



City Signs MOU to Begin Arcade Redevelopment

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The City of Dayton has signed a memorandum of understanding (MOU) with Cross Street Partners (Baltimore, MD) and Dayton-based Miller-Valentine Group to begin redevelopment efforts for the Dayton Arcade.

Cross Street Partners, in conjunction with Miller-Valentine, is in the early stages of seeking housing tax credits that, if successful, will provide 60 affordable housing units targeted for artistic and creative residents in downtown Dayton.

These units would be the first such opportunity in the Dayton region. The first phase of the project will focus on the historic Commercial Building (Fourth at Ludlow) and the Fourth Street apartment building.

"When I started the Arcade Task Force, my biggest concern was to ensure that our efforts would give us enough time to make the best decision for our taxpayers," said Mayor Nan Whaley. "I am excited that we have partnered with a developer who has a long track record in successful adaptive reuse of historic buildings and urban mixed use development."

"The state historic tax credit program, combined with federal historic tax incentives, will help develop the Arcade into something that is new, different and engaging," said Steve Petitjean, Senior Vice President & Market Manager for Fifth Third Bank and Arcade Task Force co-chair.

An application to the Ohio Housing Finance Agency will be submitted in February of this year, with the hope that the project will receive an award later this year and begin development in 2017.

Last year, at the recommendation of the Arcade Task Force, the City Commission voted to award a contract valued at \$700,000 to Miller-Valentine Group's commercial construction division for emergency repairs to the multi-building complex.

David Bohardt, Arcade Task Force co-chair and Executive Director of St. Vincent de Paul said, "By making the necessary emergency repairs, we have given the developer team a chance to assemble a sound project and secure any financing they might need."

The seven-building, 400,000-sq.-ft. property is a challenging project for any developer. However, the unique grouping of buildings and inspirational architecture represents a unique place-making opportunity for Dayton.

"The Arcade has a storied history and tremendous potential as a key anchor for downtown Dayton," said, Bill Struever, Principal, Cross Street Partners. "We (Cross Street) take great joy in creating spaces that bring people and ideas together to create magical, high energy places in cities like Dayton."

Capitalizing on the diverse pool of artistic and creative activities and functions in the Dayton area represents an opportunity to rethink the Arcade as a center for creativity. The upper floors of the buildings are well-suited for a mix of market-rate and affordable residential uses. The presence of creative residents and activities may inspire other investments.

Ed Blake, CEO Commercial, Miller-Valentine Group, said, "Dayton is not unlike many cities that basically have a stock of beautiful and historic buildings that are sitting empty and deteriorating. Once this project is completed, we hope the Arcade will serve as blueprint for other redevelopment ideas."

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