



Dayton Arcade approval marks several “firsts” for PACE financing

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A redevelopment project that has been more than a decade in the making, the formerly abandoned Dayton Arcade will see new life. Through an innovative Property Assessed Clean Energy (PACE) financing structure and the collaboration of many private and public parties, the Arcade will undergo transformational renovation. Once complete, it will house a mix of retail, office space, public space and housing — serving a similar purpose as when it was originally erected in 1902.

Not only does this building, and its story, have historical significance, but the method of funding its revival is unprecedented. Bricker, which represents several entities involved in the momentous transaction, is one of the countless organizations that have contributed to this one-of-a-kind project.

Although interest in the rehabilitation of this historic and architecturally-unique building began in the early 2000s, ownership of the Arcade changed hands several times, with many of the owners unable to keep up with the building's taxes and maintenance. But in 2014 Mayor Nan Whaley created a Dayton Arcade Task Force to determine the feasibility of the building's renovation, as well as ensure that the building was both “dry and stable” after severe weathering and neglect. And although the building was determined to be suitable for renovation, the project would be one



John Caleb Bell

Partner
Columbus
614.227.2384
jbelle@bricker.com



Colin J. Kalvas

Partner
Columbus
614.227.4998
ckalvas@bricker.com

of the most complex — and the most expensive — in the city's history.

With a \$95 million price tag for the first phase of renovation alone, the city relied on several public finance tools, as well as local partnerships, to fund the immense project. Notably, this transaction is among the first in the country to use PACE financing alongside new markets tax credits (NMTC) and historic tax credits (HTC) to fund rehabilitation costs. Low income housing tax credits (LIHTC) were also used on a residential portion of the project. The city helped make the project more feasible by providing community reinvestment area and tax increment financing real property tax incentives, and the Dayton-Montgomery County Port Authority provided sales tax incentives.

Public entities involved in the funding of the project include, in addition to the City of Dayton, the Dayton Regional ESID, the Dayton-Montgomery County Port Authority, the soon-to-be-formed Dayton Arcade New Community Authority, Montgomery County's Economic and Government Equity Advisory Committee, the Ohio Development Services Agency, the Ohio Housing Finance Agency, the Dayton Regional New Markets Fund, JobsOhio, and the University of Dayton.

Known as a city for innovation, Dayton, through its citizens and leaders, has used both creativity and resourcefulness to fund the resurrection of its historic Arcade. Upon its completion, the project is sure to be one of the most complex and significant PACE transactions to date.

For more information regarding the details of the Arcade renovation project, visit www.arcadedayton.com.