



Background

The history of the American Snuff Company can be traced back to 1782 with the founding of Garrett Scotch Snuff, one of the earliest producers of the smokeless tobacco product in the country and one of the first 10 patents to be issued in America. In 1900, Garrett Scotch merged with several major tobacco empires of the time, to form the first iteration of the American Snuff Company. This merger, however, created a monopoly on tobacco products and was divided into three separate companies in 1907.

The new American Snuff Company, under the management of Martin J. Condon Sr., a former Mayor of Knoxville, constructed the Memphis warehouse in 1912 to house the production, packaging, and distribution of their snuff products. Condon chose the Memphis location due to its proximity to a high-quality dark-fired tobacco farming region known as the 'Black Patch,' as well as its central location and well-connected rail hub.

The American Snuff Company prospered under Condon's direction through the 1930s. The Wall Street Journal called the American Snuff Company "depression proof," after a decision to broaden product lines to include sweet-flavored snuff resulted in higher sales than the company's pre-depression years. During this period the Memphis plant was featured heavily in the company's advertising campaigns as well as those for the city of Memphis.

During the 1940s and 1950s, women comprised a majority of the American Snuff staff, many of which were members of the growing labor union movements of the time, such as the Congress of Industrial Organizations. The Memphis warehouse was the site of a major union strike in 1950 when 324 workers staged a 185-day strike in demand of better pay and working conditions. The walkout and strike resulted in workers getting a \$.05 raise, dues check-offs from paychecks, and a new recreation room in the warehouse.

By 1955, the American Snuff Company was the second largest snuff manufacturer in the US employing 500 at the Memphis plant. Condon was eventually succeeded by James E. Harwood, a long-time employee of the Nashville factory. In 1965, the



Total Development Cost:
\$58.9 Million



NTCIC Financing:
\$12.5 Million New Markets Tax
Credit Allocation

\$10.8 Million Federal Historic Tax
Credits



Project Partner:
Community Collaboration



Project Impacts:
137 Mixed-Income Housing Units,
188 Permanent Jobs



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firm's name was changed to Conwood Corp., a combination of his and the former president's last name. Reynolds American acquired the Conwood Corp in mid-2006 for \$3.5 billion in cash. It now generates nearly 7% of Reynolds American's annual revenue. They used the Keel Avenue facility until 2012 when they sold the property.

THE PROJECT

The American Snuff Factory warehouse is located in the North Memphis neighborhood, approximately two miles from downtown Memphis and one mile north of St. Jude Children's Research Hospital. The area is known as Uptown and has been a major area of focus for community and city stakeholders. The neighborhood includes up-and-coming areas such as the project's Snuff District and the nearby Pinch District to the south.

The complex will be converted into a mixed-use community, including **137** mixed-income apartments and 68,500 square feet of commercial space. The project will be anchored by [Varsity Spirit](#), a global leader in the competitive cheerleading and dance team industry. The organization will move its headquarters from the suburbs to the revitalized space with the plans to occupy a majority of the revitalized commercial space. The remaining commercial space will likely include restaurants and a coffee shop.

Varsity Spirit will bring **188 employees** to their new location, adding a new sense of vibrancy and traffic to the immediate neighborhood that, along with more development, will ultimately encourage additional supporting commercial services.

Economic and Community Impact

The revitalization of the Uptown community has been a focus of the City of Memphis since 2000 when the first HOPE VI grants were awarded to several projects located only a few blocks from the warehouse. However, due in part to the economic recession in the late 2000s, the community remains severely distressed and underinvested.

In 2018, the city engaged stakeholders to help create the Memphis Uptown Community Plan, with goals that included creating neighborhoods with a mix of incomes and ages, protecting affordability for long-term residents, and promoting the development of vibrant community anchors. The American Snuff Factory is identified as a key catalyst for these plans, through its creation of mixed-income housing and by providing commercial space that is compatible with the surrounding neighborhood and offers employment opportunities for area residents.

The revitalization of the historic warehouse will create an estimated **148 construction jobs**, all of which will pay a living wage or higher. Many of these positions will be union eligible, readily available to people who face job barriers, and will be open to members of the surrounding community. A minimum of 25% of the construction contracts will be awarded to minority- and women-owned business enterprises.

NTCIC's New Markets Tax Credit (NMTC) investment will allow the revitalized residential space to include at least 31 units that will be income and rent-restricted to community members earning 80% or below the area median income. It will also support reduced rental rates for the Varsity Spirit, which in turn will enable them to add **50 additional jobs** and provide additional training opportunities for new and existing employees.

The **\$58.8 million** project was made possible in part by **\$12.5 million** in NMTC allocation provided by NTCIC, as well as an investment from NTCIC's newly established Community Impact and Revitalization Fund to support the **\$10.8 million** in federal Historic Tax Credits (HTC) generated by the project. Additional project financing also included over \$8.8 million in Opportunity Zone fund equity.

NTCIC's newly established CIRF fund directly invests in the adaptive reuse of historic properties across a wide range of



**National Trust Community
Investment Corporation**

American Snuff Factory

Memphis, TN

asset classes, including mixed-use/mixed-income housing, hospitality, community facility, and commercial developments that create jobs, provide needed community services, and revitalize our nation's historic assets.