

From the Business First:

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Developers want to convert Market Street building into condos

Premium content from Business First by Ed Green, Staff writer

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Officials with the **University of Louisville** and Nucleus: Kentucky's Life Science and Innovation Center LLC only recently announced that construction is starting on the first building in the downtown Nucleus Innovation Park, and already it is having a spinoff effect on development in the neighborhood.

[Jeff Sleadd](#), a partner in Falls City Lofts LLC, said Nucleus is among the main reasons he is optimistic about the East Market Street area, where he and partners have purchased a building they intend to convert to condominiums.

The group's condo project, called Falls City Lofts, is at 415 E. Market St., in a building that once housed the original location of Bacon's Dry Goods Store.

The group recently purchased the building for \$675,000 from Atlas Tri-State SPE LLC, an affiliate of **BB&T Corp.**, and it plans to invest about \$2.5 million to rehabilitate the historic structure into 18 residential condominiums.

Sleadd, owner of Sleadd Appraisals, is joined in the deal by investors [Andy Bollinger](#), [Chris Eldridge](#), [Brian Thieneman](#) and [Jim Sleadd](#), who is [Jeff Sleadd](#)'s father.

The group members financed the property purchase with their own cash, and they plan to get a construction loan from **Central Bank of Jefferson County** to pay for the improvements.

[James Clay Smith](#), president of Central Bank of Jefferson County, said he has worked with several of the partners in the project on previous deals and is impressed with the overall experience of the partnership group.

He said he could not comment on the project because the loan hasn't closed, but he said there seem to be a lot of opportunities for downtown growth.

The property is about a half block east of the site where Nucleus will build an eight-story, 160,000-square-foot building in the next year-and-a-half.

The Falls City Lofts site also is just north of downtown hospitals and just south of Louisville Slugger Field.

"We love this location," [Jeff Sleadd](#) said.

Workers from nearby health care companies and other downtown offices would be likely buyers, he said.

Lower price point expected to be draw

Sleadd said another reason he is optimistic the group can sell the condos is that they will offer more space for the money than others on the market.

Most of the 1,100-square-foot to 1,800-square-foot units will be priced at \$175 to \$200 per square foot, he said, adding that prices would start at about \$200,000, and a premium unit would be about \$400,000.

By comparison, the Mercantile Gallery Lofts project, just west of the Falls City Lofts building, is selling one-bedroom, 700-square-foot lofts for \$199,000, or about \$280 per square foot.

[David Ernst](#), vice president of sales and marketing at Louisville Realty Group, will market the project. He said he believes there is growing demand for such a project.

Ernst said he hears from his associates that sales of downtown condos are picking up, and he expects that the economy will improve during the construction phase.

"It seems like the timing for this is just right," Ernst said. "We really tried to hit a nice niche for that area so we can do well right out of the gate."

He added that he already has tentative deals to sell three units in the complex.

Views of the river

The Falls City units will have either one or two bedrooms with an open, loft-style layout, Sleadd said.

The ceilings on each floor are at least 13 feet tall, and developers plan to add windows to the east side to bring more light into the structure, which had been used primarily as a warehouse since it was built in the 1840s.

The developers also are adding on-site parking in the basement, which will be the first step in the construction process, Sleadd said.

Units on the north side of the building will have views of the river, across Main Street.

Eldridge said many people ask about views of the river for Thunder Over Louisville. The view of the fireworks show from corner units in the back will be "spectacular," he said.

Falls City Lofts

Address: 415 E. Market St., the original site of Bacon's Dry Goods Store

Ownership group: Falls City Lofts LLC

General partners: [Jeff Sleadd](#), owner of Sleadd Appraisals; commercial real estate developer [Andy Bollinger](#); [Chris Eldridge](#), member, Eldridge Architecture LLC; [Brian Thieneman](#), CEO of R.J. Thieneman Co.; and [Jim Sleadd](#)

Total investment: About \$2.5 million

Number of units: 18

Size of units: 1,100 to 1,800 square feet

Cost: \$175 to \$200 per square foot

Architect: Gant Jones

Marketing: [David Ernst](#), Louisville Realty Group

General contractor: John Gray Construction Co.

Construction lender: Central Bank of Jefferson County

Web site: www.fallscitylofts.com (site is under construction)