

















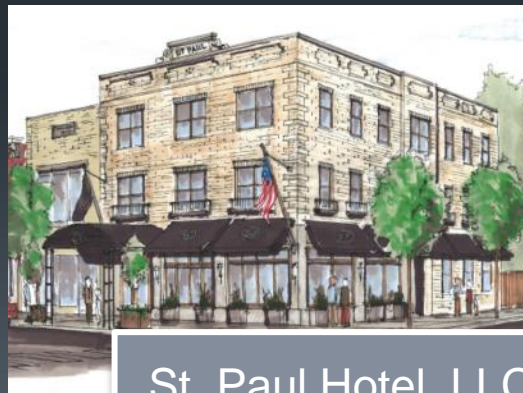
# Community Initiated Development



The City Square  
Steakhouse, LLC



SoMar Wine Cellars,  
LLC



St. Paul Hotel, LLC

# How it Happened

## Community Assessment



- What sites are available?
- What's downtown? What's not?
- What kinds of projects would complement existing businesses?
- What kind of budget are we looking at?
- What is the downtown vision?



# How it Happened

## Key People

- Main Street Wooster: the “go-to” for reality checks
- Informal advisors – CPA, attorney, heads of municipal agencies, influential civic leaders, other business owners, local craftspeople

# How it Happened

## City Square Steakhouse

- Support from a well-respected restaurateur who became a partner
- Goal: establish a big-city flavor and create a venue for movers and shakers
- We have consistently exceeded initial sales projections
- Shares of stock have changed hands at nearly double the purchase price. Dividends paid to investors were 10%+ in 2011 and 2012

















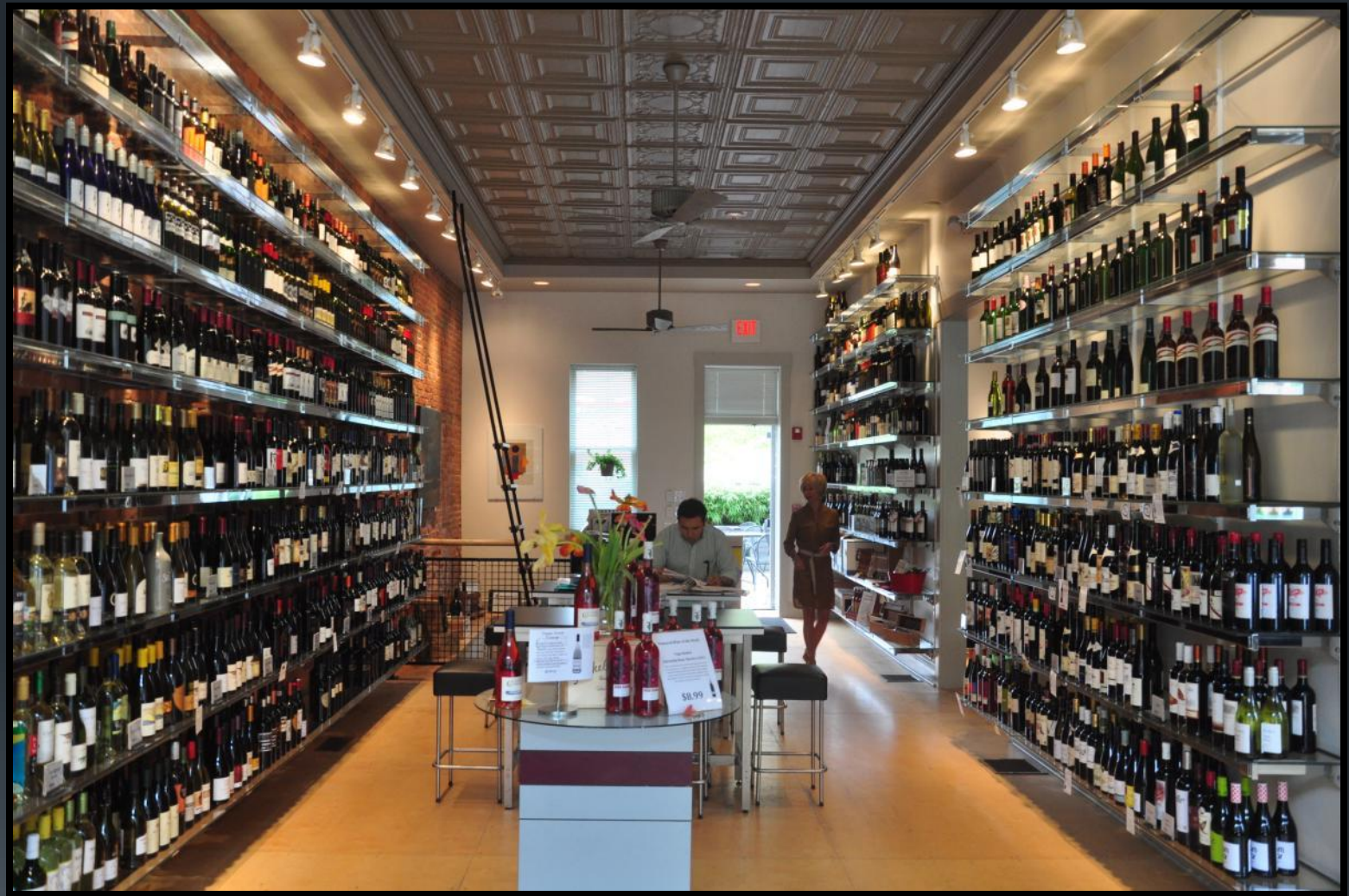
# How it Happened

## Wine Shop/ Wine Bar

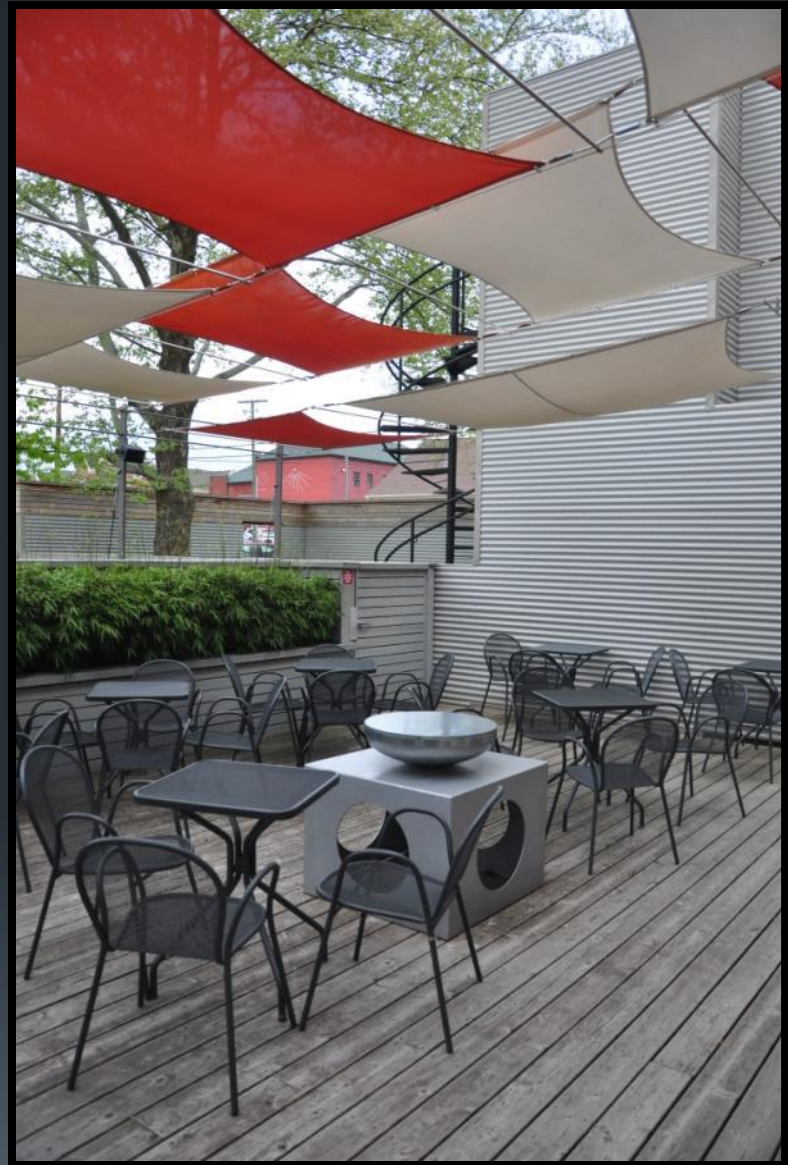
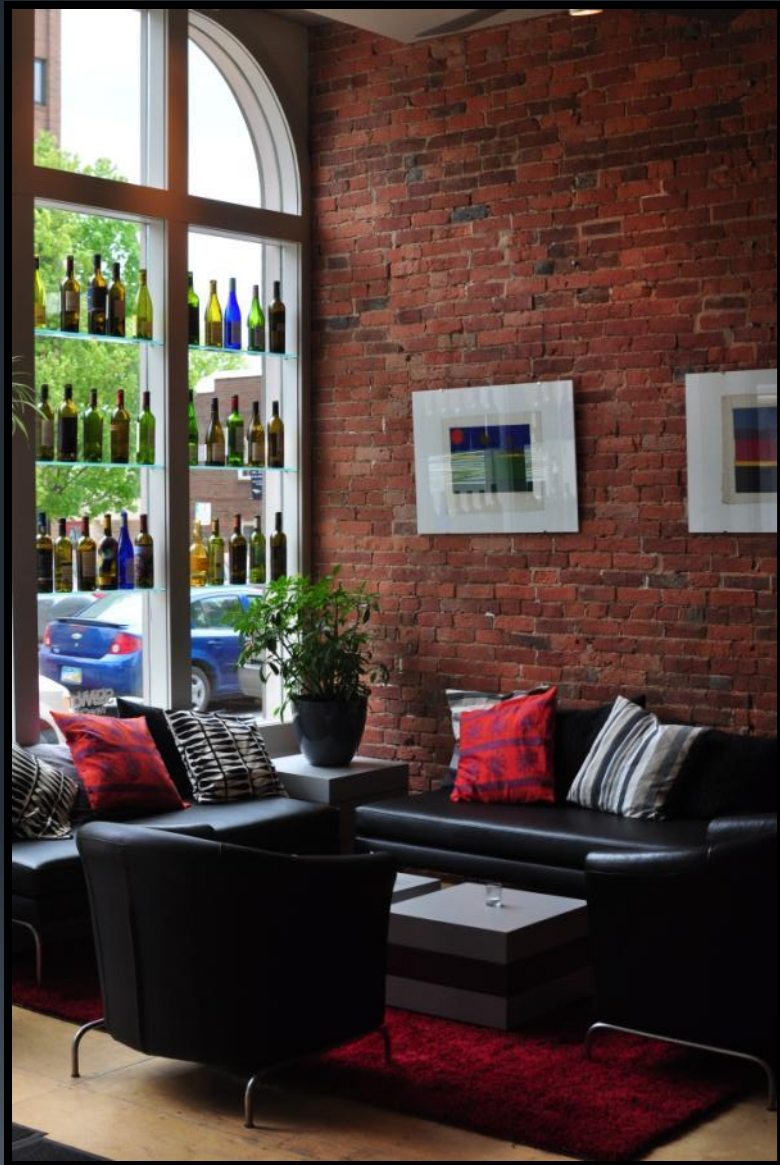
- Only “grocery store” wine was available downtown
- Annual surveys showed people felt a wine cellar/wine bar was needed
- Main Street Wooster along with The College of Wooster played a key role in assessing community desires
- A vacant, run-down building was restored to its original architectural elegance











# How it Happened

## Boutique Hotel

- A belief there was a market for a trendy, boutique-style inn popular in bigger cities
- The site was walkable to numerous restaurants and offices
- 80% of hotel guests patronize nearby restaurants and bars, strengthening downtown businesses
- Purchased a vacant building as an investment and cleaned up an eyesore























# How it Happened

## Community Support

- “Pre-selling” projects to the community proved helpful
  - The City
  - County Commissioners
  - Design Review Board
  - Chamber of Commerce
  - Rotary Club
  - Kiwanis
  - Lions Club
  - The College of Wooster Alumni
  - The Media
- Non-predatory projects were welcomed by existing businesses



# How to Finance

## Professional Advisors

- Individuals considered to be the professional bricks and mortar of each development
- Architects, attorneys, CPAs, engineers, photographers and copywriters
- Professional advisors served as a first line of execution – and as a first line of defense if problems arose

# How to Finance

## Offering Memorandum

- Convey the vision: architectural renderings, an engaging project description, realistic financials
- This detailed, written blueprint was important to gaining the support of community leaders and selling the project to investors
- The prevailing wisdom: include vision, the project's place in the community, look and feel, target clientele, market data, up-front expenses, and detailed financial projections

# How to Finance

## Private Investors

- The Offering Memorandum is critical in providing potential investors with a strong degree of comfort – who you are, why they should trust you, why this investment makes sense
- Did homework on potential investors: Community interests? Friends of existing investors? Is it just about money? Group dynamics
- Beneficial to update investors regularly, especially during the early stages

# How to Finance

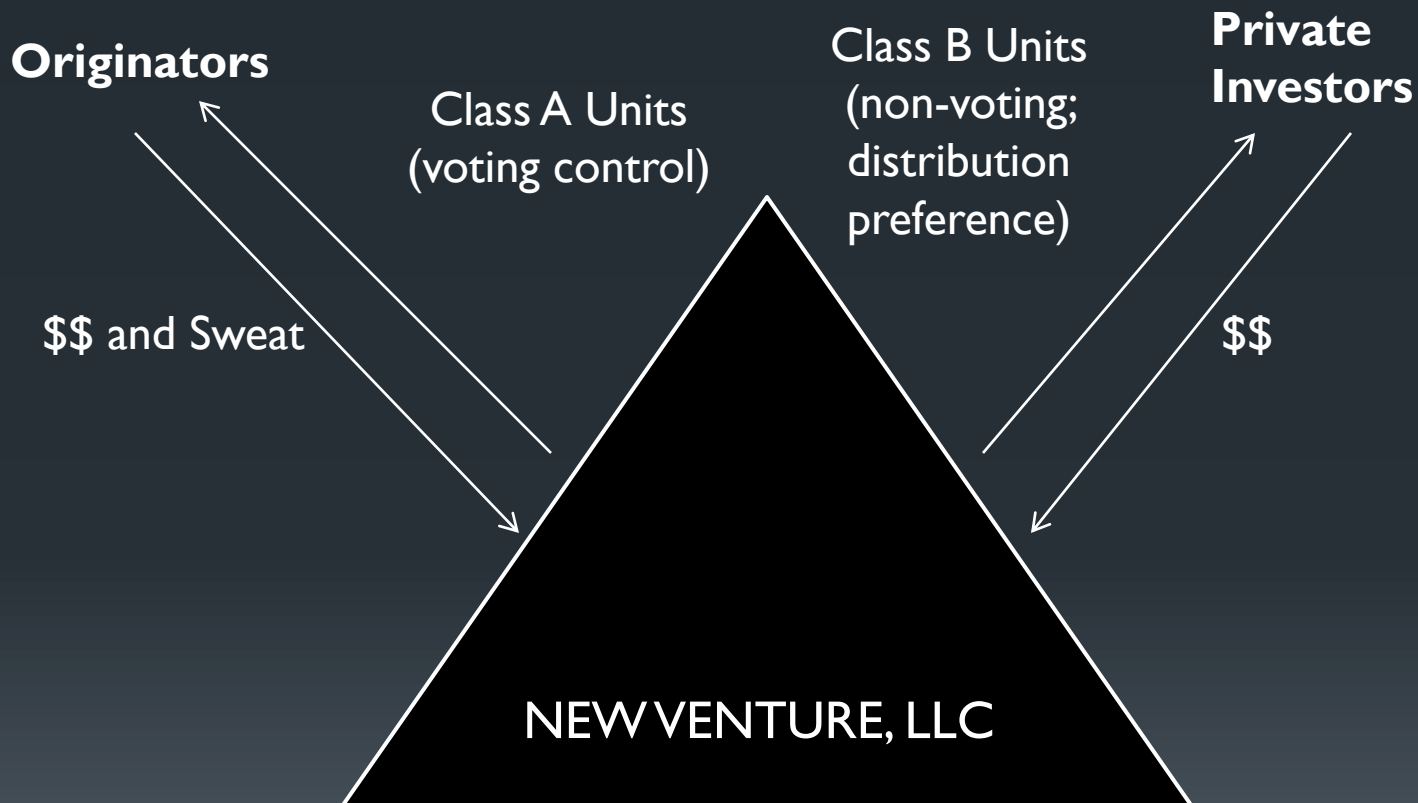
## Private Investors

- They have become more critical since the economy tanked in 2008 as a sole or partial source of funding
- Many times you can raise money faster working with private investors than through a bank
- Private investment doesn't involve taxpayer dollars



# Example #1

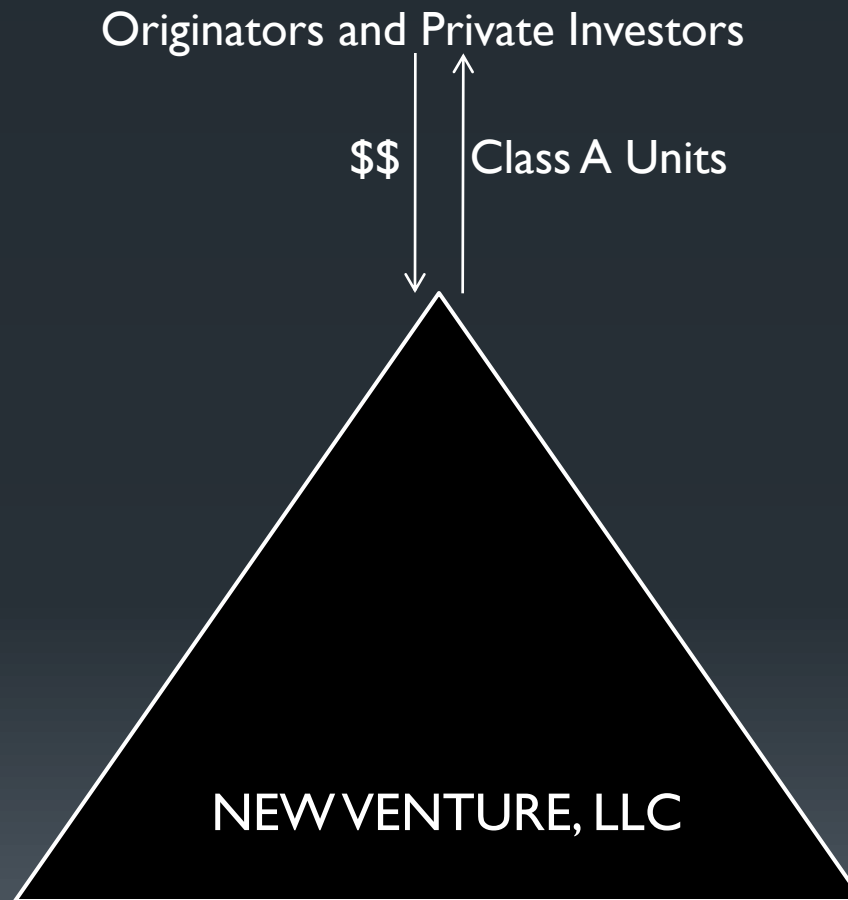
(Illustration)



\*Real estate owned separately

# Example #2

(Illustration)



\*Real estate owned by New Venture, LLC

# The Benefits

## Tax Abatement

- Wooster has a state-designated community investment area
- Focuses on physical deterioration or other declining aspects of a given geographic zone
- Assists in making your project financially feasible



# The Benefits

## People Employed

- Construction crews and other vendors during build-out
- Employees hired after completion of projects

# The Benefits

## Bed Tax

- In 2012 the St. Paul Hotel Wooster paid a total of \$18,030.32 in bed taxes
- County bed tax paid was \$9,015.16
- City bed tax paid was \$9,015.16

# Downtown Living



- For a developer, the ultimate payoff was seeing our project come to life
- Our hotel, restaurant, wine shop and loft apartments helped create a look and feel that became part of the community's brand
- Brings more business downtown and generates more revenue
- Now more than 50 residential lofts in Wooster's central business district, always nearly 100% occupied

# Downtown Wooster is on a Roll

*Since 1985:*

- More than \$145 million of public/private downtown reinvestment
- 165 interior/ exterior building renovations
- 145 net new businesses and 62 expansions of existing businesses























