

## **UNFI Montgomery, New York Fact Sheet – April 2014**

### **UNFI Background**

- United Natural Foods, Inc. (NASDAQ: UNFI) is a publicly traded corporation with headquarters located at 313 Iron Horse Way, Providence, Rhode Island, (401) 528-8634. Steven L. Spinner, Chief Executive Officer.
- UNFI is the largest wholesale distributor to the natural and organic industries in the United States and Canada. UNFI operates 27 distribution centers in North America with 6.5 million square feet of warehouse space.
- UNFI's single largest customer is Whole Foods Market – accounting for 36% of UNFI's net sales in fiscal year 2013. UNFI is Whole Foods' primary distributor. Other UNFI customers include the National Cooperative Grocers Association (NCGA), Kroger, Stop and Shop, Giant, Food Lion, Publix, Safeway, Target and Costco.
- UNFI's net sales in fiscal year 2013 increased 15.8% from 2012, to \$6 billion.
- UNFI and Whole Foods promote themselves as sustainable businesses, claiming amongst their core values “social and environmental responsibility for the health of the planet.”

### **UNFI's Mega-Distribution Center in New York State: Environmental Impact**

- Since the summer of 2012, UNFI has sought a location in Orange County, NY for a mega-distribution center to service New York metro market and Whole Foods expansion there, transferring routes from PA, NH and CT warehouses.
- UNFI originally chose a site in Newburgh, NY but canceled plans due to community opposition. In March 2013, UNFI applied to the Montgomery, NY Planning Board to build the distribution center there. In June 2013, Montgomery's planning board approved UNFI's Environmental Impact Study (EIS).
- The facility is nearly complete. It will be 500,000 sq.ft., with 49 truck bays and 650 parking spaces, and room to expand to 750,000 sq.ft.
- UNFI's facility turns 33 acres of farmland into impervious surface, leading to increased run-off in an area already prone to floods. A 15,000-gallon fuel tank, as well as truck parking and truck maintenance areas, will be next to Beaverdam Brook, a Class A (source of drinking water) stream that drains into the Hudson River.
- Riverkeeper - NY's clean water advocacy organization - submitted a list of concerns to the Planning Board, noting several inadequacies with UNFI's EIS, e.g.: A lack of climate change risk assessment for the project, insufficient attention to clean water issues, and no review of local brownfield or abandoned lots as redevelopment alternatives.

### **UNFI's Mega-Distribution Center in New York State: Community Impact**

- UNFI expects its Montgomery, NY location to generate \$460 million dollars in sales annually, more than twice UNFI's average per distribution center in 2012. This projects to ~\$80 million Gross Profit, and ~\$13 million Income Before Taxes at this site annually.
- UNFI received a \$11.3 million, 15 year property tax abatement deal from the Town of Montgomery's Industrial Development Agency (IDA) in July 2013. In total UNFI is to receive at least \$17.6 million dollars in local, school, state tax benefits, and is likely to receive additional tax-funded support.
- The Valley Central School District (VCSD) will receive no property tax payment from UNFI at all for the first five years – and reduced payments for ten years thereafter.
- The VCSD is in a severe budget crisis, forced to cut kindergarten to a half-day, cut math, science, special education and foreign language teacher positions and terminate the elementary libraries, arts and music program.
- The value of tax benefits to the company is heavily front loaded, additionally favoring UNFI at the expense of schools and taxpayers.
- Montgomery residents have just seen their property tax rate increase by 16.6%, an increase approved by the Montgomery Town Board in November 2013.
- UNFI's partner, Whole Foods, continues to receive public assistance for new store openings from the NY Department of Labor and the NYC Department of Small Business Services – as it has since 2007.
- Local construction companies have complained that UNFI used the New York state and local tax giveaways to contract with Wisconsin-based non-union contractor ESI Group USA to build the facility.
- The New York State Authorities Budget Office (ABO) released a report on March 17, 2014 finding that the Town of Montgomery Industrial Development Agency (IDA) violated the law and its own policies in awarding more than \$14 million in property and sales tax exemptions to UNFI. UNFI did not even bother to file a complete application – yet walked away with millions of dollars in tax abatements and minimal accountability to ensure that the local community would benefit in return.

**Fair Share Coalition Against Unsustainable Tax Subsidies** Contact: Tim Brown, President, Valley Central Teachers Union at [timothy.brown@valleycentralschools.org](mailto:timothy.brown@valleycentralschools.org) or email: [UnsustainableUnfi@gmail.com](mailto:UnsustainableUnfi@gmail.com)