

Hy-Tek's Energy-Efficient Lighting Solution Generates Six-Figure Utility & Tax Incentives for Fanatics

World Source Partners with Hy-Tek to Maximize Energy Efficiency, Cost Savings & Employee Productivity at Distribution Center

When Fanatics, Inc.—the nation's leader in online retail for officially licensed sports merchandise — acquired The Longaberger Company's Frazeytsburg, Ohio, distribution center (DC), the company retained World Source material handling of Batavia, Illinois, to redesign and re-engineer the 12-year-old facility. A single source for analysis, design, engineering, implementation, and support of automated material handling systems designed to

minimize operational costs and enhance supply chain performance, World Source was assigned the task of retrofitting the 500,000-square-foot flagship distribution center. World Source was able to provide almost every service necessary to bring the aging DC up to world-class standards. The only solutions World Source lacked were lighting and fire protection expertise.

Fanatics, World Source & Hy-Tek Shine New Light on Old Facility

Following a competitive bidding process, World Source selected Columbus, Ohio-based Hy-Tek Material Handling, Inc. to design and install state-of-the-art lighting and life safety solutions that would help boost productivity, while conserving energy and controlling costs. Under the direction of Integrated Systems President Tom Mann and Sales Engineer Jeff Fogle, Hy-Tek's experienced team of lighting professionals worked hard to meet Fanatics' lighting and safety needs, while exceeding the company's energy-conservation expectations.

"We needed a supplier with unsurpassed know-how and expertise. Hy-Tek offered better solutions, greater knowledge, and more competitive pricing than any other vendor," said World Source Executive Vice President John Folk. "Our confidence in Hy-Tek was more than justified. Hy-Tek's lighting experts designed and implemented a plan that exceeded our expectations. Hy-Tek did everything they said they would do, and more. Hy-Tek not only completed the job on time and within budget, but they also delivered a totally unexpected six-figure electric utility incentive and an \$800,000 federal tax incentive to Fanatics. Neither Fanatics nor World Source knew up-front that the lighting investment would yield such enormous returns. That's the type of specialized knowledge Hy-Tek brought to the project. Icing on the cake for our customer and company," said Folk.

SAVINGS SNAPSHOT

Thanks to Hy-Tek's unsurpassed lighting experience and incentive expertise, Fanatics:

- Received a \$134,058 incentive from AEP Ohio.
- Is eligible for a certified federal tax deduction in excess of \$800,000, under the federal Energy Policy Act of 2005, which rewards business for energy efficiency.
- Will enjoy energy-reduction savings of at least \$120,000 a year, as compared to the old lighting system.



Hy-Tek designed and installed an energy-efficient lighting solution and fire safety system at Fanatics' 1.3-million-square-foot Frazeytsburg, Ohio distribution center. This facility is now one of the brightest, cleanest, safest, most energy-efficient DCs in the Midwest.

Every Light in 1.3-Million-Square-Foot DC Redesigned & Replaced

A team of 40-plus Hy-Tek professionals — engineers, master electricians, electrical journeymen, and skilled laborers — worked together to turn on Fanatics' lights. The lighting job was centered in the distribution center's four-story tower, measuring 258-feet-wide by 686-feet-long (equivalent to four football fields). This storage tower increased the total usable floor space to 1.3-million square feet. Hy-Tek designed and installed service lighting for daily use, as well as egress lighting for emergencies. The 18-month-long project was completed in April 2013.

Hy-Tek installed a total of 7,628 light fixtures with 18,140 high-performance T8 fluorescent lamps, along with 600 electrical outlets. In addition, the company incorporated 1,988 motion

sensors into the design of 972 picking aisles to eliminate wasted energy. If no one enters an aisle, no lights go on. If an aisle is empty for 20 minutes, the lights go out automatically. "The easiest and best way to save energy is keep the lights off until you need them," according to Hy-Tek's chief lighting expert Jeff Fogle.

Hy-Tek also was responsible for removing all of the building's old wiring, electrical components, and ceiling lights. More than 1,200 old, inefficient lighting fixtures were removed from the ceiling and recycled. Hy-Tek was then able to install adequate power feeds to support the new conveyor equipment and replace all of the existing ceiling fixtures with new high-efficiency fluorescent fixtures.

Life Safety & Fire Protection Compliance Were Top Priorities

As part of the distribution center's retrofit, Fanatics charged World Source with ensuring that the updated Frazeytsburg facility complied with Ohio building code. World Source turned to Pleasant Hill, California-based Donald Mayo Fire Protection Consultant, Inc., an international consulting firm noted for its experience and expertise in analyzing fire protection systems for compliance with codes and standards. Under the firm's guidance, all life safety and fire protection systems were brought up to code, and the Mid-East Ohio Building Department issued Fanatics a certificate of occupancy for the DC.

Donald Mayo wrote the specs; World Source served as project manager; and Hy-Tek designed and installed egress, or emergency, lighting to help ensure employee safety. The egress lighting system incorporates motion sensors, battery back-ups, and 144 LED exit signs. Using a strip-lighting design similar to that in airplanes, the emergency light system is designed to form a path of light to guide employees out of the building in an emergency.

Donald Mayo analyzed the existing DC fire protection system and supplemented it with a newly designed state-of-the-art system. Working side-by-side with Hy-Tek, Donald Mayo oversaw removal of the old system and tested the new system for correct operation and code compliance, using computerized simulations of various fire and smoke emergencies in the facility's four-story pick module. The new fire protection system incorporates lights, alarms, photo-beam

smoke detectors, sprinklers, fire extinguishers, and heat sensors. Installed in a grid pattern in the ceiling, the fire protection system is tied to the distribution center's conveyor controls. For added safety, Donald Mayo analyzed and designated seven tornado shelters in the facility.

The result: a safe, secure, code-compliant distribution center that meets Fanatics' business needs and Ohio's life safety and building safety code requirements.

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Energy-Efficiency Rewarded with Surprise Six-Figure Incentives

Mindful of the fact that local utility and federal tax incentives were available to Fanatics, Hy-Tek worked behind the scenes with AEP Ohio to maximize the company's energy efficiency. The installation of high-efficiency lights meant brighter rooms, greater reliability, and long-term cost savings. Hy-Tek proactively worked to ensure that the customer could take advantage of AEP Ohio incentives and a federal tax deduction through the Energy Policy Act.

Hy-Tek distinguishes itself from the competition, in part, by providing incentive-related know-how and hands-on service. On Fanatics' behalf (and without their upfront knowledge), Hy-Tek completed all of the paperwork necessary to maximize the company's AEP Ohio incentive and complete its federal certificate of tax compliance. No need to hire an incentive consultant, and pay him 15 percent of the incentive. No need to assign an employee to work through the incentive process and paperwork. Hy-Tek does it all—at no added charge—as part of its service to its lighting customers.

To say Fanatics was thrilled to receive its unexpected utility incentive check and tax deduction is an understatement. “Hy-Tek made the entire process seamless, compiling all the application paperwork and working directly with AEP Ohio to ensure we maximized our energy savings incentive,” said Fanatics Vice President, Logistics Paul Chisholm. “In addition, our new energy-saving lighting system makes us eligible for a

certified IRS tax deduction in excess of \$800,000, under the federal Energy Policy Act. Plus, we'll benefit from significant energy-reduction savings each year, thanks to the retrofitting of our ceiling lights. We cannot thank Hy-Tek enough for their efforts on this exciting project on Fanatics' behalf.”



AEP Ohio presents Fanatics with an incentive check for \$134,057.76. Pictured from left to right: AEP Ohio Customer Service Rep John Spring; Fanatics HR Director Kyle Killian; Fanatics VP Logistics/Distribution Paul Chisholm; World Source Executive VP John Folk; Hy-Tek Sales Engineer Jeff Fogle.

Project Snapshot: Lighting, Life Safety, Fire Protection & Energy Efficiency

- Every light in 1.3-million-square-foot DC removed, re-engineered, redesigned, and retrofitted.
- All new service lighting and egress/emergency lighting designed and installed.
- Work completed in 4-story tower, measuring 3 football fields long x 1 football field wide.
- 7,628 light fixtures and 18,140 lamps installed.
- 1,944 lighting-related motion sensors installed in 972 picking aisles.
- 1,200 old, inefficient ceiling lights removed, recycled, and replaced.
- 144 LED exit signs with motion sensors and battery back-up installed.
- 600 electrical outlets designed and installed.
- New fire protection system designed, installed & tested.
- 16 roof-level fire sprinkler systems covering 514,458 square feet retained.
- 4 lower-level sprinkler systems installed beneath a 153,750-square-foot mezzanine and in all levels of the 4-story 176,988-square-foot pick module.
- 306 portable fire extinguishers installed.
- 56 manual fire alarm pull stations installed.
- 34 roof-level photo-beam smoke detectors installed.
- 7 tornado shelters designated.

Formula for Success

The partnership between Fanatics, World Source, and Hy-Tek is a win-win-win, thanks to Hy-Tek's unsurpassed lighting expertise, proactive approach to energy incentives, and commitment to customer

service. "When World Source finds a partner who performs, we stick together. World Source now views Hy-Tek as our go-to lighting experts," said Folk.



About Fanatics

Fanatics are a leading online retailer of officially licensed sports merchandise and provides the ultimate shopping experience to sports fans. As a Top 50 Internet Retailer Company, Fanatics comprises the broadest online assortment offering hundreds of thousands of officially licensed items via its Fanatics (www.fanatics.com) and FansEdge (www.fansedge.com) brands. In addition, the Company powers the e-commerce sites of all major professional sports leagues (NFL, MLB, NBA, NHL, NASCAR, PGA), major media brands (ESPN, NBC Sports, CBS Sports, FOX Sports) and over 200 collegiate and professional team properties. For more information about Fanatics, Inc., please visit <http://www.fanaticsin.com>.



About World Source

worldsource is your single source for analysis, design, engineering, implementation and support of automated material handling systems, designed to minimize operational costs and enhance supply chain performance. **worldsource** has a proven track record of success and has extensive distribution experience in diverse industries such as: E-Commerce, Direct Sales, Retail, 3PL, Shoe & Accessory, Electronics, Books & Music, Pharmaceutical, Food/Liquor & Office Products. **worldsource** maintains an in-house staff of highly qualified mechanical design engineers, project managers, electrical control engineers and mechanical erectors and field wiring technicians, providing **worldsource** with complete control from design through system acceptance. www.world-source.com Contact: John R Folk 630-795-1100 x 224.



About Hy-Tek Material Handling

Hy-Tek is the premier single-source provider of material handling solutions for an extensive range of industries including manufacturing, distribution, retail, pharmaceutical, food, electronics, and automotive. Since 1963, Hy-Tek and its best-in-class industry partners—including manufacturers of industrial trucks and equipment; supply chain software; and rack, shelving, and conveyor systems—have been providing customers large and small with turnkey solutions. From customized one-of-a-kind handling and storage systems to pre-assembled buildings and off-the-shelf products—Hy-Tek's experienced team of engineering, sales, operations, and project management professionals partner with customers to help enhance productivity, streamline processes, and boost profitability.

Headquartered in Columbus, Ohio, employee-owned Hy-Tek Material Handling serves customers in the United States, Canada, and Mexico from offices in Cincinnati, Cleveland, Indianapolis, New Jersey, and Philadelphia. With projected sales of \$80 million in 2013, Hy-Tek's four divisions—Integrated Systems, Industrial Equipment, Lighting Solutions, and Storage & Handling—deliver cost-effective, efficient solutions for every material handling application. Contact www.hy-tek.net or 800-837-1217.

