

# INVESTOR PROSPECTUS WHEELING WV

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*1425 – 1437 Market Street*



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jump to the section



# WHEELING CONTEXT

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The birth place of West Virginia and The First State Capitol.

Located on I-70, 55 miles southwest of Pittsburgh, 120 miles east of Columbus, Ohio, and 130 miles south of Cleveland, Ohio.

Wheeling is the largest city (population 27,052) in the Wheeling-Belmont County (Ohio) Metropolitan Statistical Area (population 138,948) that includes Ohio and Marshall Counties, WV, and Belmont County, OH.





From the region's largest trail system, to national schools of excellence, to a reorganized municipal government, the City of Wheeling offers a dynamic environment for future economic growth and development.

There are many features that are unique to this area and we are proud of them! Our businesses enjoy the business climate as well with our advanced, motivated work force. The work force also enjoys being active in our various professional organizations. The area boasts year-round entertainment, leisure, sports, music, festivals, dining, shopping, and much more.

### **Who We Are**

We are hardworking, dedicated people who enjoy an unrivaled quality of life. From our nationally ranked schools to award-winning hospitals, Wheeling is an exceptional place to raise a family. There are a plethora of year-round recreational activities including golf, boating, water sports, snow skiing, biking, hiking, tennis, skateboarding, swimming, and many more. Year-round entertainment is another amazing feature of the city including local, regional, and national concert series, festivals, pro sporting events, or try your luck with all of your favorite slots and table games. Wheeling is your place.

### **Where We're Going**

As we move progressively forward, we aspire to be the business, entertainment and cultural center of the Ohio Valley. City Council and partners Regional Economic Development Partnership, The Wheeling Area Convention and Visitor's Bureau, Wheeling National Heritage Area Corporation, Wheeling Heritage, The Chamber of Commerce, and others are diligently working to reinvent our downtown area. This is an exciting project with unprecedented development and growth potential.







# At a Glance

## 2018 TOP PROSPECTS SURVEY RESULTS

### Opportunities Ahead Eating and Drinking Establishments

Top prospects for expansion and recruitment based on the 2018 Downtown Wheeling Top Prospects Survey completed by more than 1,500 participants.

37%	27%	11%	9%	7%	4%
Restaurant	Ethnic Restaurant	Drinking Establishment	Bakery	Ice Cream & Sweets	Coffee Shop
<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>
Full-service	Thai cuisine	Outdoor seating	Donuts and pastries	Hand-dipped cones, etc.	Fresh coffees, teas, etc.
Dinner menu	Indian cuisine	Live entertainment	Fresh breads	Outdoor seating	Comfortable, "homey"
Outdoor dining	Outdoor service/seating	Pub-style menu	Cookies and brownies	Specialty desserts	Soups, sandwiches, etc.
Healthy option	Middle Eastern cuisine	Craft beers	Coffeehouse beverages	Frozen yogurt	Outdoor seating
Lunch menu	Mexican cuisine	Cocktails & mixed drinks	Cupcakes	Gelato	Live music

### Opportunities Ahead Retail Establishments

Top prospects for expansion and recruitment based on the 2018 Downtown Wheeling Top Prospects Survey completed by more than 1,500 participants.

25%	19%	9%	9%	8%	7%
Specialty Foods Market	Clothing & Accessories	Grocery Store	Outdoor Recreation	Arts, Crafts & Hobby	Kitchen/Home
<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>	<b>Top Features:</b>
Locally-sourced foods	Women's casual	Food/Grocery	Canoe/Kayak rentals	General crafts/supplies	Home furnishings/decor
Artisan Foods	Men's casual	Healthy eating	Kayaking classes	Hobby and craft tools	Made in Wheeling/WV
Organic foods	Women's dress/business	Deli & prepared foods	Bicycle rentals	Craft/Hobby classes	Vintage/Repurposed
Prepared foods	Athletic wear	Ethnic grocery/deli	Hiking apparel	Artist supplies	Gourmet kitchenware
Deli selections	New & used boutique	Beer and wine	Bicycling rides/events	Yarn, patterns & supplies	Demo kitchen



LEGEND

- Roads
- Interstate & Highway
- River & Creek
- Trail Systems
- Future Trails
- City Limits
- Incorporated Places
- County Boundary
- Park and Recreational Facilities



WHEELING ATTRACTIONS

- Commerical Recreation**
  1. Capitol Theatre
  2. Centre Market
  3. Towngate Theatre & Cinema
  4. Oglebay Park
  5. Oglebay Park Golf Club
  6. Oglebay Park Good Zoo
  7. Victoria Theater
  8. WesBanco Arena
  9. Wheeling Island Racetrack & Gaming Center
  10. Wheeling Country Club
- Cultural Recreation**
  1. Artworks Around Town
  2. B&O Building
  3. Challenger Learning Center
  4. Children's Museum of the Ohio Valley
  5. Eckhart House
  6. First State Capitol
  7. Kruger Street Toy & Train Museum
  8. Oglebay Institute Museums
  9. Smart Center
  10. Stifel Fine Arts Center
  11. Suspension Bridge
  12. West Virginia Independence Hall
  13. Wheeling Artisan Center
- Institutional Facilities**
  1. Wheeling Jesuit University
  2. Ohio County Public Library
  3. WV Northern Community College
  4. Wheeling Island Stadium

Note: Not intended as an exhaustive list of local attractions.

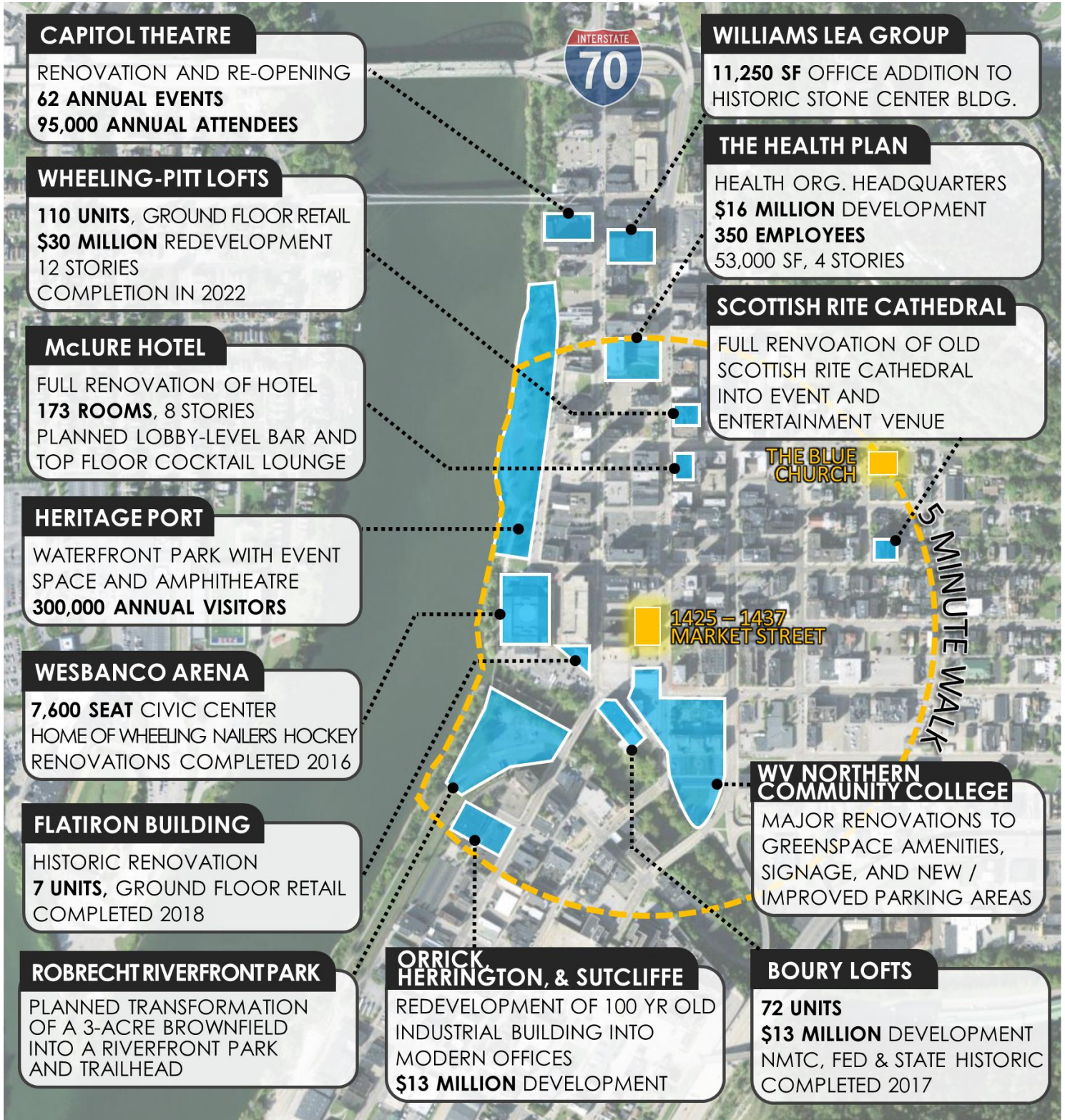
Map 6: Attractions and Public Facilities



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# BUILDING ON MOMENTUM

## ECONOMIC ANCHORS & RECENT / PLANNED DEVELOPMENT

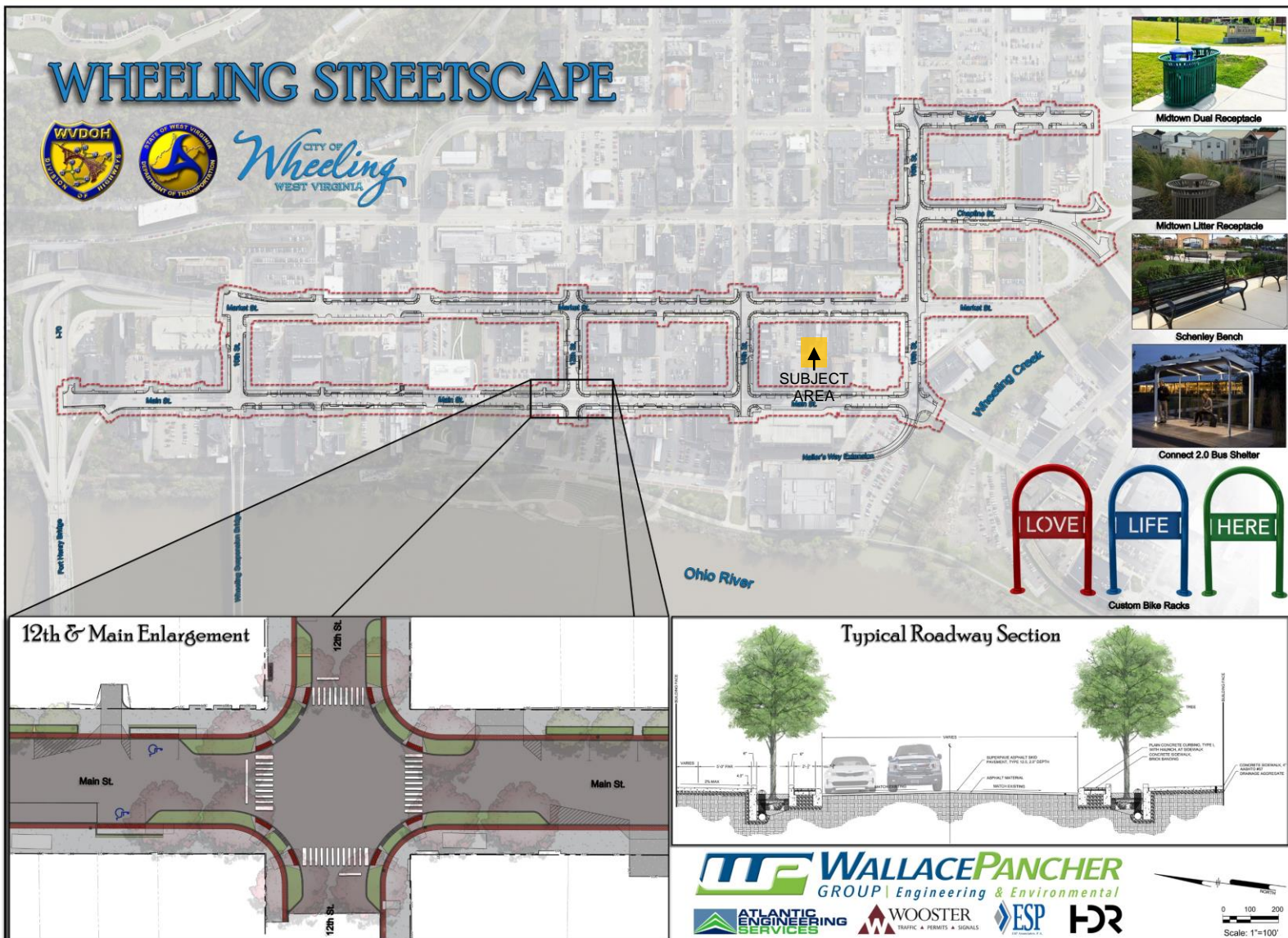




# Downtown Streetscape Project

- ❖ UPGRADED INFRASTRUCTURE
- ❖ IMPROVED SAFETY
- ❖ ENHANCED STREETSCAPE EXPERIENCE

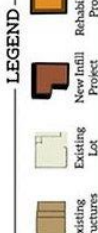
*This transformative project is a partnership between the WVDOH and the City of Wheeling that will upgrade West Virginia Route 2 on both Main Street and Market Street in the City of Wheeling. Improvements include repaving the streets, new sidewalks and curb ramps to be ADA accessible, as well as installing new traffic signals.*





## AN INTEGRATED REDEVELOPMENT PROJECT

## AN INTEGRATED REDEVELOPMENT PROJECT



**WALLACEPANCHER**  
GROUP | Engineering & Environmental  
CLAIRSVILLE, OH 724.981.0155



n partnership with





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## 1425 – 1437 MARKET ST







RENDERING SOURCE: Building Condition Report (2013) prepared by Schamu Machowski Greco Architects for Wheeling National Heritage Area Corporation

# A DOWNTOWN DESTINATION

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*Located in the heart of Wheeling, the 1400 block of Market Street is accessible to a variety of attractions, amenities, and residential developments. The subject properties provide an opportunity to establish a downtown destination which supports surrounding economic anchors, benefits from prominent historic architecture, and builds upon the development momentum of downtown Wheeling.*

## Historic Significance of 1425 -1437 Market Street

The four buildings included within this RFP are of interest as candidates for a redevelopment project. They are each considered to be significant as contributing to the historical/architectural ambience of the nationally recognized Wheeling Historic District.

The building furthest to the north in this group, 1425 Market Street (currently the Sportsman Club), may be the oldest building in the set. This brick Victorian/Neo-Classical building was probably built in the mid 1880s; Wheeling City Directory listings show that a building at that address was the Standard Cigar Works and residence of Charles Hanke (1836-1897) as early as 1884. Hanke's widow Hannah remained living at the address until her death in 1904. Saloons owned by Charles Krueger and Frank Greer (1907-09 City Directory listing) and Leonard Drake (1911-12) operated in the building before Prohibition. The Capitol Car Company advertised Maxwell, Columbia, and Chalmers autos at this address for the next few years, followed by use of the building as the Manhattan Hotel until the mid 1930s. A photo from the 1940s includes signs for the Arlington Hotel (with "steam heat," entrance on the north end of the building) and State Auto Supply (on the south end). Listing as the Sportsman Club began in 1951, and the first floor of the building has housed a bar since then, with the upper floors abandoned.

The five-story building at 1429 Market Street is of interest both architecturally and historically. It is one of the few Flemish-style buildings in the city, and it was once home to one of the more well known properties operated by Wheeling's underworld chief, Bill Lias. City Directories from as early as 1882 show the property being used as a "steam dyeing, scouring and repairing" concern operated by Charles Neuman. An early advertisement offers cleaning of lace curtains and "remodeling" of silk, felt, and straw hats, along with "merchant tailoring."

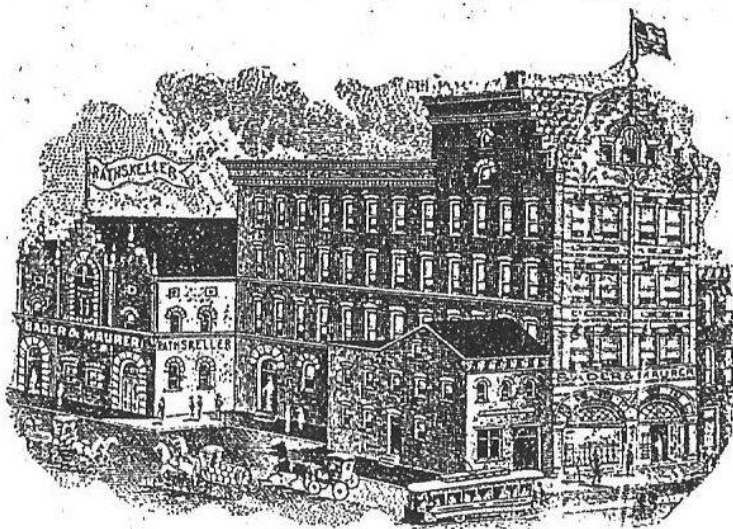


**C. NEUMAN & CO.**  
PROPRIETORS OF THE FRENCH SYSTEM OF  
**Dyeing and Dry Cleaning.**  
By this improved process you can have  
**CLOTHING CLEANED**  
TO LOOK EQUAL TO NEW.  
Special Machinery for Cleaning Lace Curtains.  
**1429 Market St.,**  
**WHEELING, WEST VA.**  
(PHONE 93.)  
**MERCHANT TAILORING**  
IN ALL ITS BRANCHES.  
*Suits to Order from \$14.00 up.*  
Silk, Felt and Straw Hats remodeled  
by practical workmen.



Charles Bauer operated a saloon at the address as early as 1901, and the Bader & Mauer Saloon and Restaurant (Killian Bader and Phillip Mauer) was in business as of the 1903-04 City Directory. At some point, hotel rooms were made available in the upper floors, and a sketch of the building from a 1903 advertisement shows a "Rathskeller" wrapping around the back of the main building. [Note: the small building visible to the south – left side of the sketch – was apparently demolished to make room for the current buildings at 1431 and 1437 Market.]

**Killian Bader** **Philip Maurer**  
**BADER & MAURER**  
**Saloon and Restaurant**



Fine Imported and Domestic Wines, Liquors and Cigars.  
 All the leading brands of Whiskies, Gins, Cordials, etc., constantly in stock.  
 Fine Bottled Goods, embracing Champagnes, Rhine Wines, etc.  
 All leading brands of Beer on draught and in bottles.  
 Bader & Maurer's Pot Pie actually produces flesh. It is highly recommended by physicians. Try it.

**1429 Market Street, Wheeling, W. Va.**

Subsequent saloon owners at the address were the Finnegan Brothers (John J., Thomas E., F.A.) and the Kurutz Brothers (Stephen Kurutz). After Prohibition began in West Virginia in 1914, the hotel listings remained in the upper floors, and the Washington Restaurant occupied the first floor. With the repeal of Prohibition in 1934 came a change in the restaurant's name to the "New Washington Restaurant," managed by Mrs. Laura Schultz.

The most notable period in the building's history was in the 1940s, when the building housed Zellers Steak House, owned by "Big Bill" Lias. Legend has it that staff members at the restaurant/casino wore tuxedos and that the big-spending diners could play poker, craps, roulette, baccarat, twenty-one, and a traditional Greek dice game called barboot. It has apparently remained in use as a bar since that time, primarily under the ownership of the George family, with a jazz club occupying the rear ("Rathskeller") portion for a few years.



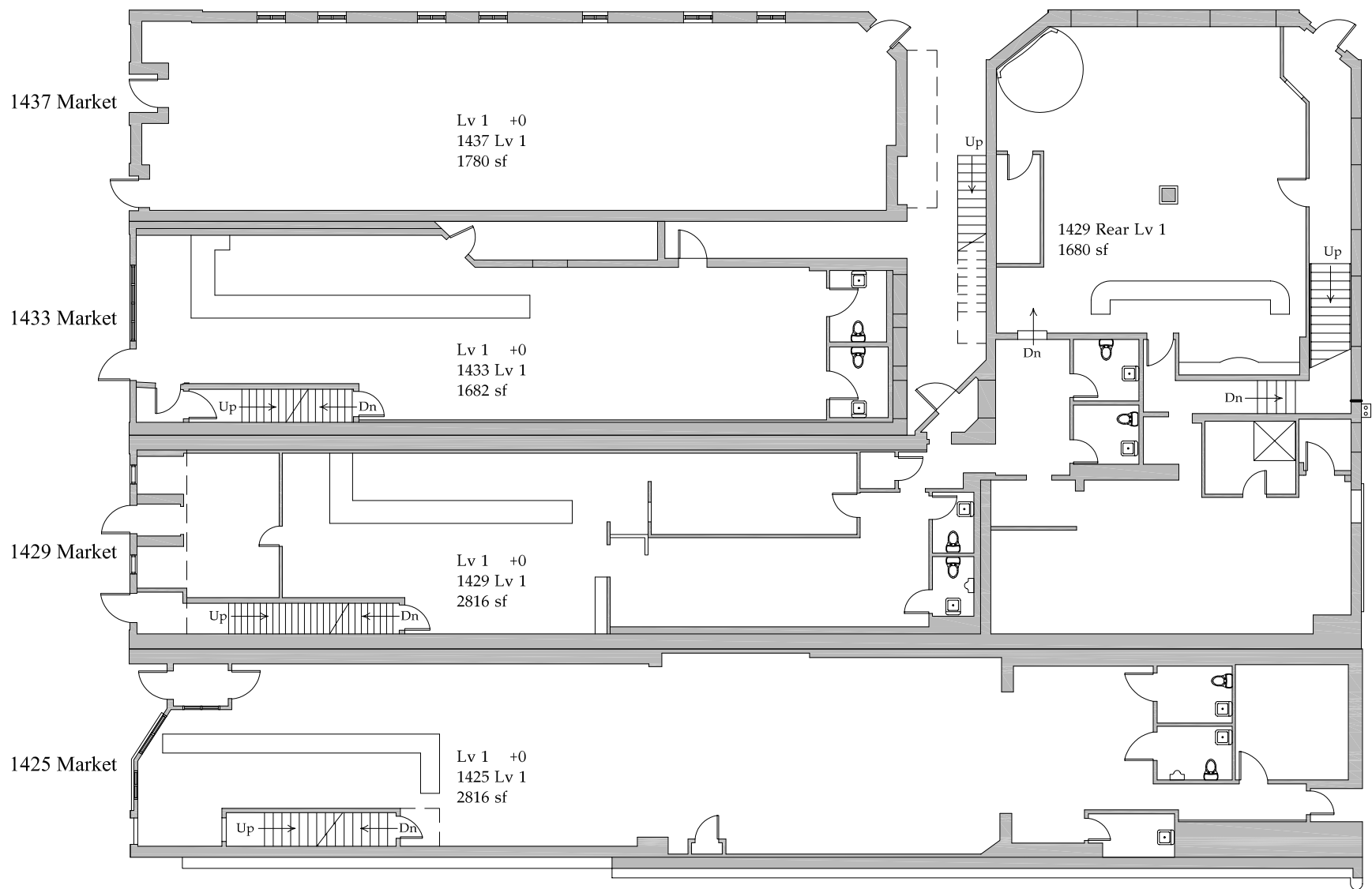
The currently empty, 3-story Victorian/Neo-Classical building at 1431 Market Street was probably built in the early 1900s. Merchant tailor August C. Schneider (1864-1945) lived at 83 16<sup>th</sup> Street and rented out apartments on the upper floor of his Market Street business. The Wheeling Candy Kitchen is listed at this address beginning as early as 1919, surviving as a business, both during and after Prohibition, well into the mid 20<sup>th</sup> Century. Various tenants lived in the upper floors. The building's most recent use was as a bar.

Another turn-of-the-20<sup>th</sup>-century building is located at 1437 Market Street. In its early years, the building housed saloons and restaurants under various ownerships and management (A. C. Miller, Widow Mary Miller, Charles F. Held, and William Boadwing and Herman J. Schneider). After Prohibition began, Harry Paradise operated the Mecca Restaurant – featuring “soft drinks” and cigars – at this address. Following a few years as a clothing store, new owners Sophia and Clarence Fette (widowed mother and son) began Fette's News Depot in about 1932. The building remained in the Fette family until 1971 and still serves as a retail outlet for print (and other) materials, although certainly not of the caliber of the earlier news outlet.

Prepared by Friends of Wheeling  
August 31, 2013

Sources:

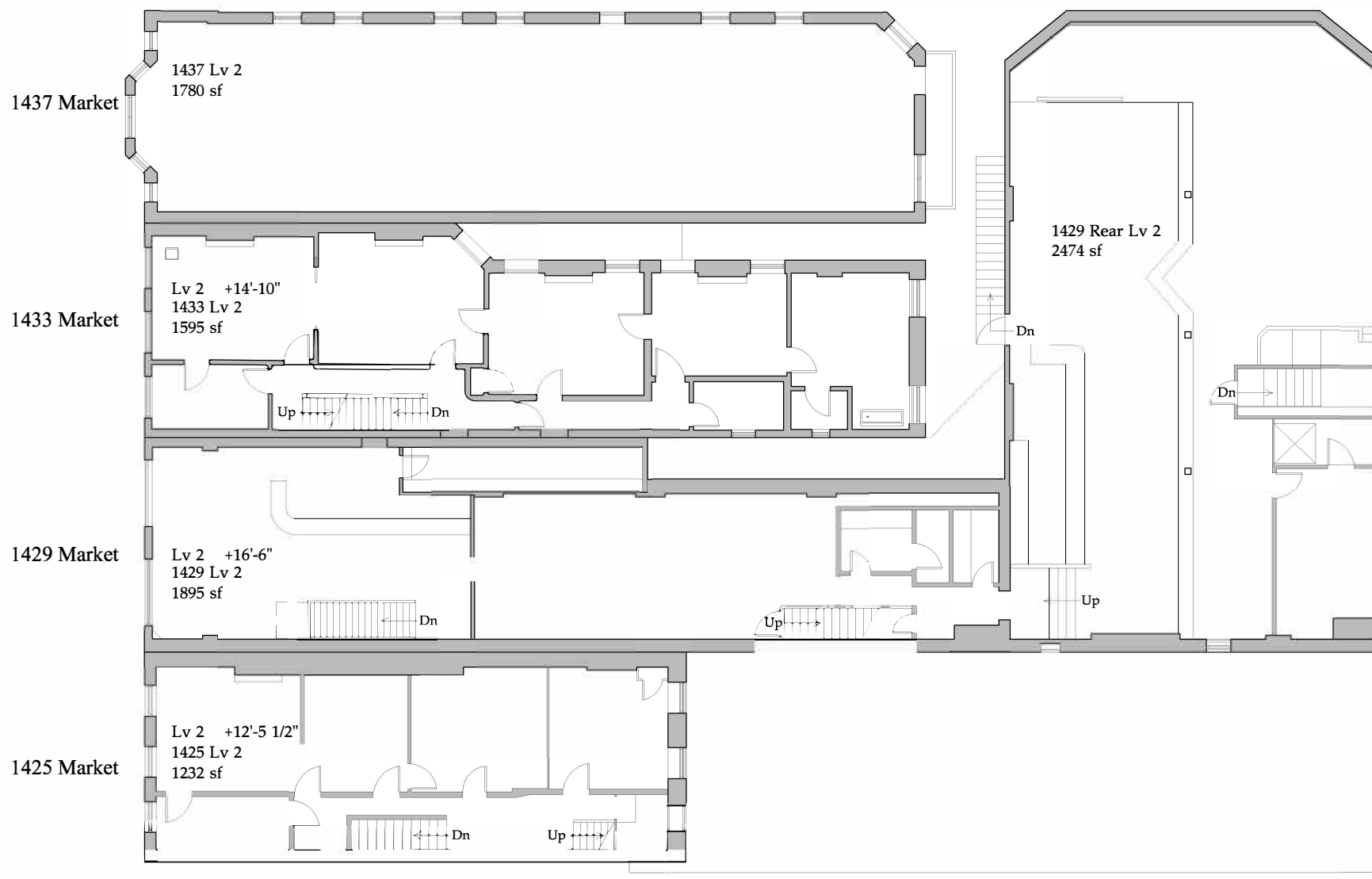
- Deed records – various years.
- Fetherling, George. *Wheeling: A Brief History*, 2008. Polyhedron Learning Media.
- National Register of Historic Places Inventory – Nomination, 1978:  
<http://www.wvculture.org/shpo/nr/pdf/ohio/79002597.pdf>
- Wheeling City Directories – various years



LEVEL ONE  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report





LEVEL TWO  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report

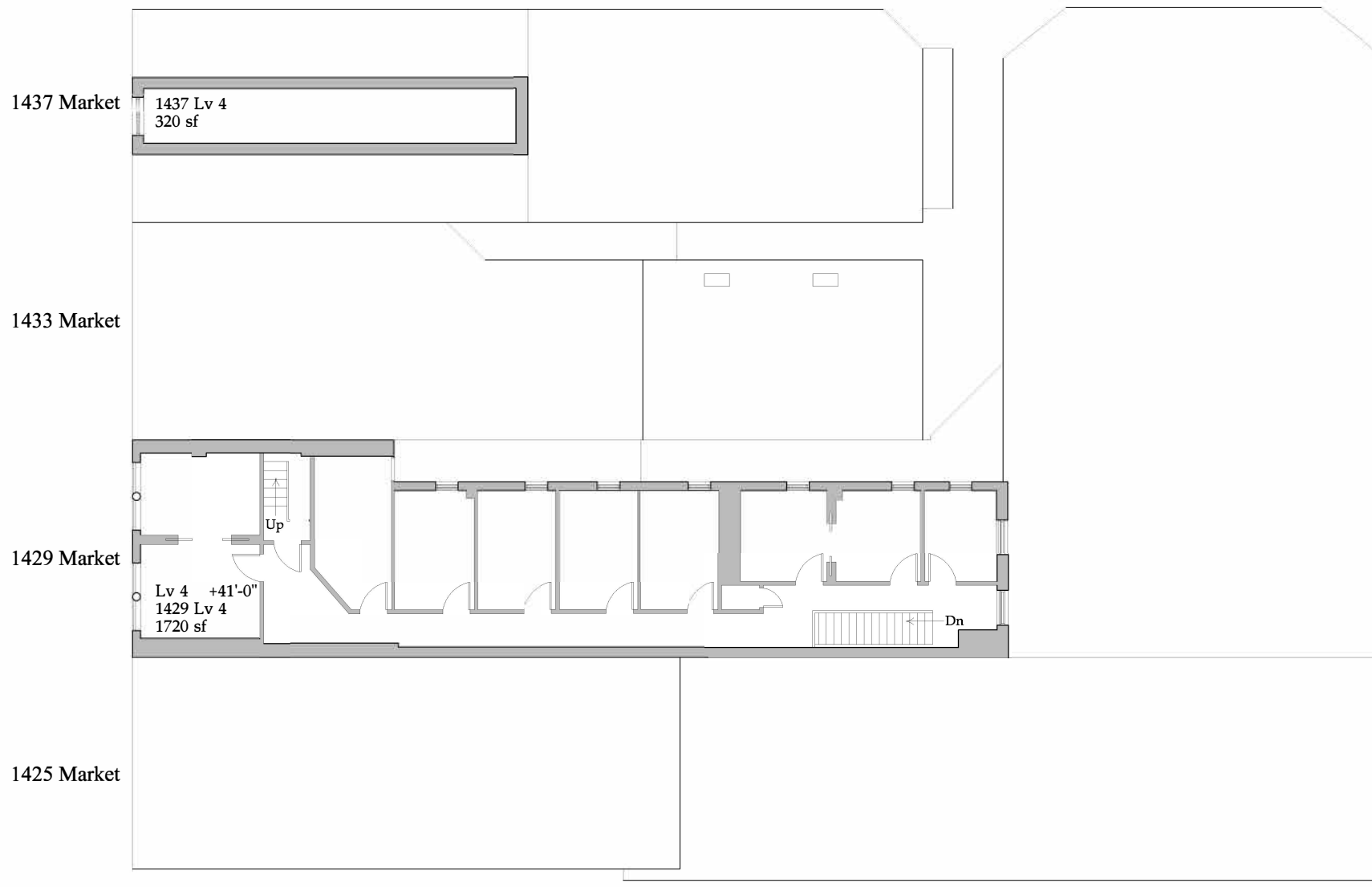


LEVEL THREE  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report

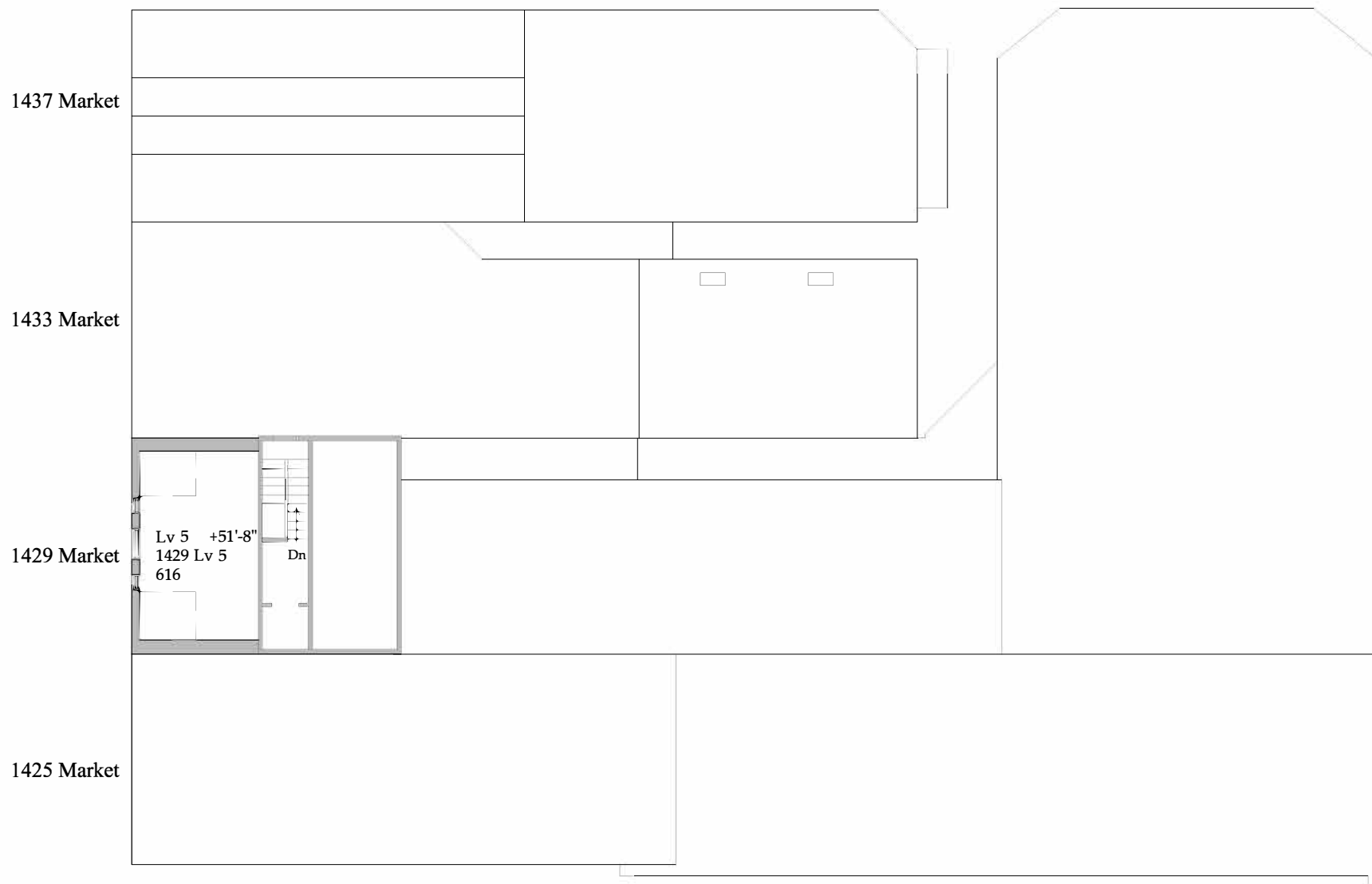






LEVEL FOUR  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report

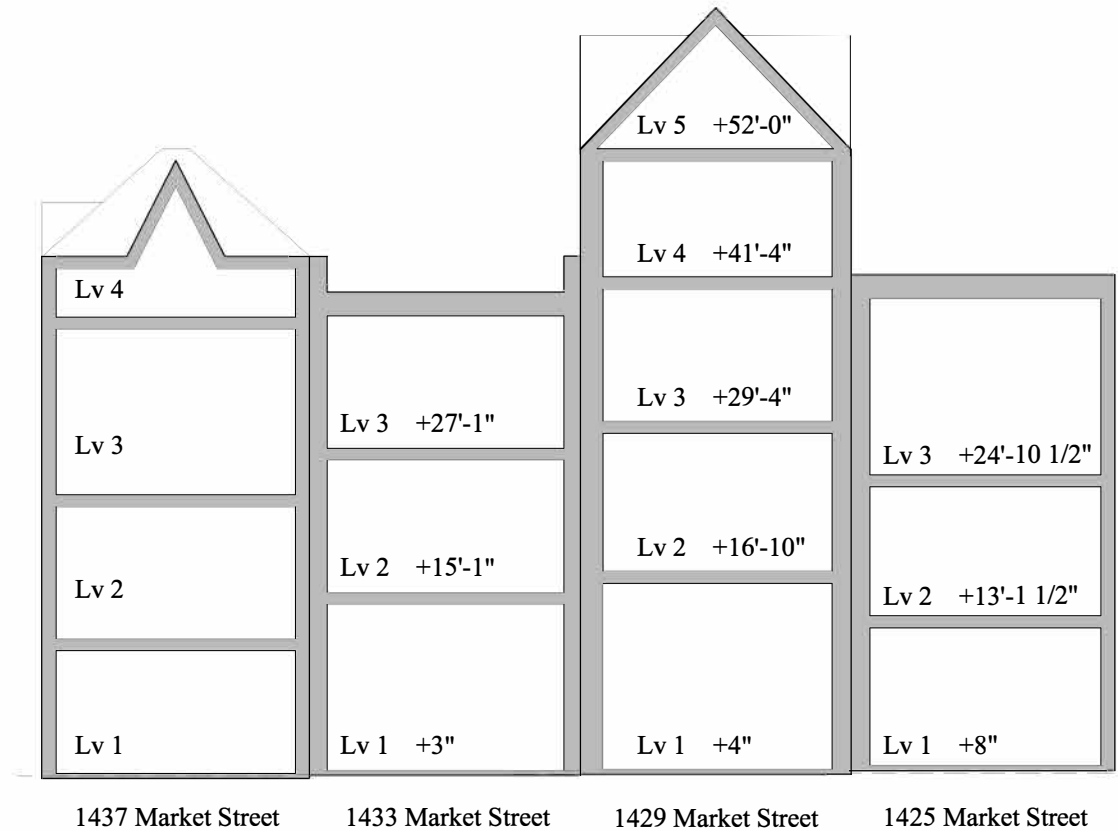


LEVEL FIVE  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report

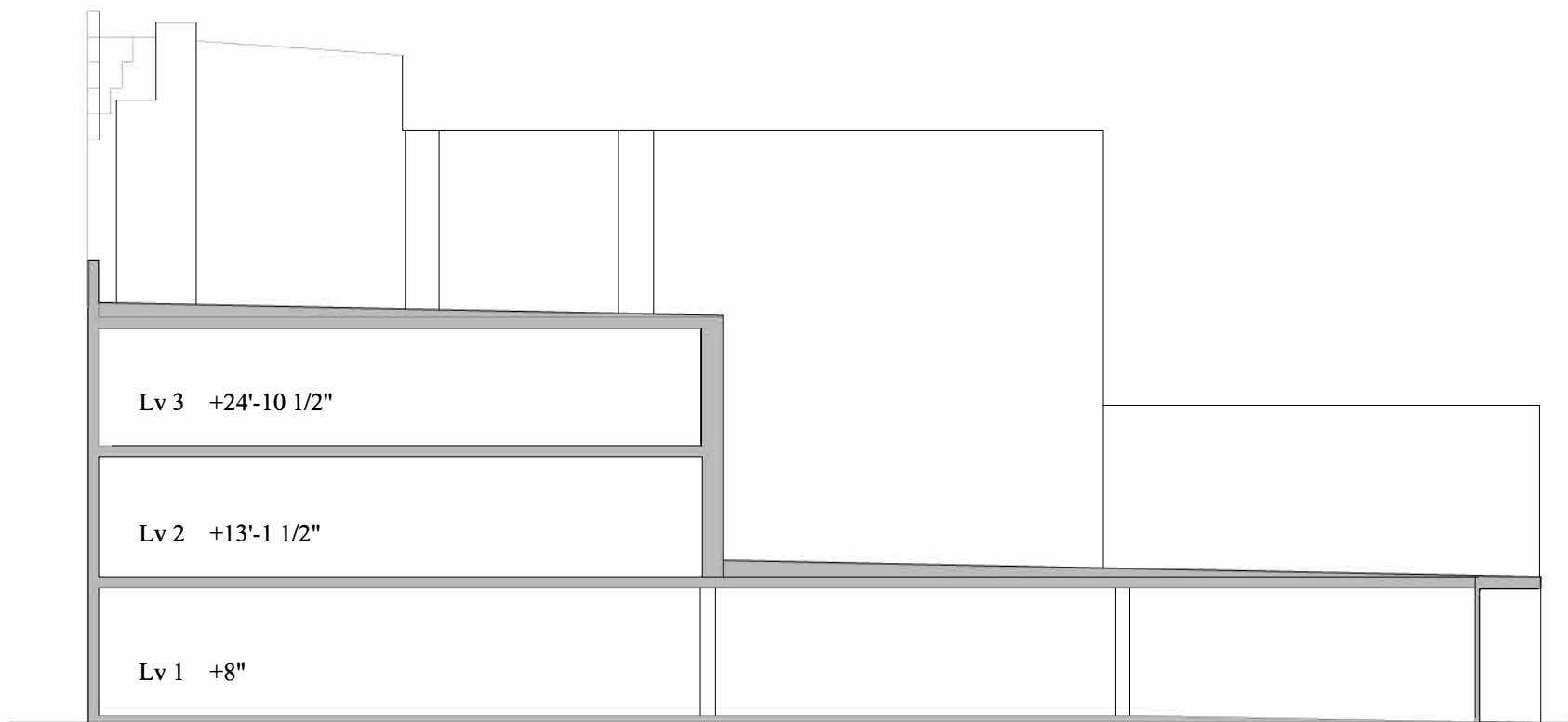






MARKET STREET NORTH/ SOUTH BUILDING SECTION  
 SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report



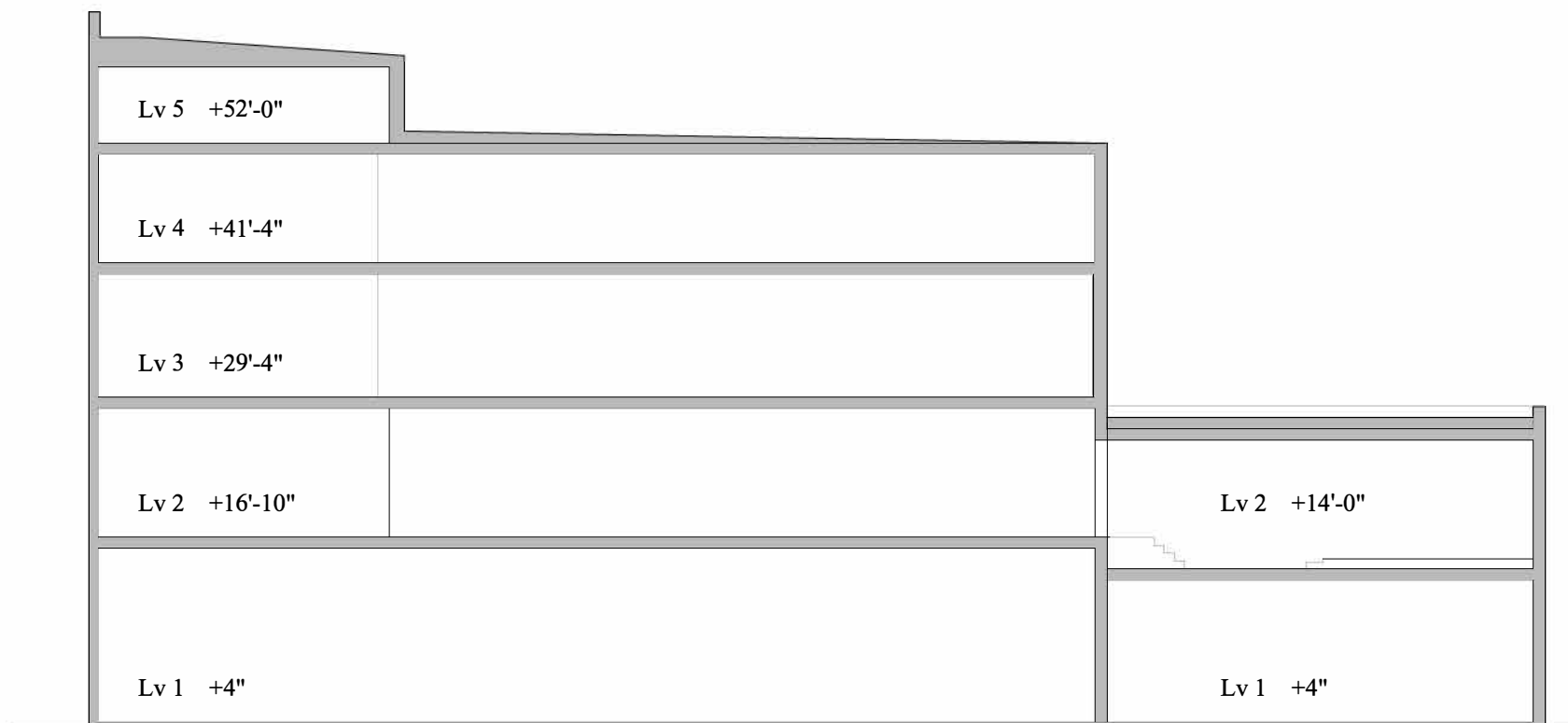
1425 Market Street

MARKET STREET EAST/ WEST BUILDING SECTION  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report

SMG



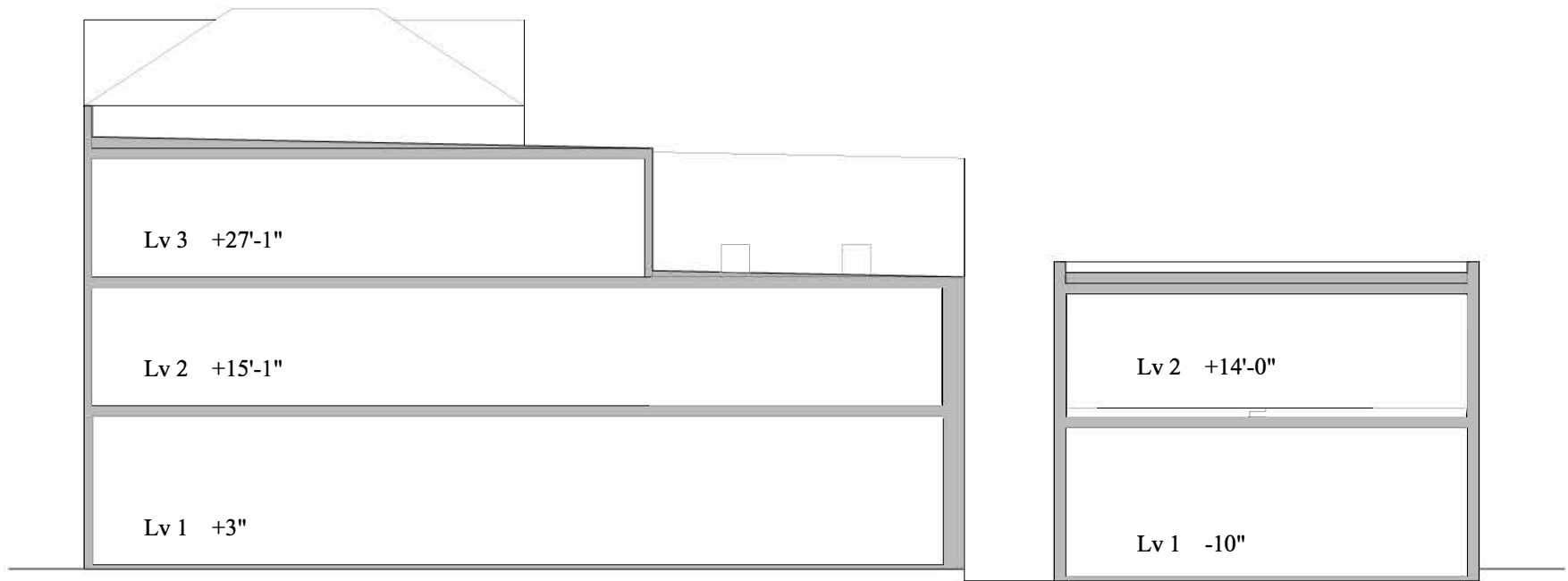


1429 Market Street

MARKET STREET EAST/ WEST BUILDING SECTION  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report





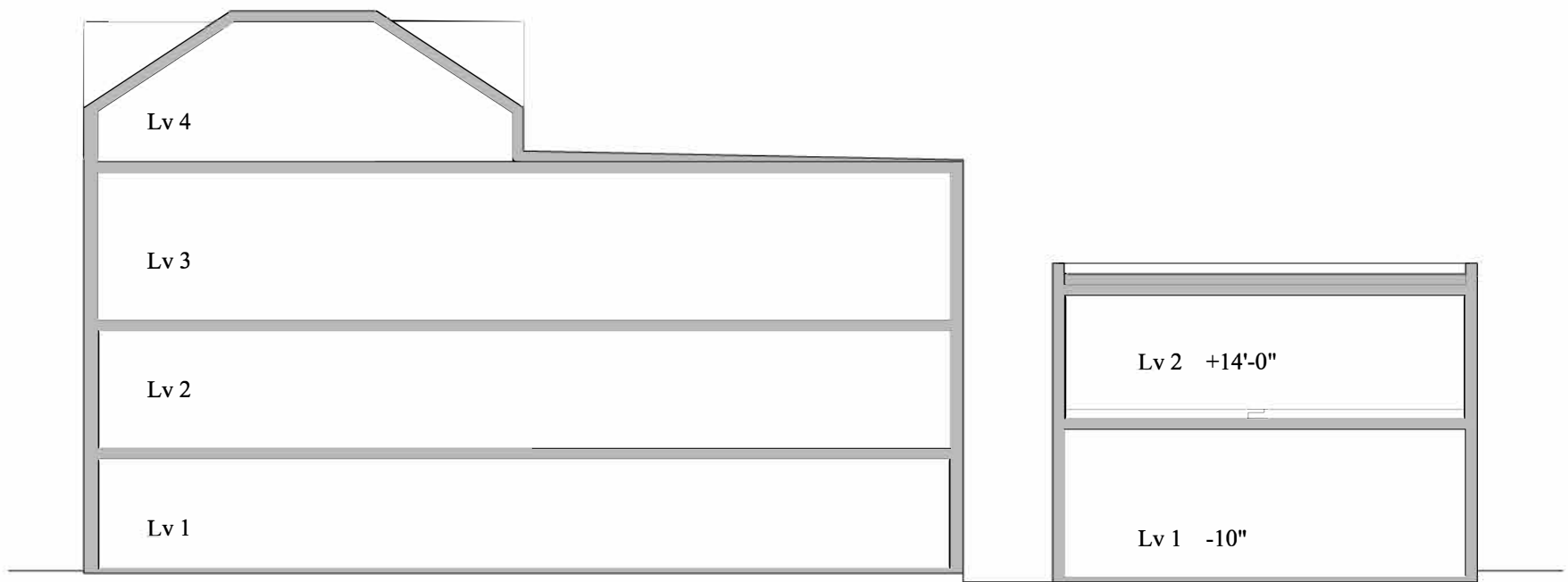
1433 Market Street

MARKET STREET EAST/ WEST BUILDING SECTION  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report







1437 Market Street

MARKET STREET EAST/ WEST BUILDING SECTION  
SCALE: 1/16"=1'-0"

Source: 2013 Building Condition Report

SMG



First Level Bar



First Level - East View



First Level - West View

1425 MARKET STREET



Source: 2013 Building Condition Report





Window Detail



Third Level West Wall



Ceiling Condition

1425 MARKET STREET





Fireplace Mantel



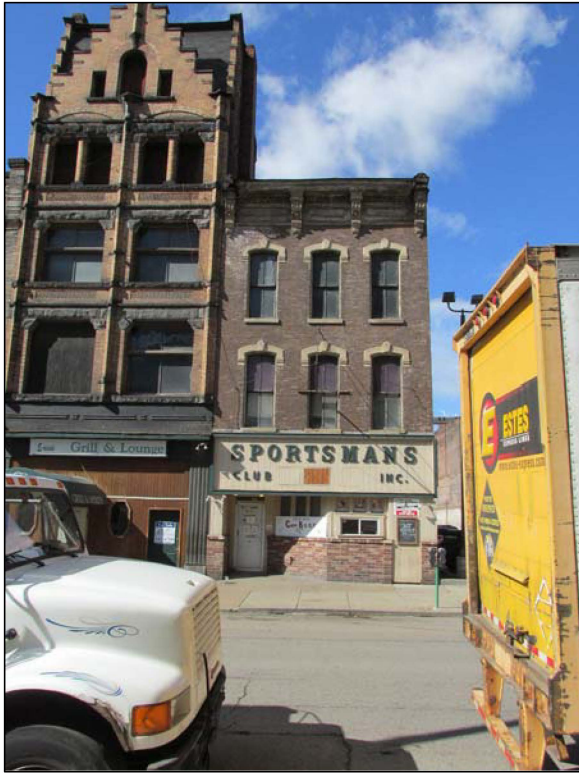
Level Three Stair Hall



Lav Detail

1425 MARKET STREET





East Facade



South Elevation

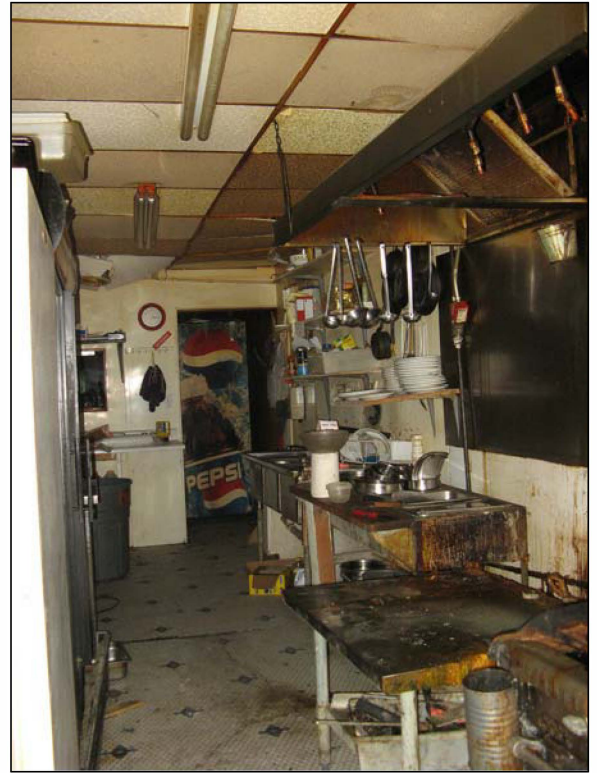
1425 MARKET STREET







First Level Bar (East Area)



First Level Kitchen (East Area)



First Level Bar (West Area)



First Level Raised Stage (West Area)

Source: 2013 Building Condition Report

1429 MARKET STREET

SMG



Second Level Bar (East Area)



Second Level Bar (West Area)

1429 MARKET STREET







First Level Tin Ceiling



Architectural Detail - Bracket



Window Detail - Second and Third Levels

1429 MARKET STREET







Third Level Stair/Hall



Fourth to Fifth Level Stair



Fourth Level Hall

1429 MARKET STREET



East Facade



West Elevation



View Between 1429 West Area and 1433

1429 MARKET STREET

Source: 2013 Building Condition Report







First Level Bar



First Level Tin Ceiling



First Level Interior - Looking West

1433 MARKET STREET



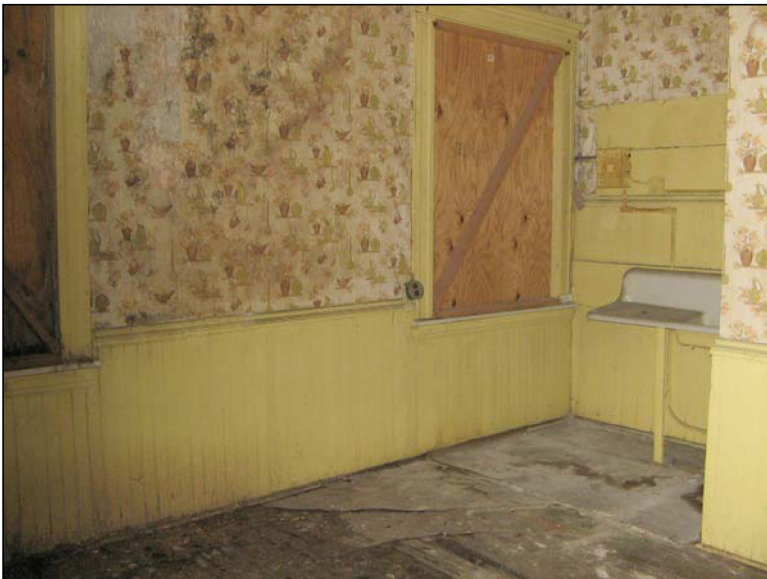




Second Level Stair



Second Level Mantel



Second Level Boarded Windows/Kitchen

1433 MARKET STREET



Third Level Hall



Third Level Mantel



Third Level Ceiling Damage

1433 MARKET STREET







East Facade



Alley Way Between 1433 and 1437 Looking West



East View Between 1433 and 1437

1433 MARKET STREET







East Facade



South Facade



View of West Alley Porch

1437 MARKET STREET



## 4 INCENTIVE POTENTIAL



# OPPORTUNITY ZONES

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# OPPORTUNITY ZONES 101

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The Tax Cuts and Jobs Act of 2017 established Opportunity Zones, a federal tax incentive for investing in low-income communities (LICs)

**\$6 Trillion**

*In unrealized individual and corporate capital gains*

+

**50 Million**

*Americans living in economically distressed communities*

=

**An Opportunity to Leverage**

**PRIVATE CAPITAL** FOR **PUBLIC GOOD**

# OPPORTUNITY ZONE TAX BENEFITS

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Several tax incentives are available based on an investment's time horizon

## 1 Temporary Deferral of Capital Gains Tax Liability

*Gains reinvested in Opportunity Funds will receive a 10% step-down in basis after 5 years, lowering the total deferred gains due in 2026.*

## 2 Step-Up in Basis of Capital Gains Invested in Opportunity Funds

*Gains reinvested in Opportunity Funds will receive a 10% step-up in basis after 5 years and an additional step-up of 5% at 7 years. A maximum of 15% of the original gains may be excluded from taxes.*

## 3 Permanent Exclusion of Gains Generated by OZ Investment

*New capital gains generated by Opportunity Fund investments are excludable from taxable income if held for at least 10 years. This does not apply towards the original capital gains reinvested.*

# OPPORTUNITY ZONE INVESTMENTS

Billions in targeted capital may flow to Opportunity Zone Investments

## BY THE NUMBERS

### United States:

**163** Opportunity Funds created across the U.S.

**\$75** Billion dollars targeted for investment in OZs

## INVESTMENT FOCUS AREA



Community Revitalization



Mixed-Use Development



Commercial Real Estate



Small Business Development



# NEW MARKETS TAX CREDITS (NMTC)

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MARKET ST. NEWS  
**ADULT VIDEOS**  
SALES & RENTALS  
MAGAZINES • NOVELTIES

Grill & Lounge

**SPORTSMANS**  
CLUB INC.

# NEW MARKETS TAX CREDITS (NMTC)



The

## NMTC

Program is dedicated to  
increasing economic  
opportunity in  
distressed communities  
across the U.S.

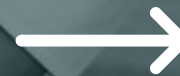


# NEW MARKET TAX CREDITS (NMTC)

A proven tool for generating opportunity in low-income communities (LICs)



**Community  
Development  
Entity  
(CDE)**



**Private  
Investor**



# NMTC



**NMTCs** provide a credit against Federal income taxes for investors (typically banks) that make **Qualified Equity Investments** (QEIs) in certified financial intermediaries called **Community Development Entities** (CDEs)

## Tax Credit Amount

- The New Markets Tax Credit is taken over a 7-year period
- The credit rate is:
  - 5% of the original investment amount in each of the first three years
  - 6% of the original investment amount in each of the final four years
- Total credit equals 39% of the original amount invested in the CDE



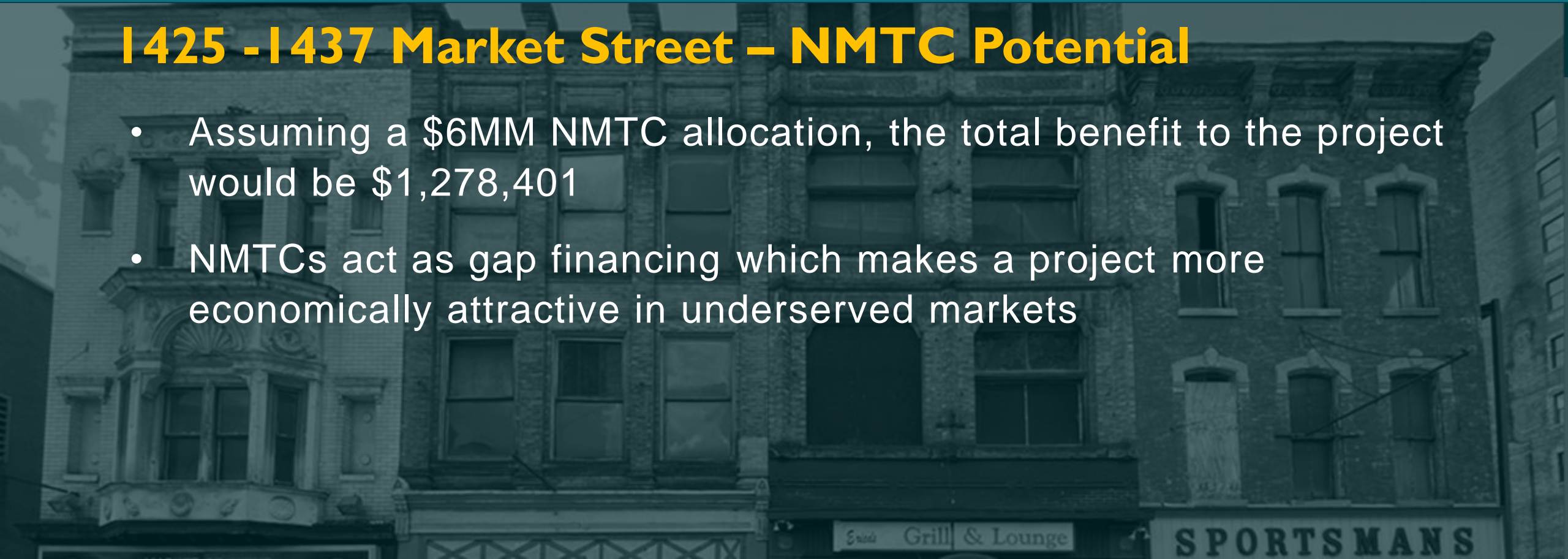
# NMTC

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As a potential \$8.97MM redevelopment, the Property could theoretically attract up to \$6MM in NMTC allocation

## **1425 -1437 Market Street – NMTC Potential**

- Assuming a \$6MM NMTC allocation, the total benefit to the project would be \$1,278,401
- NMTCs act as gap financing which makes a project more economically attractive in underserved markets





# HISTORIC TAX CREDITS (HTC)

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# HISTORIC TAX CREDITS (HTC)

## HTC

programs exist in both  
the federal level and the  
state level

## Federal HTC

- Federal HTCs are an indirect subsidy to finance up to 20% of Qualified Rehabilitation Expenses (QREs)

Since it began in 1976,  
federal HTCs has  
preserved more than  
45,000 buildings\*

Federal HTCs have  
generated over  
\$102BB in estimated  
rehabilitation  
investment\*

# HISTORIC TAX CREDITS (HTC)

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## HTC

programs exist in both  
the federal level and the  
state level

## State HTC

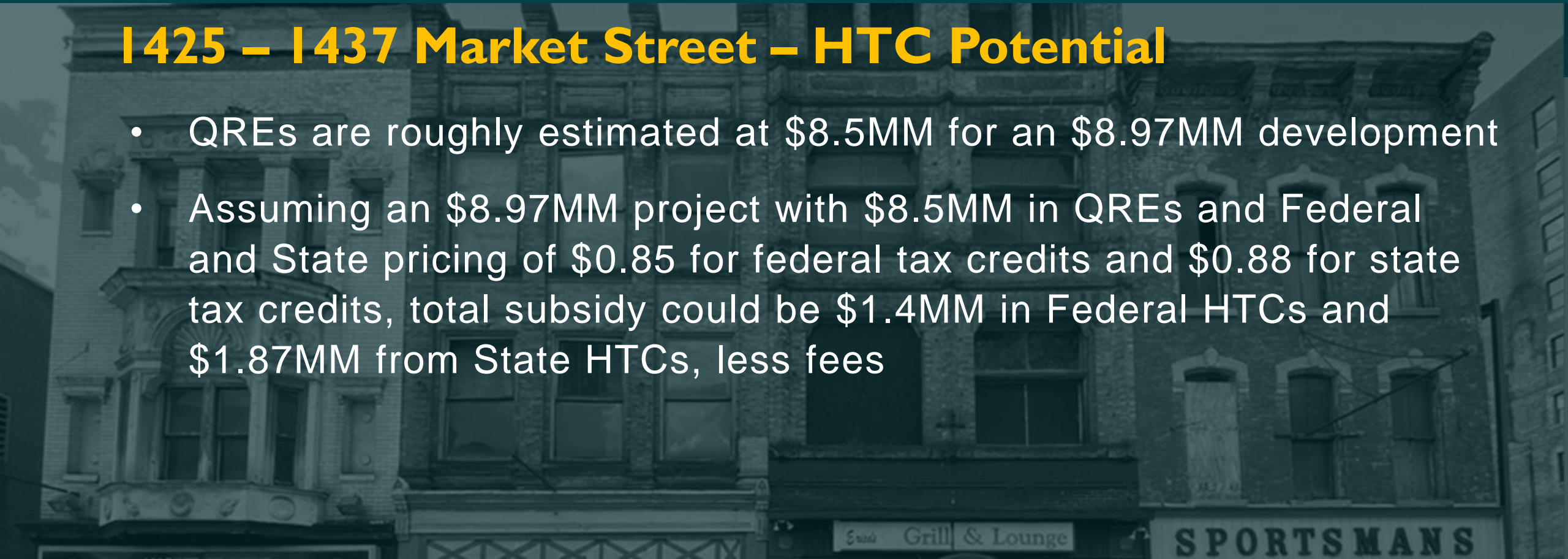
- In addition to the federal income tax credit, a similar **25%** state income tax credit is available to owners. The total credit on a qualified project is **45%** of approved rehabilitation costs.

# **HISTORIC TAX CREDITS (HTC)**

1425 – 1437 Market Street has been on the National Register of Historic Places since 1979 and remains one of the City's most impressive and significant historic properties

## **1425 – 1437 Market Street – HTC Potential**

- QREs are roughly estimated at \$8.5MM for an \$8.97MM development
- Assuming an \$8.97MM project with \$8.5MM in QREs and Federal and State pricing of \$0.85 for federal tax credits and \$0.88 for state tax credits, total subsidy could be \$1.4MM in Federal HTCs and \$1.87MM from State HTCs, less fees





# WEST VIRGINIA TAX INCREMENT FINANCING (TIF)

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# TAX INCREMENT FINANCING (TIF)

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- ✓ In West Virginia, a TIF works by locking in the taxable worth of real property at the value it holds at the time the authorization legislation was approved
- ✓ **Payments derived from the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance a number of infrastructure needs** including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways

## TIF

is an economic development mechanism available to local governments in West Virginia to finance public infrastructure improvements &, in certain circumstances, residential rehabilitation



# TIF

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TIFs are implemented at the local level and may be created by a township, municipality or county

## **1425 – 1437 Market Street – TIF Potential**

- The subject Property is located within the Downtown Wheeling TIF District. Prospective developers may pursue TIF financing with the City of Wheeling.





# WHEELING FACADE IMPROVEMENT PROGRAM

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The City of Wheeling's Facade Improvement Program (FIP) provides assistance for qualified improvements to privately owned commercial buildings within the Central Business District.

## **1425 – 1437 Market Street – TIF Potential**

- The subject Property is qualified to receive program funds as it is located in the Central Business District.





## 5 FINANCIAL MODEL



## Summaries

Return Summary	
Investor IRR	<b>20.25%</b>
Investor IRR w/ Opportunity Zone	<b>21.85%</b>

Sources of Funds Summary	
Estimated Project Cost	<b>\$8,971,763</b>
Sponsor Equity	\$175,000
Deferred Developer Fee	\$350,000
Senior Loan	\$3,553,710
Federal HTC Equity	\$1,436,662
State HTC Equity	\$1,877,990
State/Local Grants	\$300,000
NMTC Equity	\$1,278,401
<b>TOTAL SOURCES</b>	<b>\$8,971,763</b>

# MODEL\*

## Sources & Uses

SOURCES		
Item	\$	Cum. %
Senior Loan	\$3,553,710	39.6%
<b>TOTAL DEBT</b>	<b>\$3,553,710</b>	<b>39.6%</b>
Deferred Developer Fee	\$350,000	3.9%
<b>TOTAL SPONSOR EQUITY</b>	<b>\$525,000</b>	<b>5.9%</b>
Federal HTC Equity	\$1,436,662	16.0%
State HTC Equity	\$1,877,990	20.9%
<b>TOTAL HTC EQUITY</b>	<b>\$3,314,652</b>	<b>36.9%</b>
State/Local Grants	\$300,000	3.3%
NMTC Equity	\$1,278,401	14.2%
<b>TOTAL OTHER INCENTIVES</b>	<b>\$1,578,401</b>	<b>17.6%</b>
<b>TOTAL</b>	<b>\$8,971,763</b>	<b>100%</b>

USES		
Item	\$	%
Property Purchase	\$40,000	<b>0.45%</b>
Construction Hard Costs	\$7,332,000	<b>81.72%</b>
Construction Soft Costs	\$123,320	<b>1.37%</b>
FF&E	\$91,650	<b>1.02%</b>
Closing Costs	\$373,834	<b>4.17%</b>
FM & Bridge Interest Res.	\$288,193	<b>3.72%</b>
Contingency	\$372,766	<b>4.15%</b>
Developer Fee	\$350,000	<b>3.90%</b>
<b>TOTAL</b>	<b>\$8,971,763</b>	<b>100%</b>



# THANK YOU!



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