

Steele Mansion

A Success Story Written By Angela Clements Cattell

Set for demolition in March of 2011, the Steele Mansion, located in Painesville Ohio, seemed to be a lost cause. However, Arthur and Carol Shamakian had a different vision in mind for this historical building that once stood as a magnificent landmark. After being mostly destroyed from a fire 10 years earlier, the Steele Mansion would need owners who had a construction background, the ability to invest a large amount of funding, and the foresight to realize they needed to look at every available resource for help in order to save this potential masterpiece. The Shamakians not only had the necessary qualities, but also the business savvy to believe they could make the building into a profitable and successful business.



During the 1970s and 1980s, the Shamakians owned and operated a residential construction company. Later, using his Degree in Finance, Arthur Shamakian, decided to change paths and pursue a career in Financial Planning in which he became quite successful. On the other hand, Carol Shamakian, Arthur's wife, decided to seek a Medical Degree in Radiology at age 40 after already possessing a degree in Retail Management. Both enjoyed fruitful careers, helping them to establish a healthy financial

disposition. However, their love of construction and beautiful architecture was always present paired with a desire to work together on a family project in which both their son and daughter could be involved. One day, while simply driving down the street, Arthur Shamakian noticed an auction sign in front of the then run-down Steele Mansion, and recognized the intrinsic beauty of this once amazing architectural marvel. He was confident this could be the perfect family project and eventual business venture they desired. The Shamakian Family purchased Steele Mansion four days later in December 2010 for a very modest price.

The Steele Mansion was originally built in 1867 for a very wealthy local business man named George W. Steele, and, at that time, was considered the grandest home in Painesville. The French Second Empire home featured a third floor ballroom, 8 Italian marble fireplaces, windows imported from France, three bathrooms with running water and ornate walnut doors, stairs and trim throughout. The Steele family owned the home until 1917, and, eventually, the mansion was sold to Lake Erie College in 1921 where it was used it as the President's home as well as student housing and administrative offices. Early overnight guests of the home included Rutherford B. Hayes and James Garfield before they became presidents. James Garfield even used the front porch of the Steele Mansion on many occasions to give campaign speeches while running for president. In 1936, American Aviation Pioneer, Amelia Earhart, stayed overnight at the Steele Mansion which later inspired the Shamakians to decorate and name one of the guest rooms in her honor.

By the time the Shamakians took ownership of the Mansion, very little of the original structure still stood except for the brick walls and the grand walnut staircase. Understanding the historical value of the home, Carol and Art Shamakian, along with their children, Brian Shamakian and Elissa Petrozzi, wanted to work closely with the Ohio Historical Preservation Association to ensure the renovation met historical standards.

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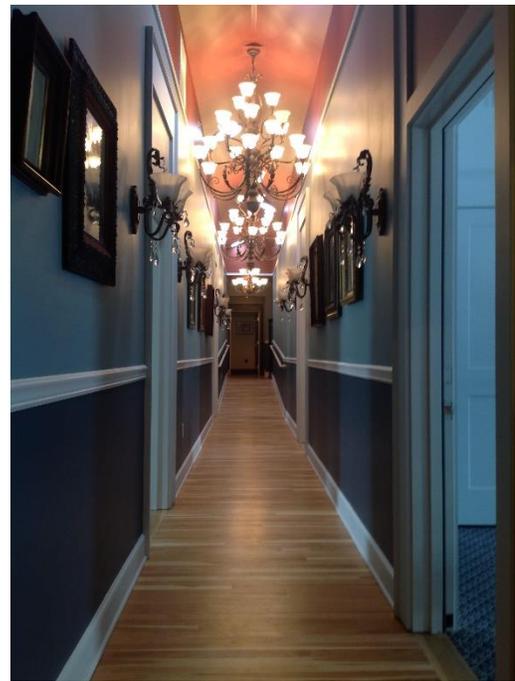
By the summer of 2011, the final plans of the project were submitted to the building department and construction on the exterior and main interior structures began soon after. However, the Shamakians still needed to figure out their business plan. They needed to determine what type of business would give them adequate return on their investment. After careful deliberation and reviewing of financial projections, they realized an apartment building would not be the way to go. Instead, they decided on making the Mansion into a large Bed and Breakfast and Party Center realizing the potential of the Mansion's historical significance. Later that same year, the Shamakians met with the Planning Commission from the City of Painesville and asked for a zoning change since the zoning at that time only allowed for 5 guest rooms. After months of meetings and tours of the Mansion's progress, the Shamakians had made their case for the ordinance change. By the following summer the zoning had officially changed allowing the Shamakians to have the type of small business they aspired to own and operate.

Although the extensive construction continued to progress, the costs continued to accumulate as well. The Shamakians knew they needed help to see this project through its completion. Even though they had a strong financial background, the Shamakians were having difficulty finding the right bank to do the kind of loan they needed. Then, in early 2013, they read about SBA financing in a local paper and became hopeful. Soon after, the Shamakians met with Martin Gareau, Director of Public Finance and Counselor for the Small Business Development Center at the Lake County Ohio Port and Economic Development Authority, who works closely with the SBA 504 program.

"Marty was a Godsend," exclaimed Carol Shamakian. "He helped us search for the right bank. He kept pushing and was able to make it all work. Marty is a bulldog!"

After finding a bank that had an interest in participating in the financing of the Steele Mansion, Martin Gareau encouraged the Shamakians to submit an application. Martin met with Carol and Art Shamakian along with their daughter, Elissa Petrozzi, in February 2013 to discuss the SBA loan application process and to gather additional information. He reviewed their updated business plan and the draft of the lenders loan term sheet. He prepared a loan structure worksheet to illustrate the three sources of capital for funding the project and reviewed it with the Shamakians. Martin also reviewed the Shamakians' projected financial statements.

According to Arthur Shamakian: "Marty was the only reason we were successful in receiving (financial) help...His patience and hard work to guide us through the SBA process was invaluable. He was with us all along the way, including sitting in an unheated construction office in the mansion in the middle of winter to get the process started."



This photo is of one of several breathtaking corridors leading to the guest rooms.

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Martin Gareau met with Arthur Shamakian on several more occasions. He reviewed the documentation and explained the process to the Shamakians. He asked the necessary questions about financial projections and project costs, and used that information to help build the project's credit memo for the SBA. By the summer of 2013, the SBA had approved the Shamakians loan application for an SBA 504 loan making possible the completion of the Steele Mansion into a beautiful and viable small business.

The Steele Mansion officially opened to the public in the fall of 2014 for meetings and banquets. During the renovations, a three story addition was rebuilt and added to the rear, allowing for the full sixteen luxurious guest rooms to be completed, each with its own distinctive décor. The entire first floor can be rented for entertaining or meeting purposes. Also, the Shamakians were able to buy the vacant house next door in which the land behind the home has since been converted into a parking lot for additional guest parking. The Shamakians have a full liquor license for the Mansion as well as a perfectly equipped new kitchen in the basement enabling first class receptions to take place. Additional banquet rooms are available for parties in the basement. The public rooms have a capacity ranging from four to 100 people. Carol Shamakian is in the process of completing a boutique in the basement which will feature wares from local artisans as well as antiques and unique gifts. The Shamakians also have scheduled paid tours of the Mansion which provides a fourth stream of income for the business.

Currently, some of the banquet rooms are booked up to a year in advance with both meetings and



Shown here is the main banquet/meeting room on the first floor set up for a wedding reception.

special occasions such as weddings. The room reservations have been pouring in since the Steele Mansion's website was completed earlier this past winter. "Our goal is to be the first five star hotel in Lake County," expressed Carol Shamakian.

Besides the four members of the Shamakian family working at the Mansion, they also employ three part time people to clean. In addition they plan on hiring two more full time employees in the near future to help with guest room reservations. The Shamakians also hire local caterers/chefs by contracting their services for the various events. "We use all local businesses/tradesmen for whatever has been

needed," according to Carol Shamakian. "I've always been small business oriented-that's my world."

When asked to give advice to other entrepreneurs, Carol Shamakian replied, "You need to have a business plan." As the Shamakians know very well, a business plan is required to secure financing. However, planning your business by committing your goals and charting your specific course of action on paper will also help you manage your business more effectively.

Carol also encourages entrepreneurs to not be afraid of taking that next step in starting or growing a business: "You can't let yourself be limited by your fears. If you really want to do it, you will find a way. Don't let your fears make your world little."

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Furthermore, Carol Shamakian added, “You need to stay flexible.” Starting a new business can be overwhelming at times so it is important to be open to trying a different course of action as necessary when obstacles emerge. She emphasized how important it is to learn from everything you do for your business including your mistakes: “Everything is a learning experience. Critique your performance all the time so you keep getting better. Take on each battle independently and ask yourself what you are going to learn from this experience.”

The Shamakians also understand all too well how important it is to reach out for help and take advantage of the free business assistance available. As Carol Shamakian stated, “We could not have done this on our own” when referring to Martin Gareau’s help. One of the greatest steps an entrepreneur can take when establishing a new business is to gain as much education and support as possible from all the reliable business resources available. The Small Business Development Centers are one of those valuable resources that can really help guide small business owners on their way to success.



Shown here is one of the 16 guest rooms. This particular suite is named Captain's Berth and features a nautical theme. Standing in the doorway is one of the Steele Mansion's owners, Carol Shamakian. Check out <http://www.steelemansion.com/> for more information about the Steele Mansion.