

President Dan Kaman called the meeting to order at 6 p.m. Dan Kaman led those present in the **Pledge of Allegiance**.

The Clerk **called the roll** and the following Commissioners responded: Dan Kaman, John Hamilton, Kim Nuesse, Dave Waddington and Pervis Brown, 5.

**Upon motion of Dan Kaman and second of Dave Waddington, the Commission voted to excuse Julie Farrar and Brett Fuqua from the special session. All Ayes. The President declared the motion passed.**

Kim Nuesse said information has been sent out regarding a **proposal for the redevelopment of the Keller Building**. She spoke with Gene Hawk regarding the available Ohio Historic Tax Credits which could make project a reality and indicated he has put together a presentation with general information about the project and will answer questions. She stated in order to make application for the Ohio Historic Tax Credits, the property must be transferred to Gene Hawk.

Gene Hawk, 401 West Shoreline Drive, said he spoke with Jonathan Sandvick, a preservation architect, a few months ago as he is very familiar with historic renovations and the Sandusky market. Jonathan Sandvick previously provided a full set of drawings for the Reiger property. Jonathan Sandvick told Gene Hawk if he were serious about renovating the Keller Building, he should apply for Ohio State Historic Tax Credits. Currently, the State has approved Round 4 funding and approximately \$20 million is available; there is no legislation to continue this program beyond Round 4. Gene Hawk said the State's Historic Tax Credits will pay for about 25% of the project cost and, in his opinion, the project is not feasible without them. Gene Hawk said Jonathan Sandvick is interested in preparing the application and will work with him. He said four architects from Jonathan Sandvick's firm were in the building last month and he is preparing the necessary documentation to make application for the credits.

Gene Hawk commented on the work Jonathan Sandvick has already done with the Keller Building and said he has incredible vision. He prepared total elevations of the South, West, East and North sides of the building and has noted the construction that needs to take place. Gene Hawk said potential subcontractors have also been to the property to prepare bids for a construction estimate. He said the North elevation will be the toughest regarding the necessary masonry renovations. He said one of the contractors familiar with historic renovations has submitted some good pricing/numbers for the project and has included restoration of the chimney and maintaining the tower. He said the plan includes parking inside of the building with ramped entryways and exits for the first floor and basement. He said the South elevation provides the best opportunity for retail at ground level and historic preservation work will be done on the doorways. He said the transoms are currently covered with siding and Historic Tax Credits will be used to expose these. Gene Hawk said the toughest part of the project is the parking which has been turned into one of the biggest assets as it is indoors and this is not offered for any other downtown building. There will be 20 spaces on the first floor, although not typical in size, and access up to the 5<sup>th</sup> floor will be provided by elevator. There will also be approximately 35 parking spaces around the outside of the building.

Gene Hawk said there is a basement area under the sidewalk on the South side of the building which normally would be filled in. His proposal, however, includes the construction of new sidewalks. The South side provides the best opportunity for retail and would bring people downtown.

Because of the size of the building, Gene Hawk is proposing a mixed use plan as he understands it would be tough to fill the building with only one use. He is thinking about residential areas for a couple of floors. The Residential Use Survey for downtown is starting next week and will be used to tie this property in and show the need for residential use downtown. Because he anticipates some issues with this from neighboring properties and noise levels, a hallway has been placed on the South side of the building as well as on the South side of each unit to insulate units from noise. There are 12 units proposed which range in size from 1,700 – 1,300 Square Feet. Gene Hawk showed a slide with a typical floor plan for a residential unit. The unit includes a lofted bedroom, a dining room with bar and kitchen, two bathrooms, a mechanical area and the living area with a view of Sandusky Bay.

Gene Hawk said the typical commercial floor plan is currently an open area and will be dictated by the tenants. He said there are already persons interested who are familiar with the project and the commercial spaces will be built out according to their specifications. The market will dictate how many floors will be commercial vs. residential.

Gene Hawk reviewed the current condition of the building and showed pictures of water damage on the first floor of the building to be renovated. The water damage in the upper floors is in the area where the roof was repaired last year. There is still water coming into the building and daylight can be seen around the chimney; he said steps need to be taken to make repairs to these areas.

Gene Hawk said there is also interest from local businessmen to help start up a business incubator which will be great for creating jobs. This idea is in its infancy state and he feels this would be a great location for it.

Gene Hawk said a Contract of Sale must be approved and submitted with the application for Historic Tax Credits which is due tomorrow. Jonathan Sandvick has told Gene Hawk if he can drive to Cleveland tomorrow (March 30) with the Contract of Sale, he will prepare the application on his (Gene's) behalf. This is the only means of getting the Historic Tax Credits.

Dave Waddington thanked Gene Hawk for his efforts and asked whose responsibility it is for the continued maintenance of the Keller Building if we will still own it. He asked how much was left of the \$100,000 which had been set aside for repairs. Don Icsman said if approved tonight, this legislation and Contract for Sale requires Gene Hawk to apply for the Historic Tax Credits and the first "trigger date" is then August 31 - the last day before closing must occur. If the property does not close by this date, the contract is terminated. Notification of award of the Historic Tax Credits will occur by July 31, 2010. If Gene Hawk does not make application for the Historic Tax Credits nor does he not fulfill his obligations in the Contract for Sale, the closing will not take place and the property will not be transferred. Dave Waddington then asked for clarification about his understanding the city is responsible for the property until the closing date and Don Icsman indicated the city is responsible. Ed Widman said there was approximately \$28,000 left of the initial \$100,000 for repairs. Don Icsman said if Gene Hawk does obtain the Historic Tax Credits and a closing date is set, we will then have to negotiate a Development Agreement between the city and Gene Hawk and this must take place by December 31. The City will continuously own and maintain the property until the closing date.

Dave Waddington asked who from the city will be checking the property and Don Icsman said he will continue to meet with the Haag's, John Hancock and Kathy McKillips to monitor the building and its condition. Dave Waddington said he hopes this development takes place as the city has danced with this for the past five to six years. Dan Kaman said this is the first step to getting something done here and hopes everyone can pull together.

Dave Waddington asked Gene Hawk if he knew whether Jonathan Sandvick is still interested in the development of the Reiger property and Gene Hawk said he (Jonathan) is very interested and has a full set of plans and specifications and would like to see it built out.

Kim Nuesse said she thinks this is an exciting possibility for the property and likes the mixed use of commercial, retail and rental/residential. She said she has been hearing talk of creating rental apartments in the downtown for young professionals as they are now living outside of the city limits. She said she believes this mixed use will lend itself more to the businesses downtown including retail establishments, our restaurants, the theatre and other entertainment. She said she likes the idea of the business incubator and of bringing entrepreneurs into the downtown. John Hamilton said this looks like a great transitional move from heavy industry to the park area across the street. Pervis Brown said he applauds Gene Hawk's development efforts and interest and supports him.

Under **Audience Participation**, the following persons offered their comments:

Sharon Johnson, 1139 Fifth Street, asked if this proposal included more rentals and asked if the city is obligated for the property until it is completely transferred to Gene Hawk. She asked if the city had any other obligations. Dan Kaman said the city is obligated to maintain the property until the closing date. Sharon Johnson asked if the city would have obligations for the property as she just received the legislation and did not have time to review it. Dan Kaman said the city will continue to do what it has been doing in regards to mothballing and securing the building, fixing leaks, etc. Sharon Johnson asked if the city would be obligated for any infrastructure around the building and Dan Kaman said we would not be obligated any differently than we have for the past six years. Don Icsman said the legislation tonight is for the execution of a Pre-Development Agreement and if Gene Hawk is successful in obtaining the Historic Tax Credits, the city will then schedule a closing date and put more details in a Development Agreement. If the closing does not take place by August 31, Gene Hawk will not get the property. Don Icsman said there are a lot of safeguards and the city will not just transfer the property

for \$10. He said the Development Agreement will have to be approved by the City Commission according to what is best for the city. Sharon Johnson asked with the city's expenses would be for this and Don Icsman said a Fiscal Officer's Certificate is included in all Agreements and these costs would be spelled out. Under the Pre-Development Agreement, the city is obligated to pay its share of the closing costs.

Barry Riddle, 1338 Fifth Street, asked where Gene Hawk has been for the past 15 years; he said he (Gene) has done more in the last ten years than what was accomplished before. He thinks Gene can be easily contacted because he is from here and is appreciative for coming forward and doing this project.

**ORDINANCE NO. 10-028: An Ordinance authorizing and approving a Contract for Sale and Pre-Development Agreement with Carl Eugene Hawk, approving a related Escrow Agreement, and declaring an emergency.**

**Upon motion of Kim Nuesse and second of Pervis Brown, the Commission voted to authorize and approve a Contract for Sale and Pre-Development Agreement with Carl Eugene Hawk, approving a related Escrow Agreement, and declaring an emergency. Roll Call on the motion: Yeas: Dan Kaman, John Hamilton, Kim Nuesse, Dave Waddington and Pervis Brown, 5. The President declared the Motion passed. Roll call on the Ordinance: Yeas: Dan Kaman, John Hamilton, Kim Nuesse, Dave Waddington and Pervis Brown, 5. The President declared the Ordinance passed.**

**Upon motion of Dave Waddington and second of Pervis Brown, Commission voted to adjourn the Special Meeting at 6:25 p.m.**

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Kelly L. Kresser  
Clerk of the City Commission

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Daniel J. Kaman  
President of the City Commission