

Suburban builder to tackle downtown

J. Greg Allen starting condo-conversion, hotel developments

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IBJ staff

J. Greg Allen went to work at his parents' appliance store when he graduated from high school in the early 1970s. By 19, he'd built his first house and at 20 founded a company erecting custom homes. Over the next three decades, he kept growing the business—building suburban subdivisions, office buildings and retail complexes along the way.

Now, his J. Greg Allen & Associates Inc. is poised to tackle a pair of projects downtown that could give the company an even bigger boost.

Allen is working on a hotel deal, possibly for property he's acquired at Maryland and Pennsylvania streets, and has ambitious plans to convert a Virginia Avenue office building into high-end condominiums and retail space.

Colleagues say making such a switch can be difficult, given the challenges that come with renovating, rather than building from the ground up.

"The construction issues are night and day, but that doesn't mean a good firm can't make the transition," said Jim Thomas, partner at Hearthview Residential Inc., which converted the Indianapolis Athletic Club into condos.

Even so, it's a move Allen, now 51, thinks his company is ready for—especially given its successful expansions into office and commercial space, first on the south side and then across central Indiana.

"Our product has evolved to more modern, multi-level facilities and larger retail centers," he said. And he's been eyeing downtown opportunities for a while because he's confident the trend to urban living will continue.

Industry watchers say Allen is known for scooping up good land holdings before growth hits an area.

"He's very entrepreneurial and aggressive about getting great land positions," said Mary Beth Kohart, an office broker and principal with the local office of St. Louis-based Colliers Turley Martin Tucker.



IBJ File Photo

Allen might build a hotel on property he owns at Maryland and Pennsylvania streets.

J. Greg Allen & Associates Inc.

Services: custom home-building, residential subdivision development, commercial and property management

Employees: 70

Address: 972 Emerson Parkway, Suite A, Greenwood

Founded: 1976

2006 stats: 100 homes built, 600,000 square feet of retail and office space constructed

Source: J. Greg Allen & Associates Inc.

Downtown vision

The company began its first foray into downtown Indianapolis in February 2005, when it bought the 90,000-square-foot Jefferson Plaza office building at 1 Virginia Ave. from Illinois-based First Bank & Trust Co. for an undisclosed price.

Plans call for the eight-story building—once listed for \$3.5 million—to get a \$12 million face-lift and new life starting in March.

Remaining tenants in the sparsely occupied building will be moved to floors two through six, as Allen converts the ground-level space to restaurants, with outside seating making use of the signature plaza.

The top three floors, meanwhile, will be converted into luxury condominiums complete with balconies. Condo units will range from \$275,000 to \$1 million and could be available as soon as this fall.

Allen said he hopes to be a part of downtown's new vitality, including a return to urban living as more residential options come online. Nearby neighbors include 26 newly renovated condos at 110 E. Washington St. and 13 others in the works as former offices at 18–22 E. Washington St. are converted into residential space.

"It's a trend around the country, but it takes the good leadership of city fathers to see a city successfully reinvent itself," Allen said.

Hearthview's Thomas said Jefferson Plaza is a great location for residential development, but warned that the market is slowing for high-end condos. Pricier units sell, he said, but not quickly.

Allen's proposed condo development is just across from land he has assembled at the southwest corner of Maryland and Pennsylvania streets, likely the site of a hotel he's asked the city to support with economic incentives.

Rumors have run rampant that Allen is planning a hotel-and-retail project on the property, which includes the boarded-up Omega Building at 29 E. Maryland St. and some surrounding parking space, but he declined to comment.

Indianapolis Economic Development Director Jim Garrard said Allen has asked for incentives for a hotel deal, a request city officials haven't responded to yet. Because a decision hasn't been made, Allen would not provide details.

'Edge of the world'

If both projects take off, it would be a boon to the southeastern edge of the central business district, an area that's still a mixed bag of hot ventures—including a new façade and tenants for the "zipper" building at 117 E. Washington St.—and boarded-up eyesores.

"[Allen's] plans are just so key to the rest of everything east of Meridian Street," said Terry Sweeney, vice president of real estate development for Indianapolis Downtown Inc.

"The cliff, the edge of the world right now, is the east side of Meridian Street," Sweeney said, adding that he has a hard time convincing those shopping for retail or restaurant space that there's enough foot traffic along Maryland and South Pennsylvania streets.

Though some establishments—like Mo's A Place for Steaks, Coaches Tavern and, more recently, Andrus O'Reilly's—have ventured onto South Pennsylvania Street, Sweeney said part of the problem is that the office workers that create steady daytime traffic go home. Unless there's an event at Consecro Fieldhouse, the area has little foot traffic at night.

"Maryland Street is just so dark in the evening," he said.

North of Jefferson Plaza, local real estate firm The Broadbent Co. bought and is revamping the vacant, 56,372-square-foot zipper building. Broadbent already has removed the black-and-white geometric façade that gave the building its nickname and plans to move its offices there and sign on a bank branch as a first-floor tenant.

Tied in with Allen's plans, the project "will create a cohesive connection to the rest of downtown" for the area, IDI's Sweeney said.

The same, just more of it

J. Greg Allen & Associates' journey from a one-person home-building company to a 70-employee diversified developer was difficult, but it's not rare, said Steve Lains, CEO of the Builders Association of Greater Indianapolis. Residential builders often acquire the know-how to anticipate retail demand, and branch out to help buffer swings in the residential market.

It's a path other area builders also have trod, including RDJ Custom Homes Inc., Executive Homes Inc. and Shamrock Builders Inc.

Shamrock moved into commercial buildings and property management about 10 years ago. President Greg O'Herren said he saw Allen and others make the move and even called on Allen for advice.

"He gave me a few pointers," O'Herren said. "[Allen's company] has done a good job of diversifying."

Allen's push for variety got a kick in the pants when he saw many talented home builders falter in the late 1970s. He said his strategy always has been to let clients lead the business into new areas and safe, sustainable growth.

Last year, the company built 100 homes and more than 600,000 square feet of commercial space. Its high-end J. Greg Allen Builder Inc. division ranked 18th on *IBJ's* 2007 list of custom-home builders.

That experience with custom homes has carried over into other projects. Details make the difference—Allen's offices often have high-end finishes, marble counters and lots of windows.

Take the Greenbrooke Medical Pavilion at 732 E. County Line Road in Greenwood: The three-story, 94,000-square-foot building set to open next month boasts an open glass atrium that reaches from the floor to the roof and the terrazzo floors feature glass pieces that sparkle in the ambient light.

That high-brow construction has been a boon to Greenwood, Mayor Charles Henderson said.

"They brought upscale development [into] Greenwood," Henderson said. "[Allen] didn't do anything halfway. They forced some other folks to up their competition."

As Allen moves forward, his plan is to do fewer small retail or office projects and more large, mixed-use developments. To that end, he will start construction this summer on a 76-acre retail, hotel and office project at the northeast corner of Emerson Avenue and County Line Road, just west of Interstate 65 in Greenwood.

"I think we're in the fields that we want to be in," Allen said. "[Going forward], we'll be doing the same things but hopefully doing more of

it." •



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