

## Fresno one of two Valley finalists for Nordstrom e-commerce distribution center

By John Ellis  
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Fresno is one of two Valley finalists for a Nordstrom packaging and distribution center for online purchases that could bring at least 1,000 full-time jobs – and possibly more long term – to the city.

The Seattle-based retailer initially approached the city in June, and since that time work has proceeded on site selection and other aspects of the proposal. The city has worked with the company and has cleared each hurdle. Now just one remains – the City Council on Thursday will be asked to approve a sales tax-sharing deal that will return up to \$10 million to the Seattle-based retailer, based on the number of jobs created.

Down the road, a possible second development phase would create a distribution center that would supply brick-and-mortar Nordstrom stores. That would come with a similar sales tax-sharing agreement that would return up to \$8.75 million to the company that, again, would be based on the number of jobs created. City officials say the distribution center would create an additional 875 jobs.

“We are extremely thrilled to be in this position,” Fresno Mayor Ashley Swearingin said in an interview.

There is, she said, a “substantial upside” to Fresno, both in job creation and addition money for the city’s general fund.

Added Economic Development Director Larry Westerlund, who worked with Nordstrom on the proposal: “This agreement is really tied to jobs.”

The 1,000 full-time jobs would have a starting salary of at least \$12.52 per hour. Many of those jobs would pay more than that, Westerlund said. One of the city’s selling points, he added, is it has the workforce to meet Nordstrom’s demands. The first phase is what Nordstrom’s calls its “West Coast E-Commerce Fulfillment Center.” Workers would take online orders, fill them and then send them to their destination. Beyond the 1,000 full-time jobs, there would be an additional 200 to 450 seasonal jobs, as well as construction jobs getting the site ready.

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Fresno Mayor Ashley Swearingin

Nordstrom has identified 55 acres of land in the North Pointe Business Park in southwest Fresno where it would build a \$110 million, 1-million square foot building.

According to city officials, Nordstrom “conservatively projects” retail sales of \$100 million in the first year at the Fresno site and expects e-commerce sales to continue to grow each year by 10 percent. Last year, Nordstrom reported \$2.4 billion in Internet sales from their four existing distribution sites.

Fresno hired an outside firm – Impact DataSource – to determine the economic benefits associated with the project. Impact DataSource determined that the City would receive more than \$34 million in additional sales tax over the next 20 years.

In competing for the project, Fresno officials think they have several advantages that will give it an edge. For one, there are direct flights from Fresno to Seattle, site of Nordstrom’s corporate headquarters. In addition is the available workforce. This area is also part of a pilot project for tax credits on wages paid above the minimum wage. And Fresno County also has a “New Employment Opportunities Employment Subsidy Program” that city officials say would be

attractive to Nordstrom.

Fresno officials did not identify the second site in the competition, other than saying in papers it is in the “southern San Joaquin Valley.”

If the City Council approves the sales tax-sharing agreement on Thursday, here is how it would work:

When Nordstrom reaches 700 full-time employees (or the equivalent based on part-time jobs) Fresno would start rebating sales tax revenue to Nordstrom. The rebate would be 75 percent of the sales tax revenue generated at the site for the first three years of the program. After that – and until the \$10 million was reached – the sales tax rebate would be 50 percent of the annual sales tax revenue received from the Nordstrom site. When \$10 million or 30 years is reached (whichever is first), the agreement would end.

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