

CDFA–Stifel Small, Medium and Rural Community Development Finance Solutions Webcast Series: Downtown Revitalization Finance Strategies

The Broadcast will begin at 1:00pm (EDT).

While you're waiting, check out some upcoming CDFA events...

Fundamentals of
Economic Development
Finance Course



August 11, 2014
Washington DC

in partnership with  ASSOCIATION
TO INVEST IN USA

Intro EB-5
Finance Course



August 12-13, 2014
Washington DC

Intro Revolving Loan
Fund Course



August 12-13, 2014
Washington DC

CDFA–Stifel
Small, Medium and Rural Community
Development Finance Solutions
Webcast Series



STIFEL

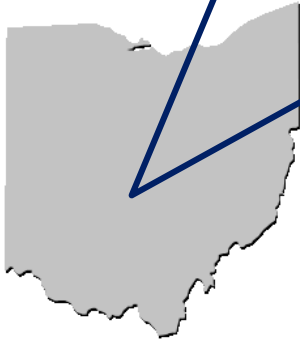
Downtown Revitalization Finance Strategies

Katie Kramer

Vice President

Council of Development Finance Agencies

Columbus, OH



◆ **Are you a CDFA Member?**

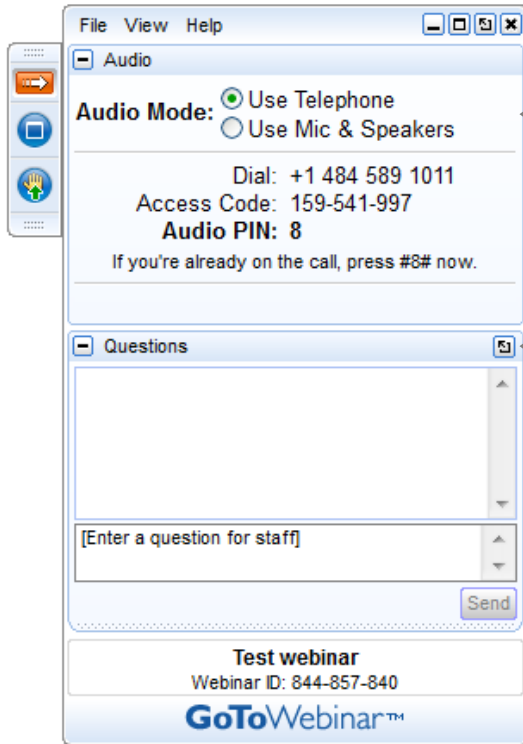
Members receive exclusive access to thousands of resources in the CDFA Online Resource Database. Join today at www.cdfa.net to set-up your unique login.

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Downtown Revitalization Finance Strategies



Using your telephone will give you better audio quality.

Submit your questions to the panelists here.

◆ Want to watch again?

You will find a recording of this webcast, as well as all previous CDFA webcasts, in the Online Resource Database at www.cdfa.net.



Downtown Revitalization Finance Strategies

Speakers

Cheryl Strickland, *Moderator*
Stifel Nicolaus & Company, Inc.

Ben Van Hooser
Greenville, KY

Diane Alecusan
Ohio Development Services Agency

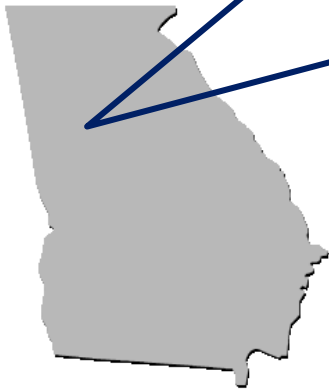
Jeff Siegler
Heritage Ohio



Downtown Revitalization Finance Strategies

Cheryl Strickland

Director
Stifel Nicolaus & Company, Inc.
Atlanta, GA



◆ What are you reading these days?

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Ben Van Hooser

**City Administrator
Greenville, KY**

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Welcome to

GREENVILLE
Kentucky

You're Just in Time!





MUHLENBERG COUNTY JUDICIAL BUILDING

2003

IN THE LIFE AND CONDUCT OF THE STATE IS
KEY IN THE HEARTS AND SOULS OF THE ATTORNEY

Manufactured by
SHRYVER
SYSTEM
MICHIGAN





**Proposed Stamped "Brick"
Crosswalk**



**New Crosswalk to Veterans
Mall**





GREENWILE

diet-rite cola

GREENWILE





Pizza Hut

[Handwritten signature]



HURRY BACK TO
GREENVILLE

We miss you already!

Downtown Revitalization Finance Strategies

Audience Questions



◆ Register Today

Early Bird Rates available until September 26, 2014.



Downtown Revitalization Finance Strategies

Diane Alecusan

Section Supervisor
Ohio Development Services Agency
Columbus, OH



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Ohio

Historic Preservation

Tax Credit

Historic Preservation Tax Credits for Small and Medium-sized projects

CDFA - Downtown Revitalization Finance Strategies

June 10, 2014

Ohio

**Development
Services Agency**

Historic Preservation Tax Credits

- Federal and Ohio program
- Tax credits on value of Qualified Rehabilitation Expenditures (QREs)
- Building must be designated as a 'historic building'
- Rehabilitation work must meet U.S. Secretary of Interior's Standards for Rehabilitation
- Tax credits received upon certification of completion



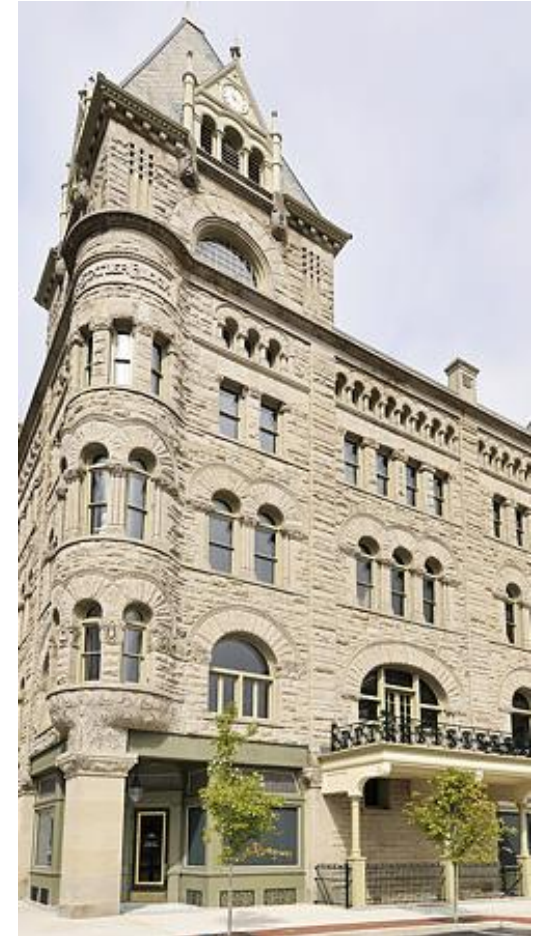
Definition of 'Historic Building'

- 'Historic building' definition for Ohio program means the property meets any of these:
 - Individually listed on National Register
 - Contributes to National Register Historic District
 - Contributes to NPS Certified Historic District
- OR

 - Local landmark in Certified Local Government (CLG)
 - Contributes to CLG Local Historic District
- Properties with only CLG designation are not eligible for federal program

Federal Historic Preservation Tax Credit

- 20% tax credit
- Non-competitive
- Property must be income-producing
 - Excludes condos and single-family homes
- No annual program or project cap
- Administered by Ohio Historic Preservation Office, in coordination with the National Park Service



Ohio Historic Preservation Tax Credit

- 25% tax credit
- Competitive
- Bi-annual application process
- No income-producing requirement, but projects are scored based on economic impact, project readiness, local support, and location
- \$60 M annual allocation and \$5 M project cap
- Administered by Ohio Development Services Agency, in partnership with the Ohio Historic Preservation Office



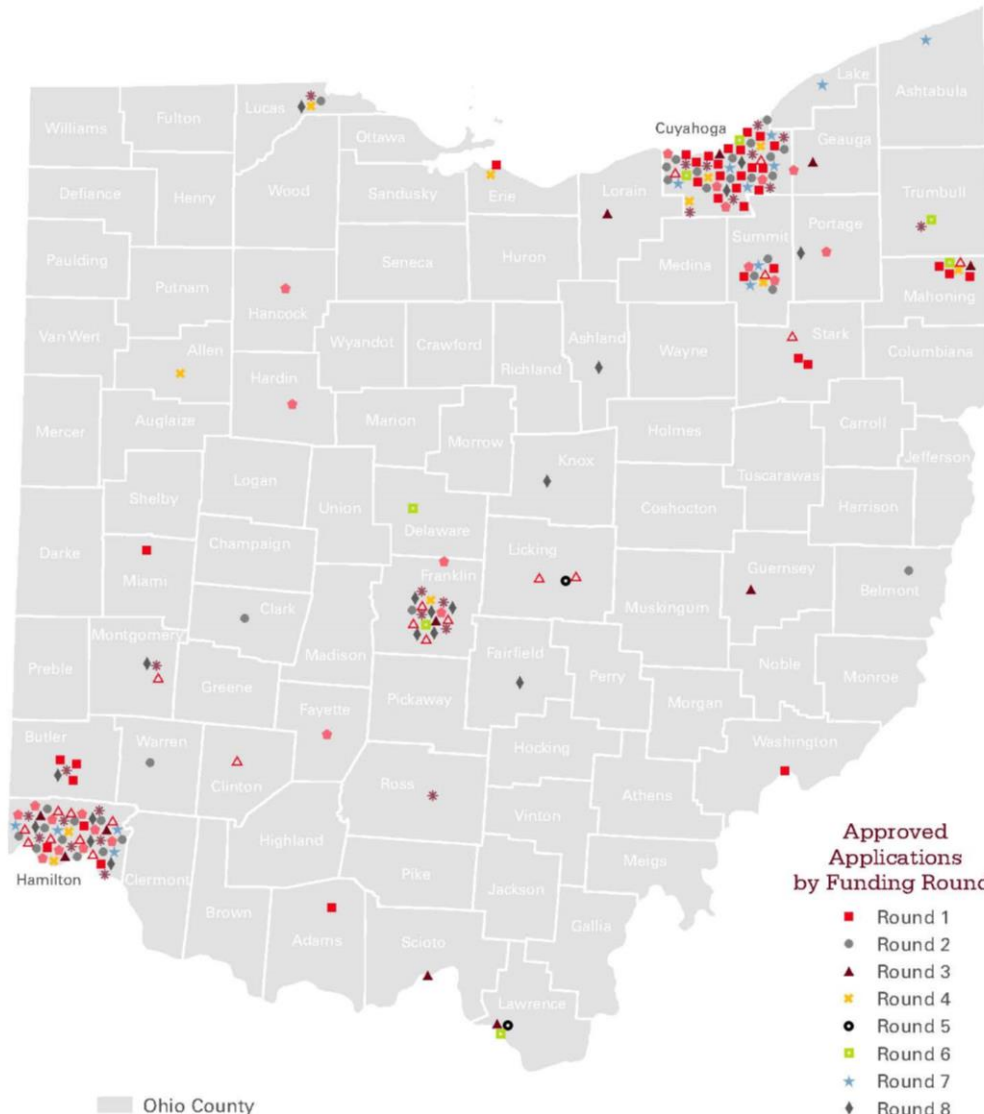
Ohio
Historic Preservation
Tax Credit



Ohio Program Awards

Akron
 Ashtabula
 Berea
 Cambridge
 Canton
 Chagrin Falls
 Chillicothe
 Cincinnati
 Cleveland
 Columbus
 Dayton
 Delaware
 Findlay
 Granville
 Hamilton
 Hayesville
 Ironton
 Kent
 Kenton
 Lancaster
 Lebanon

Lima
 Marietta
 Mt. Vernon
 Newark
 North Canton
 Oberlin
 Painesville
 Piqua
 Portsmouth
 Ravenna
 Russell Township
 Sandusky
 Scott Township
 Springfield
 St. Clairsville
 Toledo
 Warren
 Washington Court House
 Westerville
 Wilmington
 Youngstown

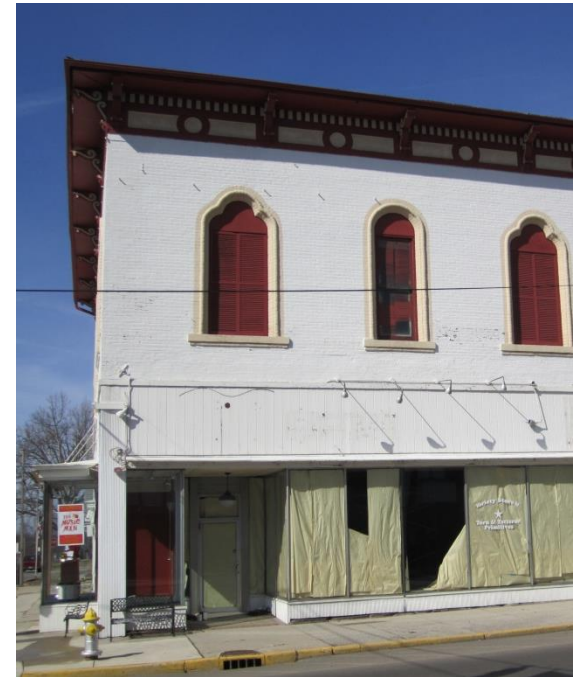


Award set-asides

- **Small projects pool (5% reserved)**
 - Projects with QREs equal to or less than \$1M
 - Requesting less than \$250,000 in tax credits
- **Intermediate projects pool (25% reserved)**
 - QREs between \$1M-\$8M
 - Requesting \$250,000-\$2M in tax credits
- **Remaining projects**
 - QREs above \$8M
 - Requesting \$2M-\$5M in tax credits

What does a 'small' project look like?

- Less than \$1 million in rehab costs
- Main Street type properties
- Majority of building stock in many communities



What does an 'intermediate' project look like?

- Between \$1 million - \$8 million in rehab costs
- Larger commercial, or anchor/institutional buildings



Small(er) Project Observations

- Owners/Developers are more hands-on
 - Project and construction management
 - Preparing historic applications (Part 1, Part 2, etc.)
 - Preparing development applications
- A simpler, smaller project can reduce overhead costs
- Less complicated deal structure
 - Owner takes credit themselves (no investor)
 - Tax credit is refundable when tax credit exceeds tax liability of individual or entity taking the credit
 - Traditional financing, personal equity, or investment partners

Encouraging Smaller Projects

- **Designate historic properties and districts**
 - Historic designation is first step to accessing tax credits
 - New Pipeline Pilot Initiative for National Register nominations
 - Certified Local Government (CLG) status
- **Technical assistance**
 - Help accessing local government or organization resources
 - Help completing historic research and applications
- **Claiming the Tax Credit**
 - Third-party cost certification is waived for projects under \$200,000 in QREs
 - Ability to stage projects and receive credits in phases
- **Education (and myth-busting)**



- **LANCASTER – Bodenheimer – Mayer House**

Total Project Investment: \$343,500

- Two-story brick home transformed into retail and apartments
- First OHPTC project in Lancaster





- **WARREN – Market Block Building**
Total Project Investment: \$2.7 million
 - Long-vacant commercial block transformed into foundation offices
 - Includes community room and space for start up non-profits





- **OBERLIN – Apollo Theatre**
Total Project Investment: \$9.8 million
 - Rehabilitated for movies, live performances, Cinema Studies programs, and media education center
 - Oberlin College played a major role



Another tool...



Pipeline (Pilot) Initiative

- Technical assistance and small grants to plan and prepare historic properties for rehabilitation
- Primary goal of the initiative is to develop a pipeline of properties eligible for the Ohio program
- Ohio program requires properties to qualify as a 'historic building' at the time of application
- Nominating buildings and districts targeted for redevelopment is a good first step toward advancing rehabilitation projects
- First-come, first-served!

Pipeline Project Types

A. National Register Nomination for Individual Building

- Grant up to \$4,000 for third-party research and consulting to nominate a building
- Must have support of property owner

B. National Register Nomination for a Historic District

- Grant up to \$8,000 for third-party research and consulting to nominate OR amend a district
- Must have support of majority of property owners and local jurisdiction

Pipeline Project Types

C. NR Integrity Investigation of an Individual Building

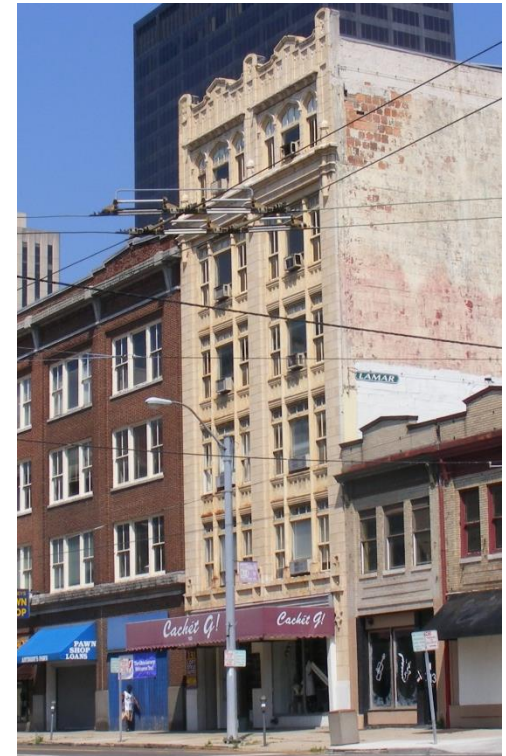
- Grant up to \$8,000 for brick and mortar activities to the exterior of a building to reveal intact historic materials (e.g. remove a non-historic façade)



Pipeline Project Types

D. Multiple Property Planning for an Area

- Grant up to \$8,000 for third-party research and consulting to complete a National Register Multiple Property Documentation form
- Form is intended to facilitate nomination of buildings or districts in a specified area or context
- Must have recommendation from OHPO to pursue



Thank You!

Diane Alecusan

Section Supervisor, Sustainability Incentives

Office of Energy and Redevelopment

Ohio Development Services Agency

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Downtown Revitalization Finance Strategies

Audience Questions



The CDFA Training Institute *presents*

cdfa **CDFA Summer School**
Council of Development Finance Agencies

August 11-15, 2014 Washington, DC

Register Today

Early Bird Rates
available until
June 30, 2014.



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Jeff Siegler

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STIFEL

THE MAIN STREET PROGRAM

OVERVIEW OF FOUR MAIN PRINCIPLES





HERITAGE OHIO

Our Mission is to:
Save the places that matter
Build community
Live better







GENERICA



MAIN STREET COMMUNITIES



1. Amherst
2. Cambridge
3. Cleveland, Gateway District
4. Cleveland, Historic Warehouse District
5. Defiance
6. Delaware
7. Elyria
8. Greenville
9. Kent
10. Lancaster
11. Lakewood
12. Lebanon
13. Medina
14. Millersburg
15. Mount Vernon
16. Nelsonville
17. Norwalk
18. Oberlin
19. Orrville
20. Painesville
21. Piqua
22. Port Clinton
23. Portsmouth
24. Sandusky
25. Troy
26. Van Wert
27. Vermilion
28. Warren
29. Wellington
30. Wilmington
31. Wooster



2013 REINVESTMENT STATISTICS

Volunteer Hours Donated	84,228
Annual Budget (all programs)	\$3.8 million
Façade Improvements (178)	\$6.9 million
Building Rehabilitations (182)	\$77.7 million
New Construction (28)	\$17.4 million
Public Improvements (62)	\$33 million
Net New Businesses	71
Business Expanded	41
Net New Fulltime Jobs	260
Net New Parttime Jobs	95

MAIN STREET REQUIRES

- ▶ **PAID PROFESSIONAL MANAGER**
- ▶ **WORK PLAN FOR BOARD AND COMMITTEES**
- ▶ **ON-GOING TRAINING FOR MANAGER AND VOLUNTEERS**
- ▶ **ACCOUNTABILITY AND ANNUAL EVALUATION**
- ▶ **GRASSROOTS COMMITMENT**





THE EIGHT PRINCIPLES



COMPREHENSIVE APPROACH

Relies on quality

Meaningful public/private partnerships

Involves changing attitudes

Focuses on existing assets

A Self-help program

Incremental in nature


Implementation-oriented



Downtown Development Projects 2007 - 2012

- ## LEGEND
- Completed
 - Underway
 - Planned
 - DDA Boundary

 American Heritage Center Completed 2007 Cost: \$10 million	 Food Terrace Completed 2007 Cost: \$1 million	 Adelphi Building Renovation Completed 2007 Cost: \$1 million	 Wild Bull Saloon & Book Store Completed 2007 Cost: \$1 million	 West Gateway Center Completed 2007 Cost: \$1 million	 Miller Loafers Building Completed 2008 Cost: \$10 million	 Kalamazoo Plaza Renovation Completed 2008 Cost: \$1 million	 Justice Building Completed 2008 Cost: \$1 million	 Roberts Plaza Completed 2008 Cost: \$1 million	 Case Station Renovation Completed 2008 Cost: \$1 million	 Renaissance City Deck Completed 2008 Cost: \$1 million	 Progress Square Completed 2008 Cost: \$1 million											
 Unity & Moore Completed 2008 Cost: \$1 million	 Small Business Program Completed 2008 Cost: \$1 million	 Justice Square Completed 2008 Cost: \$1 million	 Justice Building Renovation Completed 2008 Cost: \$1 million	 Park Street Market Completed 2010 Cost: \$1 million	 Red Hat & Blue Completed 2010 Cost: \$1 million	 Commerce Completed 2010 Cost: \$1 million	 5 Star Restaurant Program Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 Public Economic Life Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million	 1000 City Square Completed 2010 Cost: \$1 million



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Date: November 2010



THE EIGHT PRINCIPLES

Comprehensive approach

 **RELIES ON QUALITY**

Meaningful public/private partnerships

Involves changing attitudes

Focuses on existing assets

A Self-help program

Incremental in nature

Implementation-oriented





THE EIGHT PRINCIPLES OF MAIN STREET

Comprehensive approach

Relies on quality

MEANINGFUL PUBLIC/PRIVATE PARTNERSHIPS

Involves changing attitudes

Focuses on existing assets

A Self-help program

Incremental in nature

Implementation-oriented





THE EIGHT PRINCIPLES

Comprehensive approach

Relies on quality

Meaningful public/private partnerships

 **INVOLVES CHANGING ATTITUDES**

Focuses on existing assets

A Self-help program

Incremental in nature

Implementation-oriented





THE EIGHT PRINCIPLES

Comprehensive approach

Relies on quality

Meaningful public/private partnerships

Involves changing attitudes



FOCUSES ON EXISTING ASSETS

A Self-help program

Incremental in nature

Implementation-oriented





THE EIGHT PRINCIPLES

Comprehensive approach

Relies on quality

Meaningful public/private partnerships

Involves changing attitudes

Focuses on existing assets



A SELF-HELP PROGRAM

Incremental in nature

Implementation-oriented





THE EIGHT PRINCIPLES

Comprehensive approach

Relies on quality

Meaningful public/private partnerships

Involves changing attitudes

Focuses on existing assets

A Self-help program

 **INCREMENTAL IN NATURE**

Implementation-oriented

⊗ *Façade design guidelines (Elm Street)*



⊗ *Actual "Before & After" façade enhancement (Official Timeout restaurant & bar)*





THE EIGHT PRINCIPLES

Comprehensive approach

Relies on quality

Meaningful public/private partnerships

Involves changing attitudes

Focuses on existing assets

A Self-help program

Incremental in nature

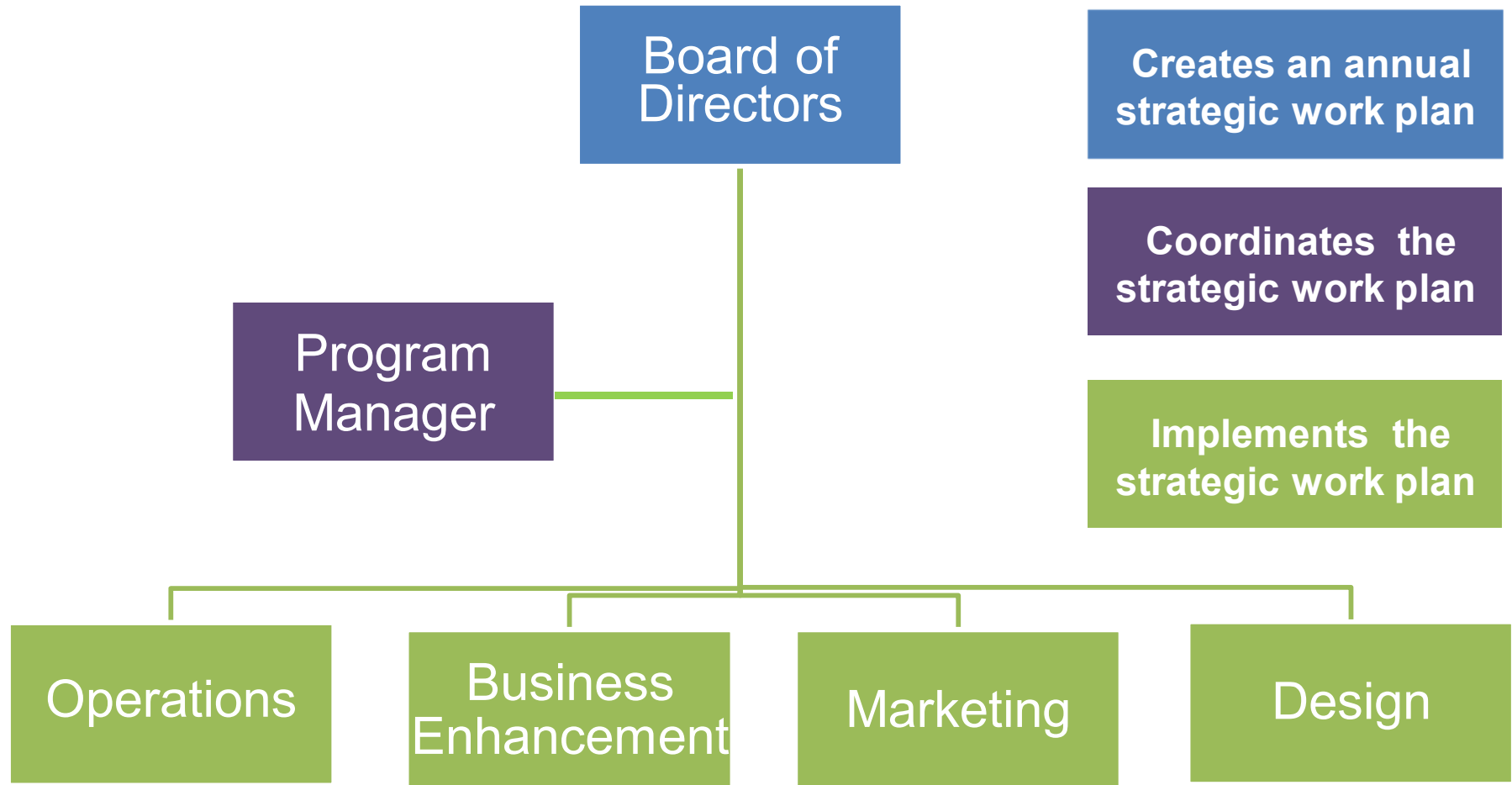
 **IMPLEMENTATION-ORIENTED**



MAIN STREET STRUCTURE



MAIN STREET STRUCTURE



“A HOUSE BUILT TO EVERYONE’S ADVICE LEANS.”



MAIN STREET STRUCTURE

OPERATIONS

MARKETING

ISSUES

DESIGN

**BUSINESS
ENHANCEMENT**

THE MAIN STREET PROGRAM

OVERVIEW OF FOUR MAIN PRINCIPLES



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OHIO

Vital Places. Vibrant Communities.

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Audience Questions



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- **Intro RLF Course**
- **Intro EB-5 Finance Course**
- **Intro Tax Credit Finance Course**
- **Intro Brownfields Finance Course**

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August 11-15, 2014

Intro Public Private Partnership (P3) Finance Course

Daily 12-5 pm (EDT)

September 17-18, 2014

Register online at www.cdfa.net

Intro Tax Credit Finance Course



August 14-15, 2014
Washington DC

Intro Brownfields Finance Course



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Intro Public-Private Partnership (P3) Finance Course



September 17-18, 2014
Daily: 12-5pm (EDT)

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Next Webcasts

CDFA // BNY Mellon Development Finance Webcast Series

Tuesday, June 17, 2014 @ 1:00pm Eastern

CDFA-Stifel Small, Medium and Rural Community Development Finance Solutions Webcast Series

Tuesday, September 30, 2014 @ 1:00pm Eastern



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For More Information

STIFEL



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