

## Lofts a fit in historic downtown building

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The inside of the Standart Lofts shows the stainless steel appliances and granite countertops, plus the exposed red brick, wood support beams, and high ceilings of bare wooden slats.

Inside the old Standart-Simmons Building, reminders abound of the structure's pragmatic beginning as a warehouse.

Massive wood support beams. Huge arched windows. High ceilings of bare wooden slats. Exposed red brick walls.

After sitting mostly empty for years, the 106-year-old building -- a sort of gateway sentry to the downtown Warehouse District -- has been rejuvenated as the Standart Lofts, a 75-unit apartment building with stainless steel appliances, granite countertops, smart modern lighting, and a 1,500 square-foot rooftop deck.

"The location is key, but the building itself is one of the coolest buildings in downtown Toledo," said Richard Karp. "It was grimy and beat up and not everyone else would have agreed with us at the time, but I think the way the community is receiving this project [is great]."

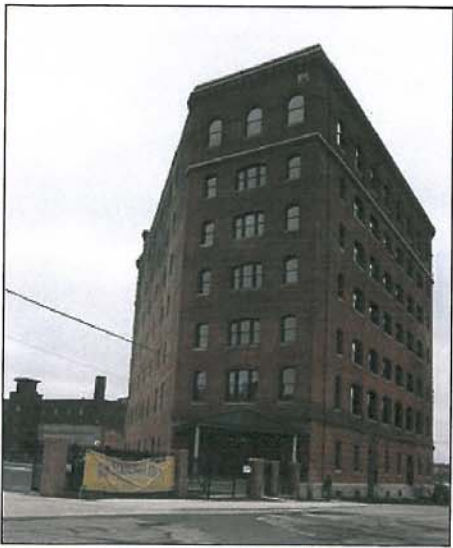
Mr. Karp and fellow Lansing developer Kevin Prater paid \$575,000 for the seven-story warehouse at 34 S. Erie St. in June of 2007, anticipating an \$11 million, 18-month renovation.

Then the recession hit.

Rents dropped. Financiers grew cautious. A combination of factors sidelined the project until last January, when work restarted in earnest.

A few construction workers still linger, finishing details and making last-minute adjustments, but the major work finished in December.

Developers say the old Standart-Simmons Building, also known as the Triangle Building, has a great location as a sort of a sentry to the Warehouse District. But the building itself "is one of the coolest buildings in downtown Toledo," developer Richard Karp says.



In all, the developers say they put about \$20 million in the project. In spite of that, they're pleased with the result.

"We're historic preservationists," Mr. Karp said as he gazed out a seventh-story window. "This is what we do. We're not building strip malls at the freeway exit. What we do costs more money, it's far more challenging, it's very painful at times. We do it because we have an appreciation for these structures."

Mr. Karp of Karp and Associates, and Mr. Prater of Prater Development Ltd., have paired on other renovation projects as well. Their most recent was the rehabilitation of the 1920 Durant Hotel in Flint, Mich.

The Standart's first tenants moved in Jan. 4, and the building is filling up quicker than Mr. Karp and Mr. Prater anticipated. They say it's about one-third full.

The ease with which they have found tenants jibes with the demand realtors are seeing in downtown Toledo.

Commercial real estate firm CBRE Reichle/Klein

in Toledo found the 2011 year-end vacancy rate for multi-unit housing in the city's central business district was 3.9 percent -- the lowest of the 12 areas defined in their market overview. Toledo's overall vacancy rate for multi-unit housing was 7.8 percent.

"When you're looking at a 3.9 percent, that's almost record-breaking. It probably is. We were surprised to find it that good," said Tony Plath, a vice president with CBRE.

According to the CBRE report, there were 1,265 units in the central business district, an area roughly contained by I-75, I-280, and the Maumee River.

The three largest apartment buildings right downtown -- the Commodore Perry, the LaSalle and the Riverfront -- are at or close to 100 percent occupancy.

"I think there is a lot of interest," Mr. Plath said. "With some of the good things that are going on, a lot of people are attracted to being downtown. If you work downtown, certainly there's some convenience. You talk about entertainment, there's a lot of that now."



The upper deck patio has a built-in grill as well as a view of the city. Some of the residents say the mix of modern fixtures and the historic architecture is what sealed the deal for them. The building has 16 floor plans and the apartments range from 700 feet to 1,500 square feet. Rent is between \$480 and \$1,200 per month.

That's what drew Lance Miller, a southern Ohio native who recently moved to Toledo to study theater.

"I feel like there's more cultural diversity downtown than being in the suburbs, more things to see, more things to do," Mr. Miller said. "That's really what brought me downtown."

After considering several downtown-area buildings, he moved into the Standart on Jan. 9.

One of the biggest draws for Mr. Miller was the way the Standart mixes contemporary fixtures and historic architecture. When he saw that, the search was over.

"This kind of place will really mess up your mind if you're looking elsewhere," he said.

Colloquially, Toledoans often refer to the Standart-Simmons Building as the Triangle Building, after its three-sided appearance. (Though a quick count will tell you it's actually five-sided.) Whatever you call it, the unusual shape made for a challenge when it came time to slice up the building into apartments.

"It's a difficult space to work with. It took a lot of architectural skill and a lot of trial and error in the plans for it to make sense," Mr. Prater said.

The design plans were revised at least a dozen times. Now the building has 16 floor plans, ranging from 700 square feet to 1,500 square feet. All are market-rate, renting for \$480 to \$1,200 per month.

That compares with starting rates of \$725 at the LaSalle and \$475 at the Hillcrest. CBRE says the average rental rate for a one-bedroom apartment in the central business district was \$576, while the average two-bedroom rented for \$658 per month. About two-thirds of the Standart's apartments are one-bedroom.

The Standart building was listed to the National Register of Historic Places in 1975, and the project qualified for historic preservation tax credits from the state and federal governments. Ohio signed off on a \$2.5 million credit based on the original \$11 million estimate. The state credit is capped based on the original budget. The amount of the federal tax credit was not available.

Requirements related to the historic preservation tax credit provided for some quirks at the Standart, such as drywall interrupted by an exposed wooden beam running floor to ceiling. The developers embrace it.

"This is the classic Chicago-style loft apartment with the exposed brick and the heavy timbers," Mr. Karp said. "You can't find this in most cities unless you're in Chicago. Large industrial buildings don't exist in most towns."

The project was privately funded, with no state or federal grants or loans. The project also did not receive any local tax credits.

Mr. Prater said they could have done the project for less money. For example, every unit has a washer and dryer. But they wanted to make sure they weren't building another "white box" apartment building.

"This is something that's going to be here for a long time. The building's been here for 100 years. We're just building off the qualities that existed when somebody built it."

Bill Thomas, chief of the downtown improvement district, has long been pushing for more residential development downtown. He was impressed with the Standart. "It's really just very well done," he said. "People are very excited about it. I look for them to be full in no time."

Mr. Thomas said there's more demand for downtown apartments than there are available spaces. Mr. Karp and Mr. Prater also say it's a market ripe for the picking, though they're also relying on the building's unique qualities to help fill it.

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