

**From the Business First:**

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# Allied Ready Mix owner plans West End business park

**Company would be tenant on former National Tobacco property**

**Premium content from Business First - by John R. Karman III , Staff Writer**

Date: Friday, November 19, 2010, 6:00am EST

The owner of Allied Ready Mix Co. LLC has purchased the 25-acre National Tobacco Co. LP property in West Louisville, where he plans to move his company and develop an industrial park.

The plan might take several years to unfold, but the project would keep Allied near the city's central core and establish a business park that could create permanent jobs and provide stability in a largely distressed area.

Allied president Tom Allen paid \$721,000 for the National Tobacco site in a deal that closed Nov. 12, according to the Jefferson County Clerk's Web site. He took title under the name of a holding company, THA Properties LLC.

National Tobacco plans to leave the property — located along 30th Street between West Market Street and West Muhammad Ali Boulevard — before the end of the year. The company is moving its remaining Louisville operations to a building in the Commerce Crossings business park in southern Jefferson County.

National Tobacco officials could not be reached for comment before Business First's press deadline.

## **State to buy property for bridges project**

The timetable for Allen to move his concrete company to the West End from its current home in Butchertown has not been determined.

The Allied president said he is in negotiations with the state of Kentucky, which plans to buy his 7.5-acre property at 1561 E. Washington St. because it needs the site for the Ohio River Bridges Project.

The price of that acquisition and associated moving costs still are being discussed, Allen said. He estimated that it will cost up to \$17 million to move the company's Butchertown offices, concrete plant, garage and 60-truck fleet to West Louisville.

## **Existing buildings to be razed**

Meanwhile, preparations for the industrial park are moving forward. The National Tobacco site has multiple, aging buildings with more than 600,000 square feet.

They will be razed starting in January, Allen said. The demolition project should take six to nine months.

Allied needs only nine acres for its operations, which will have frontage on West Market Street, Allen said. The remaining 16 acres at West Muhammad Ali Boulevard and 30th Street are being marketed as Interstate Business Park.

Allen has tapped Louisville's Commercial Kentucky Inc. to pursue tenants for the property. The 16 available acres could accommodate a building as large as 346,500 square feet, according to **Stephan Gray**, an industrial brokerage adviser with the firm.

The property also could be sold to companies in pieces, developed as multiple build-to-suit projects or divided to serve smaller tenants, he said.

## **A 'campus' feel**

Gray, who represented Allen in the purchase of the West End property, said the site has several strengths as an industrial park, including access to rail service from Norfolk Southern Corp. It also is located one block from Interstate 264 and has quick access to Interstate 64 and downtown Louisville.

Having a nice look for the park has been stressed, Gray said. Trees will be planted on the site, and much of the property will be surrounded by a berm.

The goal is for the park to have a "campus" feel, Allen said.

## **Rail service a key marketing point**

Allen said he has discussed his plans for his company relocation and for the business park with **Bruce Traughber**, director of economic development with Louisville-Jefferson County Metro Government, and Louisville Metro Councilwoman **Cheri Bryant Hamilton**, who represents District 5 in the West End.

Both have been "extremely helpful," Allen said, "embracing what we'd like to do here."

Hamilton also could not be reached for comment before Business First's deadline.

Traughber said the potential of the industrial park to create jobs is welcome, especially as the economy struggles to recover.

He added that the West Louisville property has promise as a business park because there are few remaining sites in Jefferson County that can accommodate a large industrial building, especially with rail service.

Rail will "play a bigger role" in companies' site-selection process in the future, he predicted, because it is a cheaper way of transporting goods than using trucks.

### **Owner confident park will succeed**

Allen said he had been scouting sites for his business since the state contacted him 10 years ago about buying his property

Staying close to the interstates and downtown, where Allied does a lot of business, were key considerations. Opening a business park was not. But the price was right for the National Tobacco site, Allen said, and he's confident tenants will be landed in time.

"Obviously, our economy isn't the best right now," Allen said. "I wasn't looking to buy any more real estate, but we had to have a home. I realize I may be sitting on (the property) for a while, but hopefully not."

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#### **| Allied Ready Mix Co. LLC**

**Headquarters and plant:** 1561 E. Washington St.

**Other plants:** 7510 Cane Run Road, Louisville; Shelbyville; Shepherdsville

**Founded:** 1967 by **Harold Allen**

**Owners:** Tom Allen and Steve Allen (**Harold Allen's** sons)

**Current employment:** 60, down from 110 in 2008

**Web site:** [www.alliedrm.com](http://www.alliedrm.com)

**Business outlook:** Company president Tom Allen said business has fallen as construction projects have been scaled back or postponed in the past two years. He's encouraged by talk of some of those projects coming online again. He's particularly optimistic that Museum Plaza could give a huge boost to his company and others. Still, he fears a full recovery could be three to five years away.

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### **National Tobacco moving office to Commerce Crossings**

Louisville-based National Tobacco Co. LP will leave its longtime home at 3029 W. Muhammad Ali Blvd. before the end of the year and move its operations to the Commerce Crossings business park in southern Jefferson County.

National Tobacco officials did not return phone calls seeking comment, but sources told Business First that the company will lease space in the former Greif Inc. box plant at 5201 Interchange Way.

Greif, an international packaging company, closed its Louisville operation in late 2008 but still owns the Commerce Crossings building.

Renovations are under way at the site. A building permit filed last month in Jefferson County said that Floyds Knobs, Ind.-based general contractor AML Inc. is converting 17,590 square feet in the facility to office and warehouse space. The cost of the work is listed as \$4.75 million.

Business First reported in September 2008 that National Tobacco would cease manufacturing and distribution at its Louisville facility by the end of 2009. The report said the company, a subsidiary of North Atlantic Trading Co. Inc., would keep its administrative offices here.

The company planned to phase out about 100 production and warehousing jobs.

The size of National Tobacco's current operation could not be determined. The company had 188 local employees in 2009,

according to data from the Kentucky Cabinet for Economic Development.

— *John R. Karman III*

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Send comments to [jkarman@bizjournals.com](mailto:jkarman@bizjournals.com).