

**MICHAEL H. MEARAN, L.L.C.**  
**812 6<sup>TH</sup> St.**  
**Portsmouth, OH 45662**  
**740-354-3643**  
**Fax 740-353-5293**

August 30, 2006

Howard Baughman, President  
Portsmouth City Council  
728 2<sup>nd</sup> St.  
Portsmouth, OH 45662

Dear Mr. Baughman:

On August 28, 2006, the City Building Committee met and approved the following:

Committee Statement of Purpose  
Project Plan I - Marketing the Martings's Building  
Project Plan II - RFQ for City Property Inventory  
Project Plan III - Expedite Sale of Marting's Annex  
Project Plan IV - Expediate Adelpia Building Utilization

Attached are the proposals that were approved by the Committee.

Sincerely,



Michael H. Mearan

cc: City Building Committee Members  
City Council  
Auditor  
Solicitor  
City Clerk

# City Building Committee Statement of Purpose DRAFT

The City Building Committee was established as a committee of the Portsmouth City Council on July 10, 2006, by City Council President Howard Baughman: "Noting the condition of the present City building, (Mr. Baughman) said he has been talking with Mr. Mearan and has made the decision to appoint a committee to study the City's assets for a building, study the information that has already been acquired, talk to new people with new ideas and to make a few decisions and proposals to Council; advised that they can look at and review any and all things and ask any questions of anyone that might assist them in making their recommendation; the committee will talk to architects, look at information the City has accumulated through the years on proposals for a City building and will take into consideration the money that is available through the Marting's Foundation as well as the contract that was signed by the City with the Foundation."

The purpose of the City Building Committee is to recommend a site for a new City Building. To meet this purpose, the committee's objectives shall be to:

- 1) Ascertain and review all City assets (land, buildings),
- 2) Ascertain and review City departmental space requirements,
- 3) Utilize due diligence in the review of space requirements and the utilization of City financial resources, keeping in mind the need to utilize taxpayer funds wisely,
- 4) Review all information developed in the past pertaining to a new City Building,
- 5) Develop a Master Project Plan and subsidiary project plans in support of the purpose of the City Building Committee,
- 6) Communicate with City shareholders – elected officials and residents,
- 7) Recommend means to make full use of all resources available to the City, including Marting's Foundation resources, and
- 8) Recommend at minimum two possible sites for a new City Building to be considered by City Council and the residents of the City of Portsmouth as expeditiously as possible though no later than nine months beginning July 24, 2006.

# Project Plan I (DRAFT)

## Marketing of Marting's Building

### Context

Though the Marting's Building must be included amongst sites being considered for a new City Building, the Grant and Settlement Agreement between the City of Portsmouth, Ohio and the Richard D. Marting Foundation, Inc. dated 24 May 2005, stipulates, in Section 18 d): "**Time Limitation**. In the event each and every condition to disbursement of the Foundation Assets set forth in this Paragraph of this Agreement has not been fully satisfied within thirty-six (36) calendar months next following recordation of the Quitclaim described in Paragraph 8 hereof, the undertaking of the Foundation to grant the Foundation Assets shall terminate, and the City shall forfeit any and all rights to grants from the Foundation for the purposes mentioned herein as to the Foundation assets."

Consequently, as per Section 17 (**Grant from Foundation to the City**), Foundation assets may not be available after or shortly after 24 May 2008.

This Project Plan envisions a dual track: consideration of the Marting's Building as a site for City Hall AND establishing a marketing plan to market the building to a national or regional retail establishment (permitted use under Section 18. **Delivery and Conditions**. a) **Use**.). A dual track is necessary as 1) the voters have already expressed their view concerning the Marting's Building as a City Hall, 2) the City Building Committee is expected to take up to nine (9) months to conclude its investigation and make appropriate recommendations and 3) time therefore is of the essence concerning meeting the requirements to qualify for the stated \$1,405,000 in Foundation assets.

### Purpose

Establish a business and community involved subcommittee to develop a marketing plan which is to include finance options for encouraging a national or regional retail establishment to utilize the Marting's Building.

### Tasks

- 1) Obtain approval from City Council to move forward with the marketing of the Marting's Building. Approval must be considered emergency legislation considering the time constraints facing this process and project.
- 2) Develop outline of subcommittee composition (e.g. real estate professional(s), finance specialist(s), community development personnel etc) and seek such professionals to join this subcommittee.
- 3) Develop marketing outline and plan, to include an appropriate web site.
- 4) Obtain any necessary approvals for the marketing plan, including approval of any and all finance options by the City Auditor.

# Project Plan II (DRAFT)

## RFQ for City Property Inventory

### Context

Amongst the implied or stated responsibilities of the City Building Committee is to identify property owned by the City that is currently not utilized, is now under-utilized or in the future is not planned to be utilized at all. The sale of such properties would offset costs associated with the rehabilitation of an existing building or the construction of a new building.

Unfortunately, no accurate database of properties owned by the City of Portsmouth exists. The number of properties owned by the City is estimated to be between 275 and 375. Though a number of these properties are alleys or other right-of-ways, there are a number of sizable properties which may be put to better use by selling them, making them productive in the private sector and thereby creating additions to the area's property-tax base.

### Purpose

Draft and have approved a RFQ (Request For Quote) to be released as soon as is possible for the purpose of creating a concise and accurate inventory database of City-owned properties.

### Tasks

- 1) Request the City Auditor's Office to draft an appropriate RFQ for the purpose of soliciting bids and determining a cost range to create an inventory database of City-owned properties.
- 2) Obtain approval from City Council to move forward with the RFQ. Approval must be considered emergency legislation considering the time constraints facing this process and project.
- 3) Develop RFQ response assessment and bid acceptance guidelines.

# Project Plan III (DRAFT)

## Expedite Sale of Marting's Annex

### Context

As part of a Grant and Settlement Agreement signed by the City of Portsmouth and the Richard D. Marting Foundation, Inc. on May 24, 2005, the Marting's Annex, located at 733 Chillicothe Street, is owned by the City and is not anticipated to be utilized by same.

This property, identified on County records as Parcel ID #290686000, is 44' 6" x 107' 3" in size and contains a four-story building (square footage unknown). It is on the County books as having a market land value of \$33,540, an improvement value of \$138,940 and a total value of \$172,480.

As the building definitely needs a new roof, the expedited sale of this building will contribute to its rehabilitation.

### Purpose

Sell this building and property to offset any costs associated with a new City Building and/or the proposed Police Department site at the old Adelphia Building.

### Tasks

- 1) Obtain approval from City Council to sell this building and property. Approval must be considered emergency legislation considering the time constraints facing this process and project.
- 2) Develop and solicit bids from a professional property marketing agent or company to market and sell this property, bid requirements to include a) previous experience in sales of commercial property and b) requirement of any purchaser to expeditiously repair the roof (up to code).
- 3) Negotiate with winning bidder a minimum sale price.
- 4) Obtain all necessary approvals for such sale.

# Project Plan IV (DRAFT)

## Expedite Adelpia Building Utilization

### Context

The old Adelpia Building, located at 807 Washington Street, was donated to the City by Dr. Herbert Singer at a cost (to the City) of approximately \$35,417.26 (\$17,709.76 in back taxes, \$5,707.50 in current taxes and \$12,000 for feasibility study). It is on the County books as having a market land value of \$111,940, an improvement value of \$207,970 and a total value of \$319,910.

The building has approximately 16,000 square feet and sits on property measuring 212" x 165' (Parcel ID #290388000).

A January 2006 report from Tanner Stone & Company Architects estimates the cost of building rehabilitation, to Police Department specifications, to be approximately \$1,166,746 (or \$72.92 per square foot).

### Issues

By recommending the expediting of this project, the City Building Committee is recognizing and approving the concept that the Police Department should be housed separately from the new City Building.

Expediting this process is critical due to a damaged roof and what will be continuing damage to the interior by the roof being not repaired.

There are two (2) financial issues that must be considered in the very near future by the City: 1) the cost to build-out the building (equipment, supplies, computers etc.) and 2) the issue of maintaining a separate 9-1-1 Call Center. The Police Department has \$30,000 budgeted in the 2006 Capital Improvement Budget for various equipment. A report on the second issue will be presented at the next regularly scheduled meeting of the City Building Committee.

As regards paying for this project, approximately \$500,000 (or more) could be obtained from the Richard D. Marting Foundation (by the Grant and Settlement Agreement). The remainder could be financed via the City's Bond Retirement Debt Service fund at a cost to taxpayers of approximately \$0.0766 per \$1,000 property valuation (based upon 2.5 mils and approximately \$225 million in assessed property). Such Debt Service could be reduced by the sale of City-owned properties, as recommended by Project Plan III and by anticipated future recommendations.

### Purpose

Build a new, state-of-the-art Police Department.

### Task

Recommend to City Council that they approve expediting the recommended work and plan submitted by Tanner Stone & Company Architects. It is recommended that this work plan be re-reviewed by Tanner Stone to ensure all aspects and assumptions remain valid.