

Feick Building rehab goes forward

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SANDUSKY — Sandusky officials ordered to halt many projects due to budget constraints amid COVID-19 concerns. But a multimillion-dollar initiative to resurrect a dormant downtown building, once the architectural crown jewel of downtown, marches onward.

During a recent public meeting, city commissioners approved a pair of financial packages related to repurposing the Feick Building on East Market Street.

With help from Matt Lasko, the city's chief development officer, here's why officials committed public funds for a project as they're cutting back expenses elsewhere:

- **Project partners:** The building is owned by a company called Feick LLC. The project's developers, Marous Development Group, is also overseeing work at the neighboring resort and attraction management school, a joint venture between Bowling Green State University and Cedar Fair. The group also played a major role in repurposing a block of once-blighted buildings now home to City Hall.

- **Project scope:** "The Feick Building consists of the full rehabilitation of the tallest building in Sandusky's downtown, one that is also listed on the National Register of Historic

Places. The 8-story, 60,000-square-foot building, upon completion, will bring just under 50,000 square feet of leasable office space on the upper seven floors and retail/restaurant on the ground floor."

- **Project timeline:** The developers want to finish work and open it up for tenants by late 2021.

- **Project importance:** "The approximate \$10 million renovation will breathe new life into the city's once-iconic office building, offering amazing water views. All efforts must be undertaken to maintain our historic downtown fabric and bring in demand for leasable space to market. The integrity of the city's historic architecture is a critical component of the city's viability and attractiveness of residents, visitors and investors."

- **Project finances:** Based on a \$10 million estimate, the owner and/or developer will spend \$8.7 million. Funds from the city will make up the remaining \$1.3 million. "As is the case with most downtown construction projects, construction subsidies are needed to help lower costs and lessen the rental rates to an achievable level. This project is no different."

- **Feick grant:** Officials provided a \$1.3 million grant for this specific purpose. It's being funded through something called tax increment financing thanks to the Chesapeake Lofts in downtown. Dollars get generated through real estate taxes owners of units at Chesapeake Lofts pay. Money accruing in this account can only pay for redevelopment, infrastructure and other subsidized private development projects, which the Feick Building qualifies for. It can't pay for general operations or salaries of employees in hopes of balancing a budget as well as avoiding layoffs.

- **Feick tax break:** The project also obtained a tax abatement. The abatement equates to city officials forgiving 75 percent of all taxes produced strictly from new development once construction ends over a decade-long period. The remaining 25 percent will fund public infrastructure projects in downtown.

- **Project benefits:** Other than reactivating an empty building, the project aims to employ, either directly or through tenants, at least 110 full-time workers with an annual payroll totaling \$16.5 million by its fifth fully operational year. During construction, project developers expect to hire 40 full-time jobs through construction with payrolls totaling about \$3.5 million.