



## Department of Community Development

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240 Columbus Avenue  
Sandusky, OH 44870  
Phone: 419.627.5783  
[www.ci.sandusky.oh.us](http://www.ci.sandusky.oh.us)

### **ECONOMIC DEVELOPMENT INCENTIVE COMMITTEE MEETING AGENDA**

**NOVEMBER 19, 2019**

- I. Meeting called to order
- II. Approval of minutes from October 15, 2019 meeting
- III. Program financial update
- IV. Review of applications
  - a. MARKET STREET COLLECTIVE, LLC
  - b. CHESAPEAKE LOFTS CONDOMINIUM ASSOCIATION
- V. Reminder of next meeting – Tuesday, December 10, 2019
- VI. Public Participation
- VII. Meeting Adjournment

**Economic Development Incentive Committee  
October 15th, 2019  
Meeting Minutes**

**Call To Order**

Ms. Bemis called the meeting to order at 1:34PM.

The following members were present constituting a quorum: Ms. Abbey Bemis, Mr. Paul Koch, and Mr. Greg Voltz. Economic Development Specialist John Storey, and Clerk for the Community Development

Department Kristen Barone were also present.

**Approval of Minutes**

Mr. Koch moved to approve the minutes from the July 9th, 2019 meeting; Mr. Voltz seconded the motion. All members were in favor of the approval.

**Program Financial Update**

Mr. Storey stated that there have been the following activities since last meeting (July):

- i. Lake Erie Shores and Islands small business assistance and signage grants were approved by City Commission to receive a \$14,000 grant for signage. Loris Printing was also approved for small business assistance for \$15,000.
- ii. Small Grants: Balooka Balloons was approved a \$4409.61 small business grant. Toft Funeral Home Crematory was awarded a \$7,500 small business grant for adding another building on their property. ALittle.Life LLC (the "Hub") was granted \$6,242.39.

Mrs. Bemis asked what Swan Song, LLC line item was on the financial spreadsheet.

Mr. Storey stated that was when Director Todd Stevens came and filmed a movie here and asked for city assistance as it related to ensure that he was using downtown hotels and restaurants for his cast of 40 people.

Mr. Koch asked how much of the annual funds are left.

Mr. Storey stated that there is \$155,629.00 left. This is way more money than what is typically left at this point in the year. Next month there are a couple of big projects that are supposed to be getting completed.

Mr. Koch asked if everything was on target for the \$500,000 budget to come back in 2020.

Mr. Storey stated yes.

**Application Review**

**MAGROUP, LLC:** Mr. Storey stated that the first application on the agenda is for Vita Urbana. MAGROUP LLC is the owner's name. The owner is a restaurateur out of Cleveland Ohio. He had a Vita Urbana in Cleveland. The owner asked for \$15,000 in Small Business Assistance Funds and 75% of his total signage costs. Staff and the owner went back and forth a couple of times on that because of a couple of questions on the signage. The total breaks down to \$21,454.00 of what

staff recommends. Model follows some markets that are on the west side of Cleveland. Operation will include a coffee area, bistro area, and a fresh foods market. There is also a small meeting area.

Mr. Koch said that he thinks a fresh market downtown is a good idea.

Ms. Bemis asked what the owner's timeline is for opening.

Mr. Storey replied year end.

Mr. Koch asked if it is all renovated.

Mr. Storey said that they are close. He said fixtures are in, just need shelving yet.

Mr. Koch made motion to approve the request as recommended by the city. Mr. Voltz seconded the motion. All in favor.

**CHESAPEAKE LOFTS CONDOMINIUM ASSOCIATION:** Mr. Storey stated that the second application on the agenda is The Chesapeake Lofts Condominium Association. Mike Meyer as well as a few others have been involved with the application. The building was constructed in the 1920's by the Hinde and Dauch Paper Company. The building stopped occupying any notable tenants in 1992. In 2005 construction began to restore the sight into 195 residential condominiums. There is a commercial space within the building, which is what brings it into the Economic Development Incentive Committee purview as a mixed use property. The east, south, and a section of the west parapet wall of the building was covered with a latex foam that was applied in the 1990's to prevent the deterioration of the building façade. This project includes the removal of the foam encapsulation material and restoration of the parapet wall bricks and mortar. The project is to be completed in three phases. The south side phase includes restoration of the original "Hinde & Dauch Paper Co" building name. This project costs \$355,000. They asked for the city to pay for the full amount. Staff recommends paying 17% of the total cost, which is \$60,000, to fund the phase two repair and restoration work to the south side wall of the building, where the "Hinde & Dauch Paper Co" name is located. The recommendation is intended to take this nationally historic recognized and registered building to look pretty, take away the foam that is damaging the building, and put back a 1920's business sign, that staff thinks will be well received by the community.

Ms. Bemis stated that the timeline given is generous and asked if this is how long this kind of work generally takes.

Mr. Storey stated that this project is probably going to take 24 months due to the size of the building. He stated that staff were trying to line up the investment with when Shoreline Drive is opening back up, as well as the Jackson Street Pier.

Mr. Koch asked if they currently have one storefront and if there are restrictions on other storefronts being in that building.

Mr. Storey stated that to his knowledge no.

Mr. Voltz stated that there is a storefront on Shoreline Drive.

Ms. Bemis asked if it is occupied.

Mr. Voltz said no.

Mr. Koch asked if that is why the building is zoned mixed use is because of that space.

Mr. Voltz stated yes.

Mr. Koch said that he is not a fan of the city throwing in money for this project because of it being a residential space and then having homeowners coming in asking for assistance. He asked if they have collected or issued an assessment.

Mr. Storey stated that he does not know if they have issued an assessment.

Ms. Bemis stated that this feels out of place for her as well and she does have concerns about opening up a can of worms for all of the properties.

Mr. Koch asked if staff collect financials.

Mr. Storey stated that staff do and that staff verified that they have sufficient reserves/funding

Mr. Koch stated that he could see paying for the "Hinde & Dauch Paper Co" sign to some degree.

Ms. Bemis said that historically the committee does not typically vote against staff's recommendations.

Mr. Koch stated that this is a hard no for him right now.

Ms. Bemis stated that she would like to hear what other committee members think about this being an appropriate use of funds, but her mindset is the same as Mr. Koch's as of right now.

Mr. Koch stated that he would like the applicant to come back with a number on what it costs to restore the "Hinde & Dauch Paper Co" name on the building.

Mr. Voltz stated that they have done this treatment already on the northwestern portion of the building.

Ms. Bemis asked Mr. Voltz what his mindset is.

Mr. Voltz stated that he doesn't have a comment at this point.

Ms. Bemis stated that she would like to go see what has been done and see what the other committee members think.

Mr. Voltz asked if the committee should table the application.

Ms. Bemis moved to table the application until the next meeting and asked if in the meantime Mr. Storey could find out what the cost is for just the signage.

Mr. Storey said he could do that.

Mr. Koch seconded the motion. All members in favor of the motion.

### **Next Meeting**

The next meeting will be November 12th, 2019 at 1:30pm, 2<sup>nd</sup> floor.

Mr. Storey explained that the City Commission meeting is the evening before. Mr. Storey stated that he anticipates a flurry of paperwork coming in before the end of the month and therefore a longer meeting.

### **Adjournment**

With no further business Ms. Bemis moved to adjourn. Meeting ended at 2:08pm.

APPROVED:

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Kristen Barone, Clerk

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Ms. Bemis, Acting Chairman



ECONOMIC DEVELOPMENT FUNDS											
	<u>2018 Carryover</u>	<u>New Funds</u>	<u>Beginning Balance</u>	<u>Date Approved</u>	<u>Committed</u>	<u>Spent</u>	<u>Revenue</u>	<u>Ending Balance</u>	<u>Total Project Cost</u>	<u>New Jobs</u>	<u>Notes</u>
	\$ 493,103	\$ 500,000	\$ 755,230					\$ 134,175		51.5	
<u>Substantial Development</u>											
Resort School, LLC				1/21/2019	\$ 390,000.00	\$ 150.00	\$ 150.00		\$ 13,600,000.00	12.0	\$150,000-2020; \$120,000-2021 390 = 240 (carryover) + 150K (2019)
Renaissance Too, LLC				6/11/2019	\$ 76,875.00	\$ 150.00	\$ 150.00		\$ 1,210,000.00	2.0	\$25,625 (committed from 2020 funds)
<u>Façade</u>											
Wilken Custom Heating				3/12/2019	\$ 9,500.00	\$ 150.00	\$ 150.00		\$ 16,000.00	0.0	
Erie Residential Living, Inc				4/9/2019	\$ 9,411.50	\$ 150.00	\$ 150.00		\$ 18,823.00	0.0	
HavinFun, LLC				6/25/2019	\$ 7,500.00	\$ 150.00	\$ 150.00		\$ 26,818.00	0.0	Staff approved
<u>Signage</u>											
Elite Wellness Group, LLC				2/12/2019	\$ 460.35	\$ -	\$ -		\$ 613.81	0.0	
Therapy Pros, LLC				3/12/2019	\$ 324.64				\$ 432.86	0.0	
Chris Andrews, LLC				3/28/2019	\$ 7,500.00	\$ 150.00	\$ 150.00		\$ 53,481.75	0.0	Staff approved
Maca Root Juice Bar & Eatery, LLC				7/11/2019	\$ 2,858.24	\$ 150.00	\$ 150.00		\$ 3,810.98	0.0	Staff approved
Magroup, LLC				10/28/2019	\$ 6,454.00	\$ 150.00	\$ 150.00		\$188,605.00	0.0	
<u>Small Business Assistance</u>											
Elite Wellness Group, LLC				2/12/2019	\$ 7,500.00	\$ 150.00	\$ 150.00		\$ 31,371.60	3.5	
North Shore Running Store, LLC				2/12/2019	\$ 8,520.00	\$ 150.00	\$ 150.00		\$ 22,463.42	1.5	
TowBoat Marine, LLC				3/12/2019	\$ 10,000.00	\$ 150.00	\$ 150.00		\$ 39,860.00	4.0	
Therapy Pros, LLC				3/12/2019	\$ 7,500.00	\$ 150.00	\$ 150.00		\$ 15,645.98	2.5	
The Crooked Canvas				4/9/2019					\$ 37,215.00	1.0	Staff approved / Rescinded
Doughin' Crazy, LLC				5/9/2019	\$ 7,500.00	\$ 150.00	\$ 150.00		\$ 24,602.50	2.0	Staff approved
Custom Sign & Design, LLC				6/11/2019	\$ 15,000.00	\$ 150.00	\$ 150.00		\$ 83,935.00	3.0	
Balooka Balloons, LLC				7/19/2019	\$ 4,409.61	\$ 150.00	\$ 150.00		\$ 9,667.71	2.0	Staff Approved
Toft Funeral Home & Crematory, LLC				7/25/2019	\$ 7,500.00	\$ 150.00	\$ 150.00		\$ 43,050.00	2.0	Staff Approved
Loris Printing, Inc.				7/22/2019	\$ 15,000.00	\$ 150.00	\$ 150.00		\$ 80,650.00	2.0	
Alittle.Life, LLC (the Hub)				9/11/2019	\$ 6,242.39	\$ 150.00	\$ 150.00		\$ 23,594.24	6.0	Staff Approved
Magroup, LLC				10/28/2019	\$ 15,000.00	\$ 150.00	\$ 150.00		\$188,605.22	8.0	
<u>Miscellaneous</u>											
Erie County Chamber - Fundraiser				2/22/2019	\$ 1,000.00				N/A	0.0	Taste of Northcoast Fundraiser
Swan Song, LLC				5/14/2019	\$ 5,000.00				N/A	0.0	ED assistance to help with production

Committed - Not Yet Paid:		
Renaissance Too, LLC	\$ 90,000.00	
Marous Development Group	\$ -	Rescind
Gundlach Sheet Metal Works, Inc	\$ 50,000.00	PAID
H2 Property Management	\$ 35,000.00	PAID
USBIR, LLC	\$ 2,157.45	PAID
Peerless Stove & Manufacturing Co.	\$ 9,215.19	PAID
Lake Erie Shores & Islands	\$ 4,000.00	
Mimi Too Daycare	\$ -	Rescind
Omeca, Inc.	\$ 9,500.00	
Lake Erie Shores & Islands	\$ 10,000.00	
LUCO-Wes Properties	\$ 4,000.00	
Pacific Collective	\$ 9,000.00	PAID
Mimi Too Daycare	\$ -	Rescind
Rooted Juice Bar	\$ 7,500.00	PAID
Hobbs Lock & Key	\$ 7,500.00	PAID
TOTAL	\$ 237,872.64	

Carryover (Rounded):	
Committed - Not Yet Spent	237,872.64
Marous Rescind	100,000.00
USBIR Reduction	5,342.55
Clean & Safe Rescind	40,000.00
2018 Carryover	40,000.00
Firelands Northcoast Rescind	15,000.00
Mimi Too Rescind	4,392.74
Repayments	50,495.00
TOTAL	493,102.93

Application  
should be in name of property owner:

Applicant / Borrower Company:

**Collective Projects, LLC**

MARKET STREET COLLECTIVE, LLC

(Applicant Name)

(Title)

(Company Name – if different than Applicant Name)

**20 South 3rd Street**

(Street Address)

**Suite 210**

(Suite, Apt, etc.)

**Columbus OH 43215**

(City, State, Zip)

**855-955-1041**

(Phone Number)

**84-2091693**

(Federal Tax ID or last 4 of SSN)

**hello@collectiveprojects.org**

(Email)

**855-955-1041**

(Fax Number)

**Existing Business Information:**

Type of Business: ☒ Commercial ☐ Retail ☐ Service  
☐ Other \_\_\_\_\_  
 Legal Structure: Limited Liability Company  
 Primary Product or Service: Real Estate Services  
 Date Established: June 2019 NAICS-SIC Code: 531120  
 Website (if applicable): www.collectiveprojects.org

**Principal Officers / Owners:**

Name / Title: Rahul Paliwal, Manager  
 Email: rp@pacificcollective.com Phone: 855-955-1041 x701  
 SSN (last 4): 0870 % Ownership: ~~20%~~

Name / Title: David Yanko, Manager  
 Email: dmy@pacificcollective.com Phone: 855-955-1041 x702  
 SSN (last 4): 3929 % Ownership: ~~20%~~

Name / Title: Collective Opportunity Fund I LLC  
 Email: (Delaware Limited Liability Co) Phone: \_\_\_\_\_  
 SSN (last 4): \_\_\_\_\_ % Ownership: 100%

Name / Title: \_\_\_\_\_  
 Email: \_\_\_\_\_ Phone: \_\_\_\_\_  
 SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

**Location of Proposed Project:**

317 E Washington Street

(Address)

Sandusky, OH 44870

(City, State, Zip)

Erie, OH

(County)

If a relocation, indicate from where \_\_\_\_\_

**Project Type:**

☒ Renovation      ☐ Expansion      ☐ Start-Up/New Construction

**Applicant / Business Background Information:**

Please provide a brief summary about your background and experience. Please also provide historical information regarding the building or property at which the business will operate, including but not limited to the most recent building use (attach additional page if necessary).

The project is the former Kreimes Cardinal Grocery, located at 317 E Washington Street in Downtown Sandusky. Built in 1948 and vacant since December 2017, our vision for the development is to create a micro food hall providing guests with fast casual food and beverage options in an inviting atmosphere.

Collective Projects is manager to this project. Its founders, Rahul Paliwal and David Yanko have syndicated projects for multiple funds including food and beverage concepts and other retail storefronts. Current and past projects worked on together total over \$20 million in assets and include a network of nearly 30 investors - friends and family high net worth individuals and family offices.

**Project Description:**

Please provide a brief description of the project to be undertaken for which City assistance is being sought (attach additional page if necessary).

Meet, eat, drink, play, listen, laugh, hang out, and discover.

This indoor-outdoor venue is centered around a micro-distillery and public piazza, with a craft coffee roastery, deli-bakery, three food stalls, cocktail bar, ice creamery and entertainment venue. This micro food hall is helping define a new neighborhood full of character on the edge of historic downtown Sandusky. Local food entrepreneurs will be able to share their craft with neighbors, boaters, and guests visiting the area from near and far.

Building improvements include complete façade enhancements, the construction of a patio, and entryways that create an indoor/outdoor environment for all guests to enjoy.

**Business/Personal References:**

Name / Title: Mr. Dale Coffman, Owner - REMAX Quality Realty Sandusky  
Email: dalecoffman@remax.net Phone: 419.621.7212  
Relationship: Listing agent for property sale

Name / Title: Mr. Dan Einzig, Owner - Mystery Design  
Email: dan@mystery-design.com Phone: 310.437.9029  
Relationship: Vendor/Consultant

Name / Title: Mr. Sean Wall, Vice President - Hannah Commercial  
Email: seanwall@hannacre.com Phone: 216.861.5498  
Relationship: Commercial property agent

~~\$1,039,000.00~~

\* Need to show where  
\$126,600 will come from  
if City can grant \$130K.

**Project Source & Use Of Funds:**

Break out total project costs by use of funds and allocate each use cost by source (attach additional page if necessary) (total of B+C+D should = A).

(A) Total Project Cost (itemize below): \$2,175,915

\$515,000 land and property

\$1,176,750 hard costs

\$74,250 TIs/LCs

\$219,344 Soft Costs

\$190,571 Interest, financing, fees, contingency

(B) Owner Equity (dollars and source): \$

\$613,766 (owner equity + private financing)

(C) Private Lending (dollars, source, and terms): \$

\$1,305,549 (construction loan)

(D) Request for City Assistance (dollars and type): \$

\$256,600 (substantial improvement grant)

**Project Timeline:**

Please outline the project timeline. Please include expected completion dates for items including but not limited to obtaining site control, obtaining financing, and construction.

	<u>Start</u>	<u>Complete</u>	<u>N/A</u>
<u>Site Control</u>		09/2019	
<u>Financing</u>	09/2019	12/2019	
<u>Construction</u>	01/2020	05/2020	
<u>Other</u>	Grand Opening 06/2020		

**Project Impact and Employment:**

	Current Year	Year One	Year Two	Year Three
Annual Sales Revenue	-	\$2,200,000	\$2,420,000	\$2,541,000
Annual Payroll	-	\$404,180	\$459,180	\$482,790
Current Employment (FTE)	-	10*	12*	13*
Average Pay Per Employee	-	\$40,418	\$38,317	\$37,138

\*Employment figures represent only workers for the master operator and not for individual food stall businesses

**Project Concept:** Use the space below to address the following:

- How does the proposed project relate to a strategic approach to revitalization of the surrounding area?
- Will the project contribute to a change in the market dynamics, economic status, physical appearance or perception of the area?
- Does the project address specific area needs or missing services?

The project sits in a qualified opportunity zone, an area targeted by the federal government and approved by the State for tax benefits as a result of its revitalization. As Sandusky undergoes its retail renaissance, this food hall will be a vital component in the City's ability to attract outside visitors to downtown, while providing residents with much needed food choice. We will do this by providing fast casual options and some limited fresh foods with the local community - residents, workers, boaters, and college students - as well as visitors in mind.

#### **Expected Job Creation**

- 8-10 temporary full and part-time jobs (construction)
- 3-4 permanent salaried jobs\*
- 7-10 permanent hourly jobs\*
- Business ownership opportunity to food entrepreneurs

\*Employment figures represent only workers for the master operator and not for individual food stall businesses



**Attachments:**

The following should be submitted with your ED Application:

- ☐ Map showing location of Project or business
- ☐ Three years of historical financial statements (if applicable)
- ☐ Three years of projected financial statements (if applicable)
- ☐ Interim financial statements, not more than 90 days old (if applicable)
- ☐ Personal financial statements for each equity holder that maintains over 25% equity
- ☐ Tax returns for most recent 2 years (business and personal)
- ☐ Sources of financing including evidence of private funds and matching funds
- ☐ Third party cost estimates, **INCLUDING RENDERINGS** (if applicable)
- ☐ Lease agreement, purchase agreement, or other proof of ownership/site control

**Attestation of Financial Condition:**

Do you or your business have any of the following:

	YES	NO
Outstanding collections		X
Judgement liens		X
Other court judgements		X
Delinquent taxes		X
Delinquent loans		X
Other tax liens		X
Previous bankruptcy		X
If yes to bankruptcy, has it been fully discharged?		X
Real estate that is tax delinquent		X
Code violations		X
Non-registered rental units		X
Real estate that is in foreclosure		X

**Submission Acknowledgment**

The undersigned certifies that he/she is authorized to complete, sign and submit this application on behalf of the applicant/owner. Further, the undersigned certifies that the information contained in this application has been reviewed by him/her and that all information, including exhibits, are, to the best of his/her knowledge, complete and accurate and presents fairly the condition of the applicant and project accurately. Intentionally falsifying information in this document constitutes a criminal offense. The undersigned hereby authorizes the City of Sandusky to investigate the credit worthiness and of the undersigned, and/or applicant. The undersigned understands that information submitted to the City of Sandusky as part of this application is considered a public record. The undersigned also agrees to display signage showing City support on their property for up to one (1) year after project completion.

The undersigned understands that additional information may be required to finalize the approval process, and that, if the project is funded, **Economic Development funds cannot pay for projects completed before grant approval and notice of award.** The undersigned also understands that the submission of the application for financial assistance does not automatically constitute approval.

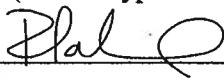
The undersigned understands that if the business or enterprise receiving grant funding moves or relocates to a different location outside of the municipal boundaries of Sandusky within three (3) years from the effective date of the grant agreement, that the grant funding will be rescinded in its entirety and the undersigned waives any right or claim to the awarded funding. This provision does not include businesses or enterprises that cease operations and close or that open up additional locations outside of the municipal boundaries of Sandusky while maintaining their funded location within the Sandusky city limits.

☒ **By checking this box, I acknowledge that I have read, understand, and agree to the policies and procedures outlined in this document. I further agree to be interviewed, photographed and/or have my business photographed for Economic Development marketing purposes. If you have questions, please contact the Department of Community Development.**

Company Name: Collective Projects, LLC

By: Rahul Paliwal, Owner

(Print or type name and title)



(Signature)

10/31/19

(Date)

Inter-Office Use Only

State the date, time, and City staff member(s) present at the pre-application meeting:

Multiple Dates/times over 2018-19

Date of Completed Application Submittal: 10/31/2019

Staff Reviewer: JOHN STOREY

Date of Committee Review: 11/19/2019

Approve/Deny: \_\_\_\_\_

Amount Awarded and terms: \_\_\_\_\_

CONTACT

Mr. Matt Lasko, Chief Development Officer  
Department of Community Development  
222 Meigs Street  
Sandusky, Ohio 44870

Phone: 419.627.5707  
Email: mlasko@ci.sandusky.oh.us

**November 19, 2019**

**EDIC SUMMARY**

**Economic Development Incentive Committee Summary (Staff Level)**

**MARKET STREET COLLECTIVE, LLC (or its affiliates and assigns)**

**APPLICANT:** Mssrs. David Yanko and Rahul Paliwal  
20 South 3<sup>rd</sup> Street, Suite  
Columbus, Ohio 43215

**CORPORATE STRUCTURE:** Delaware Limited Liability Company

**PRINCIPAL/% OWNERSHIP:** COLLECTIVE OPPORTUNITY FUND I, LLC

**PROGRAM APPLIED FOR:** Substantial Development Grant

**RECOMMENDATION:** \$139,609.40 Substantial Development grant to be approved by the EDIC Committee and voted upon by City Commission per program guidelines; contingent upon obtaining title/lien reports, obtaining all relevant permits (if necessary), submitting before and after photographs (if necessary), and displaying a sign evidencing City of Sandusky support for one year after project completion. This project will be complete by December 31, 2020.

**BACKGROUND**

Market Street Collective, LLC (the “Company”) was formed in 2019 to purchase the Kreimes Cardinal Grocery site (the “Property”). The Property has remained vacant since December 2017 and the Applicant intends to develop this Property into a micro-food hall providing fast casual and beverage options. The Applicant has experienced managing, operating, and syndicated projects for multiple funds, including food, beverage, and food-hall projects.

**PROJECT DESCRIPTION**

This development project is centered around the build-out of a micro-distillery and public piazza with a craft roaster, deli-bakery, three (3) food stalls, cocktail bar, ice creamery, and entertainment venue. This project’s goal is into develop and activate a now vacant site on the eastern edge of downtown. Improvements to the Property and building will include: (i) complete façade enhancements; (ii) patio construction; (iii) construction of a microdistillery; (iv) construction of a public piazza; (v) buildout of food stalls and a coffee roaster; and (vi) creation of new entryways to facilitate an all-weather environment for patrons and visitors enjoyment.

**PROJECT FINANCING**

The project sources and uses are as follows for the Substantial Development grant assistance:

## Uses

Acquisition Costs	\$515,000
<i>Hard Costs and buildout</i>	<i>\$1,176,750</i>
Tenant Improvements / Landlord	
Commissions	\$74,250
<i>Soft Costs</i>	<i>\$219,344</i>
Interest, Fees, Financing, Contingency	\$190,571

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<b>Total</b>	<b>\$2,175,915</b>
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## Sources

Construction Loan	\$1,305,549 (60%)
Owner Equity	\$730,756 (33.5%)
<i>SUBSTANTIAL DEVELOPMENT GRANT</i>	<i>\$139,610 (6.5%)</i>
<b>Total</b>	<b>\$2,175,915 (100%)</b>

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The recommended total grant amount of \$139,609 in substantial development grant dollars constitutes 10% of the total eligible project costs (Hard costs and buildout & soft costs), and approximately 6.5% of the total project cost. The staff recommendation is based off recent award to very similar projects – with regards to total project costs, employment, payroll and revenue projections and location. \$130,000 of this grant shall be allocated from the 2019 budget with the remaining \$9,610 to be allocated from the 2020 budget.

## FINANCIAL SUMMARY – BUSINESS

Annual Sales Revenue (YR1 = \$2,200,000, YR2 = \$2,420,000, YR3 = \$2,541,000). Payroll (YR1 = \$404,180, YR2 = \$459,180, YR3 = \$482,790). Employment will go from ten full time employees in year one (immediately) to projections of twelve employees in year two and thirteen employees in year three..

## RECOMMENDATION

Staff is recommending and approving a \$139,609.00 Substantial Development grant to support this project – in line to what has been recently awarded to very similar projects in terms of economic output, square footage redeveloped and location. This grant will also aid in developing and activating a vacant space in the 300 block of E. Washington Street on the eastern edge of downtown. Upon project completion, the City will have a fully developed space unlike any other space in the city and region to serve the citizens of the City and visitors alike.



# Market Street Collective

A Craft Hall

317 E. Washington Street  
Sandusky, Ohio



A Collective Projects™ development

# A Collective Projects™ Development

This is neither an offer to sell nor a solicitation of an offer to buy any holding in current or targeted assets held by Collective Projects, LLC (Collective Projects); an offering is only made by prospectus and the provision of offering documents. This information must be preceded or accompanied by a Collective Projects prospectus in order to understand fully all of the implications and risks of that investment. Neither the Attorney General of the State of Ohio nor any other state regulators have passed on or endorsed the merits of any Collective Projects offering. Any representation to the contrary is unlawful. Investing in any asset held by Collective Projects includes significant risks.



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# The Concept

# Eat. Drink. Engage.

Even with the explosive growth of food halls in the past five years, there is still something missing. People are wanting to participate and co-create in experiences that go beyond one-dimensional transactions.

Culinary experiences today need to be about our relationship to food and to each other.

Collective Projects is pleased to present a unique concept - a multi-sensory, multi-dimensional craft hall with curated food & beverage options.

Here, a bar-anchored market hall will be combined with packaged goods retail and a culinary maker's space.





# Craft Hall

The Craft Hall is that next evolution of the market hall where the fourth place is one of discovery; localized and programmed for the lifestyles, desires, and tastes of the community.

Here, there is transparency into the art of the craft. Open kitchens, dialogue with chefs, and on-site classes make this a true experience for customers.

Local chefs' creations will be combined with a workshop and flex space giving the community a true "fourth place" to eat, drink, and engage.

Flex space will allow the Craft Hall to transform from dawn to dusk and from general business to special events.



# Community Benefits

With this development we address the opportunity to contribute to the economic vitality and quality of life along Lake Erie.

## Local Hiring Initiatives

Concerted focus on local hiring for the construction, marketing, and operations of the business.  
8-10 temporary jobs and 15-20 permanent jobs.

## Encouraging Entrepreneurship

Through our multi-dimensional projects we bring opportunities to budding entrepreneurs looking to transform their communities.

## City Impact

Full-time, part-time, and temporary jobs are created at each project, which in turn generates many thousands of dollars of annual tax revenues.

## Serving a Need

The closure of Kreimes Grocery exacerbated a lack of food choice. We look to provide affordable food options to the neighborhood.



**Sandusky**

317 E Washington St

## Craft Hall

**Eat. Drink. Engage.**

Addressing food choice while encouraging entrepreneurship

# Market Street Collective

317 East Washington Street  
Sandusky, Ohio 44870



# Property Overview

Property Address	317 E Washington St Sandusky, OH 44870
Location	Downtown Sandusky Entertainment District
Zoning	Retail / Supermarket
Lot Size	48,482 sq ft
Building Size (GLA)	11,250 sq ft
Parking	60+ spaces
Street Frontage	142' (E Washington St.); ~150' (E Front St.)
Ceiling Height	Approximately 18'
# Parcels	5





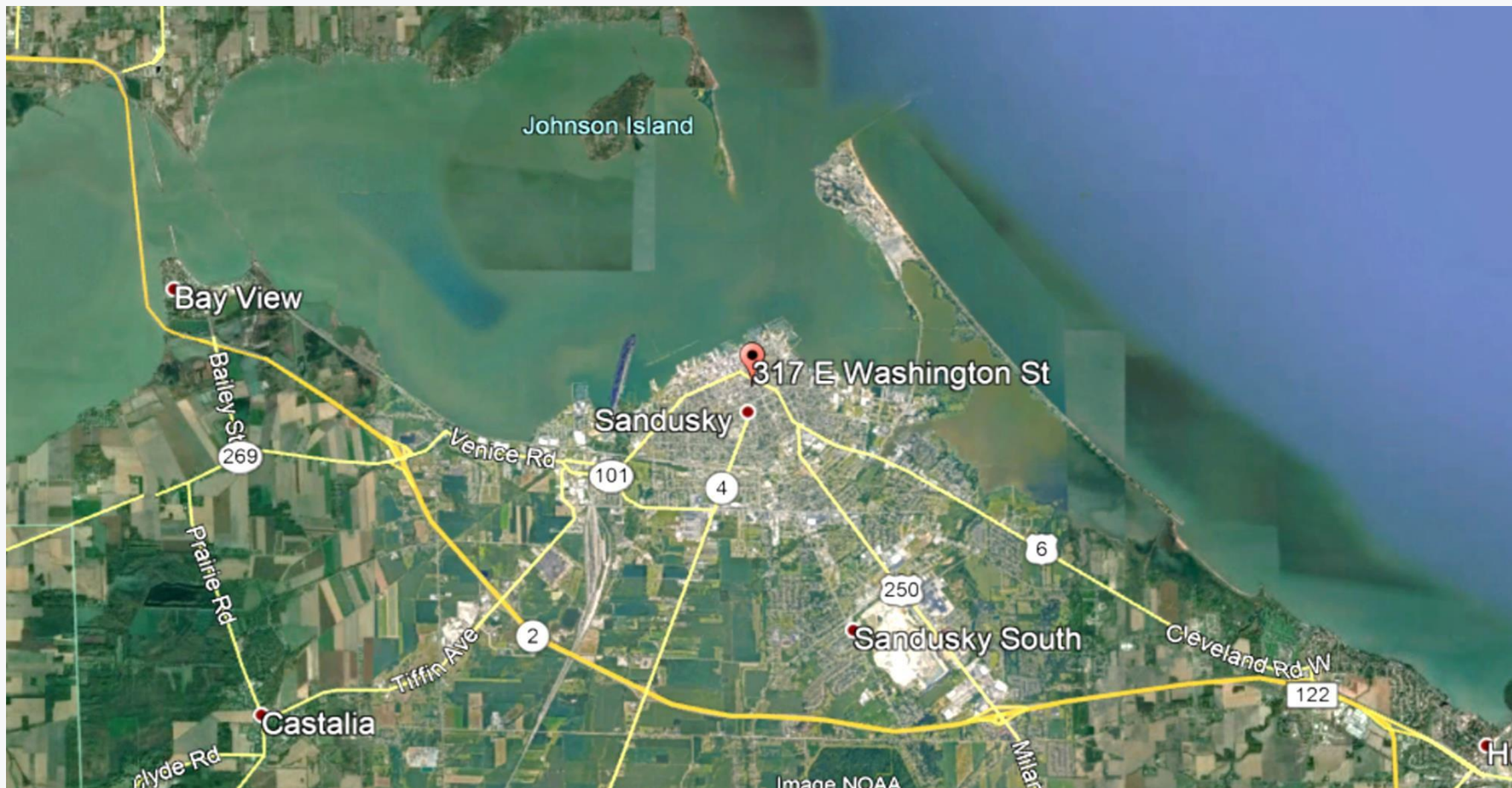
# 317 E. Washington St. Sandusky, Ohio

This mid-century grocery store was built in 1948 and has been vacant since the end of 2017.

Situated on East Washington between Hancock and Franklin, it is just a block and a half from the shores of Lake Erie and from the center of Downtown Sandusky.

This development presents a great opportunity to support the local boating community as well as the wider neighborhood.











# Master Site Plan





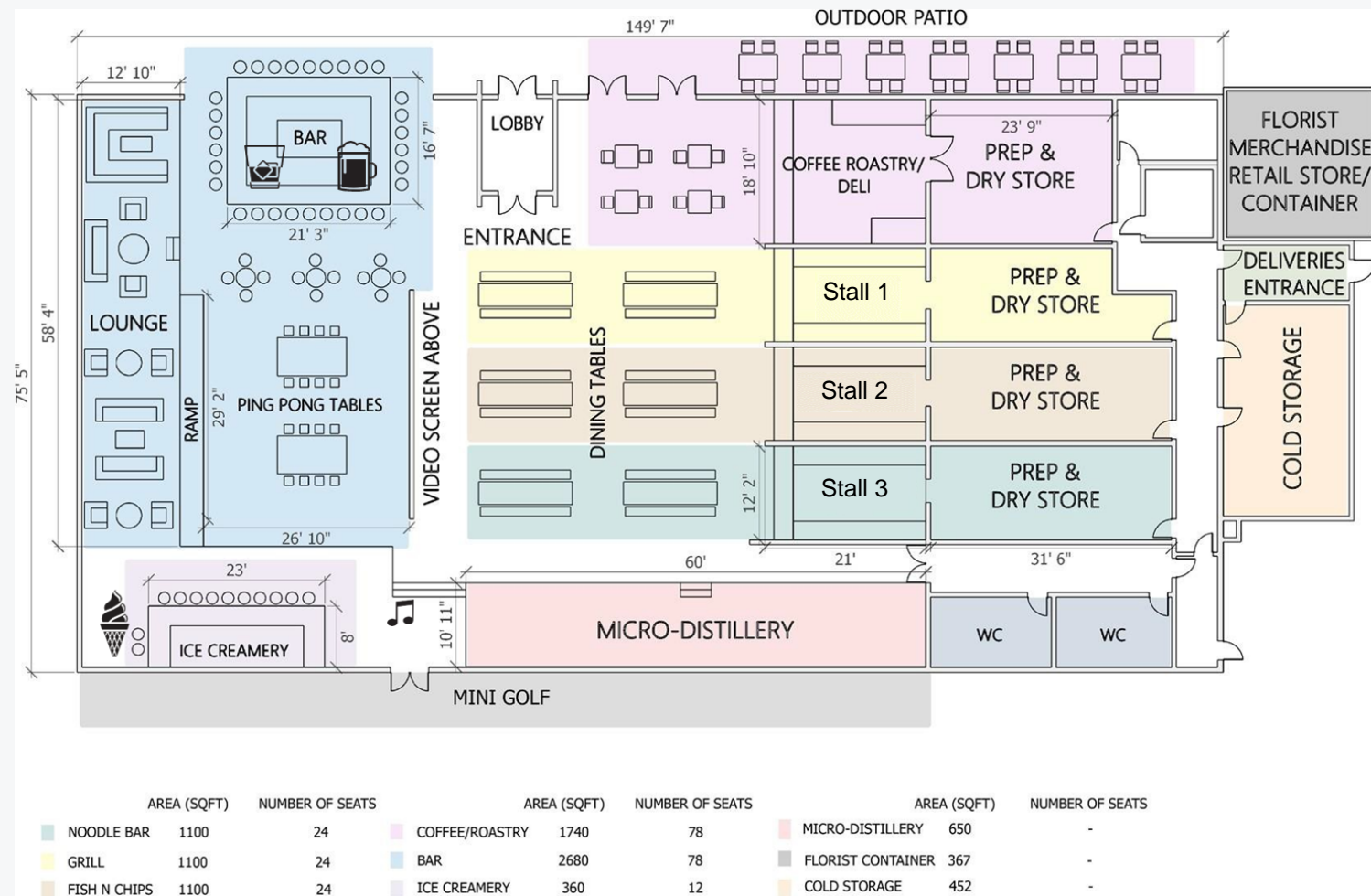








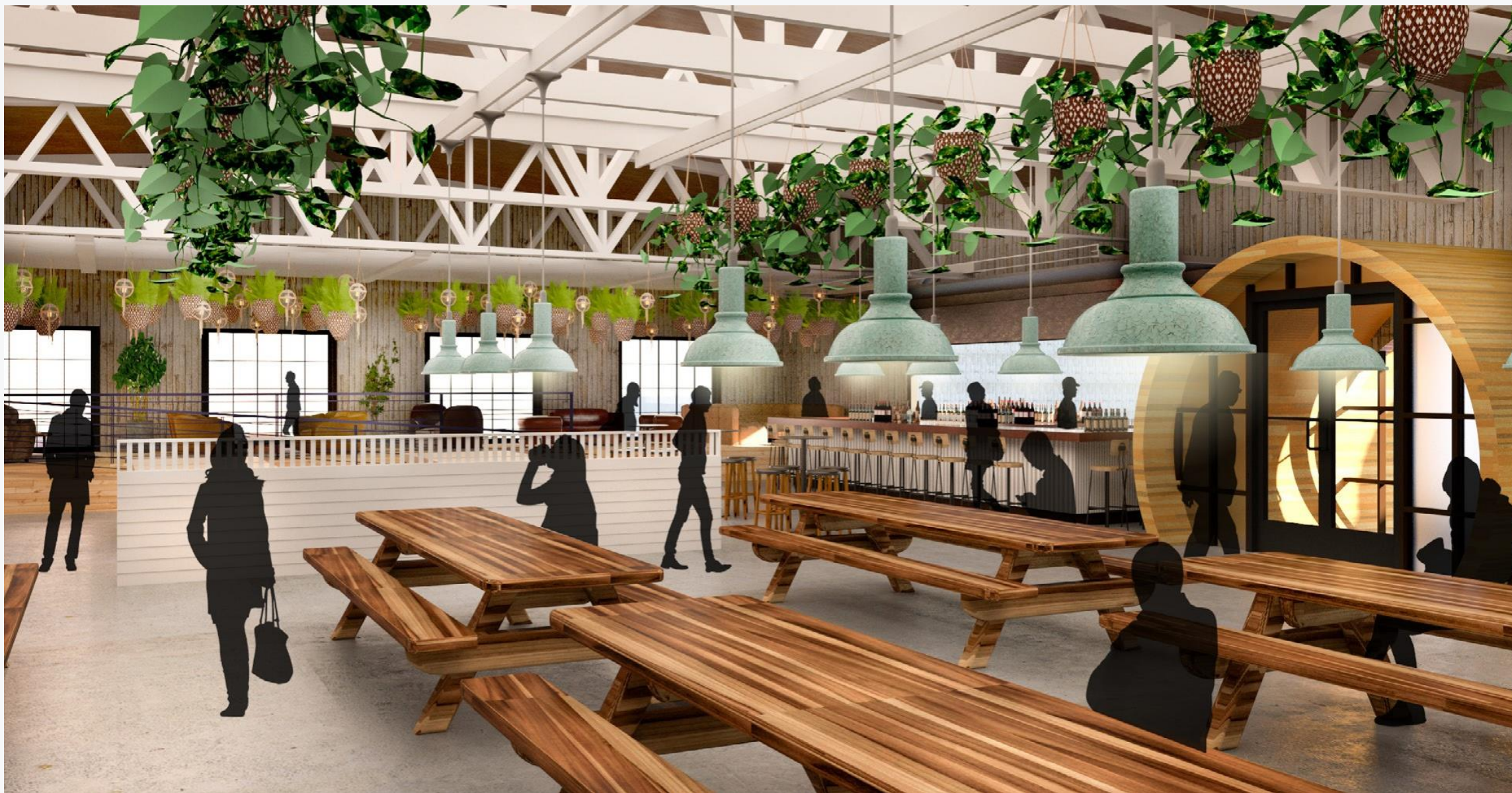
# Programming Plan





















# Inspiration – Materials & Finishes



Exposed Brick



Up-cycled Nautica



Warm Wood Tables



Copper Distillery



Corrugated Steel



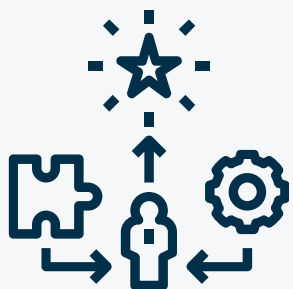
Whitewashed Wood

# Company and Partnerships



# We Build Shared Opportunity

We are a real estate development company that envisions, plans and creates places that give all people involved the ability to better their lives and the lives of others.



## Collective Expertise

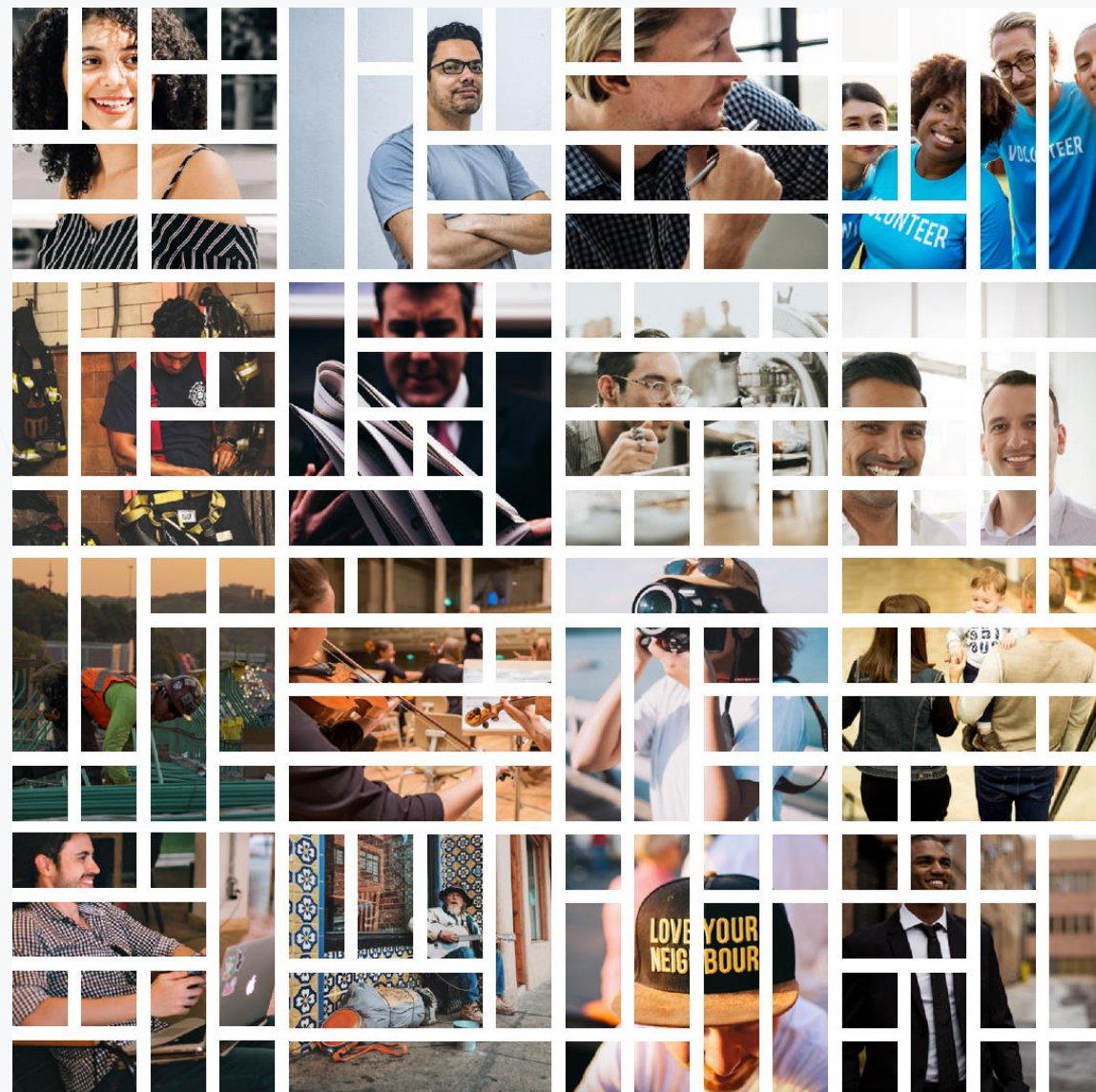
For each unique project we bring together a selection of forward-thinking experts aligned on shared values to create opportunity for all.



## Enhancing Community

By focusing on development in opportunity zones (where communities need the most investment) we can help ensure community revival and economic prosperity.

Together, we will amplify the impact we have on the world.



# About the Founders – Collective Projects™



Rahul Paliwal and Dave Yanko founded the Company on the belief that real estate developments can do more for the communities they inhabit. The two are excited to bring more casual food options to Sandusky while offering local entrepreneurs a chance to incubate their food concepts and grow their businesses.

Dave originally hails from Cleveland, Ohio and is a die-hard Tribe fan. He once sailed with his father the 250 miles along Lake Erie, launching from Sandusky and ultimately docking in Buffalo after the 60-hour trip. Ohio has become a second home for Rahul, too, a Southern Californian who is now well versed in “layering up” five months out of the year.

Rahul and Dave are proud to have launched an Ohio Opportunity Fund and count this as only the beginning of the impact they hope to have in the Sandusky community and wider region.



# Founders – Biography



**Rahul Paliwal**

Rahul Paliwal brings more than 15 years of experience in venture capital, private equity investment, asset management and commercial real estate, and has successfully completed more than \$25 million of property transactions. Prior to founding Collective Projects and Pacific Collective, he developed several medical office projects including land acquisition, entitlement, financing, overseeing construction, leasing and tenant improvement buildout. Prior to development of medical office projects, Rahul played an integral role in acquiring, managing, and disposing of land for eventual development with a syndicate of more than 30 high net worth individual investors. Rahul also served as a principal for a development company that developed and sold custom luxury homes. Rahul received his BS in Business Economics from the University of California, Los Angeles.



**Dave Yanko**

David Yanko, has provided end-to-end operations, brand and marketing services in his 15-year career. He has deep experience in consumer-driven retail as well as with private equity and national and regional real estate development, working with companies including: Woodside Homes, Olson Homes, Ryland Homes (now CalAtlantic Group.), DiNapoli Capital Partners, Meriwether Company, Oaktree Capital; Aldi, Safeway, Kroger, Supervalu, Loop Neighborhood Market; Menchie's Frozen Yogurt, The Counter Burger, Don Francisco's Coffee, Heineken USA, Anheuser-Busch et al. David repositioned the 400-room Rivera Palm Springs hotel, integrating the property into the Starwood Tribute Portfolio as a modern upscale boutique hotel. David was also responsible for launching the repositioned Griffin Club Los Angeles, formerly Beverly Hills Country Club. David graduated Cum Laude in Marketing Communications from State University of New York at Geneseo and received his MBA from University of California Los Angeles' Anderson School of Management.

Paliwal and Yanko serve on the elected board of directors for B Local Los Angeles, the organization of Southern California B Corporations®.

# Eating Well

with  **COLICCHIO**  
CONSULTING

We are working with perhaps the foremost experts in food halls nationwide, Colicchio Consulting. Colicchio brings to bear operational expertise and a network of chefs nationally, in addition to consulting on programming, lease/licensing structuring, chef-driven experiences, and design integration with the local community.

Their work can be seen around the world, at places like:

- Crave at Purdue University - West Lafayette, IN
- Inner Rail - Omaha, NE
- Oasis – Miami, FL (Opening 2020)
- Lyric Market – Houston, FL (Opening 2020)
- Skyview Center – Flushing-Queens, NY (Opening 2020)
- RockRow – Portland, ME (Opening 2020)

Review their leading research on what's latest in food hall trends here: [Food Halls 3.0 The Evolution Continues](#)





# Project Financials

# Financial Overview – Sources and Uses

DEVELOPMENT SOURCES	
Private Financing	\$613,766
Construction Loan	\$1,305,549
City Assistance	\$256,600
<b>TOTAL SOURCES</b>	<b>\$2,175,915</b>

DEVELOPMENT USES	
Land And Related Costs	\$515,000
Hard Costs	\$1,176,750
Remodel Costs	659,000
Electrical Upgrade	151,500
Sprinkler System	85,000
Environmental Abatement	20,100
Tenant Fit Out	261,150
TIs/LCs	\$74,250
Soft Costs	\$219,344
Int., Financing, Fees, Contingency	\$190,571
<b>TOTAL USES</b>	<b>\$2,175,915</b>

Thank you.



Rahul Paliwal

October 30th, 2019

Rahul:

Enclosed, please find our summary for the General Contractor Scope of Work for the Sandusky Food Hall project.

In our 20 plus years of experience, over the 90-120 Day schedule it will require to complete construction of this job - we can confidently state that we will add on average, 8-10 temporary jobs during the construction phase.

We are fully invested in adding to the new growth of Downtown Sandusky and welcome any questions that may arise through this process.

Kind regards,

A handwritten signature in black ink that reads "Jason R. Tusing". The signature is fluid and cursive.

Jason Tusing  
President  
Tusing Builders, Ltd.

Enclosures



***We Build Relationships!***

October 30th, 2019

Market Street Collective  
20 South 3rd Street, Suite 210  
Columbus, OH 43215

RE: Sandusky Food Hall  
317 E. Washington St & 422 E. Water St.  
Sandusky, OH 44870

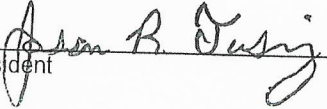
**GENERAL CONTRACTOR SCOPE**

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<b><u>Base Costs</u></b>			
Selective Demolition	---		\$25,000
Site Improvements	---		\$25,000
Piazza Pavers 6,000 sq ft	---		\$60,000
Signage	---		\$5,000
Structural Improvements	---		\$18,000
Wall Improvements	---		\$22,000
Overhang Improvements	---		\$35,000
Roof Improvements	---		\$9,500
Exterior Windows (Large)	14	\$2,250	\$31,500
Exterior Windows (Small)	10	\$1,050	\$10,500
Exterior Doors	4	\$2,500	\$10,000
Interior Doors	5	\$900	\$4,500
General Interior Painting	---		\$12,500
Restroom Improvements	---		\$92,000
Storage Equipment Improvement	---		\$14,000
Exterior Awning Budget	---		\$80,000
Gas Service	---		\$0
Domestic Water Service	---		\$12,500
Sanitary Service	---		\$5,000
Fire Sprinkler System	---		\$85,000
HVAC Primary Equipment	---		\$160,000
Primary Wiring	---		\$17,500
General Lighting	---		\$9,500
Electrical Service	---		\$35,000
Electrical Equipment	---		\$61,500
Fire Alarm / Egress Lighting	---		\$55,000
<b>Total Estimated Cost</b>			<b>\$895,500</b>



This budget is for construction and does not include FFE (fixtures, furniture and equipment). Owner to obtain quotes for FFE which includes kitchen equipment, table/chairs, stools, artwork, menu boards, food serving products, etc.

Respectfully Submitted,  
Tusing Builders, Ltd.

  
\_\_\_\_\_  
President



3758 W. Johnny's Pl.  
Port Clinton, Ohio, 43452  
erieenvironmentaloh@gmail.com  
www.erie-environmental.com  
(419) 734-3045

**Proposal Submitted To:**

**Street: 317 Washington st**

**City, State, and Zip Code: Sandusky, OH**

**Contact Person: Dan**

**Date: 11/12/18**

**Phone: 614-425-9503**

**Job Name: CardinalGS**

**Email: dmayer@triadarchitects.com**

Erie Environmental will provide liability insurance, equipment, material, and trained personnel to adequately perform the following:

- Removal of 8,380 sqft of red 12x12 asbestos floor tile
- Removal of 350 linear ft of window glaze, removal of 80 linear ft of white caulk (aprox. 20 windows)
- Total – \$20,098.00 (estimated quote)
- Note\* - A final quote will be issued after walk through of property

**\*Note: Project to be completed within 2 weeks of award.**

Erie Environmental will perform air monitoring each day of removal operations and will load; manifest, transport and dispose of all ACM at an EPA licensed disposal facility. All abatement work will be performed in compliance with all EPA, OSHA and state regulations regarding asbestos removal and disposal. OWNER TO PROVIDE ALL UTILITIES. Erie Environmental is not responsible for building cleanout.

In accordance with regulations, all clearance air sampling will be by PCM. The sampling and analysis shall be conducted in accordance with the most recent NIOSH method 7400. A certified asbestos hazard evaluation specialist will conduct all clearance air sampling for this project.

\_\_\_ Accept final air clearance

\_\_\_ Deny final air clearance

We propose hereby to furnish material and labor-complete in accordance with the above specifications, for the sum of: **\$ see above**

**Operator/Sub-Operator Scope**

<b><u>Item</u></b>	<b><u>Quantity</u></b>	<b><u>Unit Cost</u></b>	<b><u>Total Cost</u></b>
Selective Demolition	---	Allowance	\$3,500
Stall Signage	---	Allowance	\$12,500
Stall Demising Walls	---	Allowance	\$34,000
Interior Floor Finishes	---	Allowance	\$28,000
Interior Wall Finishes	---	Allowance	\$23,500
Gas Extension	---	Allowance	\$12,500
Domestic Water Service Extension	---	Allowance	\$18,500
Sanitary Service Extension	---	Allowance	\$12,500
Modification to Sprinkler System	---	Allowance	\$4,500
HVAC Ductwork / Extension	---	Allowance	\$21,000
Exhaust Equipment (+ Roof Repair)	---	Allowance	\$11,250
Ventilation / DOAS Equipment	---	Allowance	\$21,000
Sub Panel Installation	---	Allowance	\$16,400
Secondary Wiring (to & at stalls)	---	Allowance	\$29,000
Stall lighting	---	Allowance	\$9,500
Modification to Alarm / Egress	---	Allowance	\$3,500
Total Estimated Cost		Totals	\$261,150

Applicant / Borrower Company:

**Michael Meyer**

(Applicant Name)

**President, Board of Directors**

(Title)

**Chesapeake Lofts Condominium Association**

(Company Name – if different than Applicant Name)

**401 West Shoreline Drive**

(Street Address)

**No. 271**

(Suite, Apt, etc.)

**Sandusky, Ohio 44870**

(City, State, Zip)

**(937) 272-6215**

(Phone Number)

**26-0375461**

(Federal Tax ID or last 4 of SSN)

**memclofts@email.com**

(Email)

**None**

(Fax Number)

Existing Business Information:

Type of Business: ☐ Commercial ☐ Retail ☐ Service  
☒ Other Condominium Rental and Sales, Residential

Legal Structure: \_\_\_\_\_

Primary Product or Service: Condominiums

Date Established: \_\_\_\_\_ NAICS-SIC Code: \_\_\_\_\_

Website (if applicable): www.chesapeake-lofts.com  
\_\_\_\_\_  
\_\_\_\_\_

Principal Officers / Owners:

Name / Title: Mike Meyer/President

Email: memclofts@gmail.com Phone: (937) 272-6215

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Name / Title: Norb Schmitz/Vice President

Email: marblenorb@yahoo.com Phone: (440) 320-4996

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Name / Title: David Mack/Secretary

Email: david@bradysigns.com Phone: (419) 303-0653

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Name / Title: Jeff Savage/Treasurer

Email: jtslofts@gmail.com Phone: (419) 663-9323

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_



Location of Proposed Project:

**401 W. Shoreline Drive**

(Address)

**Sandusky, Ohio 44870**

(City, State, Zip)

**Erie**

(County)

If a relocation, indicate from where \_\_\_\_\_

Project Type:

☒ Renovation    ☐ Expansion    ☐ Start-Up/New

Applicant / Business Background Information:

Please provide a brief summary about your background and experience. Please also provide historical information regarding the building or property at which the business will operate, including but not limited to the most recent building use (attach additional page if necessary).

I have been an owner of a unit at the Chesapeake Lofts since 2007, and a fulltime resident at the Chesapeake since 2009. In 2013 I was elected to the Owner Association Board of Directors, and have served as president of the Board since 2016.

The Chesapeake building was constructed in the early 1920s by the Hinde and Dauch Paper Co.

In 1992 the most recent occupants of the building, Chesapeake Display company, ceased operation at the Shoreline Dr site. In 2005 construction began to restore the abandoned site and developed it into

195 residential condominiums.

Project Description:

Please provide a brief description of the project to be undertaken for which City assistance is being sought (attach additional page if necessary).

**The east, south, and a section of the west parapet wall of the Chesapeake Lofts Building is covered with a latex foam that was applied in the 1990s to prevent deterioration of the building façade.**

**This project involves removal of the foam encapsulation material and restoration of the upper parapet wall bricks and mortar. (See attached scope of work.)**

**The project is to be completed in 3 phases:**

- 1) East side (604 lineal feet),**
- 2) South side (124 lineal feet) includes restoration of original "Hinde and Dauch Paper Company" building moniker, and**
- 3) Northwest side (102 lineal feet) to be restored similar to East side facade**

Business/Personal References:

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

Relationship: \_\_\_\_\_

Name / Title: \_\_\_\_\_

The City of Sandusky, Ohio

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Relationship: \_\_\_\_\_

Name / Title: \_\_\_\_\_



Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Relationship: \_\_\_\_\_

Project Source & Use Of Funds:

Break out total project costs by use of funds and allocate each use cost by source (attach additional page if necessary) (total of B+C+D should = A).

Total Project Cost (itemize below): \$355,100.00

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Owner Equity (dollars and source):

\_\_\_\_\_  
\_\_\_\_\_

\$294,800  
to be funded by  
owners out of reserved  
HOA fees.

Private Lending (dollars, source, and terms):

\_\_\_\_\_  
\_\_\_\_\_

Request for City Assistance (dollars and type):

15,000 (SBA)  
45,300 (Signage/Facade)  
60,300

Project Timeline:

Please outline the project timeline. Please include expected completion dates for items including but not limited to obtaining site control, obtaining financing, and construction.

	<u>Start</u>	<u>Complete</u>	<u>N/A</u>
<u>Site Control</u>	<u>In Place</u>		
<u>Financing</u>	<u>HOA funding complete</u>		
<u>Construction</u>	<u>November 2019 2021</u>		
<u>Other</u>			

Project Impact and Employment (N/A for Signage):

	Current Year	Year One	Year Two	Year Three
Annual Sales Revenue				1
Annual Payroll				
Current Employment (FTE)				
Average Pay Per Employee				

Project Concept (N/A for Signage): Use the space below to address the following:

- How does the proposed project relate to a strategic approach to revitalization of the surrounding area?
- Will the project contribute to a change in the market dynamics, economic status, physical appearance or perception of the area?
- Does the project address specific area needs or missing services?

The Chesapeake Lofts building is a Landmark Historic property.

This project will result in a significant enhancement in the appearance and structural integrity of the

building, and is consistent with other improvements to historic properties, as part of the downtown Sandusky redevelopment initiatives.

This project was recently approved by the Sandusky Landmark Commission.

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Attachments:

The following should be submitted with your ED Application:

- ☐ Three years of historical financial statements (if applicable)
- ☐ Three years of projected financial statements (if applicable)
- X Sources of financing including evidence of private funds and matching funds
- X Third party cost estimates INCLUDING RENDERINGS
- ☐ Lease agreement, purchase agreement, or proof of ownership / site control

Attestation of Financial Condition:

Do you or your business have any of the following:

	YES	NO
Outstanding collections		X
Judgement liens		X
Other court judgements		X
Delinquent taxes		X
Delinquent loans		X
Other tax liens		X
Previous bankruptcy		X
If yes to bankruptcy, has it been fully discharged?		
Real estate that is tax delinquent		X
Code violations		X
Non-registered rental units		X
Real estate that is in foreclosure		X

Submission Acknowledgment

The undersigned certifies that he/she is authorized to complete, sign and submit this application on behalf of the applicant/owner. Further, the undersigned certifies that the information contained in this application has been reviewed by him/her and that all information, including exhibits, are, to the best of his/her knowledge, complete and accurate and presents fairly the condition of the applicant and project accurately. Intentionally falsifying information in this document constitutes a criminal offense. The undersigned hereby authorizes the City of Sandusky to investigate the credit worthiness and of the undersigned, and/or applicant. The undersigned understands that information submitted to the City of Sandusky as part of this application is considered a public record. The undersigned also agrees to display signage showing City support on their property for up to one (1) year.

The undersigned understands that additional information may be required to finalize the approval process, and that, if the project is funded, Economic Development funds cannot pay for projects completed before grant approval and notice of award. The undersigned also understands that the submission of the application for financial assistance does not automatically constitute approval.

The undersigned understands that if the business or enterprise receiving grant funding moves or relocates to a different location outside of the municipal boundaries of Sandusky within three (3) years from the effective date of the grant agreement, that the grant funding will be rescinded in its entirety and the undersigned waives any right or claim to the awarded funding. This provision does not include businesses or enterprises that cease operations and close or that open up additional locations outside of the municipal boundaries of Sandusky while maintaining their funded location within the Sandusky city limits.

x By checking this box, I acknowledge that I have read, understand, and agree to the policies and procedures outlined in this document. I further agree to be interviewed, photographed and/or have my business photographed for Economic Development marketing purposes. If you have questions, please contact the Department of Community Development.

Company Name: \_\_\_\_\_

By: Michael E. Meyer, President, Chesapeake Lofts Condo Owners Association

(Print or type name and title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)



Inter-Office Use Only

State the date, time, and City staff member(s) present at the pre-application meeting:

MATT LASKO · September 23<sup>rd</sup>, 2019  
Eric Wobser

Date of Completed Application Submittal: October 3<sup>rd</sup>, 2019

Staff Reviewer: JDS

Date of Committee Review: (OCTOBER 15<sup>th</sup>, 2019)

Approve/Deny: \_\_\_\_\_

Amount Awarded and terms: \_\_\_\_\_

CONTACT

Mr. Matt Lasko, Chief Development Officer  
Department of Community Development  
222 Meigs Street  
Sandusky, Ohio 44870

Phone: 419.627.5707

Email: mlasko@ci.sandusky.oh.us



**R. L. SEILER & ASSOCIATES, LLC**  
**ROOFING CONSULTANTS & BUILDING EVALUATION**  
**COMMERCIAL INDUSTRIAL INSTITUTIONAL**

May 22, 2019

Mr. Bryan Baugh  
North Coast Property Management LLC.  
Port Clinton, Ohio

RE: Chesapeake Lofts Eastside Parapet Repair PHASE #1

I have found in the destructive inspection work last week that we have several issues of concern with this area.

- Leakage into below units
- Loose bricks held with only a layer of foam surfacing.
- Support steel wet and deteriorating holding up the brick work in question.

The leakage into the units is hidden under the foam the water can run on the steel framing and on the eyebrow top surface until it finds a deteriorated area for it to run into a wall area. This moisture is laying against the rusting deteriorating steel. The steel is a concern some areas of the steel surface have deteriorated as much as 30%. The steel integrity is still there but without cleaning the surface of rust and priming and applying a protective coating this will keep deteriorating. This steel is what is holding up the brick shelf and ties into your steel roof truss ends. Very important area.

The loose brick from deteriorated mortar is in a lot of area only setting on the inner steel. When this was original install the brick were laid with only masonry mortar and when the mortar deteriorated the bricks are only setting there. Mechanical ties would be incorporated into the repair which would be fastened into the steel for added support for the masonry.

Support steel needs the moisture to dry up to stop the deterioration and where the damage is severe surface cleaning of rust must be done and surface primed and sealed.

Scope Of Work

Masonry

Remove all the applied foam surfacing done to the existing masonry surface. Cut all masonry mortar joints above shelf and below in decorative brick so new high strength mortar can be repacked into every mortar joint. The horizontal mortar joint above the shelf will be cut out 3/4" in depth so a sloping metal cap can be installed to properly shed water off edge. On face of shelf the metal would also be secured into the top edge of the masonry face. The slurry concrete top surface, all the eyebrow brick shall be cut out and removed back to the steel lintel and plate and disposed of. Steel will be wire brushed of rust and primed and painted. By removing the masonry shelf you will remove over one hundred pounds in weight per foot of the structure.



Metal Work

After eyebrow brick and concrete has been removed and steel prepared a 6" metal stud will be formed to the existing eyebrow configuration and mechanically fastened to the existing steel and repaired masonry. The studs will have a concrete board fastened to metal studs. Over concrete board a formed metal panel to create a slope metal face to properly shed runoff water away from structure.

The sloped cap top over the removed shelf area is cut into the masonry wall and packed with mortar, secured with fasteners and sealed at the metal top. The bottom edge is secured into the newly repaired masonry with a metal cleat to provide a secure lock.

This describes the completed repair from end to end on the east side of structures upper walls.

I have calculated the cost to complete the above listed scope of work to the east side only of your structure. R. L. Seiler & Associates, LLC., have calculated co-ordination of different trades and project management for this completed project.

The labor and material cost for this work would be .....\$245,400.00

R. L. Seiler & Associates, LLC fees for project management would be 6% of construction totals.

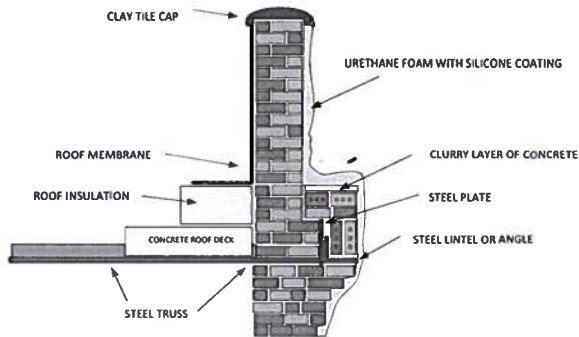
I would recommend, do to the amount of damage to not extend this more than two years to complete this.

Please call with questions.

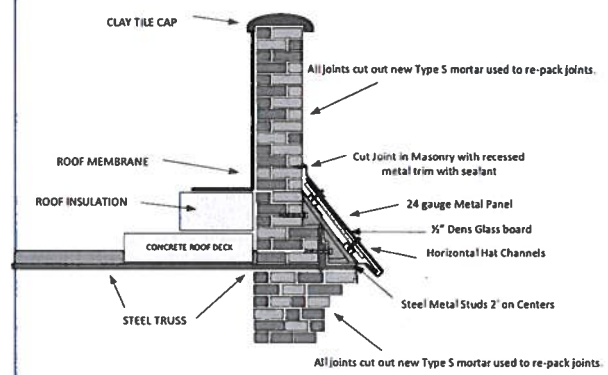
Sincerely,

*Larry Villers GM*

### EXISTING CONDITION



### PROPOSED CONDITION



### CHESAPECKE LOFTS EAST SIDE PARAPET WALLS

This is not to scale and for explanation only



**R. L. SEILER & ASSOCIATES, LLC**  
ROOFING CONSULTANTS & BUILDING EVALUATION  
COMMERCIAL INDUSTRIAL INSTITUTIONAL

August 5, 2019

Mr. Bryan Baugh  
Northcoast Property Management Co. LLC  
140 Buckeye Drive  
Port Clinton, Ohio

Mr. Mike Myer  
Chesapeake lofts Condominium Association  
401 W. Shoreline Drive  
Sandusky, Ohio



RE: Chesapeake Lofts Front Upper Wall Repair **PHASE #2**

These repairs consist of the following:

- Removal of spray foam insulation
- Cleaning brick surface
- Cutting and cleaning existing mortar joints and applying new Type S mortar in joints.
- Cleaning decorative surfaces in area of repair
- Seal repaired surfaces after repairs were made with a clear siloxane sealer.

Note, these costs are based on the front sidewalks being in place and the lift costs are calculated from the height of the sidewalks. The price includes all materials and labor, lifts and needed equipment for the proper repair of this area. The labor and material cost is.....\$56,300.00

Also calculated is the southwest front corner of touch pointing that is uncompleted. This work would be from the ground level up to the base of the foam area not including the foam repair. This work can be completed at any time. The labor and material cost of this repair to be.....\$4,100.00

Also,

It would be very helpful to let me know your intent for starting these projects because of possible material cost increases, manlift availability, and timely scheduling of manpower.

Please call with any questions regarding these repairs. Thank you for considering R. L. Seiler & Associates, LLC for your building's improvement.

Sincerely,

*Larry Villers GM*

---

P.O. Box 215 \* Doylestown, Ohio 44230  
Telephone 1-330-903-1607  
*Division of the Exterior Building Forensic Group*



**R. L. SEILER & ASSOCIATES, LLC**  
**ROOFING CONSULTANTS & BUILDING EVALUATION**  
**COMMERCIAL INDUSTRIAL INSTITUTIONAL**

August 30, 2019

Mr. Bryan Baugh  
North Coast Property Management LLC.  
Port Clinton, Ohio  
RE: Chesapeake Lofts Southwest Parapet Repair PHASE #3

Bryan,  
Here is the southwest upper parapet repair following the same scope of work as the eastside.

Scope Of Work

Masonry

Remove all the applied foam surfacing done to the existing masonry surface. Cut all masonry mortar joints above shelf and below in decorative brick so new high strength mortar can be repacked into every mortar joint. The horizontal mortar joint above the shelf will be cut out 3/4" in depth so a sloping metal cap can be installed to properly shed water off edge. On face of shelf the metal would also be secured into the top edge of the masonry face. The slurry concrete top surface, all the eyebrow brick shall be cut out and removed back to the steel lintel and plate and disposed of. Steel will be wire brushed of rust and primed and painted. By removing the masonry shelf you will remove over one hundred pounds in weight per foot of the structure.

Metal Work

After eyebrow brick and concrete has been removed and steel prepared a 6" metal stud will be formed to the existing eyebrow configuration and mechanically fastened to the existing steel and repaired masonry. The studs will have a concrete board fastened to metal studs. Over concrete board a formed metal panel to create a slope metal face to properly shed runoff water away from structure.

The sloped cap over the shelf is cut into the masonry wall and packed with mortar, secured with fasteners and sealed at the metal top. The bottom edge is secured into the newly repaired masonry with a metal cleat to provide a secure lock.

I have calculated the cost to complete the above listed scope of work to the southwest side only of your structure. R. L. Seiler & Associates, LLC., have calculated co-ordination of different trades and project management for this completed project.

The labor and material cost for this work would be ..... \$49,380.00

R. L. Seiler & Associates, LLC fees for project management would be 6% of construction totals.

Please call with questions.

Sincerely,

*Larry Villers GM*

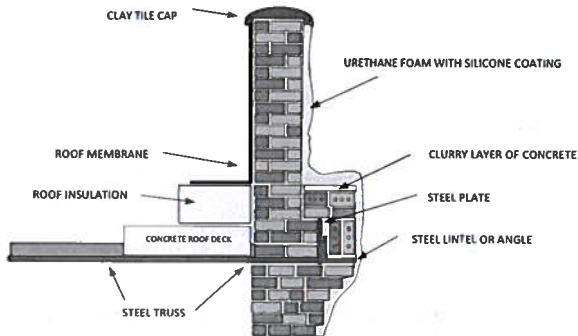
*Total \$355,180*

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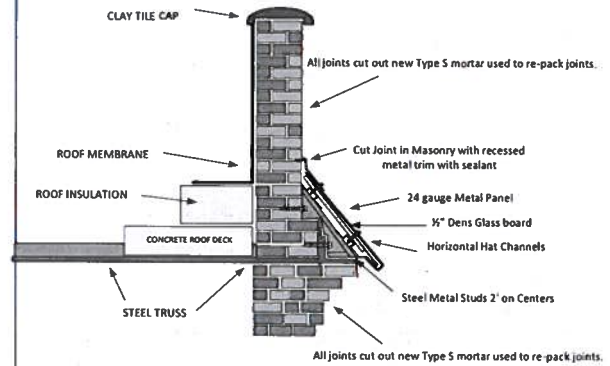
P.O. Box 215 \* Doylestown, Ohio 44230  
Telephone 1-330-903-1607



### EXISTING CONDITION



### PROPOSED CONDITION



### CHESAPECKE LOFTS EAST SIDE PARAPET WALLS

This is not to scale and for explanation only

# CHESAPEAKE LOFTS – SOUTH BUILDING FACE

CURRENT CONDITION:





New Metal



Existing Look





## CHESAPEAKE LOFTS – EAST UPPER WALL

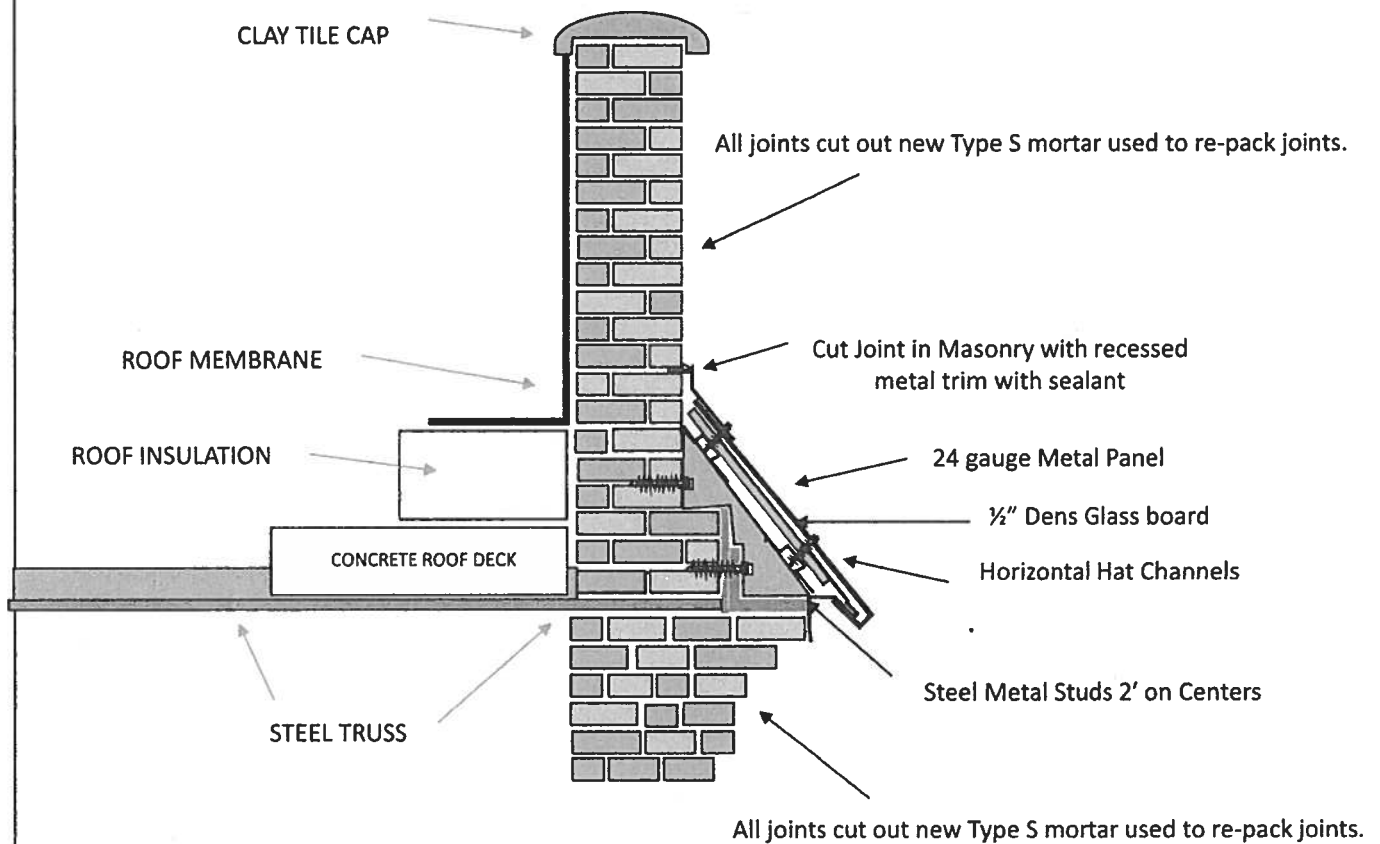
CURRENT CONDITION:



RECENT SECTION OF FOAM REMOVAL AND BRICK REPAIR:



## PROPOSED CONDITION



## CHESAPECKE LOFTS EAST SIDE PARAPET WALLS

This is not to scale and for explanation only

**OCTOBER 15, 2019**

**Economic Development Incentive Committee Summary**

**CHESAPEAKE LOFTS CONDOMINIUM ASSOCIATION (or its affiliates and assigns)**

**APPLICANT:** Mr. Michael Meyer  
401 West Shoreline Drive  
Sandusky, Ohio 44870

**CORPORATE STRUCTURE:** Corporation Not-for-profit

**PRINCIPAL/% OWNERSHIP:** Unitowners- 100%

**PROGRAM APPLIED FOR:** Signage & Façade

**RECOMMENDATION:** \$60,400.00 from the Signage and Façade program; contingent upon obtaining title/lien reports, obtaining all relevant permits (if necessary), submitting before and after photographs (if necessary), and displaying a sign evidencing City of Sandusky support for one year after project completion. This project will be complete by June 30, 2021.

**BACKGROUND**

Constructed in the early 1920's by the Hinde and Dauch Paper Company, 401 W. Shoreline Drive served as a beacon on the City's waterfront to its industrial and manufacturing. In 1992, the building's most recent occupant, the Chesapeake Display Company, ceased operations and for nearly 13 years the building sat empty. In 2005, construction began to restore the abandoned building and site. Today, 195 for-sale residential condominium units and a commercial condominium space make this one of Sandusky's downtown waterfront landmarks and success stories.

**PROJECT DESCRIPTION**

The east, south, and a section of the west parapet wall of the Chesapeake Lofts Building is covered with a latex foam applied in the mid-1990's as a temporary prevention of deterioration stopgap to its building façade. This project involves the permanent removal of this stopgap foam encapsulation material and restoration of the upper parapet wall bricks and mortar (the "Project"). The Project is expected to be completed in three (3) phases: (i) east side removal (604 lineal feet); (ii) south side removal and restoration of the original "Hinde and Dauch Paper Company" building name (124 lineal feet); and (iii) northwest side restoration (102 lineal feet).

This Project is intended to preserve this nationally-registered Landmark Historic property. Upon completion, this Project will result in a significant enhancement to the building's physical appearance and structural integrity, and will be consistent with other improvements to historic properties. It will be another piece of the puzzle to Downtown Sandusky's renaissance. This Project has been previously approved by the City's Landmarks Commission.

## **PROJECT FINANCING**

The Project sources and uses are as follows for the substantial development assistance:

<i>Uses</i>	<i>Amounts</i>
<b>Southside Front Upper Wall Repair Phase #2</b>	\$ 60,400.00
-Removal of Spray Foam Insulation	
-Cleaning of brick surface	
-Cutting/cleaning mortar joints	
-Applying new mortar in joints	
-Cleaning decorative surfaces in repair areas;	
-Seal repaired surfaces after repair;	
-restoration of "Hinde and Dauch Paper Company" sign	
<b>Eastside Parapet Repair (Phase #1)</b>	\$ 245,400.00
<b>Southwest Parapet Repair (Phase #3)</b>	\$ 49,380.00
<b>TOTAL</b>	<b>\$ 355,180.00</b>
<i>Sources</i>	<i>Amounts</i>
<b>Signage &amp; Facade Grant</b>	<b>\$ 60,400.00</b>
Unitowners Reserves/Assessments	\$ 294,780.00
<b>TOTAL</b>	<b>\$ 355,180.00</b>

The recommended total grant amount of \$60,400 signage & facade grant dollars will be used to fund the phase two repair and restoration work to the south side wall of the building. On the whole, this \$60,400 grant allocation is approximately 17% of the \$355,180 total project cost, which is far below our capped 75% grant allowance on a project, but is intended to assist the mixed-use project achieve a more stable and aesthetically beautiful downtown waterfront historic landmark.

## **FINANCIAL SUMMARY – BUSINESS**

n/a

## **RECOMMENDATION**

Staff is recommending a \$60,400 Signage & Facade grant to support this Project.





**R. L. SEILER & ASSOCIATES, LLC**  
ROOFING CONSULTANTS & BUILDING EVALUATION  
COMMERCIAL INDUSTRIAL INSTITUTIONAL

October 7, 2019

Mr. Bryan Baugh  
Northcoast Property Management Co. LLC  
140 Buckeye Drive  
Port Clinton, Ohio

Mr. Mike Myer  
Chesapeake lofts Condominium Association  
401 W. Shoreline Drive  
Sandusky, Ohio

RE: Chesapeake Lofts Front Upper Wall Repair **PHASE #2**

These repairs consist of the following:

- Removal of spray foam insulation  
Brick surface would be scraped of foam mass, brick surface would be cleaned by surface grinding.  
All brick mortar joints will be cut out and repacked with new like type S mortar.
- Cleaning brick surface  
Decorative exterior tile and stone masonry façade surfaces will be scraped clean of foam mass.  
Foam residue on decorative surfaces will be chemically cleaned to protect surfaces.
- Cutting and cleaning existing mortar joints and applying new Type S mortar in joints.  
Decorative tile grout will be checked, and all deteriorated grout will be cut out and replaced with exterior grout, then sealed.
- Cleaning decorative surfaces in area of repair  
Special precaution will be taken with decorative surfaces when foam is scraped from these surfaces. Enviro friendly cleaner used to soft the foams bond. Non-abrasive pads will be used to clean softened residue from decorative surfaces.
- Seal repaired surfaces after repairs were made with a clear siloxane sealer.
- Name Plate HINDE AND DAUCH PAPER CO."



\*Special care will be done when removing foam from "Hinde and Dauch Paper CO. name plate on building front. The outer foam will be removed by cutting away from name plate surface to remove the mass. Hand scraping of surface will be done to get down surface. The cleaning of surface will be completed with chemical cleaner to loosen bond of foam resins. After foam is removed the existing surface will be evaluated to determined if surface of plaque would need any imperfection's corrected. Then surface would be sealed with a clear masonry sealer.

This repair completes tuckpointing from top down to window top level and completed tuckpointing. Note, these costs are based on the front sidewalks being in place and the lift costs are calculated from the height of the sidewalks. The price includes all materials and labor, lifts and needed equipment for the proper repair of this area. The labor and material cost is.....\$56,300.00

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*Larry Villers GM*

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updated as of 1/7/11

The City of Sandusky, Ohio

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Relationship: \_\_\_\_\_

**Project Source & Use Of Funds:**

Break out total project costs by use of funds and allocate each use cost by source (attach additional page if necessary) (total of B+C+D should = A).

**Total Project Cost (itemize below):** \$355,100.00

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**Owner Equity (dollars and source):** \$294,800 Association Reserve funds

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**Private Lending (dollars, source, and terms):** \_\_\_\_\_

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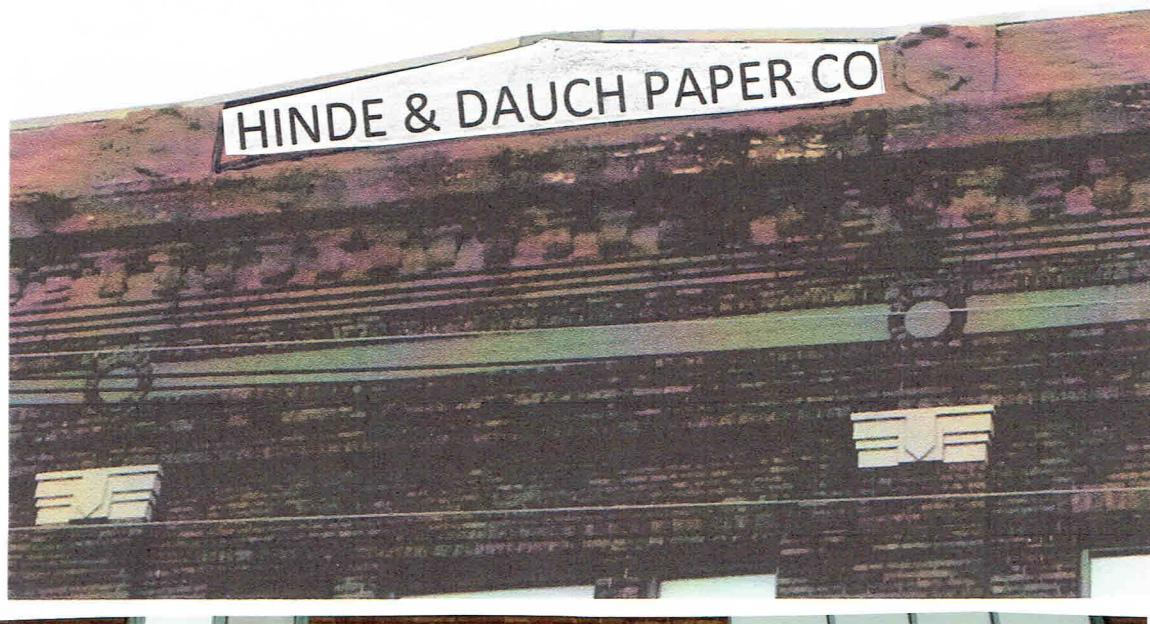
**Request for City Assistance (dollars and type):** \$60,300

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## CHESAPEAKE LOFTS – SOUTH BUILDING FACE

CURRENT CONDITION:





THE  
HINDE & DAUCH PAPER CO.

CHESAPEAKE  
LOFTS





THE  
HINDE & DAUCH PAPER CO.