RESTORATION & SEALANTS, INC.

1265 W. 6th Street
Cleveland Ohio 44113

The Mercantile Lofts:
A Demonstration of Success and Opportunity on Main Street in Hamilton, Ohio

Steve Coon & Jonathan Sandvick

Heritage Ohio Annual Conference
Columbus - May 22, 2013

The Mercantile Lofts

Mission:

The mission of this presentation is to share with Main Street communities the challenges, solutions and tools for successful historic building renewal as demonstrated by the Mercantile Lofts in Hamilton, Ohio.

The lessons and accomplishments of the Mercantile Lofts project, in concert with other examples, are intended to help empower and inspire community advocates to carry the Hamilton success story to their own Main Street communities.

Shifting the Paradigm: Issues, Tools & Solutions

1. Distressed Conditions
2. Adaptive Re-use Code: Chapter 34
3. New Uses in Old Spaces
4. Multiple Building Advantages
5. Transparency Though Multiple Spaces
6. Atriums
7. Outdoor Space
8. Funding Incentives
9. The Historic Market Advantage
10. The Mercantile Lofts – Success on Main Street

Distressed Conditions

A building that appears to be beyond hope often has the dramatic potential for viable new life.

Notre Dame Academy

Notre Dame Academy

Notre Dame Academy

Walker & Weeks

Walker & Weeks

Tower Press

Tower Press

Mercantile Lofts

Mercantile Lofts

Mercantile Lofts

Adaptive Re-use Code: Chapter 34

Code Compliance Alternatives: IBC Section 3412

Definition:

"The Compliance Alternatives" is a section added to the Building Code in 1984 that deals with Repairs, Alterations, Additions, and Change of Occupancy of Existing Buildings. Generally, building code requirements are formulated for new construction. However, to update an existing or historic building to the current code becomes cost prohibitive. To make the rehabilitation process easier, the compliance alternatives section allows for a controlled departure from full code compliance in existing buildings without compromising the safety of the building. It is also a straightforward method used to evaluate existing buildings. The compliance alternatives are often used with the rehabilitation

Code Compliance Alternatives: IBC Section 3412

Jurisdiction:
In Ohio, the intent of this section is to set forth criteria for rehabilitating existing buildings constructed prior to July 1, 1979. Other jurisdictions will have different criteria for which buildings the compliance alternatives can be applied to. The codes currently used in most jurisdictions are based upon the International Building Code (IBC) that was released in 2009.

Provisions:
A complete structural analysis of the building must be made by a registered Architect or Engineer to determine the adequacy of all structural systems for the proposed alteration, addition or change of occupancy. A separate safety evaluation must also be completed based on the three categories of Fire Safety, General Safety, and Means of Egress. The evaluation is a point system that specifically rates items listed below.

Code Compliance Alternatives: IBC Section 3412

Ratings Categories:

- Building height and area
- Compartmentation
- Tenant unit separation
- Dwelling unit separation
- Corridor walls
- Vertical openings
- HVAC systems
- Automatic fire detection
- Fire alarm system
- Smoke control
- Means of egress
- Dead ends
- Maximum travel distance
- Elevator control
- Means of egress
- Emergency lighting
- Mixed use groups
- Sprinklers
- Specific occupancy areas

Code Compliance Alternatives: IBC Section 3412

Scoring:

Mandatory point values are set by the Compliance Alternatives code for each safety category for the proposed new use. The building is given a score for each of the items. If the building meets or exceeds the mandatory safety values it is considered compliant. If the building fails to meet the safety criteria, the design for the renovation is adjusted until compliance is achieved.

Code Compliance Alternatives: IBC Section 3412

"Why should I know about compliance alternatives?"

1. The compliance alternatives are a creative, flexible method to achieve fire safety, emergency egress and life safety for existing buildings without strict adherence to building codes applicable to new construction.

2. Gives credit to existing buildings' inherent life safety, emergency egress and fire safety benefits.

3.Provides a method to accomplish compliance with the Code for existing buildings that exceed allowable height and area requirements.

4. Provides the opportunity to utilize and save elements of a building that would otherwise be lost or severely altered under conventional code requirements such as stairs, exposed structural elements, atriums, and other decorative details.

Code Compliance Alternatives: IBC Section 3412

"Why should I know about compliance alternatives?"

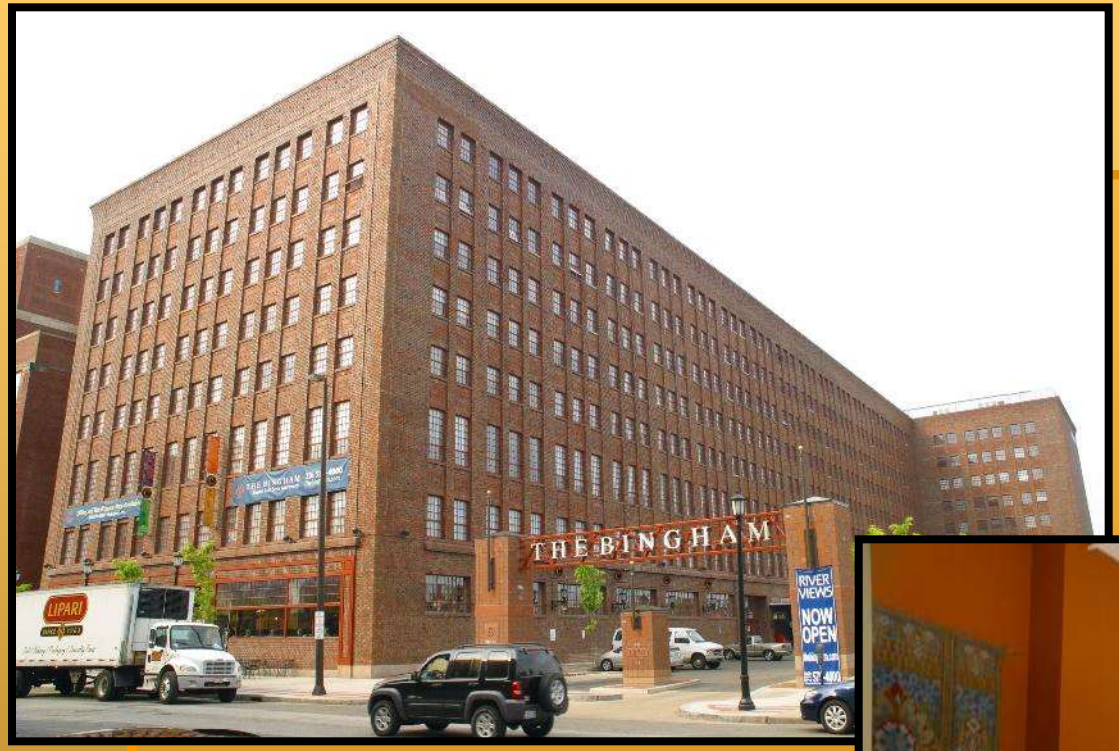
5. Was designed to provide greater levels of safety for life and property than is provided for new buildings by the "regular" code.

6. Is especially advantageous for many Historic Preservation Projects. Substantial rehabilitation cost is saved because existing elements are utilized.

7. Is best utilized as an interactive process with design. Careful code analysis and design in combination by professionals who are experienced in this methodology are critical to functional, cost effective solutions to meet both safety needs and owners program objectives.

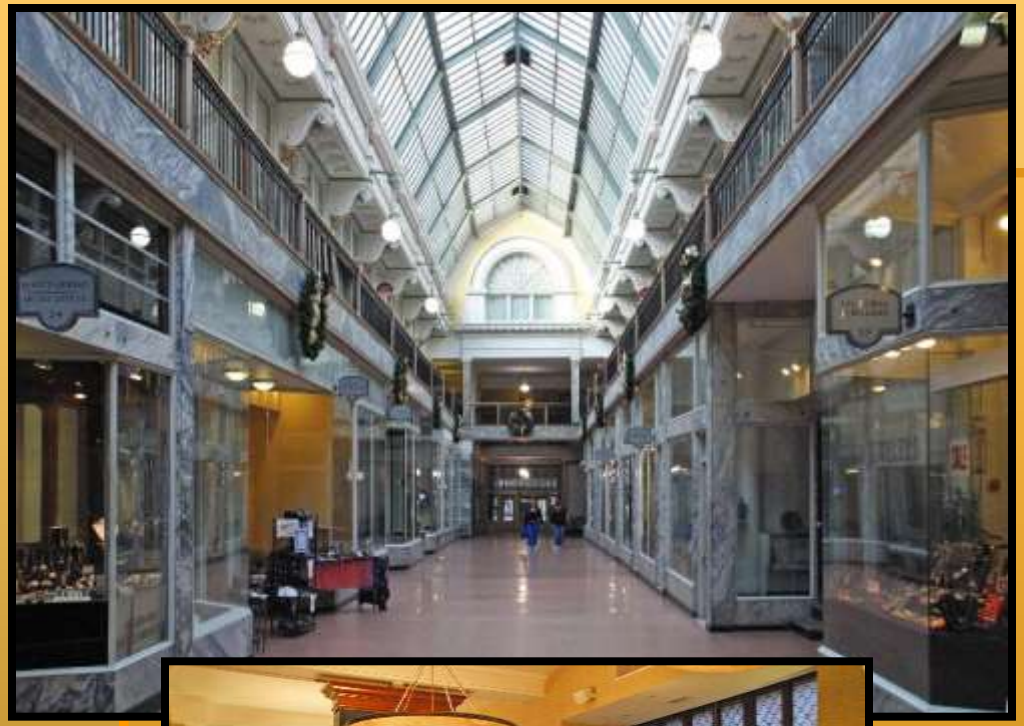
New Uses in Old Spaces

The Bingham


THE BINGHAM
LIPARI
RIVER VIEWS
NOW OPEN


BRIDGEVIEW APARTMENTS

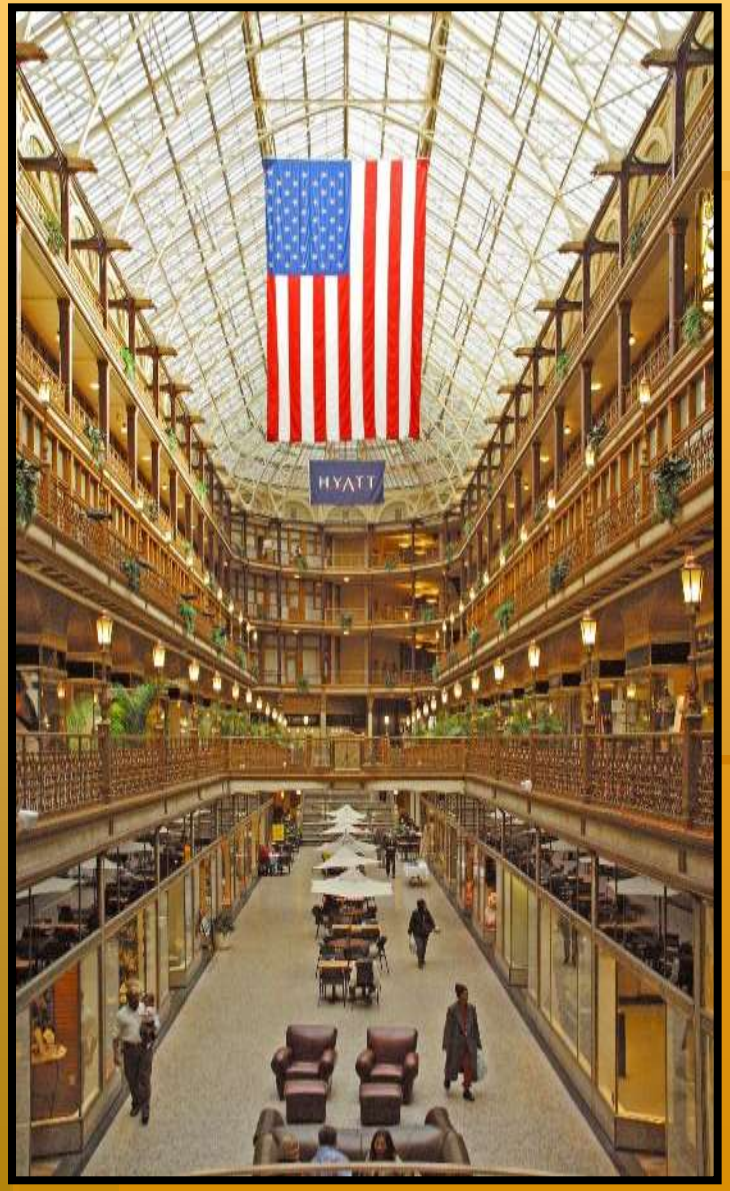
Colonial & Euclid Arcades



Fenn Tower

Heinz Lofts

The Arcade



Mercantile Lofts

Mercantile Lofts

Mercantile Lofts

Multiple Building Advantages

Union Gospel Press

John Hartness Brown Bldg

Akron Civic Block

Mercantile Lofts

Transparency Through Multiple Spaces

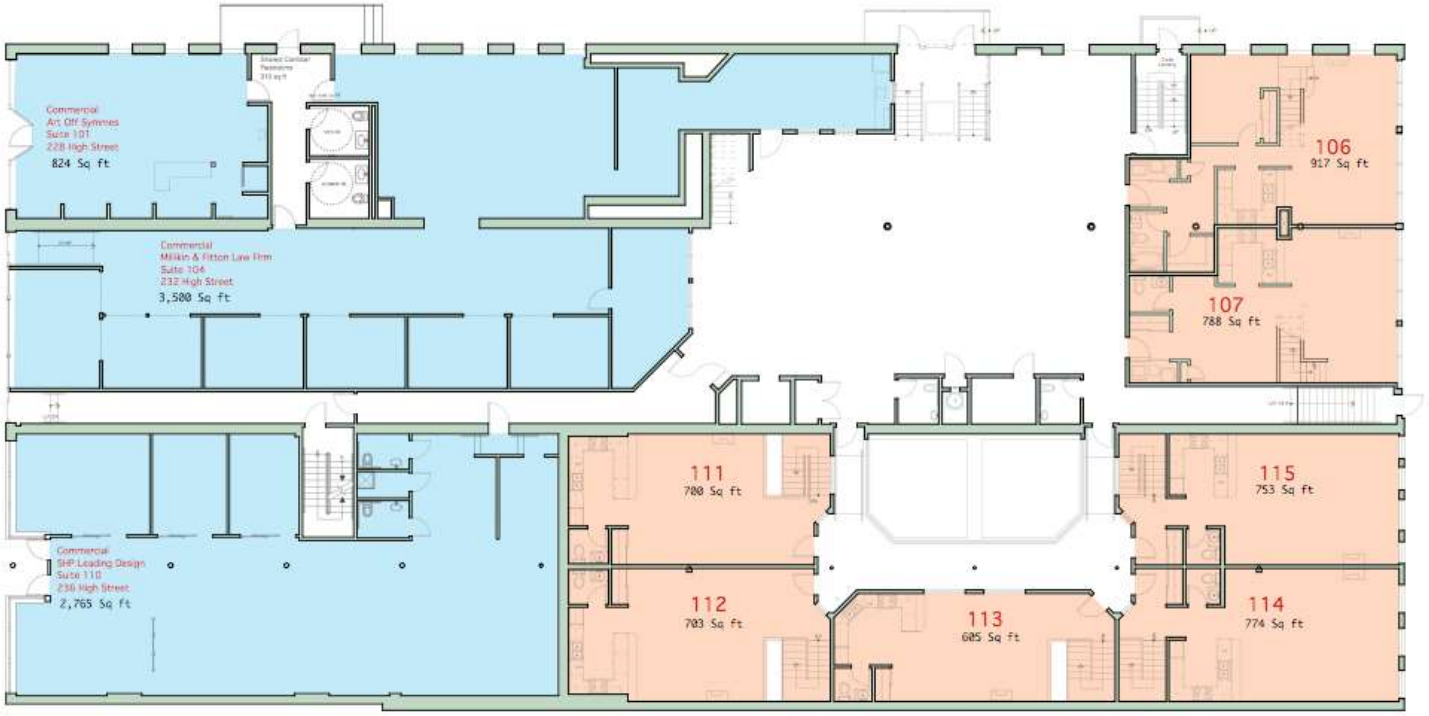
425 Lakeside

Marshall Building

Mercantile Lofts

Mercantile Lofts

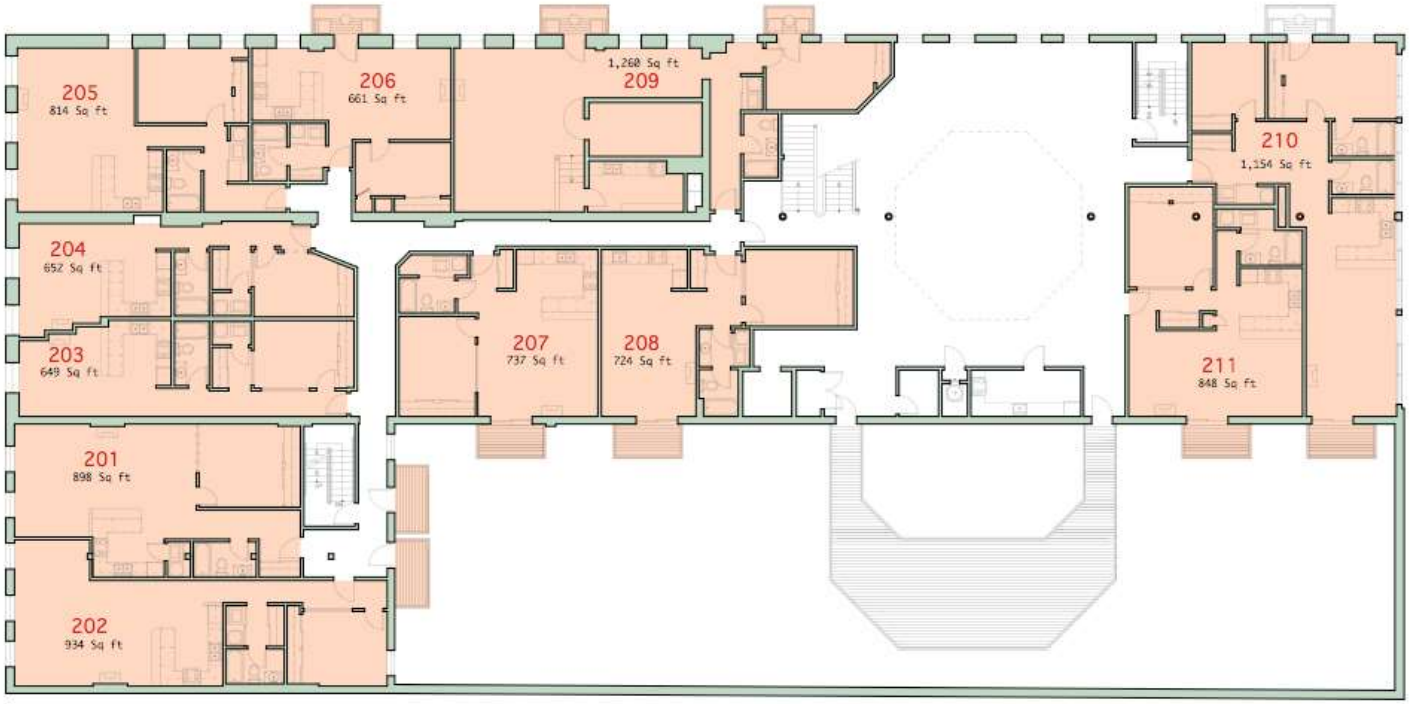
Mercantile Lofts



THE HISTORIC MERCANTILE LOFTS
FINE URBAN LIVING IN DOWNTOWN HAMILTON
228 - 236 HIGH STREET

High Street Level - 1

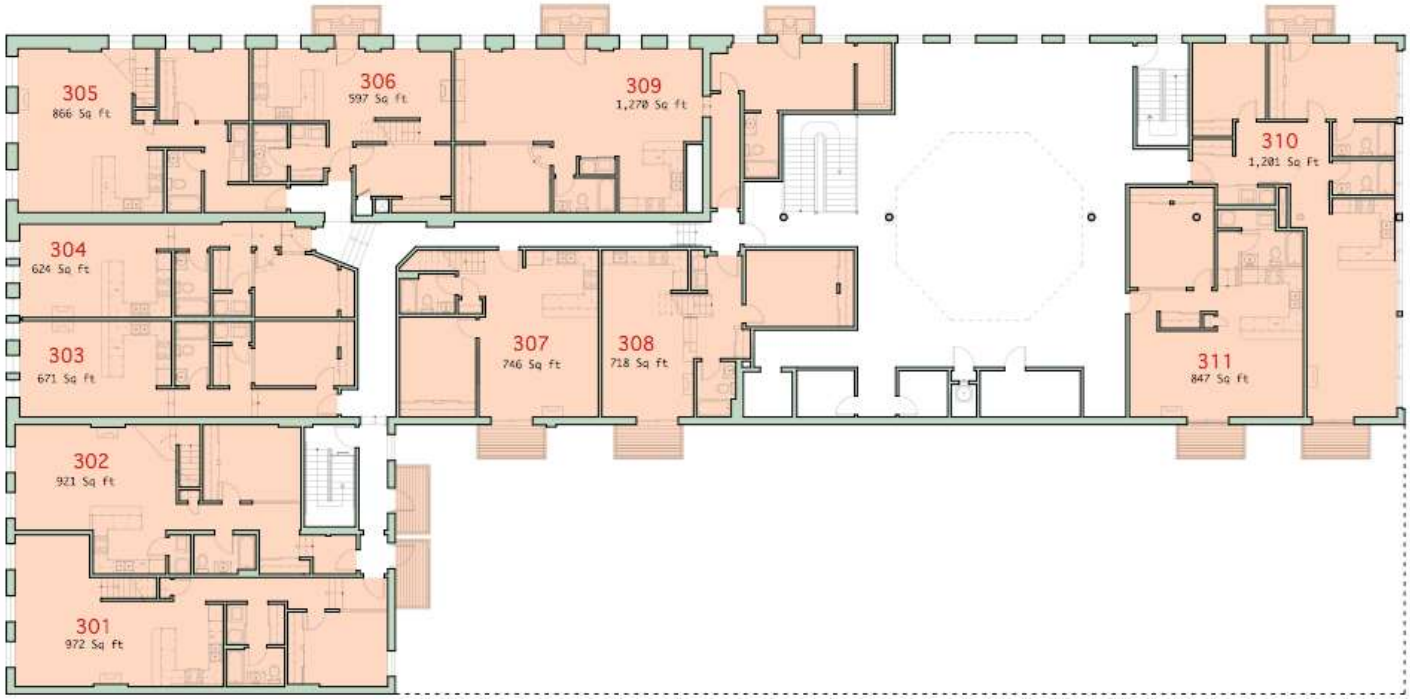
Mercantile Lofts



THE HISTORIC
MERCANTILE LOFTS
FINE URBAN LIVING IN DOWNTOWN HAMILTON
228 - 236 HIGH STREET

Level - 2

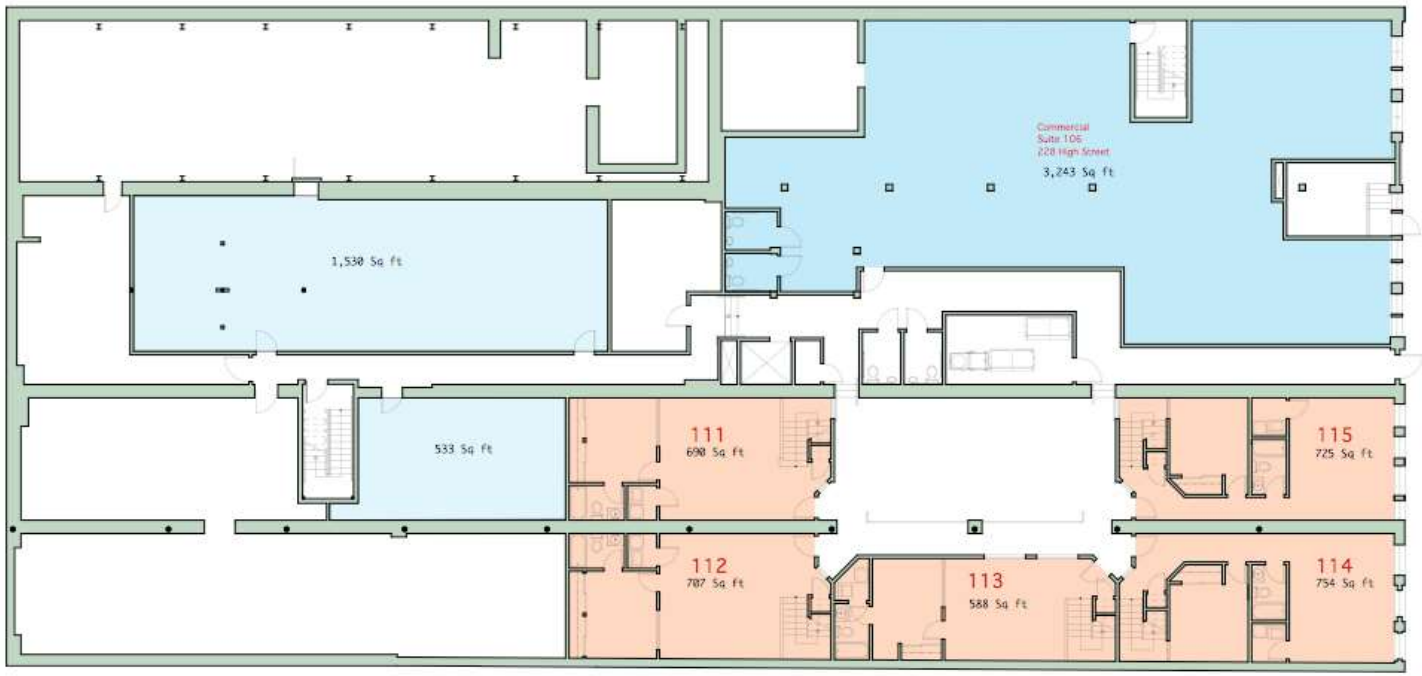
Mercantile Lofts



THE HISTORIC MERCANTILE LOFTS
FINE URBAN LIVING IN DOWNTOWN HAMILTON
228 - 236 HIGH STREET

Level - 3

Mercantile Lofts



The Historic
MERCANTILE LOFTS
Fine Urban Living in Downtown Hamilton
228 - 236 High Street

Market Street Level - 0

Atriums

Bridgeview

Block Building

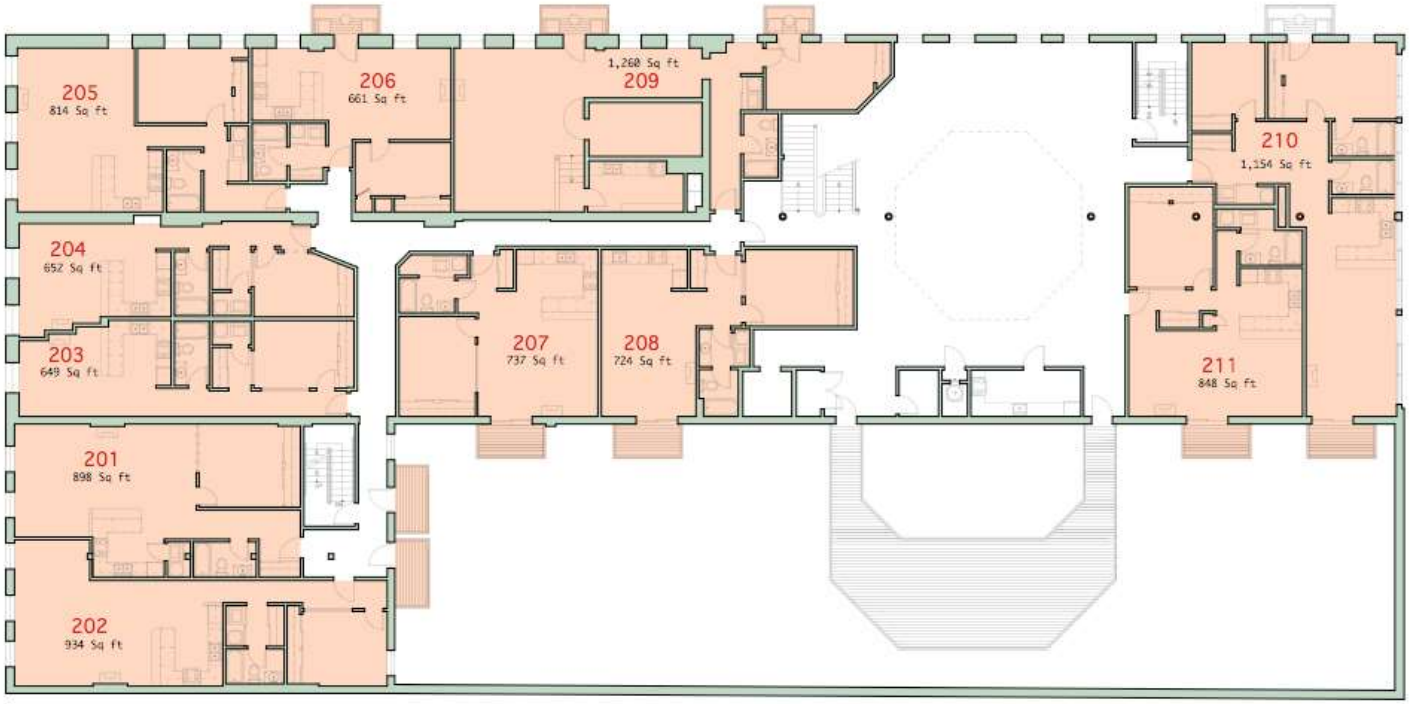
Mercantile Lofts

Mercantile Lofts

Outdoor Spaces

Mercantile Lofts

Mercantile Lofts



THE HISTORIC
MERCANTILE LOFTS
FINE URBAN LIVING IN DOWNTOWN HAMILTON
228 - 236 HIGH STREET

Level - 2

Funding Incentives

Funding Incentives

Federal Historic Rehabilitation Tax Credit - 20% of Qualified Rehabilitation Expenditures (QRE's)

Basic Requirements:

- Building must be historic (National Register designation)
- Proposed use must be income-producing
- Rehabilitation must be substantial
- Project must conform with Secretary of the Interior's Standards for Rehabilitation – subject to review and approval of Ohio Historic Preservation Office (OHPO) and National Park Service (NPS)
- Must retain ownership for 5 years following completion of rehabilitation (no condos)
- Awarded to all qualifying projects – no limitations

Funding Incentives

Ohio Historic Preservation Tax Credit (OHPTC) - 25% of Qualified Rehabilitation Expenditures (QRE's)

Basic Requirements:

- $60 million in tax credits available each year, awarded by Ohio Department of Development in two competitive application rounds – $5 million maximum credit per project.

- Building must be historic (National Register or local designation) and owned by non-public entity (non-profits OK)

- Project must conform with Secretary of the Interior's Standards for Rehabilitation – subject to review and approval of OHPO

- Must demonstrate that OHPTC is a 'Major Factor' in decision to rehabilitate property or increase the level of rehabilitation

- Competitive application scoring based on project's physical and economic characteristics

Funding Incentives

Historic Conservation Easements

Basic Requirements:

- Property must be historic (National Register designation).

- Easements can be granted to eligible non-profits like Heritage Ohio to prevent incompatible changes or additions to the historic property as well as requiring ongoing maintenance.

- Value of the easement, including lost development potential, is considered a charitable donation and is eligible for a tax deduction.

- Strict, closely-monitored IRS rules regarding valuation of easements, the easement-holding entity, etc. – it is critical to seek guidance of experienced professionals and trusted organizations.

Funding Incentives

Potential Additional Funding Incentives for Historic Rehabilitation Projects:

- Community Foundations
- Multiple Citizen Investments (Rawson Block - Findlay)
- Federal New Markets Tax Credits
- Ohio New Markets Tax Credits
- Low-Income Housing Tax Credits (LIHTC) – 9% & 4%
- Tax Increment Financing
- Tax Abatement
- Brownfield Funding (Clean Ohio)
- Energy Saving Incentives
- Community Development Block Grant Funds
- HUD Section 108 Loans
- NSP2 Funds
- Bond Financing (i.e. Port Authority)
- Vacant Property Initiatives

Historic Market Advantage

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The Mercantile Lofts: Success on Main Street


SQUARE
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SHP LEADING DESIGN
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EXIT


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Art Off
Symmes
the American Craft Gallery
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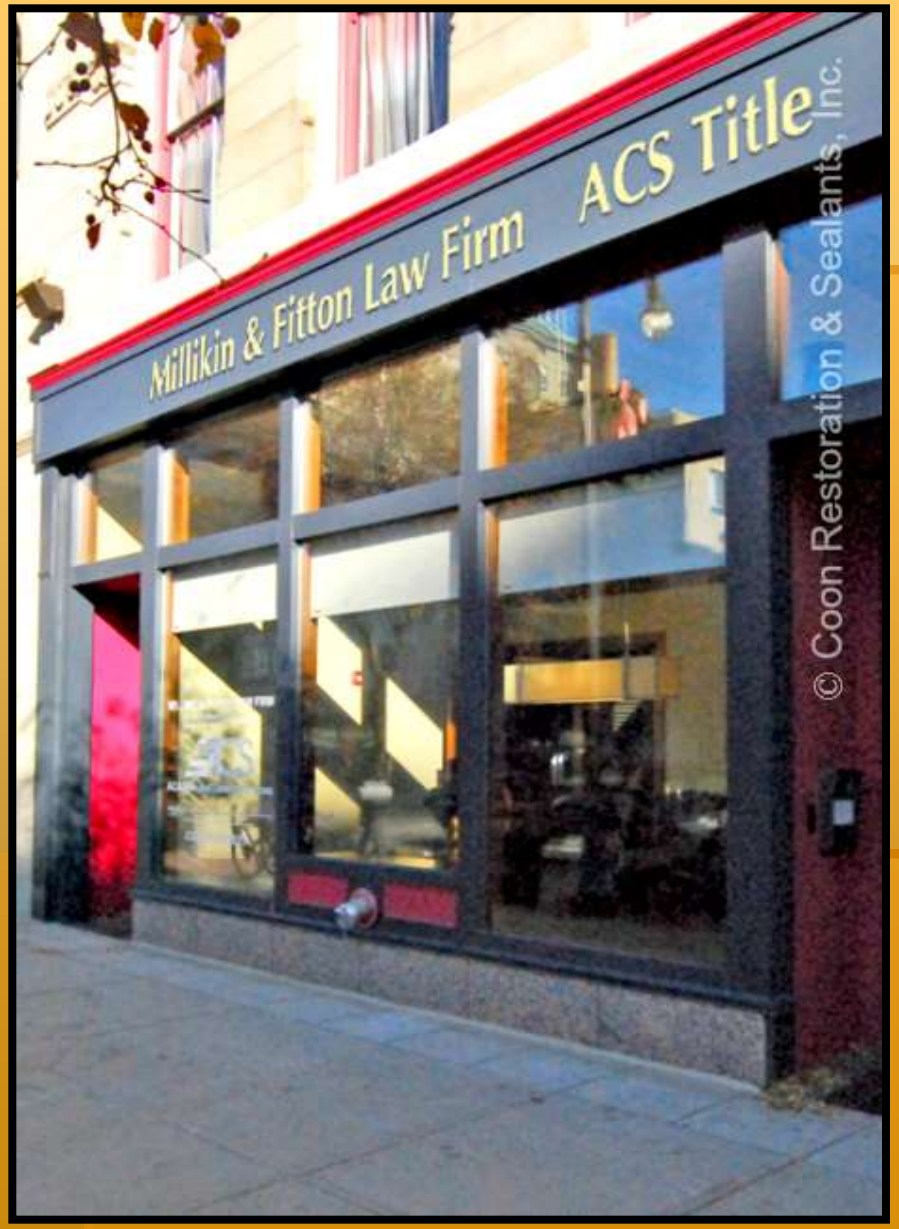
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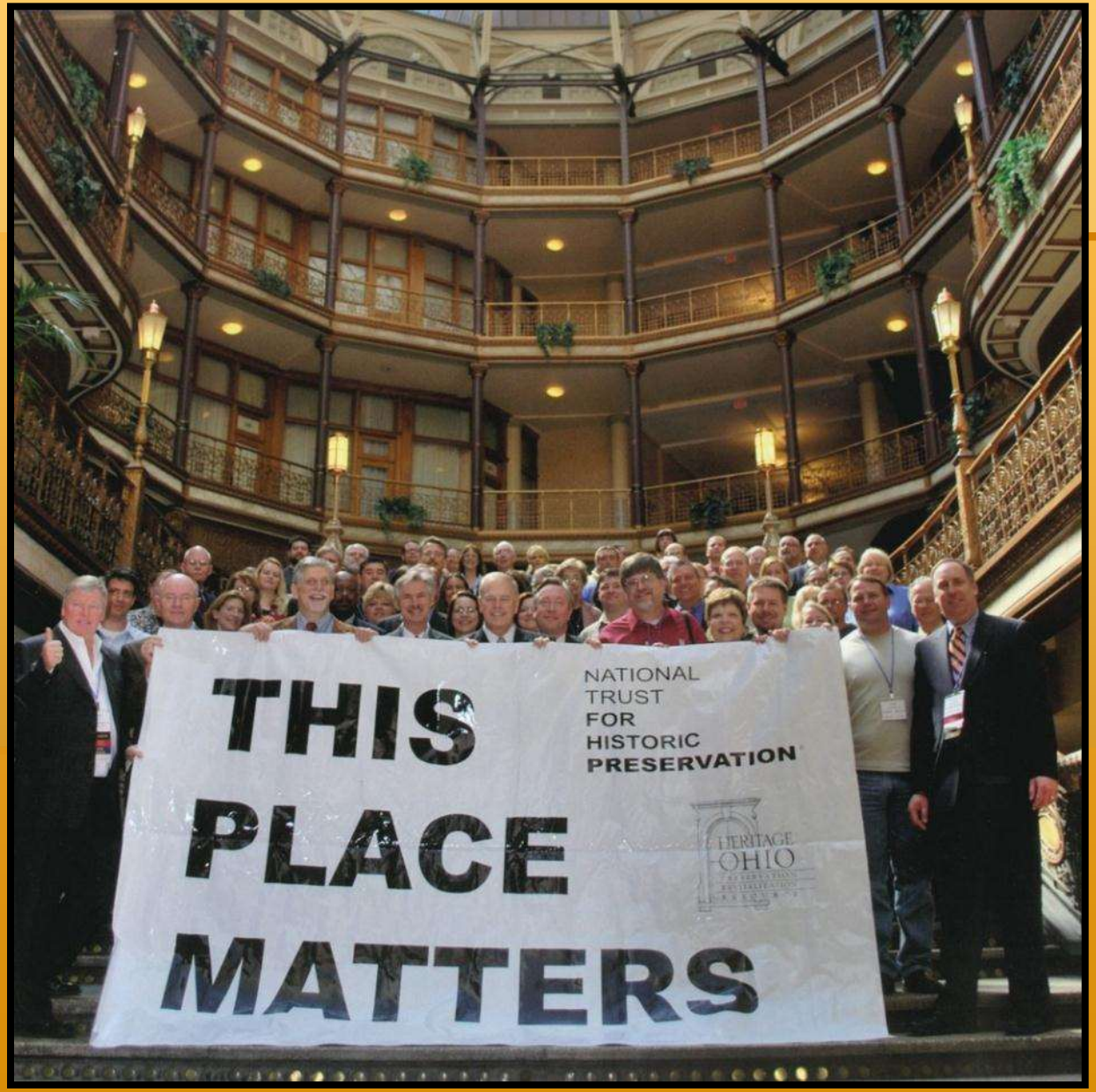
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