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2019 Commercial Real Estate Champions

CRE Champion: Building 1 at Velocity 65 Trade Center | Best Industrial Project

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When retail giant Walmart Inc. opened a new \$41.3 million distribution and fulfillment operation center at Building 1 in Velocity 65 Trade Center near Shepherdsville, Ky. last year, it was a logistical “game-changer” for the area.

Walmart Inc. and its Jet.com subsidiary leased the 721,050-square-foot facility in fall 2018 so employees could fulfill online orders.

After the lease was signed, Phil Charmoli, senior director for Cushman & Wakefield | Commercial Kentucky, said his team worked behind the scenes to provide Wi-Fi service and improvements in a short time so its tenants could take advantage of the 2018 holiday season.

Charmoli’s team also secured state incentives and helped identify a labor pool for the project, which created about 400 new jobs.

The Kentucky Economic Development Finance Authority, which manages the state’s tax-incentive programs, authorized as much as \$3 million in incentives for the project.

The incentives are distributed through the Kentucky Business Investment Program, which allows a company to retain a portion of its investment corporate income tax credits and wage assessments if it hits job and investment goals.

Jobs at the center pay an average hourly wage of \$16.25, including benefits, according to the KEDFA filing.

The Building 1 site is appealing to warehouse distributors because it features 36-foot tall ceilings, LED high-bay lighting, 72 loading docks and parking spaces for trailers and an additional 175 spaces for cars.

It’s also located in Velocity 65 Trade Center, a 241-acre industrial park that will eventually house six bulk distribution buildings totaling approximately 3.9 million square feet.

Construction on Building 3 is scheduled to break ground in May 2019, and will add another 627,000 square feet of space in the park.



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Walmart Inc. and its Jet.com subsidiary leased the 721,050-square-foot facility in fall 2018 so employees could fulfill online orders for Walmart.com and Jet.com.

The park is accessible to Interstate 65 and the UPS Worldport global air-freight hub at Louisville Muhammad Ali International Airport, which makes it an ideal site for logistics operations.

Indianapolis-based Browning Investments LLC is the developer and general contractor behind the \$175 million Velocity 65 project.

In a previous interview with Louisville Business First, Dale Pfeifer, real estate development director for developer Browning Investments, said e-commerce is driving the industrial real estate market and Louisville is an ideal area for investment.

“I feel the Louisville region’s greatest asset is its logistics infrastructure, highlighted by the presence of UPS Worldport. Only Memphis, Tenn., and Indianapolis have something similar with FedEx,” he said.

The proximity to UPS means Walmart and other distributors in the Velocity 65 Trade Center can ship goods to most of the U.S. population within a day or two.