

River Ridge is Southern Indiana's not-so-secret weapon for attracting new businesses, jobs to area

By **MATT KOESTERS**

Matt.Koesters@newsandtribune.com

February 21, 2009 06:08 pm

— As the U.S. Census Bureau readies to tally the population in 2010, Jerry Acy is happy to count new census bureau workers at River Ridge Commerce Center, where he is the executive director.

Between 150 and 175 jobs have been created, thanks to the addition of a 335,000-square-foot U.S. Census Bureau National Processing Center at River Ridge.

“By the time we get to the peak of our operations out there, we should have between 500 to 600 [employees],” said Heather Mitzel, communications specialist for the U.S. Census Bureau.

The addition reinforces the bureau’s presence in Jeffersonville — where 2,100 are employed at the 10th Street operation — and is the latest good news for River Ridge, which has seen steady growth for more than two years.

“The census bureau performs a vital role in the governance of our great country,” Acy said. “We’re glad to have them as a tenant.”

The bureau will not begin considering new employees for hire until around the end of the summer, Mitzel said. The starting wage for jobs at the processing center will be \$13.18 per hour.

The Crossdock Development-owned building — where census kits are printed, assembled and distributed to census offices around the country — opened in early January. The bureau signed a lease for four years, but could leave in two years, Crossdock Development President Lee Wilburn said.

“It doesn’t sound to us like they would be able to do the census and be out in two years,” Wilburn said.

GROWTH AT THE RIDGE

Acy said he hopes the census bureau and already-established jobs are just the beginning at River Ridge, located along a six-mile stretch of Ind. 62 in Clark County.

More than 1,000 jobs have been created or transferred to River Ridge since the U.S. Army began giving up its claims to the land in 2005, and there could be as many as 2,500 at the center by the end of 2009, according to data provided by Acy. About 600 of those new jobs have been added since December.

Only 250 of the center’s 6,000 acres have been sold, and only 625 acres are currently ready to sell. But those 250 acres translate to nearly 2 million square feet of finished development, with another 1.7 million under construction. Between the construction and the tenants moving in, that means jobs.

Lots of jobs.

Not all has gone according to plan, but that’s not necessarily a bad thing, developers say. The frontage on Ind. 62 was originally meant for office complexes and retail space, Acy said. The companies occupying that space today couldn’t be further from that.

Capstone Realty was the first developer to make a land purchase at the commerce center, gobbling up 68 acres in August 2005. On that site, Capstone built a 620,000-square-foot industrial facility, 420,000 of which would eventually become a distribution center for idX Corp., manufacturers of cabinetry and display shelving for retailers and banks.

“When we started 10 years ago, we would have never imagined we would be doing projects of this scope,”

said Stan Franczek, president of Capstone Realty.

“We were sort of pioneers up there, and we really weren’t sure what the potential was,” Franczek said.

“Everyone still calls it the old ammo plant, and you know what? It’s not the old ammo plant anymore.”

Capstone is constructing a 500,000-square-foot facility, expandable to 700,000 square feet. Franczek said Capstone already has a tenant lined up to use about 200,000 square feet, but declined to reveal the tenant’s identity.

No matter who ends up there, the effect of bringing in new businesses echoes throughout 25 counties around the Louisville Metro area, said Matt Hall, vice president of economic development for One Southern Indiana, a business-advancement association.

According to models provided by Hall, the “ripple effect” of job creation at the commerce center means at least two jobs are created outside the boundaries of the center for every one created there. And that means more tax revenue and more dollars for development.

The models provided by One Southern Indiana calculate the direct and indirect impact of the addition of jobs to the region. A multiplier is assigned based upon several variables, including size of work force, average salary level and other factors. Indirect impact is then calculated.

Take idX. The company’s facility at River Ridge created 290 jobs with an average annual salary of \$29,120, according to One Southern Indiana’s economic impact model. Those jobs mean the creation of 679 new jobs in the region, including 412 jobs in Clark County. And that means almost \$12 million in new payroll in the county alone.

From a tax-revenue standpoint, that means nearly \$200,000 in tax revenue in the county, almost \$600,000 for city- and county-level governments in Indiana and nearly \$1 million for the state.

And all of this comes despite a sharp downturn in economic activity in the rest of the country.

“We’ve been very fortunate,” Acy said.

THE GOOD

But as Acy lists the advantages of the commerce center, it’s not hard to understand why businesses are giving the area its due. Unprecedented access to four different modes of transportation — three interstate highways, including interstates 64, 65 and 71, two airports and access to both rail and water — makes the site ideal from a logistics standpoint.

That advantage is buttressed by the site’s proximity to other markets; Cincinnati, Indianapolis, St. Louis, Chicago and Nashville, Tenn., are all relatively close to the site. And that’s not to mention what Acy refers to as the region’s edge in “social infrastructure.”

“You’ve got a large potential work force pool,” Acy said. “You’ve got excellent educational institutions here on both sides of the [Ohio] river. You’ve got great medical facilities.”

But perhaps the most obvious advantage is the center’s size. Try finding 6,000 acres ready to be developed this close to a city the size of Louisville.

“It is hard to find a large tract of land that is near a major metropolitan area,” Acy said.

Hall’s with Acy on this.

“It’s an economic developer’s dream to have an industrial site with that kind of infrastructure potential, that kind of acreage, that kind of community support,” Hall said. “It will be the crown jewel of the entire metropolitan area.”

That kind of acreage is giving companies the opportunity to consolidate and expand, an opportunity that the Louisville-based Clarcor recently took advantage of.

Leases on several of the filtration-product company’s facilities were coming due at the same time, and the situation presented the company with the opportunity to consolidate and reduce shipping charges by having all of its operations under one roof, said Kevin Bush, Clarcor president.

Bush looked at several different sites across the United States, taking into consideration moving costs, tax considerations and work force composition. But the decision came down to people. He settled on River Ridge because of the success of their Kentuckiana-based operations.

“Most of our employees drive an average of 10 to 20 miles more now per day,” Bush said. “We recognize there will probably be some attrition, because some people liked working close to where they live. But the

people that we've hired over here have been excellent workers.”

The decision to move to River Ridge meant shutting down three facilities: A distribution center in southwest Louisville and two manufacturing plants, one in Jeffersontown, Ky., and one in New Albany.

The consolidation is almost complete. Of the three, only the Jeffersontown plant remains open, and Bush expects that the operations will be completely rolled into the River Ridge facility within weeks. Add in corporate offices, and the facility will be home to 500 employees working on three shifts.

Still, shortening the commute between River Ridge and Kentucky is important to the future of the commerce center, Bush said.

“We're hoping someday that our employees on the other side of the river are going to be able to come up on a new bridge,” Bush said. “Maybe [President Barack] Obama will help us on that one.”

THE CHALLENGES

The completion of the East End Bridge project — which would complete the I-265 loop — is a priority for Acy. The completion of the project would mean direct access from Kentucky to River Ridge at two separate exits: one at Ind. 62 and another near the Ports of Indiana-Jeffersonville.

“I think it would accelerate the development of River Ridge tremendously,” Acy said.

The effect of the completing such a project would vastly improve transportation and logistics. Acy estimated the commerce center would expand at five times its current rate if the bridge were in place.

But the absence of a complete I-265 loop is but one of several obstacles to success. On-site wastewater treatment facilities can only process 500,000 gallons of water per day, and the commerce center is already using 60 percent of that capacity, despite the relatively small percentage of land use. There are only four water tanks scattered across the property. Acy believes the commerce center needs a large above-ground water storage facility to help meet the needs of the center's growing tenant list.

“What we'd like to see is the construction of some new water wells and some new transmission lines coming out of the well field to tie into existing systems,” Acy said.

To pay for such infrastructure improvements, Acy said the commerce center will need to rely on grant funds from a variety of state and federal sources. But it could take years to gain approval for the disbursement of funds from some sources, he said.

Local bonds also could be used for funds, as well as the establishment of River Ridge as a tax-increment-financing district, also called a TIF district.

In a TIF district, future tax dollars are used to pay for improvements that will generate those funds.

“This is probably the first year where there [would] be significant money going into that fund,” Acy said.

But clearing out the remains of the Indiana Army Ammunition Plant is perhaps the biggest obstacle to redeveloping River Ridge.

One-lane roads in varying degrees of disrepair crisscross more than 1,600 acres, upon which “igloos” — concrete silos covered with soil and grass used to store munitions — dot the landscape at regular intervals. Before the land can be used for new developments, the roads will need to be repaired and widened, and the igloos will need to be demolished.

About 175 of these structures stand today, and will cost between \$30,000 and \$40,000 per igloo for demolition, for a total of more than \$5 million.

“It's such a unique situation,” Acy said. “This might be the last great big challenge I have in my life, you know.”

BY THE NUMBERS

- Total project: 6,000 acres
- River Ridge-owned property: 3,000 acres
- River Ridge property sold: 250 acres
- River Ridge available property: 650 acres
- New construction: 1.9 million square feet
- Under construction: 1.7 million square feet

- Total investment: \$113,448,717

CENSUS JOBS

- For information on jobs at the U.S. Census Bureau, visit www.census.gov, e-mail recruiter@census.gov or call 301-763-4748.

TIMELINE

- 1940-46: Work began at the Indiana Army Ammunition Plant, also known as INAAP, primarily manufacturing smokeless powder and propellants for military purposes. Work continued until 1946, when the facility was placed on layaway status, except for reactivation for the Korean and Vietnam Wars.
 - 1972: All production efforts ceased.
 - 1998: The secretary of the U.S. Army, under federal legislation, was granted authority to transfer significant portion of INAAP to Clark County for the creation of an industrial park and to the state of Indiana for the expansion of state park facilities. The Clark County Board of Commissioners created the INAAP Reuse Authority to undertake planning and redevelopment of the portions of INAAP designated for acquisitions by the county. An interlocal agreement — entered into by various municipal governments near INAAP — was adopted to define membership and responsibilities of the reuse authority.
 - 2000: The reuse authority assumed responsibility for managing and maintaining the INAAP site under an interim lease with the Department of the Army.
 - 2001: Adopted a master plan to guide the development of the River Ridge Commerce Center, a business park that will be able to supply large-scale development sites for the Louisville region. The primary purpose of the commerce center is to create new employment opportunities that will contribute to the diversification of Clark County's employment base.
 - 2003: The reuse authority signed a master lease with the Department of the Army to extend site control of River Ridge Commerce Park to 50 years.
 - 2004: In an effort to better associate the name of the agency developing the property with the name of the business park, the reuse authority board of directors voted in April 2004 to change its name to River Ridge Development Authority.
 - 2005: May: The River Ridge Development Authority receives a transfer of the first parcel of land from the U.S. Army, measured at 24 acres. Later in that month, the authority received an additional 2,301 acres of land.
August: The first parcel of land is sold to a private entity. Capstone Realty purchases 68 acres from the River Ridge Development Authority, with plans to build 1.2 million square feet of warehouse/industrial space.
 - 2006: August: River Ridge Development Authority received 577 acres of land from the U.S. Army, bringing the total of land owned by River Ridge Development Authority to 2,925.
December: River Ridge Development Authority celebrated the opening of the first new business on the site of the former ammunition plant. idX Corp. hosted an open house for more than 200 visitors to see the new facility.
 - 2007: July: Crossdock Development closes on 120 acres, the largest land purchase to date.
November: Connexions announces it will open its first Midwest location at River Ridge Commerce Center and will hire 750 employees.
December: Bridgeway Development LLC agrees to purchase 10.35 acres for a new facility for DeCrane Areospace/Carl F. Booth Veneers.
Mr. P Express Inc. purchases 12 acres for its trucking company headquarters.
Complete Metal Fabrication chooses River Ridge for its new location
 - 2008: August: Clarcor announces it will consolidate three operations in one location at River Ridge Commerce Center.
 - 2009: U.S. Census Bureau begins operations at the new national processing center, located along Patrol Road in Jeffersonville.
- Staff Writer Matt Koesters, with information from Letha Cupp, River Ridge Development Authority

Copyright © 1999-2008 cnhi, inc.

Photos



Clarcor consolidated three operations in one location at River Ridge Commerce Center. They began operations at River Ridge in December of 2008. Staff photo by C.E. Branham



Lawanda Jones runs materials through a stitching machine to create pockets at the Clarcor facility in River Ridge Commerce Center. Staff photo by C.E. Branham



The U.S. Census Bureau has leased 350,000 square feet of space at River Ridge Commerce Center for the 2010 Census. Staff photo by C.E. Branham



Census Bureau employees assemble kits for pre-census work at field offices around the country at the River Ridge Commerce Center. Staff photo by C.E. Branham