

# Owners of historic downtown Dayton building seek tax credits for \$5M redevelopment project

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A historic building in downtown Dayton is being eyed for a \$5.1 million redevelopment project. It would convert the property into a mixed-use complex with restaurant, entertainment, office and residential uses.

The Reed-Steffan building, located at 16-18 W. 5th St. in the heart of downtown Dayton, was purchased by 1618W5 Ltd. with the intent of saving the building from further deterioration, and restoring it as an income property that contributes to the vibrancy and revitalization of the nine-block core south of Third Street.

The ownership group that purchased the 43,000-square-foot Reed-Steffan building for \$275,000 in September 2018 — a conglomerate that encompasses TRIAD Architects' partners [Brent Foley](#), [Zach Price](#) and [Dan Mayer](#), as well as additional silent partners — have applied for historic preservation tax credits.



COURTESY OF TRIAD ARCHITECTS

A rendering shows the potential redevelopment of the Reed-Steffan building in downtown Dayton.

The group is requesting \$1 million from the Ohio Historic Preservation Tax Credit Program. Without the tax credits, the project would be "financially unstable for the foreseeable future," according to the application.

The completed project would convert the building into a restaurant and entertainment space with commercial offices and 10 residential apartments above. The project team is targeting restaurant tenants offering live and/or group entertainment to build off the momentum created by the nearby Levitt Pavilion.

Reed-Steffan is part of an area known as "The Nine," a strategic revitalization effort targeting a nine-block area centered around Dave Hall Plaza and the Levitt Pavilion. The Nine includes large redevelopment efforts such as the Dayton Arcade, Fire Blocks District, Fidelity Building and Grant-Deneau Tower.

In its tax credit application, TRIAD Architects said the project will rehabilitate "a historic community asset within the nine-block area identified by the local jurisdiction as crucial to the downtown redevelopment."

After renovation, the building will provide a variety of employment opportunities ranging from professional service firms to entry level positions in restaurants and entertainment. This would add to the economic activity underway in downtown Dayton by providing both jobs and patrons, TRIAD stated.

The project is estimated to create 155 permanent jobs and 30 construction jobs.

Prospective tenants were not specifically named within the application, but TRIAD stated a letter of intent to lease the space is included for an anchor tenant that would occupy approximately 65% of the first floor. The other side of the first floor is currently being negotiated, and the second floor office space is being marketed for lease, as is the third floor residential space.

The Reed-Steffan building is part of, and contributes to, downtown Dayton's Terra-cotta Historic District and is in a Qualified Opportunity Zone. The building's terra-cotta façade and metal canopy will be restored. All windows will be restored, or replaced.

A new, "historically accurate" storefront will be constructed along the entire main façade at street level. A main building lobby will be accessed from street level on the west side of the building. Parking is available in a garage located across Fifth Street and adjacent to the Dayton Convention Center and Levitt Pavilion.

The redevelopment project will maintain all its historical elements while incorporating ADA accessibility, energy saving HVAC systems and modern amenities. The building will receive updated mechanical and electrical systems, and new finishes and fixtures throughout.

Partial assistance for the development was recently made possible through an adjacent building acquisition in partnership with the Montgomery County Land Bank. This strategic acquisition has greatly increased interest from potential tenants, TRIAD says. The partnership with the Montgomery County Land Bank also has provided an opportunity for increased outdoor seating activation of the streetscape.

Additionally, the owner is in conversations with the city of Dayton and related partners to increase investment in the adjacent public infrastructure as a result of this proposed development.

So far, the project has received \$904,126 in federal historic preservation tax credits, as well as a potential bank loan in the amount of \$3.7 million. The property is currently valued at just under \$300,000, and the future appraised value after construction is estimated at \$5 million.

Due to the size and experience of the Reed-Steffan team, the owners say the project can be completed in "relatively short order." Assuming the project moves forward, it would begin on Aug. 1 and be completed by Dec. 31, 2022.

The Reed-Steffan Building is listed in the National Register of Historic Places as a contributing building to the Terra-cotta Historic District. The building is currently vacant except for a used college bookstore and weekend use by a local chess club.

The building is generally in fair condition though deteriorating due to lack of use and maintenance. It is a three-story building, originally home to the Reed Furniture Company and Steffan

Brothers, a wholesale and liquor company. The building is featured within the portfolio of prominent Dayton architect, Albert Pretzinger, having been designed by Pretzinger and Musselman Architects in 1921.

**John Bush**

Senior Reporter

*Dayton Business Journal*

