

Staples to invest \$44 million

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Doyle promises to 'bring others here'

A Staples distribution center will be the newest addition in Beloit's Gateway Industrial Park, Wisconsin Gov. Jim Doyle announced Wednesday.

The 400,000-square-foot business-to-business order fulfillment center will create more than 200 jobs, with wages averaging \$11 and \$13 per hour.

The development deal with Staples is the result of a year-long pursuit by City of Beloit officials, MLG Commercial and the Greater Beloit Economic Development Corporation (GBEDC).

Before a gathering of local dignitaries and business leaders at ABC Supply Co. headquarters, Doyle touted the cooperation between the city and state in offering incentives to the major office equipment supplier.

The state and city collaborated on incentive packages, with the Department of Commerce offering a \$500,000 loan to the company. The state also will join Beloit in granting \$3.2 million in tax credits and the city will provide \$2.5 million in direct developer incentives.

"This project is a great example of state and local government officials working together," Doyle said. "And we're going to continue to work together to bring others here."

City Manager Larry Arft said the development will be a huge boost to the city's economic growth, adding that the city had to offer a heavy incentive package to secure such an important project.

The city has offered a tax incremental district (TID) financed "pay as you go" incentive to Staples. The city will pay the company \$1 million over 10 years as a rebate for its investment. The annual \$100,000 payments will equal less than one third of the amount generated in city taxes - about \$344,000, Arft said. Thus, the city's cash flow will be about a quarter-million dollars to the positive each year.

Staples has offered to purchase the 45-acre parcel of land for \$6,000 per acre. The center will contain about 400,000-square-feet of space, with a capital investment of \$44 million. Arft said the company has already drawn up its plans and is prepared to start the building process as soon as possible.

Construction will begin by May and is expected to be finished by the fall of 2006. The Beloit City Council will vote on the agreement at a meeting Monday night.



Staff photo by Rebekah Danaher

Beloit City Council President Marty Densch shakes hands with Gov. Jim Doyle at ABC Supply headquarters while City Manager Larry Arft looks on. Doyle announced Wednesday that the office equipment supplier Staples will build a major distribution center in Beloit's Gateway Industrial Park, bringing more than 200 jobs to the area.

The facility will be visible from the interstate, as it will sit on higher ground just to the north of the visitor center, south of Colley Road.

"Part of the reason the company came to Beloit is we had the land and ownership of all the roads," Arft said. "This site was ready to go."

Economic Development Director Andrew Janke said the establishment of a well-known company like Staples in the Gateway could potentially attract other retailers and distributors.

"This is huge economic development," Janke said. "This is the marketing tool for Beloit."

Beloit City Council President Marty Densch said he was thrilled with the development news.

"This is one of the largest industrial projects developed in south-central Wisconsin in several years and will provide the employment opportunities so important to the Beloit region," he said.

Owen Davis, Staples Public Relations Manager, said an order fulfillment center differs from the company's retail stores in that it services its customers through online and catalog orders.

Davis said several small and large firms utilize the delivery branch of the world-wide company. The Beloit facility is the latest state-of-the-art distribution center. The company is completing a similar project in Atlanta, Ga.

Staples reached a total of \$14.4 billion in sales during its last fiscal year, an increase of 11 percent from the previous year. Staples has been in business since 1986 and describes itself as the world's largest office products company. Staples serves customers across the United States and in 21 other countries.

The company operates a retail store in the Morgan Square shopping center off Milwaukee Road.

Davis said the company was considering other sites in the Stateline Area, but ultimately chose Beloit for its affordable and conveniently located land.

"Beloit presented the best location for us to provide our customers with good service," he said.

Though the development has the potential for a future 300,000-square-foot addition, Davis would not say whether the company would commit to such an expansion.

"In many cases, we look to have the ability expand them to help expand our growing business," he said.

The Village of Roscoe reportedly had been in the running for the distribution center. Reached by phone Wednesday, Village President H. Ward Sterett said it was a decision for Staples to make.

"It was pretty much up to Staples," Sterett said. "I don't know what their (Beloit's) package included, but it must have been better than ours."