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Bullitt build out: Cedar Grove, Salt River business parks are popular destinations for major distribution centers

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People unfamiliar with the Bullitt County area often assume that it consists mainly of farmland, subdivisions with modest, older homes and a few small stores and restaurants -- all generally located somewhere off Interstate 65.

They're often surprised to learn that Bullitt County actually contains several bustling business parks, a growing retail sector and upscale subdivisions springing up near an 18-hole golf course.

"You normally don't think of Bullitt County this way," said Bob Fouts, executive director of the Bullitt County Economic Development Authority.

The county has mushroomed from 47,500 residents in 1990 to an estimated 75,000. And the county, which is bisected by I-65, also has grown into a thriving distribution hub, as some of its major business parks are just about 16 miles from Louisville International Airport.

Cedar Grove and Salt River business parks straddle either side of Kentucky 480 in Shepherdsville, and they contain many of the area's newest light industrial/distribution tenants.

The two business parks are also within 25 miles or less of interstates 65, 265, 64, 71 and 264, making them especially advantageous for companies that need to move products quickly.

A decade-long project

Salt River Development Co. LLC, the original developer of Cedar Grove, purchased 420 acres of farmland in November 1998 that became the business park.

In the late 1990s, the area lacked sewer, heavy water lines and widened roads to accommodate truck traffic, said Jesse Flynn, a principal in Salt River Development.

After the infrastructure was developed, out-of-state builders and developers built a 400,000-square-foot distribution center on 25 acres that was leased to Illuminations, a California-based candle company, in 2001.

That company went bankrupt and its Kentucky location closed in 2004, but that certainly wasn't a portent of things to come.

A new tenant, GSI Commerce Solutions Inc., a King of Prussia, Pa.-based sporting goods dealer, located in the building in 2004. The e-commerce fulfillment and distribution firm has 300 full-time employees, with seasonal increases.

In the intervening years, a number of distribution centers have sprung up in the park, where about 2,065 full-time workers are now employed.

"The Cedar Grove Business Park has met or exceeded every expectation we had in the beginning," said Patrick Flynn, Jesse Flynn's brother and another principal in Salt River Development.

Jesse Flynn said he attributes the popularity of Cedar Grove to its proximity to I-65 and to UPS's distribution operations.

"It's been done on a first-class basis," Flynn said of the development.

"The facilities are first class, the landscaping, and the businesses are first class."

Another 85-acre addition to the park was purchased about three years ago by Salt River Development, and 150 acres were purchased in 2007 for a total of more than 650 acres, Jesse Flynn said.

"With the new 150-acre expansion and the improvements scheduled for Cedar Grove Road, we see a bright future for the communities of Shepherdsville and Greater Bullitt County," Patrick Flynn said.

That tract is under contract with a national user, said Jesse Flynn, who declined to release the name. Engineering work has begun and infrastructure will be put in this summer, with the first building constructed in the fall, he said.

Just 22 acres of the original 420 acres in Cedar Grove remain undeveloped, Jesse Flynn noted, and about 3.3 million square feet of light industrial and distribution operations have been built in the whole business park.

Retail is in the works

An approximately 60,000-square-foot \$6.5 million shopping center, Cedar Grove Center, is being built on the front strip of Cedar Grove, and that is set to open in late summer 2008, the Flynn brothers said.

It is expected to draw the type of tenants that regional strip shopping centers attract, such as dining, retail, accounting, medical and other businesses. It is owned by Salt River Development LLC. Principals of Salt River include the Flynn brothers and several other partners.

More growth on the way

Crossdock Development Inc. currently is developing a 400,000-square-foot, speculative distribution facility in the rear of Cedar Grove on 52 acres.

It could be expanded to 800,000 square feet and could cost \$25 million, Fouts said.

Cedar Grove also has been a catalyst for further development of the nearby Salt River Business Park.

In 2005, Lauth Property Group Inc., an Indianapolis-based development and construction firm, purchased 128 acres of farmland, just north of Cedar Grove for Salt River Business Park.

Lauth constructed Salt River One, which has 832,000 square feet and is home to the eastern distribution hub for online shoe distributor Zappos.com Inc., which occupies 624,000 feet there.

The rest is available for lease. Zappos also has a smaller facility in Cedar Grove.

Building to be largest in state

In mid-December, Lauth announced that construction had begun what would be the state's largest speculative bulk distribution building -- Salt River Two, a 936,000-square-foot building for distribution, manufacturing or assembly work.

"It will be the largest spec building ever built -- not only in Louisville Metro -- but in the state, to my knowledge," said Phil Charmoli, in a previous Business First report.

Charmoli is a senior industrial real estate broker for Commercial Kentucky Inc., an alliance partner of Cushman & Wakefield Inc.

CKI is the broker representing Lauth Properties LLC on land purchase and leasing for Salt River Two.

Charmoli said Lauth is under contract to purchase an adjoining 184 acres that should be able to accommodate another 3 million square feet of bulk buildings on the site.

In the past six years alone, he said, Bullitt County has absorbed close to 6 million square feet of industrial space, larger than any other submarket in the Louisville area.

A golden road

The county's location on I-65, a main north-south transportation artery, also is a strong plus for its future.

"I think the I-65 corridor -- the north-south corridor from Chicago to Indianapolis, to Louisville to Nashville, to Montgomery, Birmingham, Mobile -- that stretch can touch a lot of people," Charmoli said.

"That is why logistics firms love that corridor."

Jobs flock to Bullitt County

Bullitt County's booming economic base has led to the creation of 1,000 industrial/distribution jobs in Bullitt County for each of the past four years, said Bob Fouts, executive director of the Bullitt County Economic Development Authority.

In addition to the Cedar Grove and Salt River business parks, other Bullitt County industrial and distribution sites include: Shepherdsville Business Center, Mount Washington Business Centre, a Lebanon Junction development and a Hillview site for Sabert Corp. and Volcanic Speakers manufacturing tenants.

Other sites are:

- Louisville Logistics Center, a 306,000-square-foot logistics/distribution facility in Brooks
- Shepherdsville's ProLogis 65 Park, which includes "Geek Squad City," a Best Buy subsidiary where PCs and laptop computers are repaired
- Three manufacturing firms in the north end of the county -- Best Made Pallets, Blue Lick Aero Enterprises and Prestige Plastics.

Major Cedar Grove area employers

The following major Bullitt County employers all have locations near Cedar Grove Road and are located in either Cedar Grove or Salt River business parks.

The following information was supplied by Bob Fouts, executive director of the Bullitt County Economic Development Authority and compiled by Shannon Leonard-Boone, Business First correspondent.

Donna Sharp Inc.

Location: 1315 Cedar Grove Road, Shepherdsville

Development: Cedar Grove Business Park

Type of business: Distribution center for a designer line of quilted products, including quilts, handbags, place mats and other items

Square feet occupied: 60,000 square feet

When it opened: 2004

Employees: 42

Zappos.com

Locations: 376 Zappos.com Blvd., Salt River Business Park (above left), and 271 Omega Parkway, Cedar Grove Business Park, Shepherdsville

Developments: Cedar Grove and Salt River business parks

Type of business: Distribution centers for a Las Vegas-based online shoe merchant

Square feet occupied: 624,000 square feet in Salt River One and 281,000 square feet in Cedar Grove

When the facilities opened: The Cedar Grove location opened in 2002 and was expanded in 2004; in 2006, the Salt River facility opened

Employees: 810 for the two locations

Alliance Entertainment Corp.

Location: 270 Omega Parkway, Suite 100, Shepherdsville

Development: Salt River Business Park

Type of business: A Coral Springs, Fla.-based distributor of home entertainment products

Square feet occupied: 168,000

When it opened: 2003

Employees: 180

APL Logistics

Location: 270 Omega Parkway, Shepherdsville

Development: Cedar Grove Business Park

Type of business: A supply chain management and service firm for Dow Chemical Co.

Square feet occupied: 215,316

When it opened: 2002

Employees: 60

Gordon Food Service

Location: 342 Gordon Industrial Drive, Shepherdsville

Development: Cedar Grove Business Park

Type of business: A Grand Rapids, Mich.-based institutional food distributor

Square feet occupied: 330,000

When it opened: 2003

Employees: 400

Reynolds Food Packaging

Location: 700 Omega Parkway, Shepherdsville

Development: Cedar Grove Business Park

Type of business: Fast-food container distribution center for Alcoa Inc., a worldwide aluminum production and sales company that has its American headquarters in Pittsburgh

Square feet occupied: 527,500

When it opened: 2003

Employees: 58

Medimmune Inc.

Location: 355 Omicron Court, Shepherdsville

Development: Cedar Grove Business Park

Type of business: A manufacturing site for a Gaithersburg, Md.-based biotech company

Square feet occupied: 87,000

When it opened: 2004

Employees: 10 to up to about 60, seasonally

Linens 'n Things

Location: 649 Omega Parkway, Shepherdsville

Development: Cedar Grove Business Park

Type of business: Distribution center for a Clifton, N.J.-based home textiles and housewares retailer

Square feet occupied: 611,000

When it opened: 2002

Employees: 225

Woodgrain Distribution

Location: 1272 Omega Parkway, Shepherdsville

Development: Cedar Grove Business Park

Type of business: Wood moulding and door distribution center for Woodgrain Millwork of Fruitland, Idaho

Square feet occupied: 71,400

When it opened: 2002

Employees: 39

GSI Commerce Solutions Inc.

Location: 150 Omicron Court, Shepherdsville

Development: Cedar Grove Business Park

Type of business: Distribution center for a King of Prussia, Pa.-based sporting goods dealer

Square feet occupied: 400,000

When it opened: 2004

Employees: 300