

In an industry known for asphalt, Murphy Warehouse grows green



Dick Youngblood, Star Tribune

Richard Murphy, CEO of Murphy Warehouse, is greening his company financially and environmentally.

The company turned a dirty-water problem into a retention pond and rain gardens to water its new front yard of prairie grasses. Rain gardens and acres of prairie grasses bring the company praise for pollution abatement, resource stewardship -- and big savings.

CEO Richard Murphy, the fourth generation to run family owned Murphy Warehouse Co., observed Earth Day last month by watching completion of a \$580,000 storm-water management system at Murphy's southeast Minneapolis headquarters.

This was no "green" stunt. "In the long term, it makes economic sense," Murphy said. "Finding a solution became an environmental and economic imperative."

Murphy's investment abated a nasty problem at the 22-acre complex that resulted in storm water from warehouse roofs and asphalt lots surging into an antiquated maze of storm and sanitary sewers that led to occasional dirty discharges into the Mississippi River.

Murphy, a landscape architect by training, retained Wenck Engineers to design and construct a retention pond and rain gardens that have started to collect 95 percent of the rainwater to irrigate several newly seeded acres of prairie grasses that are the company's new "front yard."

Murphy will recover the cost within eight years through abatement of a \$68,000 annual city storm-sewer assessment. And that was before his chief financial officer realized the company was allowed to depreciate 50 percent of the project in the first year under 2008 federal tax law designed to spur investment in environmental and clean-energy projects.

The American Council of Engineering Companies recognized Murphy and Wenck with the Minnesota Engineering Excellence Award this spring. And Minneapolis city officials have highlighted the project for pollution abatement and resource stewardship.

Oh, Murphy also will save tens of thousands of dollars annually on lawn maintenance.

Acres in prairie grass

This is not the first prairie grass project for Murphy Warehouse.

"We've saved \$500,000 in Fridley alone since 1994 simply because we don't have to cut the lawn," Murphy said. "We put several acres in prairie grass. That's \$4,200 an acre annually we're not spending on mowing, fertilizer and water. It's beautiful. The city, our neighbors and some of our customers compliment us all the time."

Murphy, 56, who has a graduate degree in landscape architecture from Harvard University, also is a University of Minnesota-schooled MBA. He has decided that his company, which employs nearly 200, can be a green-economy leader in an industry better known for barren big-box campuses with lots of asphalt.

Without much prodding, Murphy pulls out a PowerPoint presentation that demonstrates how the huge warehouse industry can green itself financially and environmentally.

How big is this industry? With 5 billion square feet of storage space across the country, the industry could store a 4-foot by 4-foot box for each of the 300 million Americans.

Improvement investments

Murphy ticked off a list of investments his company has made since he took over in 1993 to conserve energy and cut pollution while increasing lighting and employee comfort and creating more appealing campuses.

For example, Murphy:

- Expanded in 1999 through a new 406,000-square-foot distribution center on 26 acres near Interstate 694 in Fridley that once were a polluted, abandoned tract with a negative net worth of \$400,000. After cleanup, Murphy put 11 acres into prairie and a stormwater-runoff pond that is frequented by waterfowl, birds, deer, rabbits and foxes. The site pays about \$500,000 annually in local property taxes.
- Reroofed and added insulation to most facilities over the last decade, added energy-efficient boilers, high-efficiency lighting and even custom-sewn, quilted moving blankets to cover metal dock plates during the winter when they are not in use. The moves, which involve paybacks of one to several years, also have created brighter, more comfortable work spaces and far lower heating and cooling bills.
- Gradually replaced older forklifts with 150 propane-fueled and electric forklifts that have helped reduce indoor air emissions by half to well below federal minimums.

Lawns become flowers

Guided by Prairie Restorations of Princeton, Minn., the company has put nearly 25 acres of once-manicured lawns into prairie grasses and flowers. Murphy also has planted 732 pollution-absorbing trees that also cut summer cooling costs with their shade.

Murphy, who practiced several years as a landscape architect before joining the company, admits he's more environmentally oriented than some. However, he can justify every move with a payback period.

"You also have to think this is the right thing to do, whether you are a landscape architect or not," he said. "And we have 34 family stockholders who support this."

"We also want to be leaders and good partners with our customers in storage and logistics services. They see what we are doing," Murphy added. "We are a service business. And our customers, increasingly within the next three to five years, will come to us for help with 'greening' their business. People seem to like what we're doing."

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COMMENTS:

Murphy

Years ago, when I was a struggling college student, Murphy gave me a part-time job driving truck at one their companies. I learned how to drive a truck and delivered a lot of appliances. They also had me working at Murphy Rigging for awhile and I was able to earn a living that not many college kids could. One of the managers at the time told me to make sure I got a good college education, but always keep my commercial drivers license in case the economy goes bad. He said people will always need truck drivers. Well, in addition to a PhD, I still have my commercial drivers license and drive most anything with a license plate on it. Well my son graduated a few years ago from Pima Medical Institute and he has his commercial drivers license. It has been over 40 years, and I still follow and thank Murphy for the opportunity they gave me.

posted by **kkjer** on May. 9, 09 at 1:28 PM |

Kudos to Richard Murphy

Can't beat a responsible vision that also provides good ROI value. How can we encourage other corporations with large, wasteful expanses of turf grass to do something better?

posted by **mensan** on May. 10, 09 at 9:33 AM |