

# Visalia matches Fresno's bid for Nordstrom e-commerce center

By Lewis Griswold lgriswold@fresnobee.com

The race is on between Fresno and Visalia to land a coveted Nordstrom warehouse that would bring as many as 1,875 jobs to the region and give the winning city an economic jewel to brag about.

Monday, the Visalia City Council voted unanimously to support a proposed jobs incentive agreement under which Nordstrom would build the e-commerce warehouse in Visalia and the city would rebate millions of dollars in sales tax revenues generated by Internet sales at the center.

The proposed Nordstrom tax rebate deal is all but identical to the proposal approved last week by the Fresno City Council.

Visalia would rebate a total of \$20.75 million over 20 years, and Nordstrom would build a 1 million-square-foot warehouse. The company would create 900 jobs to begin with and a total of 1,875 full-time jobs in the long run, according to the city.

Unless [Fresno sweetens its offer](#), now it's up to Nordstrom to choose which city it wants.

According to officials in both cities, the choice has come down to Fresno or Visalia in California, or an out-of-state site.

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Visalia Councilman Warren Gubler

Fresno is the right match for Nordstrom's project, city spokesman Mark Standriff said following the Visalia council's action to match Fresno's bid.

"We believe that the full support of the mayor and a unanimous vote from the City Council of the fifth largest city in California speaks volumes about our desire to bring the Nordstrom e-commerce fulfillment center to Fresno," he said. "We are grateful to be considered and are pleased that over 1,000 new, well-paying jobs may be making their way to Central California instead of going out of state."

Visalia elected officials said the city's proposal not only matches Fresno's but that Visalia's quality of life gives it an edge.

"I know that Visalia is a good fit for this," said Councilwoman Amy Shuklian.

Jobs would pay \$12.50 an hour and many would be full time with benefits.

City officials from Farmersville, Dinuba, Tulare and Porterville addressed the council and said they supported their neighbor's bid.

The economic impact would be regional, with one-third of employees coming from Visalia, one-third from elsewhere in Tulare County and one-third from outside the county, the city said in a staff report.

Visalia Councilman Greg Collins hinted that there are other things the city can do to get the company to say yes.

"I keep calling it a deal because we're essentially trying to put together a package that is hopefully more competitive with our neighbor to the north," Collins said. "I'm excited about this and I think we've put together a good proposal."

Maybe we can sweeten it a little bit.”

Visalia has more than the sales tax rebate to offer Nordstrom, Councilman Warren Gubler said.

“Dollar for dollar, I’m willing to match what Fresno will put out there,” he said. “By saying we can match dollar for dollar, we can get past the money aspect and get to the intangibles and say what’s the best location, what’s the easiest access to (Highway) 99, who has FedEx, who has UPS – who can get this product shipped out the quickest and most efficiently?”

The warehouse initially would be used as an Internet sales fulfillment center for Nordstrom’s West Coast operations, while a potential second phase would add more jobs.

\$20.75 million

The package of sales tax rebates the winning city would pay to Nordstrom

Visalia Councilman Bob Link, a retired downtown retailer, said Internet sales are growing quickly and that the sales tax revenues from a Nordstrom fulfillment center will be much more than forecast.

“We’re in the beginning of a new era,” he said. “And I believe a company like Nordstrom will bring real quality to the community.”

Nordstrom appears to need the fulfillment center. Nordstrom.com sales increased 11 percent in the third quarter, according to the company’s most recent financial report.

In seeking a mid-California warehouse site, Nordstrom said it wants a tax rebate of \$10,000 per job, a Visalia city staff report states.

Visalia said it would use sales tax revenues from the warehouse point-of-sale transactions to pay back \$12,000 to Nordstrom for the first 1,000 full time jobs, and \$10,000 for the next 875 full time jobs.

According to the city’s staff report, the fulfillment center could generate \$500,000 to \$1 million annually from online sales in the state.

Under the agreement approved by the Visalia council, 75 percent of sales and use tax revenues would be rebated in the first 10 years, and 50 percent thereafter.

The Visalia proposal would require Nordstrom to employ a minimum of 500 full-time employees each year to get the rebate. By contrast, Fresno’s rebate proposal would kick in at 700 jobs, and officials in both cities said this is the only difference between the two proposals.

For Fresno, a hiccup occurred when it became clear that the proposed site in Visalia cost \$2 million less than the proposed site in Fresno.

To cover the gap, the Fresno City Council sweetened the proposed deal by saying it would make up for the \$2 million if Nordstrom selected Fresno.

Lewis Griswold: [559-441-6104](tel:559-441-6104), [@fb\\_LewGriswold](https://www.facebook.com/LewGriswold)