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Businesses pick downtown

Nudged by government help, older buildings have more allure

By **Bill Wolfe**

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The Courier-Journal

The vacant brick building at 809 S. Eighth St. needed a lot more than new carpet and a little fresh paint before it could become the modern office and laboratory space its new owner required.

The 24,000-square-foot structure had housed many businesses, including a hub, spoke and wheel factory, a truck springs shop, and a garage for customizing luxury buses. But after a century or more of use, the building was far past its prime.

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"People thought it should be torn down, it looked so bad," said Marty Snyder, business manager for the buyer, Pro-Liquitech, a 14-year-old company that develops food, beverage and nutritional supplements.

The plumbing didn't work, and the electrical system "was in total disrepair," said Pro-Liquitech



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Some businesses are buying and restoring old downtown buildings and moving their services to the area. Pro-Liquitech founder and owner Dave Dafoe invested about \$1 million in moving his headquarters from Bluegrass Industrial Park to Eighth Street. (Photos by Ross Mantle, The Courier-Journal)

GOVERNMENTS AID BUILDING REHABS

Louisville and Kentucky incentives can help pay to renovate older business properties:

- The Metropolitan Business Development Corp. and the New Market Tax Credit Loans program offer low-interest loans. The Metro Development Authority's Brownfield Loan Program offers low-interest funds to help clean up properties in older industrial areas.



spacious and modern warehouse-office complex.

The result: a character-filled downtown headquarters for less money than Pro-Liquitech would have spent for more mundane accommodations in the suburbs, said Dafoe, who enjoys the building's open, urban look. "It was just exactly what I had in my mind."

Pro-Liquitech, which operated in Jeffersontown's Bluegrass Industrial Park, is one of a growing number of Louisville-area businesses moving downtown and renovating older buildings, said Andrew Mueller, project manager of Cardinal Services, which has overseen a variety of such rehabs.

Past decades saw businesses moving out of downtown. Now the flow has reversed. "It goes in waves. We are definitely in the middle of one right now," Mueller said.

That signals growing confidence in the area, Metro Mayor Jerry Abramson said. Businesses are "reinvesting into the areas where the infrastructure exists," he said.

Companies looking for potential rehab sites can get help from the city. The Metro Development Authority's division of Industrial and Commercial Development works with Greater Louisville Inc., the metro chamber of commerce, to find promising locations.

Building-materials company Great Northern said last week that it had bought and would remodel a 100,000-square-foot building at 901 S. 15th St., using a \$1 million loan through Republic Bank and the New Market Tax Credit loan fund

Other companies that have moved downtown include Overnight Prints, 2929 Magazine St.; Consumers Choice Coffee, near 12th and Oldham streets;

founder/owner Dave Dafoe. The roof was shot, bus-repair pits had been dug into the concrete floor, and "there were no windows in the building, period."

But Dafoe saw enough potential in the rundown building to invest more than \$1 million toward its purchase and rehabilitation. General contractors Cardinal Services stripped the interior to the brick and rebuilt it as a bright,

- Five-year Louisville property tax waivers are available to businesses that rehab a building more than 25 years old. Similar waivers are offered to companies that begin or expand manufacturing operations.
- A 100 percent credit against state income taxes for up to 10 years is available to qualified businesses that launch or expand manufacturing, service or technology operations in the low-income areas that are part of the Kentucky Economic Opportunity Zone.

For more information on potential redevelopment sites and incentives, call the Metro Development Authority at 574-4140 or check online at louisvilleky.gov/mda.



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Pro-Liquitech's renovated 24,000-square-foot building was previously used as a hub, spoke and wheel factory, a truck springs shop and a garage for customizing luxury buses. The 14-year-old company develops food, beverage and nutritional supplements.



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Pro-Liquitech founder and owner Dave Dafoe said the move to

Murilla Co., 735 S. Eighth St., and NSS Environmental, which plans to move from its Lyndon offices to a 7,000-square-foot building at 827 S. Eighth St.

The reasons for the NSS Environmental move are both personal and professional, owner Patrick Segers said.

"We just like older buildings," Segers said, describing them as "classier." But there are practical reasons, too, he said.

"There's a significant savings," compared with East End offices or building on undeveloped land. The Eighth Street location is close to interstate highway connections and provides convenient access for the engineering company's local customers, he said.

"We think downtown's coming back," Segers said. "We have tons of clients now who are buying businesses and moving into that area."

Like the Pro-Liquitech building, the NSS Environmental structure needed lots of work. "We're rehabbing it right now and putting quite a bit of money into it because it has to be redone, stripped out and just totally gutted." But "you've got something pretty substantial when you get it all finished."

Any concerns about neighborhood crime were laid to rest after talking to nearby property owners, Segers said. In fact, "the neighbors are already watching out for us."

The Pro-Liquitech building offers a much better working environment than the company's former cramped quarters, Dafoe said. The lab provides "about 10 times the space that we had before. So we've been able to get out projects faster. We've taken on more projects." And more work is winning client approval on the first try -- "and that's very unusual."

Younger workers may especially welcome a move out of the suburbs to be near 4th Street Live and other downtown attractions, Dafoe said.

"I think there's a lot that downtown has to offer," said Kate Ratif, 29, Pro-Liquitech's manager of product development. "You get a feeling of living in a larger city."

"There is just so much to do downtown. It's the place to be," said Mike Mudd, 38, manager of production control.

Moving to an aging industrial building can pose challenges, Cardinal Service's Mueller said:

"There is no telling what is behind those walls. There's no telling where the plumbing is. There's no telling what the structure of the building, the bones of the building, actually are until you really get in there and open it up."

Businesses that try to get by with a superficial fix-up job, "put a light socket

downtown offered a better working environment and more lab space, so his business could finish projects quicker and take on more work. (By Ross Mantle, The Courier-Journal)

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here, a light fixture there -- they will probably tell you that it was much more than they bargained for," he said.


Mueller recommended hiring a consultant experienced in rehab work to examine a site before committing to a purchase or renovation contract.

For Cardinal Services, the renovation job was more than just another contract. The building had been owned years earlier by a related company, Mueller Brothers Properties, which had reclaimed the title in a foreclosure suit before selling to Pro-Liquitech. "We knew that building very well," Mueller said.

And for Cardinal Services, every rehab job is a heartfelt project, he said. A building is a "living thing," and "believe it or not, it does take people and their work to keep these buildings alive."

"I guess it sounds kind of funny when you start talking about brick and mortar, but we are very emotionally involved in our projects," Mueller said. "Most of these buildings have been around for 100 years plus, easy, and we are just trying to give them another 100 years."

Reporter Bill Wolfe can be reached at (502) 582-4248.

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