



July 15, 2022

Brandon Sehlhorst, Director
Department of Economic Development
City of Toledo
One Government Center, Suite 2200
Toledo, OH 43604

**Re: Intergovernmental Grant Agreement, dated December 21, 2020
Spitzer and Nicholas Buildings Assessments**

Dear Director Sehlhorst:

By Ordinance 442-20, Toledo City Council and Mayor Kapszukiewicz appropriated up to \$100,000 to the Lucas County Land Bank in grant funds to be used to complete critical assessments of the Spitzer and Nicholas buildings. These assessments are a necessary first step in the redevelopment of these important downtown assets.

Subsequent to that authorization, the City and the Land Bank entered into the subject agreement governing the terms of the funding and reporting obligations. A copy of the Agreement and authorizing ordinance are attached to this letter.

In 2021, the Land Bank issued a competitive request for proposals to identify an architectural firm that would be capable of completing a comprehensive feasibility study for the Spitzer and Nicholas building. Eight responsive proposals were received by the deadline and the Land Bank determined that Sandvick Architects, Inc. submitted the lowest cost and most responsive proposal.

The Land Bank engaged with Sandvick to complete a feasibility study that would include:

- A structural conditions assessment
- A reuse analysis of the buildings, including for mixed-use residential and commercial purposes, with conceptual renderings of proposed reuses
- An estimate of construction costs related to each reuse proposal
- A financial analysis of the expected sources and uses for each reuse proposal

In May 2022 after considerable work, Sandvick Architects and its subcontractor partners delivered a complete Feasibility Study for the Spitzer and Nicholas buildings. That study has been shared with you and is currently available on the Land Bank's website for the public's review.

The Feasibility Study has built the foundation for the next phase of this redevelopment project: seeking a qualified developer to redevelop both properties. By making this investment upfront and making the information available to all interested parties, we are much more likely to attract a qualified developer for this project because they will not have to individually bear the burden of completing this work as part of their overall proposal. Put simply, this is money well spent.

On June 15, 2022, the Land Bank made payment in full to Sandvick Architects, Inc. for the study in the amount of \$67,000.00. A copy of that check and invoice are also attached to this letter.

Consistent with the Agreement, this letter and the Study itself serve to fulfill our reporting obligations.

There remains \$33,000.00 of funds unspent to complete all tasks authorized by the Agreement. Accordingly, we are returning those funds to the City of Toledo. Given the spirit of the original authorization by City Council and the Mayor, we hope that these funds will be used for other work that furthers the redevelopment of the Spitzer and Nicholas buildings.

Should you require any additional information from us, please let me know. Thank you again for this investment and your partnership to return these historic assets to productive use.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David Mann", with a stylized flourish at the end.

David Mann
President & CEO

INTERGOVERNMENTAL GRANT AGREEMENT

This Intergovernmental Grant Agreement (the "Agreement") is made and entered into between the **City of Toledo**, an Ohio municipal corporation ("Grantor"), and the **Lucas County Land Reutilization Corporation**, an Ohio community improvement corporation ("Grantee"), known collectively as the "Parties," as of this 21st day of December, 2020 (the "Effective Date").

Background Matters

- A. Grantee owns title to certain vacant commercial structures in the central business district of Downtown Toledo. Among these structures are 520 Madison (the "Spitzer Building"), and 608 Madison, 319 N. Huron, and 321 N. Huron (the "Nicholas Building"), known collectively as the "Properties."
- B. Due to their size, location, historical commercial uses, and architectural significance, the Properties are critically important to the fabric and continued redevelopment of the Downtown Toledo central business district. Accordingly, Grantee, Grantor, ConnecToledo, and the Toledo-Lucas County Port Authority are collaborating on the redevelopment of these properties. Collectively, these entities are taking all necessary and appropriate steps to position the Properties for sustainable redevelopment and to conduct preliminary critical assessments on the Properties.
- C. The preliminary critical assessments already undertaken or underway on the Properties include environmental assessments undertaken by Grantor, a roof assessment undertaken by the Toledo-Lucas County Port Authority, and a housing market study undertaken by ConnecToledo, among other assessments.
- D. The redevelopment of these Properties requires certain additional critical assessments to identify the structural integrity and overall condition of the Properties, conceptualization of adaptive reuses for the Properties, and the overall cost and feasibility of converting the Properties into different adaptive reuses. In order for the Properties to be properly marketed for redevelopment, these critical assessments must first be undertaken.
- E. To further the collective efforts of Grantee, Grantor, ConnecToledo, and the Toledo-Lucas County Port Authority, Toledo City Council authorized an expenditure of \$100,000 to assist in undertaking critical assessments for these Properties through Ordinance 2020-442 (see Exhibit A, attached). The Parties now wish to enter into this Agreement governing the expenditure of these funds for the purposes set forth in this Ordinance.

NOW THEREFORE, in consideration of the foregoing, the receipt and sufficiency of which is acknowledged, the Parties agree to the following:

- 1. **Incorporation.** The introductory paragraph and the Background Matters to this Agreement, and all documents referenced in the Background Matters, are incorporated into and made a part of this Agreement.
- 2. **Grant Proceeds.** Grantor shall provide Grantee with a grant in the amount of One Hundred Thousand Dollars (\$100,000.00) for the purposes set forth in this Agreement (the "Grant Proceeds"). Upon execution of this Agreement, Grantee shall provide an invoice to Grantor for the Grant Proceeds. Upon receipt of such invoice, Grantor shall make payment to Grantee for the full amount of the Grant Proceeds no later than December 31, 2020.
- 3. **Grant Deliverables; Feasibility Study.** Grantee agrees to use the grant proceeds for critical assessments of the Properties by obtaining a feasibility study for the redevelopment of the Properties. The feasibility study is expected to include structural assessments of the Properties, an adaptive reuse analysis, cost estimates for redevelopment into potential adaptive reuses, recommendations for adaptive reuse models, and other relevant components.

Grantee will collaborate with Grantor, ConnecToledo, the Toledo-Lucas County Port Authority, and other public and non-profit entities to undertake the following work using the grant proceeds:

- a. Solicit bids for a feasibility study for the Properties from qualified architectural firms, design firms, or development professionals through a request for proposals process.
 - b. After consulting with Grantor, ConneCToledo, and the Toledo-Lucas County Port Authority, Grantee will contract with the qualified firm which presents the lowest and best bid to conduct a feasibility study for the Properties.
 - c. Upon completion of the feasibility study, Grantee will present and deliver the feasibility study to Grantor, ConneCToledo, and the Toledo-Lucas County Port Authority.
4. **Term.** The term of this Agreement shall run from January 1, 2021 to December 31, 2021, unless extended by mutual agreement of the Parties (the "Grant Term"). Any grant funds not eligible for reimbursement under the terms and conditions of this Agreement shall be returned to Grantor no later than the end of the Grant Term.
 5. **Reporting.** Grantee shall deliver to Grantor documentation of costs Grantee has incurred and paid relating to the feasibility study for the Properties no later than thirty (30) days from the date Grantee receives any invoice for these costs. Such reporting shall continue through the Grant Term, or until the Grant Proceeds are spent down.
 6. **Notices.** Invoices, notices, and other documentation required under this Agreement shall be provided as follows:

To Grantor:
City of Toledo
Brandon Sehlhorst, Commissioner of Economic Development
One Government Center, Ste. 2200
Toledo, Ohio 43604

To Grantee:
Lucas County Land Reutilization Corporation
David Mann, President & CEO
One Government Center, Ste. 580
Toledo, Ohio 43604

7. General Provisions.

- (a) **Execution of Additional Instruments.** Each Party agrees to execute such other and other instruments necessary to comply with this Agreement, any laws, rules, or regulations.
- (b) **Successors, and Assigns.** Each and all of the covenants, terms, provisions, and agreements contained in this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement their respective legal representatives, successors, and assigns.
- (c) **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other Parties.
- (d) **No Waiver.** No waiver by any party of any breach of this Agreement or of any representation or warranty contained herein shall be held to constitute a waiver of any other breach or of a continuation of the same breach. All remedies provided in this Agreement are in addition to all other remedies provided by law or in equity.
- (e) **No Third Party Benefit.** Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to any person, firm or entity other than the Parties to this Agreement, any remedy or claim under or by reason of this Agreement or any term covenant

or condition of this Agreement, and all the terms, covenants and conditions contained in this Agreement shall be for the sole and exclusive benefit of the Parties to this Agreement.

(f) **Entire Agreement.** This Agreement sets forth the entire understanding of the Parties to this Agreement and may be modified or terminated only by a written document executed by each party to this Agreement.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this Intergovernmental Agreement as of the Effective Date.

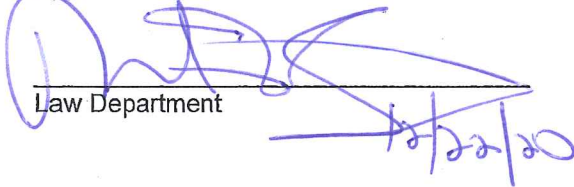
City of Toledo


Wade Kapszukiewicz, Mayor

Lucas County Land Reutilization Corporation


David Mann, President and CEO

Approved to Form


Law Department

Approved to Content


Department of Economic Development
12/21/2020

EXHIBIT A

Amended
Critical Assessments for Spitzer and Nicholas Buildings
Department of Economic Development
B. Sehlhorst (x1692)
(Revised)

ORD. 442-20

Authorizing the reappropriation of funds within Economic Development's General Fund budget; authorizing the expenditure of an amount not to exceed \$100,000 from the General Fund for critical assessments necessary for the redevelopment of the Spitzer and Nicholas buildings; authorizing the mayor to enter into a project agreement for said purpose; and declaring an emergency.

SUMMARY & BACKGROUND:

The Lucas County Land Bank recently acquired the Spitzer and Nicholas buildings and has been working with the City, ConneCToledo and Toledo-Lucas County Port Authority to stabilize the structures and return them back to productive use. Redevelopment of these buildings requires critical assessments to identify their structural integrity, overall condition, marketability and feasibility for converting into new uses. The City wishes to use \$100,000 from savings in the Department of Economic Development's 2020 budget to assist its partners with these assessments. Letters of support from the partners for this funding can be found in the exhibits attached hereto and incorporated herein.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: \$100,000
- The expenditure budget line item: 1001-16400-537410-5000436STDSTD
- New revenue generated (operational revenue, grants, if any): N/A
- Revenue budget line item (if any): N/A
- Are funds budgeted in the current fiscal year (yes/no)? No
- Is this a capital project (yes/no)? No
- If yes, is it new or existing (new/existing)? N/A
- What section of the City's Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) No
 - o Quality Community Investment (Livable City, Development) (yes/no) Yes
 - o Workplace Culture & Customer Service (yes/no) No
 - o Environment (yes/no) No

NOW, THEREFORE,

Be it ordained by the Council of the City of Toledo:

SECTION 1. That an amount not to exceed \$22,110.16 is disappropriated from General Fund Account Code 1001-16400-537400-5000436STDSTD and appropriated to General Fund Account Code 1001-16400-537410-5000436STDSTD.

SECTION 2. That an amount not to exceed 15,000.00 is disappropriated from General Fund Account Code 1001-16400-537410 5661001STDSTD and appropriated into General Fund Account Code 1001-16400-537410-5000436STDSTD.

SECTION 3. Authorizing expenditure in an amount not to exceed \$100,000 from General Fund Account Code 1001-16400-537410-5000436STDSTD for critical assessments related to the redevelopment of the Spitzer and Nicholas buildings.

SECTION 4. That the mayor is authorized to enter into a project agreement with Lucas County Land Bank, ConnecToledo, and Toledo-Lucas County Port Authority to provide proceeds for the purpose identified in Section 1.

SECTION 5. That the Director of Finance is authorized to issue her warrant or warrants against the account code listed in Section 1 in an amount not to exceed \$100,000 in payment of the above authorized obligations upon presentation of the proper voucher or vouchers.

SECTION 6. That it is found and determined that all formal actions of Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council and that all deliberations of Council and any of its committees that result in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 Ohio Revised Code.

SECTION 7. That this Ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for the further reason that this Ordinance must be immediately effective to facilitate the redevelopment of the Spitzer and Nicholas buildings, thereby creating or preserving jobs and other employment opportunities and improving the economic welfare of the citizens of the City and surrounding area.

Vote on emergency clause: yeas 12, nays 0.

Passed: December 1, 2020, as an emergency measure: yeas 11, nays 1.

Attest:

Gerald E. Dendinger
Clerk of Council

Matt Cherry
President of Council

Approved:

December 3, 2020
Wade Kapszukiewicz
Mayor

Lucas County Land Reutilization Corp.One Government Center Ste #580
Toledo, Ohio 43604
419-213-4293Fifth Third Bank
420 Madison Avenue
Toledo, OH 43604
56-5/412

9441

06/15/2022

PAY TO THE
ORDER OF Sandvick Architects, INC

\$ **67,000.00

Sixty-seven thousand and 00/100***** DOLLARS

PROTECTED AGAINST FRAUD

Sandvick Architects, INC
1265 West 6th Street
Cleveland, Ohio 44113

VOID AFTER 90 DAYS

MEMO

Project #0900* Invoice 0900-1

⑈009441⑈ ⑆041200050⑆ 7342409567⑈

Lucas County Land Reutilization Corp.

9441

06/15/2022

Sandvick Architects, INC

Date	Type	Reference	Original Amount	Balance Due	Payment
06/15/2022	Bill		67,000.00	67,000.00	67,000.00
		Check Amount			67,000.00

FifthThird Checking Project #0900* Invoice 0900-1

67,000.00

Lucas County Land Reutilization Corp.

9441

06/15/2022

Sandvick Architects, INC

Date	Type	Reference	Original Amount	Balance Due	Payment
06/15/2022	Bill		67,000.00	67,000.00	67,000.00
		Check Amount			67,000.00

0529

PAYMENT
RECORD

FifthThird Checking Project #0900* Invoice 0900-1

67,000.00



INVOICE FOR ARCHITECTURAL SERVICES

PROJ: Lucas County Land Bank
Development Potential Architectural
And Historic Technical Services Feasibility Analysis

DATE: 05/16/2022

INV: Inv. 0900-1(revised)

TO: Lucas County Land Bank
Attn: Joshua Murnen
1 Government Center, Suite 580
Toledo, Ohio 43604

PROJECT NO. #0900

In accordance with the Owner-Architect Agreement there is due at this time for architectural services and reimbursable items on the above project:

Sixty-Seven Thousand Dollars and no/cents.....(\$67,000.00)

INTEREST ON OVERDUE ACCOUNTS SHALL ACCRUE AT PERCENT (%) PER

The present status of the account to date is as follows: Total Basic Fee \$67,000.00

	Contract Amount	Amt Due	Less Amt Paid	Balance Due
Feasibility Study	\$ 67,000.00	\$67,000.00		\$67,000.00
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TOTAL	\$ 67,000.00	\$67,000.00		\$67,000.00

Approved for Payment

Date: 6.13.2022

Fund: Consulting

Initials: DM

TOTAL AMOUNT DUE:..... \$67,000.00

INVOICE SUBMITTED VIA EMAIL TO jmurnen@co.lucas.oh.us
dmann@co.lucas.oh.us



Architect: Jonathan Sandvick, President
By: Sandvick Architects, Inc.
Address: 1265 West 6th St., Suite #201
Cleveland, Ohio 44113
Phone: (216) 621-8055
Fax: (216) 687-1814