

Bob Mollette

3rd Ward Councilman

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Correspondence#: 08-023

June 3, 2008

Jim Kalb, Mayor
Trent Williams, Auditor
Honorable Council Members
728 Second Street
Portsmouth, Ohio 45662

Re: Fact Finding for City Government Office Space

I reviewed the information provided on the proposed City government office space and developed a list of comments, questions, and requests for additional information to better understand the consequence of our actions or inactions.

At the May 27, 2008, Work Conference Session, a presentation was given by Tanner Stone Holsinger Donges Architects of Portsmouth, Ohio for the conceptual design and costs for new City government offices. The conceptual design involved a new Justice Center at the former Adelpia Building site and City Center from renovated offices at the former Marting Building. This concept was recommended by the Advisory Building Committee and supported by a majority of City Council members with passage of Ordinance #15-08 on March 24, 2008. This presentation included an estimated total cost of approximately \$12,000,000 which includes a return of \$1,400,000 from the Richard D. Marting Foundation.

On May 30, 2008, I requested additional data to better understand the basis for the conceptual design and cost. I enclosed the information I received dated May 6, 2008. It appears the Justice Center concept has approximately 30,000 square feet (sf) with a projected cost of \$6,689,500. The City Center concept has approximately 19,000 sf of City government office space and approximately 19,000 sf retail spaces for \$5,167,667 which includes \$1,400,000 rebate from Marting Foundation. It was suggested at the May 27th Council meeting the 2nd floor (19,000 sf) may be renovated at a later time for retail space and the basement may also be renovated at a later date for City storage space. The former Marting Building has approximately 75,000 sf of total available space.

After listening to the May 27th presentation and reviewing the enclosed cost data I feel the best way to accurately solve a problem is by making informed decisions by knowing the alternatives. The City Center concept relies on the taxpayers supporting the idea of providing retail space (up to approximately 35,000 square feet) within the former Marting Building (1st and 2nd floors) and believing this retail space will energize a downtown revitalization. The City Center concept requires a significant investment over and above providing clean and safe office space for our City government. It involves the use of renovation construction which is often difficult to determine the total cost until the construction is complete. Also, an older building is generally less energy efficient with a higher cost to maintain.

To better understand the actual cost of the above concepts I am requesting additional conceptual costs to provide all City government offices at one location under one roof. The Health Department offices will remain in the current Municipal Building Annex.

First, consider the former Adelpia Building site as previously adopted by Council and recommended by the City Building Committee Final Report dated December 11, 2006. Second, consider the current Municipal Building site based on the fact the property is twice the size of the Adelpia site. Third, keep in mind the renovation of the existing municipal building may be the only option available if the electorates do not support the concept of new facilities. I believe it would be prudent and appropriate to provide the above alternatives to the electorate for the best decision. I have listed the following alternatives to summarize my request:

1. Provide a conceptual cost for a new Municipal Building at former Adelpia Building Site.
2. Provide a conceptual cost for a new Municipal Building at existing Municipal Building Site.
3. Provide a conceptual cost for renovation of the existing Municipal Building.

I believe citizens want to be knowledgeable and well informed decision makers. To provide an overall plan the City will have to be clear on the financing. The City Auditor revealed nine (9) sources of revenue in a letter dated May 20, 2008. An article published in the Portsmouth Daily Times (PDT) on May 25, 2008 quoted the City Auditor stating he was going to primarily look at two of them. "An increase in the City Income Tax and/or an increase in the property tax based on real value, not the assessed value." I have three (3) concerns which require additional information to resolve. First, it was stated in the May 20th letter the suggested City Income Tax rate increase would be six tenths of a percent (.6%) with two tenths of a percent (.2%) being dedicated to financing the building project. The remaining four tenths of a percent (.4%) would be dedicated to providing many services and improvements to the City that has long been forgotten. I consider it risky to mix objectives unless adequate information is provided to justify them. Provide the proper documentation on the many services and improvements proposed for the four tenths of a percent (.4%) rate increase. Second, explain the use of the proposed property tax based on the real value instead of the assessed value. The assessed value is thirty five percent (35%) of the appraised value. It appears the real value has the potential for much higher property taxes. Provide additional information for justification to seek property taxes based on real value versus the assessed value. Third, the cost estimate information enclosed indicates a zero (\$0) amount for furniture and states it will be provided by the owners. Provide an estimate for the cost of furniture. I have listed the following requests:

1. Provide the proper documentation on the many City services and improvements proposed for the four tenths of a percent (.4%) City Income Tax rate increase.
2. Provide additional information for justification to seek property taxes based on real value versus the assessed value.
3. Provide a cost estimate for the projected furniture needs.

If you have any questions or comments contact me.

Respectfully,



Bob Mollette, 3rd Ward Advocate and Representative on City Council

rwm

Enclosure

cc: Michael Jones, Solicitor
Tanner Stone Holsinger Donges Architects
Jo Ann Aeh, Clerk (Record)



**TANNER STONE
HOLSINGER
DONGES**

Architecture
Planning
Interior Design

1010 Coles Blvd.
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OFFICES AT MARTINGS BUILDING

May 6, 2008

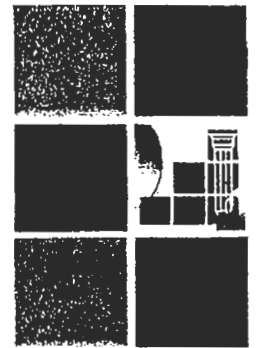
Property Acquisition		\$0	
Furniture (By Owner)		\$0	
Site Prep/Development		\$150,000	
1st Floor	19,300 sf @	\$78 sf =	\$1,505,400
3rd Floor	18,935 sf @	<u>\$175</u> sf =	\$3,313,625
Building Façade Upgrade		\$500,000	
Elevators		\$250,000	
Fire Protection		<u>\$175,000</u>	
	Total Construction Cost		\$5,894,025
Architect/Engineering Fee @ 6%			\$353,642
Miscellaneous Costs (Survey, test borings, approval fees, reproduction of drawings, etc.)			\$20,000
Contingency			<u>\$300,000</u>
	TOTAL PROJECT COST		\$6,567,667
Rebate from Marting's Foundation			⁴ <u>\$1,500,000</u>
	NET PROJECT COST		\$5,067,667

Mark E. Tanner AIA
David F. Stone AIA
Mark Holsinger AIA
Kirk R. Donges AIA

NEW JUSTICE CENTER AT FORMER ADELPHIA SITE

May 6, 2008

Property Acquisition	\$250,000	
Demolition	\$100,000	
Site Preparation/Development	\$250,000	
Furniture (By Owner)	<u>\$0</u>	\$600,000
* Police Department	12,000 sf	
* Municipal Court	12,000 sf	
* Legal Department	1,200 sf	
* Common Area	<u>5,000</u> sf	
	30,200 sf	
	Use 30,000 sf @ \$175 sf =	<u>\$5,250,000</u>
	Total Construction Cost	\$5,850,000
Architect/Engineering Fee @ 7%		\$409,500
Miscellaneous Costs (Survey, test borings, approval fees, reproduction of drawings, etc.)		\$30,000
Contingency		<u>\$400,000</u>
TOTAL PROJECT COST		\$6,689,500



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