



- REJournals.com - <http://www.rejournals.com> -

Breaking into Louisville: Ecommerce fuels Browning's 300-acre Velocity65 warehouse development

Posted By [Dan Rafter](#) On May 17, 2017 @ 5:42 am | [No Comments](#)



Looking for a reason why Browning Investments decided that now was the right time to build its first spec industrial project in the Louisville market?

It comes down to ecommerce, and the continued rise of online shopping.

Construction is nearing its finish at the Browning-owned and -developed Velocity65 Trade Center at 120 Velocity Way in Shepherdsville, Kentucky, in the Louisville market. Browning is investing \$175 million to build up to six warehouse buildings on 300 acres here, a development that, when finished, would total more than 4 million square feet.

Dale Pfeifer, director of real estate development at Browning Investments, said that the continued importance of ecommerce influenced Browning's decision to enter the Louisville market in such a big way. Louisville boasts an excellent location for ecommerce companies, close to most of the country and benefitting from strong highway and rail service.

Louisville also has the UPS Worldport. Located at Louisville International Airport, the Worldport is UPS' largest air facility, and processes an average of 1.6 million packages each day. Velocity65's site is just 14 miles from the Worldport, something that will be a definite draw for future tenants, Browning said.

"Anecdotally, it seems like every one of the prospects we look at now has some sort of ecommerce component," Pfeifer said. "This site and project is a perfect fit for ecommerce."

A complicated project

Turning Velocity65 into a reality was no easy task. Phil Charmoli, senior director with Cushman & Wakefield/Commercial Kentucky, spent more than two-and-a-half years negotiating with developers, multiple land owners and a host of government officials to pull the deal together.

Today, the first building at the site – 712,050 square feet on 43 acres – is under construction and is scheduled for completion by the end of August.

Features at the site designed to appeal to ecommerce users include a thicker-than-normal 8-inch floor, LED lighting, tilted concrete walls and an energy-efficient roofing system. The building will also include extra stalls to park up to 138 trailers.

No tenants have been signed at the building yet, but Charmoli said that several companies have expressed interest into moving into the space.

“We feel this is going to be a homerun here,” Charmoli said. “It is a great location along the Interstate-65 corridor, a highway you can use to travel from Chicago all the way down to the Bay area. You can hit a lot of people with trucking services along the way.”

The Shepherdsville area is already a preferred location for ecommerce users. Charmoli said that Amazon already operates about 2 million square feet of warehouse and distribution space in the market.

“I like to think that Browning entered this market because our customers want to be here,” Pfeifer said. “They want to be here for three primary reasons: The UPS air hub is here. This is a prime location. And the labor force is excellent.”

Air Hub

The UPS Worldport has long been an important draw for industrial users in the Louisville market. UPS also operates its Centennial Hub near in the Louisville Renaissance South Business Park near the Louisville International Airport. UPS is expanding this hub, spending \$300 million to triple the size of the packaging facility to 830,000 square feet.

This was another draw bringing Browning to the area, Pfeifer said.

“We can offer closer access to the UPS hubs than our competitors,” he said. “We are about 14 miles away. That might seem far away, but given the scarcity of land sites for these big boxes in Louisville, we are considered close. We have been able to assemble 300 acres of ground where we can put up buildings larger than a million square feet. This is considered beachfront property.”

Velocity65 will draw its labor force from as many as 20 miles away, Pfeifer said. This gives tenants here access to a particularly deep labor pool.

“That is very important for customers here, to have access to the deepest possible labor pool,” Pfeifer said. “And we have it.”

Browning Investments has had plenty of success developing industrial properties in Central Indiana, Pfeifer said. Company officials decided it was time to break into the Kentucky market to replicate some of that success.

“We have been searching for the right site for a major spec industrial project for a number of years,” Pfeifer said. “The timing was all about this site becoming available. This is an excellent location for us to do business in Louisville. We knew we could build this in-house. We love the location, and we have access to the airhubs. We think this is the perfect fit.”

Copyright © 2010 REJournals.com. All rights reserved.