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## Walgreens moves forward with fulfillment facility, with permit valued at \$7.5M

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Walgreens is dispensing dollars for a previously disclosed local project.

In mid-May, Walgreens applied for a payment-in-lieu-of-taxes (PILOT) incentive from the Economic Development Growth Engine (EDGE) for Memphis & Shelby County, as it sought to pour \$30 million into a new facility.

EDGE approved the 10-year, \$3.6 million PILOT on May 19. And now, work on the project is set to begin.

On June 25, a building permit was filed with the Memphis and Shelby County Division of Planning and Development for the site — a warehouse at 3299 Tchulatech Drive. The permit is valued at \$7.575 million, and the total building area listed is 102,797 square feet.

The work will involve an interior fit out for pharmaceutical and packaging distribution, according to the permit, and this will entail



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Walgreens is moving forward with its \$30M fulfillment facility.

the interior remodeling of 63,573 square feet of space. Contegra Construction Co. LLC, based in the St. Louis area, is listed as the contractor for the project, while Ohio-based Ideal Due Diligence filed the permit application.

The initial PILOT application showed \$7.5 million of the \$30 million being spent on renovating the space, and most of the rest being spent on equipment, which was referred to as "state-of-the-art robotic equipment."

"The company is planning the establishment of a micro-fulfillment facility to transform product delivery from a hub and spoke operational model to lower cost to fulfill customer orders, increase the customer experience, and lead to the creation and expansion of customer deliver and pickup services," the PILOT application said.

The facility is expected to create 200 jobs, at an average wage of \$41,000, plus benefits. About 160 of the jobs would pay an average of \$31,000 per year plus benefits, with the rest ranging from \$48,000 to \$164,000.

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