

Area projects seek cut of state funds to rehab historic properties

Bill doubled amount Ohio has to spend this year to \$120 million.



*A development group wants to turn the **Longfellow School** complex into senior housing and other amenities.*

*****The Montgomery County Land Bank has been involved with the projects/properties highlighted in yellow*****



*The Reed-Steffan building, home to the Dayton Chess Club, on West Fifth Street.
CORNELIUS FROLIK PHOTOS / STAFF*



A developer of the Fidelity building at 211 S. Main St. may request \$4.1 million of historic preservation rehab funding. Thanks to Senate Bill 225, Ohio has twice as much

funding than normal this year to award to historic preservation rehab projects around the state.

JIM NOELKER / STAFF

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DAYTON DAILY NEWS IN-DEPTH

Ohio has twice as much funding to award to developers that rehab historic properties, but competition for the incentives looks as fierce as ever and Dayton alone is expected have 10 projects that seek them.

“These credits are designed to grow our economy,” said Ohio State Sen. Kirk Schuring (R-Canton), who sponsored a bill that recently expanded the state historic preservation tax credit program.

The program “has been a huge stimulus to our economy.”

In late spring, Ohio Gov. Mike DeWine signed Senate Bill 225 into law, which doubles the amount of state historic preservation tax credits the state has to allocate to adaptive-reuse projects.

Typically, the Ohio Department of Development has about \$60 million worth of credits to award each year, which is split between two funding rounds, in the spring and fall.

But S.B. 225 expanded the program, increasing the amount of funding available to \$120 million for state fiscal years 2023 to 2024, according to the Ohio Department of Development.

State FY 2023 runs from July 1 to June 30, 2023.

The bill also increases the amount of tax credit funding individual projects can receive to \$10 million, from a previous cap of \$5 million, said Vorys, a law firm with offices in Ohio and several other states.

Applications were due Friday for the fall funding round, and the state will have \$60 million to award.

The Ohio Department of Development has received notice that developers of 125 proposed rehab projects across the state intend to submit applications seeking funding.

Combined, these potential applicants indicated they may request more than \$314 million in tax credits – or more than five times the amount of incentives available, according to information submitted to the development department.

Ten Dayton-based projects have signaled they may request a combined \$26.6 million in tax incentives.

Other potential projects in Xenia and Middletown also may seek millions of dollars in assistance as well.

The developers of the Centre City building plan to request more than \$7.8 million in credits, while another development group that wants to remake the Algonquin Hotel may ask for \$5 million in credits, according to the state.

The Model Group in June was awarded \$5 million in state historic tax credits for a project to rehab the vacant Centre City building at 40 S. Main St., also called the United Brethren Publishing House.

But the group would like a larger award, since the project cap has increased to \$10 million.

Model Group, in partnership with Cross Street Partners, has proposed spending nearly \$79 million to turn the 21-story building into apartments and office and commercial spaces.

The Model Group is hoping to win a larger award, but it will be able to retain its existing credits if its application is unsuccessful, said Lasserre Bradley III, president of development with the Model Group.

“At a time when we all continue to struggle with rising costs, we are fortunate to have leadership in our state that recognizes the challenges and has made provisions to further support projects that will positively impact our communities throughout Ohio,” he said.

A development group this past spring told the Dayton Daily News that it

wants to rehab a former hotel property at 11 S. Ludlow St. into apartments and an upscale entertainment destination.

The developer has proposed spending about \$30 million to transform the former Algonquin Hotel property, which more recently operated as the Dayton Grand Hotel.

The proposal included creating a “Roar” entertainment center offering duckpin bowling, a new steakhouse and multiple golf simulators that also have other games to play.

The developer asked for but was denied tax credits in the state’s last funding round.

Triad Architects, the developer of the **Reed-Steffan building**, also was denied tax credits in a couple of earlier funding rounds.

But Triad Architects has told the state it may seek \$2.2 million this fall for a nearly \$10 million historic reuse project.

Triad Architects in past applications proposed to convert the property, located on the first block of West Fifth Street, into entertainment and restaurant spaces, with commercial offices and residential units above.

Another development team wants to turn the **Longfellow School** complex at 245 Salem Ave. into new senior housing and other amenities.

The group may seek \$2.8 million in incentives for a roughly \$30 million rehab project, even though it was awarded about \$1.8 million in tax credits for the project late last year.

Weyland Ventures is one of the partners on the **Longfellow School project**, along with G.F. Bailey Co.

Weyland Ventures, a Kentucky-based firm, also may apply for \$400,000 in tax credits to overhaul the former St. Paul Evangelical Lutheran Church on the 200 block of Wayne Avenue, in the Oregon District.

The company is looking at investing about \$2.1 million into the former church and school property, which is across the street from the firm’s

Wheelhouse Lofts mixed-use development.

Meanwhile, the owner of the Fidelity building, at 211 S. Main St., is considering requesting \$4.1 million from the state historic preservation tax credit program.

The project won the same amount of incentives in late 2018, but the state rescinded the credits after the developer did not make sufficient progress on the project.

The same thing happened to the Centre City building a couple of years ago.

The original \$20.5 million Fidelity project called for creating new apartments on the upper levels of the 11-story building and commercial space on the ground floor.

Yet another developer wants to rehab a former Dayton Power & Light substation property at 118 E. Fourth St.

The applicant told the state it may request \$3.3 million for a \$33 million project.

Infinity Labs LLC, a defense firm, told the Dayton Daily News earlier this year it wants to renovate the property to become a new “power house” research and development facility.

Other Dayton projects that may seek funding include Commodore Apartments at 522 W. Grand Ave.; O.P. Boyer & Son’s mortuary building at 609 W. Riverview Ave.; and Traxler mansion at 43 Yale Avenue.

Potamoose Partners owns the long vacant funeral home on Riverview Avenue, and plans call for converting the property into commercial space and one housing unit.

Lorca Munoz-Daugherty, with Potamoose Partners, said it is “tremendous” that the state has expanded the historic preservation tax credit program.

“It helps small projects like ours that have a difficult time competing against bigger projects, because we don’t have a team of architects and accountants and project managers to prepare applications,” she said.

The Ohio Historic Preservation Tax Credit program has helped rehab nearly 800 historic buildings across the state and leveraged more than \$8 billion in private investment.

Sen. Schuring, who sponsored S.B. 225, says he would like to see the amount of credits the state awards increased further and he'd like to see some permanent changes to the program cap.

He said demand for the credits still far exceeds the supply in the upcoming funding round.

"The private sector and the public sector both get a return on investment," he said.

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