Facility Centrally Located Between Seattle and Portland



Client Need

UNFI, the largest publicly-traded grocery distributor in America with annual sales of over \$21 billion, needed to optimize its distribution center network in the Pacific Northwest. The plan included building a new state-of-the-art distribution center exclusively for UNFI to enhance customer product offerings, create more efficient inventory management, streamline operations and incorporate best in class technology to deliver a better customer experience. The optimization of the Pacific Northwest distribution network also helped deliver meaningful synergies in the acquisition of SUPERVALU in October 2018.

UNFI signed a long-term lease agreement with O'Keefe Development to construct the 1.15 million square-foot distribution center on approximately 77 acres on the site The Benaroya Company sold to O'Keefe in Centralia, Washington. The new Centralia distribution center is in close proximity to two existing UNFI Distribution Centers in Tacoma and Portland.

Solution

The Benaroya Company provided the financing for O'Keefe Development's acquisition of our 77-acre shovel ready site in Centralia and the necessary construction financing for O'Keefe Development's build-to-suit of the new 1.15 million square foot state-of-the-art UNFI Pacific Northwest Distribution Center.

Challenges

The magnitude of developing a distribution center of this scale along with an intricately involved review and approval rights process to structure the deal added complexity. The project also uniquely involves two types of uses requiring two separate contractors, Bethlehem Construction for the cooler/freezer components of the facility and Poe Construction for the dry area. Further, O'Keefe Development had initially signed the lease with SUPERVALU a few months prior to its acquisition by UNFI. Upon acquisition, the new UNFI became involved in planning. Exceptional flexibility has been required from fast tracking the construction groundbreaking and financing underwriting prior to the design and specifications were completed, to inheriting a set of plans from a previous party and transforming them via a dynamic and ongoing design/build process to meet UNFI's changing or evolving needs.

Results

The new 1.15 million SF UNFI Pacific Northwest Distribution Center became fully operational in the second half of 2019. UNFI hired more than 350 high wage jobs at their new facility creating significant positive economic impact for Centralia and Lewis County. O'Keefe Development successfully sold the property to Exeter Property Group in December 2019. The sale represents the largest single asset sale in the Pacific Northwest in 2019.

UNFI is North America's premier food wholesaler delivering the widest variety of products to customer locations throughout North America, including natural product superstores, independent retailers, conventional supermarket chains, ecommerce retailers, and food service customers. By providing this deeper 'full-store' selection and compelling brands for every aisle, UNFI is uniquely positioned to deliver great food, more choices, and fresh thinking to customers everywhere.