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## U.S. Foodservice to take 250 workers to Buda

### Relocation of Austin center hard-fought

Austin Business Journal - by [Francisco Vara-Orta](#) ABJ Staff

**U.S. Foodservice**, a Chicago-area national food distributor, will finally break ground next week on its \$50 million distribution center in Buda — after more than two years of planning was nearly derailed by a lawsuit that found its way to the **Texas Supreme Court**.

The company will hold its official groundbreaking Sept. 16 for the 290,000-square-foot facility — roughly one-third the size of Highland Mall — about one block east of I-35 at County Road 118 and Turnerville Road.

U.S. Foodservice plans to close the 187,000-square-foot facility in East Austin it has operated for almost 60 years under different names and added on to over the years. **The company plans to move its 250 employees to the new site and hire an additional 157 people during the next 10 years. Annual salaries range from \$45,000 for a day warehouse worker to \$200,000 for a top sales position.**

“Buda is the best central place for us to set up among all the markets we serve going north to Belton and south to Corpus [Christi],” said John Fowler, Austin division president for U.S. Foodservice. “We had outgrown our facility a few years ago and thought the best thing to do would be to move to the Buda area, with great access to I-35 and in a community we liked. We wanted to keep tapping into the talent here and keep our employees.”

### Quite an ordeal

But the deal almost didn't happen. Many Buda residents voiced opposition when the plan was announced in September 2008, saying traffic would be negatively impacted and that the jobs being touted were mainly reserved for Austin employees and not open to Buda residents. That prompted the city council to deny a request for rezoning.

The council eventually changed its mind and, in June 2009, rezoned 95 acres at the site for light-industrial use. A community group named BudaFirst collected 788 signatures on a petition to put the matter on a ballot, but council members voted in September 2009 to prohibit the referendum, saying the city charter bars such efforts.

The following month, two Buda residents filed a lawsuit on behalf of BudaFirst in the **Third Court of Appeals** in Austin but lost. The Texas Supreme Court agreed to hear the case in March of this year, but dismissed it in June along with an emergency motion to stay, clearing the path for U.S. Foodservice's facility.

“For U.S. Foodservice to stay with us through all of that shows they really did want to be in Buda and weren't going for the easy deal,” said Warren Ketteman, president of Buda's **Economic Development Corp.**

## **Project details**

Hays County agreed to spend almost \$2.7 million to reconstruct roads and drainage facilities to serve the U.S. Foodservice facility. The company will repay the county for the work at 4 percent interest over 20 years.

The county is receiving \$750,000 from the **Texas Capital Fund** to apply toward infrastructure improvements in the area. Under terms of the agreement, the construction work will create 38 full-time jobs, of which 20 must be held by low- or moderate-income people. Otherwise, U.S. Foodservice must repay some or all of the Texas Capital Fund grant money.

U.S. Foodservice closed a deal for 45 acres at the Buda site earlier this month, buying the land from 2428 Partners LP for an undisclosed sum. Susan Harris, president of Austin-based **Site Solutions Inc.**, represented U.S. Foodservice in its real estate search.

The first phase of the project is 290,000 square feet with plans to add 100,000 to 200,000 extra square feet in the next decade for a second phase, resulting in a total of \$85 million invested in the property, Fowler said.

ESI Design Services of Hartland, Wis., which has an exclusive national contract for U.S. Foodservice, is the architect and construction company on the project, which is designed to achieve LEED certification.

Sales are up 4 percent for U.S. Foodservice, Fowler said, which is less than the 6 to 8 percent the company likes but is enabling the company to expand with the Buda project.

**Courtesy of JB Goodwin**