

BEAVERCREEK CITY COUNCIL
Special Meeting, December 17, 2010 2:00 p.m.

PRESENT: Council Member Giambrone, Council Member Petrak, Council Member Vann, Council Member Wallace, Vice Mayor Jarvis, Mayor Hadley

ABSENT: Council Member Howard

Mayor Hadley called the meeting to order followed by roll call.

Council Giambrone moved to excuse Council Member Howard, seconded by Council Member Wallace, MOTION was approved by unanimous voice vote.

Council Member Giambrone moved to approve the agenda. Motion was seconded by Vice Mayor Jarvis and PASSED by unanimous voice vote.

DISCUSSION ITEMS

Lofino Senior Center – Acquisition of remainder of building

Mayor Hadley stated that he had been contacted by Mr. Michael Lofino inquiring if the City would be interested in acquiring the balance of the building where the Lofino Senior Center is located.

Council Member Vann arrived at 2:03 p.m.

He commented that Mr. Bob Stone, Beaver Creek Township Trustee, had also been contacted by Mr. Lofino. The understanding is the building would be acquired at no cost. There needed to be discussion of the conditions and items needed to plan for. Mayor Hadley commented he felt it was a good idea to acquire the building to prevent a situation where the City and the Township own half of a building and the remainder was sold to someone else. He stated Mr. Lofino would like this to be done by the first of the year.

Mr. Beach handed out the Building Reuse Feasibility Study from May 29, 2009. He discussed the background stating when the City had an option a few years ago of accepting the property there had not been any background work and if the City were to accept the property they did not know what might be involved in terms of environmental problems such as structural capabilities of the building and what the City would have to invest. The City contacted Levin Porter Associates Inc. to perform a preliminary study to identify costs. Mr. Beach explained if the City, down the road, chose to develop or to demolish and rebuild

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on the site there would be an idea of what the cost and difficulties of developing this site would be. He explained this would be a conversion of an existing retail building to public use for public assemblies which would involve the upgrade of the sprinkler and heating and air conditioning systems. It would be a rebuild of the existing structure. He stated the document discussed the different facets of this. Environmentally, the cost of removing the couple of fuel oil tanks suspected to still be there would be around \$10,000. It is not known if there was any contamination but it was not typically a great problem as fuel tanks were generally empty them out when no longer in use. He explained there were minor amounts of asbestos when they worked on the grocery store in which the cost was absorbed into the construction costs. He stated rehab was identified as costing around \$1.6 million total depending on whether or not additional acreage was bought for additional parking lots. Mr. Beach stated an alternate study was done with the demolition of the existing building and the building of a new 10,000 square foot structure which would be about the size of the existing building. This cost would be about \$2 million.

Mayor Hadley questioned since this was connected to the existing Senior Center would there be funds available or grants to apply for that would help with the cost of an expansion to use part of the building.

Mr. Beach replied that one of the difficulties currently was they have tried to get Community Development Block Grants (CDBG) funds to do parking lot improvements and were unable to do so because the parking lot was not the City's. Ownership of the parcel does allow the City to apply for CDBG funds. He explained these are usually about \$50,000 annually through Greene County and senior improvements are looked upon very well by the group that judges the projects. It may be possible to perform the tank removal or all or part of the roof with some CDBG funds.

Council Member Giambone commented that this is also the Township, City, and Greene County Council on Aging which make a strong proposal for state capital dollars. If it were decided to do this getting the money will be something we would all have to do together. She questioned if Mr. Lofino had made any restrictions like the last time this was offered or if he had removed the restrictions.

Mr. Stone, Township Trustee, stated there were some restrictions. First, the only office space the City can utilize in the building would be for Parks and Recreation. Second, there was to be some significant use of the site within five years. Third, the decision of the acquisition needed to be done in an expedient

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manner. Mr. Stone was not sure if the deed had to be transferred by the end of the year. It was not mentioned as an issue to him but the notice of acceptance should be expedited.

Council Member Giambrone asked Mr. Stone if the Township was okay with the acquisition.

Mr. Stone replied his conversation with Mr. Lofino did not indicate there was an end of the year rush so he had not yet talked with the other trustees but they had been notified. Two years ago they were willing to move forward and were waiting for the City. Since the City runs the Senior Center, the Township did not take a vote until the City took their action. He did not foresee an issue but he could not speak for the two other trustees. He stated they had a meeting scheduled for December 27th so if this body were to take action prior to then, they would take action that day.

Vice Mayor Jarvis questioned Mr. Beach about additional environmental testing with regard to the oil tanks.

Mr. Beach replied there had not been a phase two. There were a couple of fill connections that were sticking out of the ground which would lead to believe the tanks were still there. Natural gas had been in use for quite some time in that location. Typically when a tank is no longer in use the oil company will empty the tank and fill it with sand.

Council Member Wallace questioned the possibility of renting the additional space.

Mr. Thonnerieux replied that it would change the tax status and would have to pay real estate taxes.

Mr. Thonnerieux commented if the Township was not involved in accepting the property then there was no intent for them to be on the hook for the capital improvements for the facility in the future. There were advantages if the City wanted to take sole acquisition as we could then do whatever we wanted. 100% of the capital would be the City's. He stated the partnership with the Township and the City along with other fundraising by the Beaver Creek Enrichment Association had worked out very well.

Mr. McHugh stated the Township receives money from the Greene County Council on Aging.

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Mr. Thonnerieux explained the Senior Center receives both the City and the Township's share from the Greene County Council on Aging. This money is used to operate the Senior Center currently. He stated if they decide to make the remaining building a part of the Senior Center they would want to be able to use the money for this also.

Mr. McHugh explained if we did it alone that money, by agreement, has to be used on Parcel 20A. The extension would be Parcel 20B. It was divided when the City acquired the building.

Council Member Giambrone commented that she would prefer not to do this alone unless it had to be done that way. The partnership had worked well and was good for the community.

Council Member Petrak agreed with Council Member Giambrone. He questioned Mr. Thonnerieux if it was possible to accept the building and let it sit for a couple of years until better financing was available. He questioned Mr. Thonnerieux if he had the additional cost figures.

Mr. Thonnerieux passed around an image of the existing property. He explained the property currently owned by the City was just to the walls edge. The parking lot and the remaining shopping center was not ours. He stated there would be an issue of control, access and egress should it not go to the City or the Township. If the remaining property should go to another owner, the City would have to contend with that owner to get in and out of the facility.

Mr. Thonnerieux explained the City pays a common area maintenance fee which pays for electric, water, sewer, landscaping and snow removal. A portion of the resurfacing of the parking lot was also paid for by the City. 65% of the maintenance fee is paid by the City, which is based on square footage. 65% of the real estate taxes are also paid as a whole. Mr. Thonnerieux explained he had put some costs together and figured out what would still be needed if they were to mothball the facility. Currently, \$20,000 was budgeted to expend in 2009 and spent \$17,501. In 2008, they spent \$39,000 which is when the parking lot was done. In 2007, they spent \$12,000. He estimated with water, sewer, electric, gas, insurance and \$3,000 for miscellaneous expenses, there would be about \$7800 to hold it as opposed to paying \$17,000 in common area maintenance fees. This would be a potential savings of \$9,200. In 2011, this would not be the case because the taxes for 2010 will be owed which the City's share is about \$8,000. Budgeted there is enough money to cover the 2010 taxes

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and the estimated expenses. In 2012, the property would no longer be taxable and the expense would be about \$8,000 to have it mothballed.

Council Member Giambrone questioned if the cost of the snow removal and grass cutting would be absorbed by the City.

Mr. Thonnerieux replied yes it would as opposed to currently paying someone else to landscape and mulch. These costs would be internalized into the City's operations.

Council Member Wallace questioned if Mr. Thonnerieux had documents from the tax office to verify all taxes had been paid up to the time of the takeover and verified there were no liens on the building.

Mr. McHugh stated that this had not been done. If Council decides to move forward then this would be verified at that point.

Mr. Thonnerieux commented that we had paid our share of the taxes. 2009 has been paid but 2010 still needed to be paid in 2011. Once Council agreed to move forward then he would recommend the City attorney do a title search.

Council Member Giambrone questioned Mr. Thonnerieux if he felt confident that the site could accommodate what would be needed for the seniors in the next five to ten years.

Mr. Thonnerieux replied that he did and was included in the park master plan and having control of the lot would make sense.

Vice Mayor Jarvis questioned that this was only a donation to the City, there was no other commitment, quip pro quo or anything else involved with the acquisition.

Mr. Thonnerieux replied not that they had seen.

Mayor Hadley commented since there was a partnership with the Township, he recommended the Township be included in anything that was decided.

Council Member Wallace questioned the acreage.

Mr. McHugh replied Parcel 20A is 0.4472 acres and Parcel 20B 2.0099 acres.

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Mr. Cornell commented conceptually it made since but we have to do our due diligence but there had not been a chance to dig deep into this. He stated he was encouraged by Mr. Stone's comment that there was only a letter of intent needed by the end of the year to accept the land.

Council Member Petrak commented he was encouraged that there was a possibly of net savings if the land was accepted and mothballed for a couple of years.

Mr. Beach explained the meter for the remainder of the building was in the Senior Center side of the building and potentially everything could be shut off in the acquired portion of the building and have an additional utility savings.

Council Member Giambrone MOVED to pursue the acquisition of the remainder of the Lofino Senior Center Building subject to title search and closing restrictions, seconded by Council Member Wallace. Motion PASSED by unanimous voice vote.

Council requested Mr. Stone to speak with the additional members of the Beaver Creek Township Trustees regarding this issue and explained the City would very much like their partnership in the acquisition of the remainder of the Lofino Shopping Center for the intended use for the Lofino Senior Center.

Mr. Stone commented that he hoped they could jointly sign a letter of intent to give Mr. Lofino.

Council Member Giambrone MOVED to adjourn the meeting at 2:37 p.m., seconded by Vice Mayor Jarvis. The motion PASSED by unanimous voice vote.

Scott Hadley, Mayor

ATTEST:

Dianne Lampton, Clerk of Council
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