



Photo courtesy of Vintage Development Group

**READY TO REJUVENATE** Vintage Development Group's \$13 million project will incorporate a new grocery store (left) as well as offices for the City of Sandusky government (right).

## A Historic Move in Downtown Sandusky

### City celebrates the approval & creation of a new, expanded Downtown Historic District

By Jack Waldeck

Walter | Haverfield

**S**andusky has historically been home to some of the world's most amazing roller coasters, and now downtown Sandusky is in the midst of restoring some of its own remarkable history. The City will be celebrating the creation of a new and expanded Downtown Historic District approved by the Ohio Historic Site Preservation Advisory Board on September 20, 2017.

In addition, groundbreaking will occur for a significant rehabilitation and adaptive reuse of three historic buildings at the intersection of Columbus Avenue and Washington Row. The completed project will become home to the offices of the government of the City of Sandusky. This \$13 million project will also include new residential apartments and ground floor retail. The apartments will be mixed market and affordable rate units and represent the first new apartment units in downtown Sandusky in decades. The grocery store and restaurant Vita Urbana will also be coming to the project, duplicating in Sandusky the successful format it has developed in the Battery Park neighborhood in Cleveland.

Vintage Development Group is serving as the project developer in

conjunction with local property owner Larry Knauer. The design-builder is Marous Brothers Construction which owned the Whitworth Building and the Kingsbury Building on Columbus Avenue. Knauer owned the Commercial Banking & Trust Co. Building at Washington Row and Columbus Avenue. All of these buildings are now part of the new project. John Spear, chief financial officer, spearheaded the project for Vintage.

For many years there had been very little commercial activity taking place in any of these buildings. As a result, this project will have a significant impact on downtown Sandusky and help breathe new life and energy into a quiet corner of the City.

While the Commercial Banking & Trust Co. Building was already

listed on the National Register, the Whitworth and Kingsbury Buildings were not, so much thought was given to whether Vintage would seek nomination and registration of these two buildings or whether, instead, a new/expanded Historic District would be sought which would include these two contributed buildings. In the end, the more strategic approach was adopted to create the new Historic District. This will permit the City to encourage other private investors in downtown Sandusky to improve and restore their historic buildings and take advantage of tax credit opportunities without having to get those buildings individually listed on the National Register.

A number of catalytic elements have allowed this project to move forward. First and foremost, the City of Sandusky

agreed to move its offices into the project and sign a long-term lease. The City also supported the project with loan and grant funds. Also critical were a New Markets Tax Credit allocation of \$9.5 million from the Finance Fund (Columbus, Ohio) and an Ohio Preservation Tax Credit Award from the Ohio Development Services Agency in the amount of roughly \$1.6 million. Rounding out the capital stack are PNC Bank, N.A. as the federal tax credit investor and lender, as well as Foss Ohio 2018 Fund as the state tax credit investor.

Walter | Haverfield represented Vintage Development Group in all aspects of this project. Our real estate and tax attorneys provided counsel on the development, financing and tax credit issues that are always present in these



**BACK TO BUSINESS** Three historic buildings will be rehabilitated as part of an adaptive reuse project bringing new residential apartments, offices and retail in downtown Sandusky.

complex transactions. While the issues are difficult and complex, the bottom line is that such development projects would not occur without the equity that tax credits generate for such projects. Our attorneys are ardent supporters of such projects and our clients who undertake them because these are the projects that consistently bring life into

urban areas that would otherwise continue to suffer from lack of development and malaise. The NMTC program is always interested in bringing grocers to food deserts, but we would suggest that bringing developers to a “development desert” is also as worthy a cause to promote.

Getting a twinned NMTC/HTC tax credit deal completed in Sandusky is something of a milestone and represents an intentional focus on a wonderful Ohio city outside the traditional 3C/I-71 corridor. It is a true cause for celebration. Congratulations to Vintage Development Group and to the City of Sandusky. **P**

*Jack Waldeck is chair of the real estate practice group of Cleveland-based Walter | Haverfield. For more information, visit [www.walterhav.com](http://www.walterhav.com).*

## Our strength is in our numbers.

Put one of the region's largest real estate practice groups to work for you. We have the resources and experience to handle transactions of any size. ■ Leasing ■ Development ■ Urban & Historic Redevelopment ■ Real Estate Finance ■ Tax Credit Transactions ■ Land Use & Zoning ■ Tech, Multi-family & Shopping Centers



The Real Estate Attorneys of

**Walter | Haverfield** LLP  
ATTORNEYS AT LAW

Josh Hurtuk, Megan Zaidan, Kevin Murphy, Tyler Bobes, Todd Hunt, Jack Waldeck, Sophia Deseran, David Mansbery, Nick Catanzarite, Rick Amburgey, Irene MacDougall, Nate Felker, David Ricco and Geoff Goss

Cleveland | 216.781.1212  
[www.walterhav.com](http://www.walterhav.com)