

Canal Winchester

*Town Hall
10 North High Street
Canal Winchester, OH 43110*



Meeting Minutes - FINAL

December 2, 2019

6:00 PM

Council Work Session

Mike Walker – Chair

Jill Amos

Will Bennett

Bob Clark

Mike Coolman

Bruce Jarvis

Patrick Lynch

A. Call To Order At 6:00 pm

B. Roll Call

Present 6 – Amos, Bennett, Clark, Coolman, Lynch, Walker

*Motion to excuse Jarvis made by Bennett; seconded by Lynch
Motion carried by the following vote:*

Yes 6 – Bennett, Lynch, Amos, Clark, Coolman, Walker

C. Also In Attendance

Mayor Ebert, Matt Peoples, Lucas Haire, Amanda Jackson

D. Request for Council Action

RES 19-027

Development

A Resolution Approving the Mayor's Appointment of Bill Christensen to Serve a Four Year Term as a Member of the Planning and Zoning Commission Expiring on December 31, 2023 ([Resolution](#))

- Request to move to full Council

Haire stated this is to re-appoint Bill Christensen to the Planning and Zoning Commission; he has served for over twenty years and we would like to continue his appointment.

Motion to move RES 19-027 to full council made by Clark; seconded by Bennett

Motion carried by the following vote:

Yes 6 – Clark, Bennett, Amos, Coolman, Lynch, Walker

RES 19-028

Development

A Resolution Approving the Mayor's Appointment of Brad Richey to Serve a Four Year Term as a Member of the Planning and Zoning Commission Expiring on December 31, 2023 ([Resolution](#))

- Request to move to full Council

Haire stated this is to re-appoint Brad Richey to the Planning and Zoning Commission; he is just finishing his first term and is an executive with Turner Construction has a lot to offer to the commission.

Motion to move RES 19-028 to full council made by Bennett; seconded by Lynch

Motion carried by the following vote:

Yes 6 – Bennett, Lynch, Amos, Clark, Coolman, Walker

RES 19-029*Development*

A Resolution Approving the Mayor's Appointment of Roger White to Serve a Four Year Term as a Member of the Landmarks Commission Expiring on December 31, 2023 ([Resolution](#))

- Request to move to full Council

Haire stated this is to re-appoint Roger White to the Landmarks Commission; he is a long term Canal Winchester resident and has served about sixteen years on the commission.

Motion to move RES 19-029 to full council made by Coolman; seconded by Lynch

Motion carried by the following vote:

Yes 6 – Coolman, Lynch, Amos, Bennett, Clark, Walker

ORD 19-071*Development*

An Ordinance to Authorize the Mayor to Enter Into a Real Estate Purchase Agreement for the Purchase of 45 East Waterloo Street, Canal Winchester, Ohio Owned by Bob McDorman Real Estate, LLC ([Ordinance, Exhibit A](#))

- Request to move to full Council

Haire stated this ordinance is to authorize the Mayor to enter into an agreement to purchase 45 East Waterloo Street, the former Bob McDorman automotive museum, for municipal purposes; it is 1.29 acres and a 23,739 square foot building. Our intent is to re-locate the municipal offices, the community center, and the council chambers for meetings; it also has space for another tenant of a complementary use of about 8,000 square feet. This space will allow for growth and also solve current space issues. We are out of office space in the current municipal building, lack of storage space for documents and having to store off-site and transport back and forth, there are a number of security issues with the Clerk of Courts transporting payments and documents, and providing adequate parking for residents seeking municipal services. We are in contract to purchase the parcel for \$2.4 million dollars; this includes a clause for seller financing for a ten year term at 4%, we would make forty quarterly payments of \$73,093. We entered into contract on August 16, 2019 and we brought this before you in executive session a number of times to discuss details; had a ninety day due diligence period and conducted an alta survey, consulted an architect for preliminary space layout and design; we have a concept of how the space will be used (see diagram and display board) for planning and budgeting purposes at this point. Intention in future is to enter into a design build contract to build out the space; we would then obtain a total price for construction and renovations for the building. We have built into the contract another ninety days to gain council approval and projected to close on February 12, 2020, so there is time for discussions. Also, the seller included a clause that requires building to be named the Bob McDorman building. We have looked at the need to expand over the past few years; this has been in our CIP for the past ten years and a placeholder for six million dollars; we worked with an architect to determine our current needs for space and allow space for future growth; acquiring this building solves some immediate issues, but also keeps us in the heart of the city, the downtown area, and we felt this was important. Also looked at option to expand the current municipal building, but it would solve some issues but not all of the issues we currently have; looked at constructing a 3,000 square feet addition on the rear parking lot, it would have added a council chamber and approximately six additional offices; but budget wise it would have been quite costly to do; it would not have solved the issues of repairing the community building that is aging

and not efficient in its layout, nor would it have resolved the space issues with the sheriff's department. If we want a greater policing presence there is nowhere to put the officers for their operations; they could possibly move into the current municipal building or the current town hall; still to be determined.

Amos clarified that CIP means capital improvement plan. Amos asked if the price was negotiated or if it was an original offer; Haire replied they met with Mrs. McDorman and the trustee for Bob McDorman Real Estate several times to discuss pricing and options for the purchase; this was the offer we made after many meetings and where we needed to be in terms of pricing. Amos asked what the initial listed price was; Haire replied it was initially listed for sale at \$3.2 million dollars; Amos asked about the community center space and if it can still be rented out and is the space the same size; Haire replied it is the same foot print in space but it will be divided differently and more efficient use of a large space; Amos asked about the possible tenant for the 8,000 square foot space; Haire replied they have discussed it with a potential tenant, but cannot disclose it at this time. Lynch asked when Haire could disclose this information; Haire replied the potential tenant needs to gain board approval to move forward; Lynch asked how long this will take; Haire replied he does not know, but hopefully before February 12. Lynch asked about the original asking price of \$3.2 million and where did that number come from; Haire replied that Mrs. McDorman approached the city about purchasing the property before it was listed for sale, because Bob McDorman had wanted to give the city the first right to purchase the property; the initial price was done by an appraiser, the Robert Weiler Company, before it was put up for sale; apparently Mr. McDorman wanted the city to have the first right of purchase on the building if and when it came to that; first offer to the city was at the appraised value of \$3.2 million dollars. Lynch asked if any other appraisals have been done; Haire replied no; Lynch stated this would be a prudent thing to do; Haire replied he doesn't know if the result would change in our favor, we are in contract for approximately \$101 per square foot, which is a fairly low purchase price, if building a new building the shell construction could run approximately \$120+ per square foot and this would not include the cost of the land or any site amenities for that new construction.

Lynch commented that he is trying to put the numbers together including land, utilities, amenities, etc. and trying to get a number as to what that would all cost; Haire replied it would depend on the land site and he stated we looked at land sites over the years and wanted to stay downtown, but could not find viable options as far as acreage space for the building and parking; started looking at Groveport Road areas and Gender Road areas but did not find viable options; Lynch said he is trying to come up with a ballpark number for comparison; Haire stated he could not give a ballpark number for site development because there are too many variables to consider in cost, such as cost of land, site development, soil, environmental issues, parking lot, amenities, etc. Amos asked about the bidding for design of the building; Haire stated they would invite companies to bid that meet the qualifications to do the work, to do a design-build, we put them through an interview process, have to be cautious with the developer, ask them to develop the guaranteed maximum price as part of the contract, there is a risk involved, a bond has to be put into place and the bidder needs to be bondable for the entire project. Lynch asked about budget numbers for interior construction; Haire replied the initial estimate is around \$2 million dollars, conservatively, that includes some items that may or may not be necessary, will look at plans where we can achieve cost savings and get that number down lower, that number is a rough estimate, there are exterior renovations that will need to be done to make the building not look like a garage, the front drive-thru canopy, a central corridor, grade changes, add a rear vestibule, create same look in front and back, open up windows for natural light into space.

Lynch asked about potential tenant picking up some costs and would that bring down the renovation costs; Haire said yes, whoever occupies that space would be responsible for the renovation costs of that space and those renovations would become property of the city if the tenant leaves; in the future the city could occupy the entire building; it is all up for negotiation. Walker asked what is the plan if there is another recession; Haire responded this building is seller financed, I believe we have a debt rolling off this year that is approximately the same as what we would spend, would issue debt for the renovation costs. Jackson stated there is a portion of the 2019 budget that will become available after this year. Bennett asked about relocated the community center; Haire stated the intention is to relocate the community center into the west end of the building, the existing community center would be demolished and converted into public parking, plan to add approximately 60-70 parking spaces. Amos clarified the renovation would be done for the new community center space before demolishing the current building; Haire replied yes. Bennett asked about the parking construction and demolition costs; Haire said yes there is a cost for to do this, generally \$250,000 for both, would have to do environmental reviews for asbestos, etc., building was constructed in the 1980s so should not be asbestos.

Bennett asked about debt issuance and that it does not mean tax levy; Jackson said no. Bennett asked about the total debt issuance for this and McGill Park; Jackson stated we do not have enough numbers yet to state a number, would be using the general fund; Bennett asked if we have the resources to pay these debts; Jackson stated yes, we are financially in a good position to take on this debt; Bennett asked about operating expenses and that staff has done a good job of building up the funds to take on a large project like this and not ask taxpayers for additional funds. Clark asked about the sprinkler system and what is required; Haire replied currently the building does not have fire suppression system in it, building code allows you to separate different areas with fire walls, looking at how it can be done with fire walls, cost savings to not install sprinkler system; Clark asked about the HVAC system; Haire replied the only A/C is in the front office and large fans to circulate the air, we would need to add HVAC systems, need to look at the physical sites for the condensing units on the ground, this cost is factored into the \$2 million renovation costs, on a good note the building has plenty of electrical outlets. Walker asked if the tenant would share in the cost to upkeep the asphalt; Haire replied it is a public lot and used to be Canal Kitchen, sold parcel to McDorman to make it parking in the back and city maintains those.

Walker asked about the potential for more parking in front; Haire replied they reviewed different options and would not change the current parking scheme in the front of the building, believes residents coming to do business will likely park in back and enter through the rear entrance. Coolman asked what time frame are we looking at regarding occupancy and when would renovations start; Haire stated he does not have a date yet, depends on final city authorizations, getting the design plan, can't solicit contractors yet, if authorization is done in February, then possibly a summer start on renovations and to build it out the interior might be about 4-5 months to complete. Lynch asked about the CIP and budgeting about six million dollars for a new building, said he is trying to put numbers together to compare, and he is at about \$5 million dollars; Haire replied this building is much larger in square footage and solves more issues. Lynch asked how big is the current building; Haire replied it is just over 3,000 square feet; Lynch commented about the idea to add 3,000 the current building; Haire replied it would not work well because the building is bi-level, have to build out into Stradley Park, use the green space in back of park; these renovations would not have included the senior center issues. Amos asked how long the building has been vacant; Haire replied since 2017.

Amos asked about any other interest from other buyers; Haire talked to two other interested parties but they could not justify the price. Clark asked about a cost comparison to build it out and how much rent you would need to get for downtown; Haire said people looked at the space to build it out for multiple tenant space and split up the space into vanilla boxes, put in utilities, restrooms, but user would have to pay costs to finish the space; would have to justify those costs and possible rents necessary; a medical officer looked at it and could not make it work. Amos asked if there is something for the public to look at; there was a poster size diagram displayed in the town hall and Peoples had a diagram to show on the TVs for the public to see; Haire described the parts of the diagram, the potential renovations and use of the space for a new council meeting space, central corridor running front to back, municipal offices, clerk of courts space, a waiting area for sheriff deputies and inmates, area for planning and zoning plan review, large and small conference rooms, cubicle spaces, restrooms, IT server space, mechanicals and the new community center space. Amos asked about the intention for future tenant to use the same entrances; Haire replied yes it would be shared entrances.

Walker asked about the circle sketched on the diagram; Haire replied it is a placeholder for some kind of focal décor. Lynch commented about comparison numbers and what is the cost per square foot to build a new office building; Haire replied approximately \$200 per square foot, but it depends on your finishes, such as choice of flooring, etc., mechanicals are essentially the same cost. Walker asked about the cost of a sprinkler system if it is needed; Haire replied it would be approximately \$200,000 or more, the building already has a fire alarm system. Lynch asked if Mrs. McDorman is set on the price of \$2.4 million; Haire replied we are in contract for that price; Lynch estimates the price for square foot may be about \$216 for 16,000 square feet of space, asked how this compares with new construction, plus the 8,000 square feet of rentable space; Haire replied you need to factor in the cost of the land and cost of the parking spaces that are already completed. Bennett asked Mayor Ebert about the initial offer from Mrs. McDorman; Mayor said he didn't know what to expect, but within a week she took us up on it; Haire commented it is 25% less than her asking price; Mayor said he knows Bob McDorman wanted the city to have the building, Mayor says Bob planned on being in the building for ten years and then transfer it. Lynch said original asking price was approximately \$140 per square foot. Amos asked are we asking for this to be accelerated in anyway...we want three full reads, correct; Haire replied that is correct. Haire commented there is time built in for more discussion.

Bennett asked about having time, do we want to move it to full council tonight or do we want to schedule a public input meeting, what is the will of the group? Clark responded he would like to see a public hearing, possibly table it here and put off first reading, give time for a public hearing, January 14 is our town hall meeting to discuss informally with community. Walker commented we would typically have a public hearing; Jackson responded that it would need to be a public meeting, not a public hearing. Amos stated it is obviously of interest to the community, thank you all for being here. Lynch commented it would be great to have a public meeting...have it after holidays possibly; timing of the public meeting was discussed by several council members; want to give community time to engage with this topic and have input. Walker asked Hollins to clarify the parliamentary procedure they should follow; Hollins basically replied they could table it in work session tonight, then on December 16 hold the work session and public hearing. Discussion ensued and a decision was made to schedule the meetings on December 16 as work session at 6:00 pm, public meeting at 6:30 pm (but while still officially in the work session) and council meeting at 7:00 pm. Bennett asked Hollins what action does council need to take tonight; Hollins replied

it would be appropriate to table it since it is on the agenda; also do you want to set a formal notice about what you want to do on December 16; general response from council members, that yes, they want to set a public meeting for December 16 at 6:30; Hollins commented that the public meeting will be a part of work session to give council the opportunity to un-table the ordinance, if so desired, and move it to full council, if so desired. Walker asked if there was any further discussion; asked for a motion to table ORD 19-071.

***Motion to table ORD 19-071 made by Bennett; seconded by Lynch
Motion carried by the following vote:***

Yes 6 – Bennett, Lynch, Amos, Clark, Coolman, Walker

E. Reports

Matt Peoples – Public Service Director’s Report

In addition to his written report, Peoples stated the railroad crossing work will require a road closure and will have a message board to give awareness to drivers.

Lucas Haire – Development Director’s Report

In addition to his written report, Haire stated Kroger is nearing completion of their renovations and will have a ribbon cutting; the Bigerton Bend extension is almost completed, will have an ordinance for the next meeting.

Amanda Jackson – Finance Director’s Report

In addition to her written report, Jackson stated she has 19 applications for the bed tax grants, will need two council members to assist in reviewing the applications; Walker and Lynch will assist.

F. Items for Discussion

G. Old/New Business

H. Adjournment

***Motion to adjourn made by Lynch; seconded by Bennett
Motion carried by the following vote:***

***Yes 6 – Lynch, Bennett, Amos, Clark, Coolman, Walker
Adjourned at 7:10 pm***