

# HISTORIC CONSERVATION BOARD AGENDA

000001

## Location Change:

City Hall – Council Chambers,  
801 Plum St, Council Chambers  
Cincinnati, Ohio 45202

## Time Change:

Monday, April 18, 2016 – **4:00 pm**

### CALL TO ORDER

### DISCUSSION ITEMS:

1. 11-25 East Fourteenth Street (Mercer IV)  
Owner: 3CDC  
Certificate of appropriateness for substitute material structure in the Over the Rhine Historic District.  
Applicant: 3CDC
2. 309 Vine Street  
Owner: VG 309 Vine, LLC  
Certificate Of Appropriateness For Rehabilitation of Union Central Life Annex – Tabled from March 21, 2016  
Applicant: BKV Group
3. 75 Peete Street  
Owner: Brent Schwass  
Certificate of appropriateness for rooftop deck and zoning variance for accessory structure in the Over the Rhine Historic District  
Applicant: Heather Curless
4. 105 E 4<sup>th</sup> Street  
Historic Landmark Designation Of First National Bank Building  
Applicant: Cincinnati Preservation Association
5. 23 West Court Street  
Owner: Towne Development Group, LTD  
Certificate of appropriateness for rehabilitation, new storefront design, and rooftop addition of a contributing building in the Court Street Historic District  
Applicant: Towne Development Group, LTD

6. 716-718 Main Street

Demolition of a Contributing Building in the Main Street Historic District <sup>000002</sup>

Owner: Columbia REI, LLC

Applicant: C. Francis Barrett

**OTHER BUSINESS**

**ADJOURN**

**ITEM 6****April 18, 2016**


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**APPLICATION FOR  
CERTIFICATE OF APPROPRIATENESS  
HISTORIC CONSERVATION BOARD PUBLIC HEARING  
STAFF REPORT**

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APPLICATION #: NA  
 APPLICANT: Francis Barrett  
 OWNER: Columbus REI, LLC  
 ADDRESS: **716-718 Main Street, Cincinnati OH 45202**  
 PARCELS: 079-0004-0041  
 ZONING: Downtown Development Districts (DD)/Historic District Overlay  
 OVERLAYS: Main Street Historic District  
 COMMUNITY: Downtown  
 REPORT DATE: April 13, 2016  
 PRE HEARING: March 23, 2016 and March 31, 2016  
 STAFF REVIEW: Beth Johnson, Urban Conservator

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**Nature of Request:**

The Applicant is requesting a Certificate of Appropriateness (COA) to demolish the “compatible” building located at 716-718 Main Street within the Main Street Historic District due to an economic hardship claim that the reuse of the building cannot create an economic return on investment.

**MATERIALS SUBMITTED AND USED IN THE FOLLOWING REVIEW:****Materials Presented by Applicant**

- 1) ATTACHMENT A - Original submittal dated February 23, 2016
  - a. Cover letter
  - b. COA Application
  - c. Statement of Justification
  - d. Documentation for the Demolition Questionnaire and answers
  - e. Beck Consulting - Economic Feasibility Analysis (Beck 2/23/15 Report)
  - f. Advantage Group Engineering- Engineering Analysis
  - g. Statement of Operating and Maintenance Expenses for 2014-2015
  
- 2) ATTACHMENT B - Response Submittal dated April 1, 2016 in response to questions from Staff
  - a. Cover Letter
  - b. Beck Consulting Supplemental Information Responses (Beck 4/1/16 Supplement)
  - c. Data on Vacancy information for Main Street Historic District
  - d. Response to Staff’s request concerning verification and reconciliation of cost estimates

- e. Acquisition Explanation by Ownership of the subject property
- f. Historical Information of the Dennison Hotel Building
- g. Future Use of the Property

### **Materials Presented by Cincinnati Preservation Collective**

- 1) ATTACHMENT C - Rebuttal to the materials presented by Applicant. Submission on 4/11/16 and 4/13/16
  - a. Motion from Sean Suder for additional presentation time.
  - b. Overview
  - c. Request to enter the building (submitted 4/11/16)
  - d. Attempt to sale the building/ pictures of signage on building (submitted 4/11/16)
  - e. Cost Estimates from TAMZ Restoration and Construction (submitted 4/11/16)
  - f. Historic Preservation Tax Credit Analysis for Apartments (submitted 4/11/16)
  - g. Operating Pro forma and Expenses Analysis for Apartments (submitted 4/11/16)
  - h. Historical Significance (submitted 4/11/16)
  - i. Letter of opposition (submitted 4/11/16)
  - j. Change.org Petition (as of 4/11/16)
  - k. Previously Proposed Project- by Model Group

### **Existing Conditions:**

The project location is on the east side of the 700 block of Main Street in the Main Street Historic District. Known as the Dennison Hotel, the building was built in 1892 for an ironworks company. It is an 8 story, 46,800 sq. ft. brick and terra cotta Samuel Hannaford designed commercial building with Victorian and Romanesque influences. It is one of five historic buildings forming a complete and cohesive subblock of substantial and maintained buildings.

### **Proposed Conditions:**

The proposal includes the following work:

1. Demolish the building at 716-718 Main Street in order to facilitate the consolidation of multiple parcels into one redevelopment parcel pending future approvals to vacate public right-of-ways and public water and sewer mains serving adjacent properties.
2. No proposed future use has been presented to the Staff or Board for consideration.

### **Applicable Zoning Code Sections:**

Zoning District:	Section 1411	Downtown Development District
Variance Request:	N/A	
Variance Authority:	<a href="#">Section 1445-07</a>	HCB authority: <a href="#">Section 1435-05-4</a>
Variance Standard:	<a href="#">Section 1445-13</a> <a href="#">Section 1445-15</a>	General Standards: Public Interest Standards for Variances
Overlays:	N/A	
Historic Landmark/Reg:	<a href="#">Main Street Historic District Guidelines</a>	
COA Standard:	<a href="#">Section 1435-09-2</a>	Certificate of Appropriateness; Standard of Review

**Details of Zoning Relief Required:** The Applicant has not sought formal zoning relief from any of the guidelines, which are the equivalent of zoning law within the district. (Section 1435-011-3). Should any proposed project seek variances to traditional zoning standards regulated within the Main Street Guidelines or the DD Zoning District, notice of such variances shall be required prior to the Historic Conservation Board granting any approval. A general review of zoning standards follows below.

**Certificate of Appropriateness Review:**

**Historic Districts: Legislation and Purpose**

The City of Cincinnati has a long history of Historic Preservation and supporting protection of historic resources in both individual landmarks and historic districts. Legislation for “districts” was first established in 1964 with the establishment of “protection” areas (later referred to as Historic Districts). With authority granted to an Architectural Review Board (updated to the Historic Conservation Board in 1980), standards were created for the board to make determination of the compatibility of new construction, alteration to existing buildings and partial or total demolitions. Cincinnati became an early adopter of legislation to protect its historic resources preceding the Federal Historic Preservation Act by two years. Today, 23 local districts have been established.

The support and desire for Historic Districts has been supported in Master Plans and the Zoning Code. Within the “Cincinnati 2000 Plan”, published in 1982, it states

*“Cincinnati is a proud city, rich in history, its tradition, in the quality of life. Its splendid heritage must be preserved; nothing in its future development must be permitted to diminish its high standards.”*

Further the plan goes on to say,

*“Downtown Cincinnati’s cultural heritage and its historic character form a valuable legacy contributing to the richness of the City’s personality...To conserve these assets as a functional part of downtown, a preservation program is an integral part of Cincinnati Plan.”*

In “Plan Cincinnati”, the current Master Plan, the city supports and encourages historic preservation;

*“As housing demand increases in the oldest neighborhoods, the City’s broad and reputable historic building stock should be preserved....”*

Historic Conservation is seen as a basic building block to Cincinnati’s future with policy principles including

*“Preserve our resources and facilitate sustainable development.”*

*“Cincinnati is known for our historic built character and spectacular natural beauty. The City will focus on preserving and protecting our unique assets and reverse the modern trend of ‘disposable’ development.”*

Within the Zoning Code, Cincinnati made a commitment to historic conservation and preservation through its goals and policies. Three specific purposes of historic preservation, according to the current Zoning Code Section 1435-03 include,

*“to safeguard the heritage of the city by preserving districts and landmarks which reflect elements of its history, architecture and archeology, engineering or culture,”*

*“to conserve the valuable material and energy resources by ongoing use and maintenance of the existing built environment,”*

*“to maintain the historic urban fabric of the city.”*

With these stated purposes and intent as well as Cincinnati’s demonstrated commitment to its historic building stock, demolition and disposing of buildings in areas that the City has designated historic should only be considered when every option to reuse a building has been explored.

### **Main Street Historic District – Establishment**

Following the adoption of the Cincinnati 2000 Plan in June 1982, the Main Street Historic District was proposed as an implementation step. This plan noted the proposed district

*“retains a continuity of character which affords it as a high potential for rehabilitation as commercial and professional office space without sacrificing its historic interest.”*

On November 5, 1984, the Historic Conservation Board voted unanimously to recommend the establishment of the Main Street Historic District and its related guidelines. The Planning Commission recommended the district on November 9, 1984 and on December 19, 1984 City Council approved the establishment of the Main Street Historic District. In its approval, City Council cited that it considered the establishment to be in the “best interest of the city and the general public”. (Attachment D)

At the time of the establishment of the Main Street Historic District, the governing ordinance was Municipal Code Chapter 741. In this code, the purpose of a district and its associated guidelines were that they shall

*“promote the conservation, development and use of structures, sites and districts...and shall promote the special historic, architectural, community or aesthetic interest or value (of the districts.)”*

The Guidelines that were written were based on a thorough streetscape analysis and a building-by-building assessment of existing conditions. They were, and still are, aimed at promoting, not just regulating, appropriate change and economic revitalization in the districts. In the original Staff report to the Historic Conservation Board in 1984, Staff explains that the more detailed and building-by-building approach is a

*“direct result of (a) citizens’ study committee requests for guidelines which strike a fine balance between the need for flexible case-by-case review and the need for as much predictability as possible.”* (Attachment E)

A part of the predictability was determining which buildings were incompatible for the district. This designated which buildings the City and the community would be more likely to be permitted major changes to, including demolition.

Once the Main Street Historic District was established, the City of Cincinnati certified the district as a “Registered Historic District” with the National Park Service, who deemed

the district eligible for listing in the National Register of Historic Places. This certification allows individual property Owners of depreciable buildings within the District to qualify for the Federal Historic Rehabilitation Tax Incentives. (Attachment F). The remaining work required is minimal and such designation would allow property owners to capitalize on incentives within Section 1411-41 of the Zoning Code.

### **Main Street Historic District – Significance**

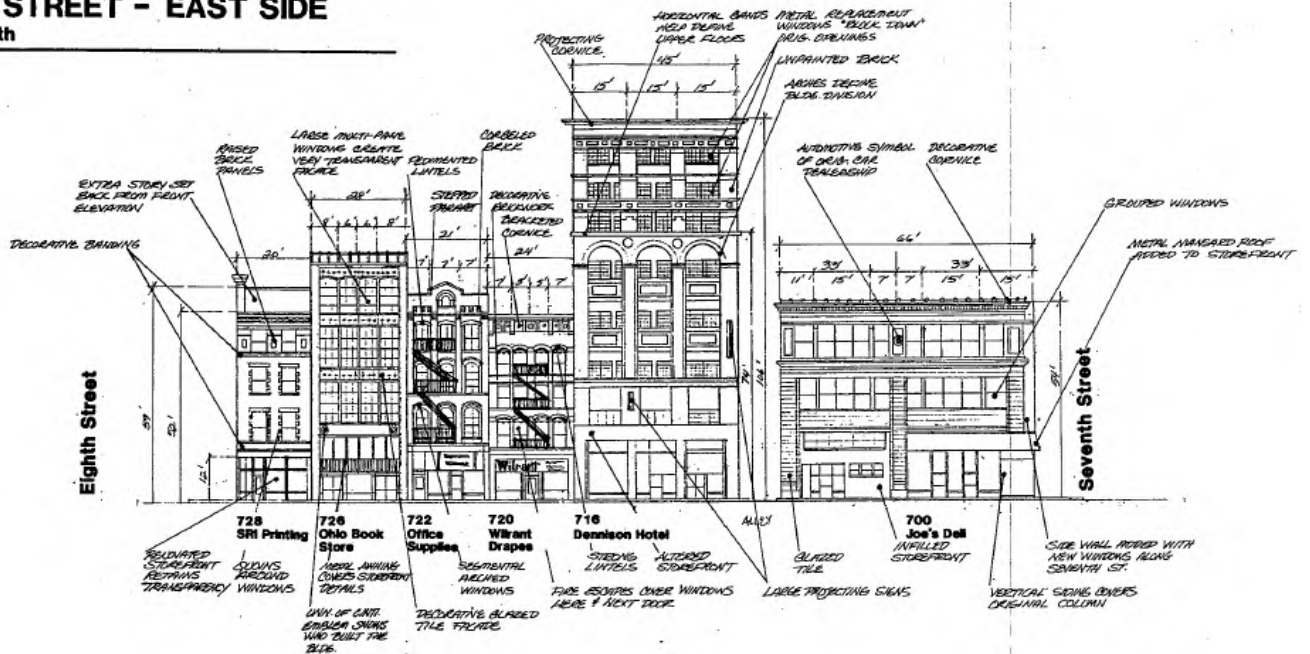
The Main Street Historic District has since the 1850's been a mixed use district with buildings is a variety of styles and sizes. The majority of the buildings were constructed between 1880 and 1925, reflecting the importance of those years of the area as a center for wholesale businesses and offices. During the period 1870's to the 1890's, Main Street north of Sixth Street became the identified center of wholesale in the quickly growing city and as such many new buildings, often six stories or higher, were constructed to provide facilities for these uses. When the district was established up through today, it is a unique area within the Central Business District as it largely retains its historic fabric from its major period of significance between 1880 and 1925 and creates a cohesive and mostly contiguous, intact "turn of the century" collection of buildings.

### **Main Street Historic District –Site's Contribution to the District**

The Main Street Historic District is a collection of buildings with varying degrees of significance and architectural ornateness. What make a district significant are not its individual buildings, but the collection of the buildings as a whole. Each building in a historic district is as important as each other building within the district as they provide a cohesive collection.

Within the Main Street Historic District Designation Report and Historic Conservation Guidelines, there is an architectural analysis of the district in which properties are listed as National Register, Outstanding, Significant, Compatible or Incompatible. 716-718 Main Street is listed as compatible property to the Historic District. Staff believes that the property was listed as Compatible rather than Significant based on alterations to the storefront and windows, all which are able to be reversed. Looking at the block as a whole, 716-718 Main Street is the most substantial and architecturally ornate building on the block making it a significant contributing building to this otherwise substantially continuous and intact block face.

## MAIN STREET - EAST SIDE 8th to 7th



The property also has importance significance within the Main Street Historic District, as well as within Cincinnati as a whole, for its association with Samuel Hannaford. The architecture of this building, while not one of Samuel Hannaford's monumental buildings, such as City Hall or Music Hall, represents the breadth of Hannaford's works and is a strong visual example of Cincinnati's late 19<sup>th</sup> century manufacturing heritage that was centered on Main Street.

Samuel Hannaford is Cincinnati's most prominent architect, having designed significant buildings including City Hall and Music Hall. Hannaford designed the building in the



Hopper Building 139-151 W 4<sup>th</sup> St: Samuel Hannaford Designed Building.

1890s for an ironworks plant, G.B. Schulte Sons and Company, which produced metal parts for carriages. While not one of most intricate buildings, 716-718 Main Street is a good representation of a commercial and manufacturing building. 716-718 Main Street strikes many similarities to the National Register Individually listed property the Hopper Building at 139-151 W 4<sup>th</sup> Street. It has multiple and symmetrical bays with Masonry courses dividing the building into several vertical components, strong belt courses, and the use of large Romanesque arches.

The building was operated by the G.B Shulte Sons Company until 1930.

Starting in 1931, two office furniture companies operated within the first three floors of the building. The rest of the building would be converted into a hotel. The hotel operated



as the Main Hotel until 1933 when it was renamed the New Dennison Hotel. By 1940, the Dennison Hotel was known as a place for affordable housing and it continued as an affordable option for many decades. The property was purchased by 3CDC to develop an affordable housing project in conjunction with Talbert House. On 8/26/2013, the Owner bought the property and later transferred to the present ownership on 1/4/2016.

Rendering of what the Dennison Hotel, 716-718 Main Street could look like with a façade restoration.

## **DEMOLITION REQUEST ANALYSIS**

### **Main Street Demolition Guidelines:**

Below are the Demolition Guidelines as outlined in the Main Street Historic District. (Attachment G) with staff comments.

Demolition of existing buildings shall be permitted if one of the following conditions exists:

***a) Demolition has been ordered by the Director of Buildings & Inspections for the public safety because of an unsafe or dangerous condition which constitutes an emergency.***

This is not the case. City issued nine code violations on May 11, 2015 that included orders to repair chimney, gutters and downspouts, cornice, soffit and repointing masonry. A memo outlining the case history and relevant materials are included (Attachment H). There have been no demolition orders from the Director of Buildings & Inspections for the public safety because of unsafe or dangerous conditions. Nor is the Director of Buildings and Inspections contemplating such orders given the current condition of the property.

***b) The Owner can demonstrate to the satisfaction of the Historic Conservation Board that the structure cannot be reused nor can a reasonable economic***

***return be gained from the use of all or part of the building proposed for demolition.***

1) Test 1 - Can the structure be reused?

Applicant's submission does not state or show any definitive evidence that the structure could not be reused for a new use. The Advantage Group Engineering-Engineering Analysis of 05/08/15 states that there would have to be waivers for the building code to allow for office use. That same report also states that the building could be used as a residential building without having to retrofit the lateral and gravity structural systems (Attachment A)

In the structural analysis, there is no conclusion that this building could not be reused, particularly for Residential Use groups in the Building Code, and no evidence of major structural issues. Review by our Deputy Director of Buildings and Inspections Rick Schriewer (Attachment I)

On April 8, 2016 Staff was permitted to tour the building. Pictures of the building are included in (Attachment J). The building appeared to be in good condition. The Applicant contends in the Beck 2/23/15 Report (Attachment A), that the building is in "fair to poor condition". In their April 1, 2016 submission, Applicant states that "this condition is presently obvious to any lay person who views this property". (Attachment B)

The Urban Conservator is qualified per Secretary of the Interior's Professional Qualifications for Historic Preservation and experienced in urban historic rehabilitation (Attachment K). The Urban Conservator's qualified and professional opinion after tour of the entire building on April 7, 2016 is that it is in need of rehabilitation but is in overall good repair and condition. While there would have to be system updates to the building and rehabilitation work, the major elements of the building are not deteriorated. The building had a functional boiler, fire alarm and sprinkler system, consistently high ceilings adequate for plumbing and ductwork and adequately separated fire exits for residential uses. The exterior walls do need to be repointed and there is an issue with a lintel on the façade, however overall they are in good repair. The roof appears to be in sound condition from a visual inspection by the Urban Conservator and no visible roof leaks were present within the 8<sup>th</sup> floor. Interior walls had peeling paint, but there were very few cracks in the walls. Representatives from the Property Maintenance Code Enforcement, Zoning Administration and Building Inspections divisions of the Buildings and Inspections Division were also present on the tour.

- 2) Test 2 - Can a reasonable economic return be gained from the use of all or part of the building?

Zoning Code Section 1435-09-2 Certificate of Appropriateness; Standards of Review establishes factors the Historic Conservation Board shall consider in determining if a property Owner has demonstrated an economic hardship by credible evidence.

These factors are:

**(i) Will all economically viable use of the property be deprived without approval of a Certificate of Appropriateness?**

The Applicant argues that there is no economically viable use that can be made in the building. In their analysis they only considered use of the entire building as a boutique hotel, apartment/retail, office/retail and condominiums.. The applicants did not provide any analysis for use of part of the building. Partial use of the building is a means to offset costs to own and maintain the building. Lacking this review, Applicant cannot make an informed statement that all economically viable use of the property would be deprived as a full analysis concerning partial use of the building has not been submitted.

**(ii) Will the reasonable investment-backed expectations of the property Owner be maintained without approval of a Certificate of Appropriateness; and**

Julia Miller, former Editor-in-Chief of the Preservation Law Reporter and an leading authority in the matter of historic preservation law, wrote an article "Assessing Economic Hardship Claims under Historic Preservation Ordinances," published by both National Trust for Historic Preservation and the National Alliance for Preservation Commissions. This article has outlined a process, series of questions and necessary evidence in analyzing economic hardship claims and this process has become a standard best practice. In the article, Miller states:

*"The Supreme Court has also said that the Applicant's "reasonable investment-backed expectations" should be taken into consideration. Although the meaning of this phrase has not been delineated with precision, it is clear that "reasonable" expectations do not include those that are contrary to law. Thus, an Applicant's expectation of demolishing a historic property subject to a preservation ordinance at the time of purchase may not be considered "reasonable." (Attachment M)*

In Staff's March 22, 2016 response to the original submission (Attachment L), staff asked for the Applicant to provide an Owner statement as to their knowledge of the building's location in a Historic District as well as the considerations taken to determine a viable use in 2013. In 4/1/16 Acquisition Statement by Ownership (Attachment B), Applicant stated that there was a use

and development to be owned, occupied, and used by the Talbert House, under consideration but as the Owner “believed that this type of use would have a damaging effect of their investment... the family concluded it was necessary to acquire this property.” Owner states next that the “acquisition would then be a part of the assemblage of the parcels in this block to facilitate a major redevelopment.” It is unclear from the record if the applicant had any intention of reusing the building and therefore leads staff to conclude that the purpose of buying the property was for demolition. As stated above in the excerpt from “Assessing Economic Hardship Claims under Historic Preservation Ordinances” buying a building subject to a historic preservation ordinance and demolition review and expecting to be able to demolish it as well as redevelop it not a reasonable investment backed expectation.

The applicant also provided a statement of the Future Use of the Subject Property (Attachment B). The Applicant simply states that their intent is for a major redevelopment of all the parcels, but does not list a specific end user or have a proposal developed. Demolishing a building within a Historic District prior to having an end is considered speculation and is not a reasonable investment backed expectation.

**(iii) Whether the economic hardship was created or exacerbated by the property owner.**

The Applicant, upon request of inspection, were given code orders on May 11, 2015 to address many issues related to property maintenance and in the Inspection History it was noted that no actions were taken until December, 2015.(Attachment E). Applicant has made partial completion of many of the code orders.

In evaluating the above factors for economic hardship, the Historic Conservation Board may consider any or all of the following:

**(iii)(aa) A property's current level of economic return;**

In Attachment A - Statement of Justification 2/23/16, Answer #13, the Applicant stated that as the property has been vacant that there has been no income produced and that Applicant has been out of pocket over \$500,000 in expenses. In Answer #16, Owner then states spending \$335,312. The Statement of Operating and Maintenance Expenses for 2014-2015, 2/23/16 only details \$190,127. No further documentation was provided to staff regarding detailed accounting within the 4/1/16 Response Submittal.

The Applicant also did not submit any evidence that they have attempted to achieve any level of economic return. It is a truism that vacant and empty buildings have a carrying cost, but an empty building does not prove or disprove a potential level of economic return.

**(iii)(bb) Any listing of property for sale or rent, price asked, and offers received, if any, within the previous two years, including testimony and relevant documents;**

In Attachment A - Statement of Justification 2/23/16, Answer # 8, Applicant states that the property has not been listed for sale. They state that the name and telephone number of Mr. Sean Donovan of Comey & Shepherd Realtors has been on the building for most of the past year. Staff asked for documentation to show that the owner has had a listing agreement, that a Real Estate Sign has been posted on the property, and for reasons that the property has not been formally listed. The Applicant did not provide this documentation.

Attachment C, Page 23 demonstrates that the sign posted has simply stated a number to contact for building service, not that it has been for sale. This is the only sign visible for most of the past year.

**(iii)(cc) The feasibility of alternative uses for the property that could earn a reasonable economic return;**

Within the Beck 2/23/16 Report (Attachment A) the Applicant has provided many pro formas and analysis for various re-uses including a boutique hotel, market rate apartments, market condominiums, and market office space.

In Staff's March 22, 2016 Response to the original submission, (Attachment L), Staff raised a number of concerns and noted oversights in the analysis including that the market valuation used for comparison projects was over 9 months old. In a market that is changing as rapidly as the urban core of Cincinnati, market rate comparisons of 3 months are a best practice and one often required by most financial institutions. New market data or rate comparisons were not submitted upon the request of staff.

There were many other questions and concerns that staff raised to the Applicant in the March 22, 2016 Response to the original submittal that went unanswered and undocumented. Answers to these questions are viewed as pertinent and required information for staff and the Historic Conservation Board to fully evaluate an economic hardship claim.

- 1) Staff asked the applicant to calculate use of incentives and tax credits.
  - a. The Applicant did not provide any analysis.
  - b. In the submittal by Cincinnati Preservation Collective, (Attachment C, pages 30-38) the analysis by Kunst Development demonstrates that the apartment proposal would be feasible if Historic Tax Credits were utilized. Staff reviewed the numbers and did not find

any inaccuracies and finds with Kunst Development's Historic Tax Credit analysis on an apartment development as credible evidence.

- 2) Staff asked the applicant to explain the significant disparity in the following line items in the Construction Estimates for the Hotel and Apartment proposals: General Conditions, Demo/Sitework, Masonry, and Mechanical.
  - a. In response, the Beck 4/1/16 Supplement, Page 4 (Attachment B) states "the differences in the cost estimates for the Dennison Boutique hotel versus the Dennison apartments is a function of the distinctly different characteristics of each use." Staff does not feel that this adequately explains why there would be a 73% variation in General Conditions, an 89% variation in Demolition and Site Work, a 75% variation in Masonry or a 43% variation in Mechanical Work when you are effectively building the same Use within the Building Code.
  
- 3) Staff pointed out many inaccuracies and mathematical errors in the pro formas in how expense ratios were calculated, sometimes inflating costs (Attachment L, page 3) and requested corrected pro formas.
  - a. The Applicant did not provide corrected pro formas.
  
- 4) Staff asked for appraisals from qualified real estate appraisers that were used to determine the sale price on August 26, 2013.
  - a. The Applicant did not provide any appraisals that were used to determine the sales price. Staff cannot analyze if the purchase price for the building was an accurate and fair market value or if they were paying an inflated price due to their concerns over the Talbert House without assessment of the 2013 purchase price. In the article "Assessing Economic Hardship Claims under Historic Preservation Ordinances," Julia Miller states:
 

*"Also pertinent is whether the owner's objectives were realistic given the condition of the property at the time of purchase, or whether the owner simply overpaid for the property. Under takings law, government is not required to compensate property owners for bad business decisions."* Economic Feasibility of a building should not take into account if an owner over-paid for a building. (Attachment M)
  
- 5) Further questions were raised in doing an evaluation of the feasibility of the proposed alternatives as additional cost estimates were submitted for the uses proposed by TAMZ Construction. (Attachment C pages 11-14) The chart below shows significant discrepancies between the estimates of the various uses.

	TAMZ	HGC	Difference	% Higher
Office	\$3,948,750	\$5,000,000	\$1,051,250	26.6%
Façade/White Box	\$1,048,899	\$1,449,854	\$400,955	27.7%
Hotel	\$8,440,932	\$9,445,509	\$1,014,577	12%
Apartment	\$6,115,851	\$7,942,118	\$1,826,267	29.9%

These variations could significantly affect project viability. If for example, one were to compare the two construction estimates for the apartment conversation use that within the Applicant's pro forma holding all other factors constant, their minimum monthly feasible rent per square foot would be reduced from \$2.51 to only be \$1.68 per square foot.

Cost to Renovate TAMZ	\$6,115,851
County Auditors Land Value	<u>\$ 404,890</u>
Total Cost	\$6,520,741
Entrepreneurial Incentive (15%)	<u>\$ 978,111</u>
Total Cost to Develop	<u>\$7,498,852</u>
Total Units	52
Cost per Unit	\$144,209
Capitalization rate	5.5%
Annual NOI	\$7,931
Expense Ratio	35%
Expense	<u>\$2,776</u>
Annual Rent	\$10,707
Stabilized Vacancy	6%
Annual PGI	\$11,349
Commercial Space Size	1604
Commercial Space Rent	<u>\$15/sf</u>
Annual PGI for Commercial Space	\$24,060
Allocated Commercial Space PGI per Unit	<u>\$ (463)</u>
Required Annual Feasible Rent per Unit	\$10,886
Monthly Rent	\$ 907
Average Unit Size	540
Minimum Monthly Feasible Rent per square Foot	\$1.68

A \$1.68/SF minimum monthly feasible rent is less than any of the comparable rents that were provided in Attachment A -2/23/16 Beck Consulting Report (page 23). The lowest comparable rent that they provided was \$1.75 and given that this would be considered an achievable rent they would be able to net at least over \$23,000 per year. The Applicant also provided an average rent per square foot in the Central

Business District at \$2.10. Using this median number, which was their threshold in considering if the project was feasible, the project would net \$141,523 per year in addition to the Entrepreneurial Incentive above.

- 6) In the Attachment A Beck 2/23/16 Report, claims are made by the Consultant that the market will not grow to support higher rents and in particular claims that “one impediment to significant investment and new construction in the Main Street Historic District is due to the district’s designation as a historic district.” (Page 10) Staff believes that there is substantial empirical evidence to contradict the “Impediment” claim.
- a. If there is any evidence Historic Districts add value, one need only look to Over the Rhine, another local Historic District just 4 blocks to the north of this site, and its unprecedented investment. There is empirical evidence that shows that historic districts do not impede development. Charleston, South Carolina had local designation since 1931 and is considered one of the top tourist destinations with tourism adding over \$3 billion to the local economy. In an “Observer”, February 2014 article about New York Historic Districts titled *Preservation Pays*, the author Jeffry Kroessler states:
- “If we define development as new construction only, then yes, landmarking does plead guilty. But historic districts are scarcely dead zones. On the contrary, the renovation, restoration, and reuse of older buildings employs thousands and supports many skilled craftspeople—plasterers, woodworkers, ironworkers, masons, not to mention architects and interior designers. Further, older buildings offer very desirable spaces for start-ups and small firms. And let us not omit the impact of tourism. It is New York’s historic districts visitors want to explore.”*
- b. Contrary to the Beck 4/1/16 Supplement stating “development has avoided Main Street.”, Buildings & Inspections Department notes a few of the following projects, completed or under construction within the Main Street Historic District in the past two years
- 601 Main – Purchase/renovation/expansion (Richter & Phillips)
  - 619 Main – Renovation (Lala’s Bakery)
  - 625 Main – Renovation (Bay Horse Inn)
  - 906 Main – Renovation/Expansion (5<sup>th</sup>/3<sup>rd</sup> Bank)
  - 906 Main – Conversion to 20 apartments
  - 814-816 – Renovation 7 apartments
  - 203 E 8<sup>th</sup> Street – Renovation and elevator
  - 125 E. 9<sup>th</sup> Street – Renovation/Expansion (Acme Hardware)

Additionally, at the 5/23/16 HCB meeting, it is anticipated two similarly scaled and maintained buildings immediately west of the Main Street Historic District will seek Historic Landmark Designation.

- 126-128 E. 6<sup>th</sup> St. (10 story – 50,460 sq. ft.)
- 130-132 E. 6<sup>th</sup> St. (6 stories – 19,424 sq. ft.)



Photo of Proposed 6<sup>th</sup> Street Historic Landmark Candidates

Staff also notes (see below) real estate sales records from 2013-2015 along Main Street in the Historic Districts and the notes the Applicant's purchase price within the spectrum of sales sorted by price per square foot. (Hamilton Co. Auditor).

Sale Date	Bldg. Size	Sold Price	\$/sq. ft.	#	Street Name		Gross Land Area	# of Floors	Year Built
06/14/2013	11,419	\$0.00	\$0.00	835	Main	St	4,792	3	1890
10/01/2013	21,774	\$125,000.00	\$5.74	1119	Main	St	7,186	4	1870
05/05/2015	10,000	\$120,000.00	\$12.00	1201	Main	St	2,483	4	1880
03/27/2013	30,000	\$446,000.00	\$14.87	900	Main	St	7,405	5	1921
12/23/2013	13,724	\$210,000.00	\$15.30	1208	Main	St	4,356	4	1865
<b>08/26/2013</b>	<b>46,700</b>	<b>\$744,431.00</b>	<b>\$15.94</b>	<b>716</b>	<b>Main</b>	<b>St</b>	<b>6229</b>	<b>8</b>	<b>1892</b>
04/12/2014	6,160	\$110,000.00	\$17.86	1304	Main	St	1,873	1	1850
09/25/2013	7,233	\$150,000.00	\$20.74	1427	Main	St	3,920	4	1900
11/30/2015	12,000	\$255,000.00	\$21.25	1324	Main	St	4,792	3	1860

08/14/2015	7,078	\$165,000.00	\$23.31	1346	Main	St	2,178	3	1865
01/13/2015	5,760	\$142,500.00	\$24.74	625	Main	St	1,307	4	1880
07/13/2015	13,660	\$390,425.00	\$28.58	1148	Main	St	3,485	4	1865
12/01/2014	13,313	\$400,000.00	\$30.05	1203	Main	St	6,358	4	1888
08/17/2015	5,700	\$190,000.00	\$33.33	1207	Main	St	1,525	4	1890
01/08/2014	9,500	\$425,000.00	\$44.74	652	Main	St	2,100	6	1890
03/18/2015	16,000	\$1,235,000.00	\$77.19	601	Main	St	5,445	3	1920
06/19/2015		\$3,000,000.00	\$78.80	0	Main	St	38,071		
07/20/2015		\$1,100,000.00	\$93.53	830	Main	St	11,761		
07/13/2015	6,026	\$725,075.00	\$120.32	1134	Main	St	2,004	4	1860

**(iii)(dd) Any evidence of self-created hardship through deliberate neglect or inadequate maintenance of the property;**

The Owner purchased the property on August 26, 2013 as-is and only made partial progress on the code orders of May 11, 2015 when reviewed in December, 2015.(Attachment H). It should be noted, the Owner has improved fire safety during their ownership.

**(iii)(ee) Knowledge of landmark designation or potential designation at time of acquisition; and/or**

Staff asked for a specific statement from the owner as to their knowledge that the property was within the Main Street Historic District prior to the acquisition of the property. The Applicant did not provide a statement.

**(iii)(ff) Economic incentives and/or funding available to the Applicant through federal, state, city, or private programs.**

The Beck 4/1/16 Supplement states that the use of tax credits were not considered because the feasibility is exclusively the domain of economics. Staff contends that this is not an acceptable reason to not consider historic tax credits and other available incentives. Considering all incentives possible is an accepted and expected part of market analysis and development analysis for projects. The building has already been deemed “historic” and eligible for historic tax credits as it is a “Registered Historic District” with the National Park Service, who deemed the district eligible for listing in the National Register of Historic Places. This certification allows individual property Owners of depreciable buildings within the District to qualify for the Federal Historic Rehabilitation Tax Incentives. (Attachment F). The Urban Conservator’s qualified opinion is that utilizing the hotel and apartment floor plans provided in the Applicant submittal, and by meeting the requirements of a Certified Historic Rehabilitation, that the building at 716-718 Main Street is a prime candidate for a federal historic tax credit project.

Kunst Development provided expert and experienced Tax Credit analysis (Attachment J, Pages 30-38) of the proposals submitted by the Applicant as well as for the alternative cost estimates provided by TAMZ (Attachment C,

Page 23-29). They concluded, regardless of which cost estimates utilized, that the pro formas for apartments when using Historic Tax Credits are both profitable as the minimum monthly rent per SF (\$2.07 or \$1.47) is under the \$2.10 average market rents per SF provided by the Applicant's consultant.

**c) *The demolition request is for an inappropriate addition, or an incompatible building and the demolition of said structure will not adversely affect the streetscape as determined by the Historic Conservation Board***

The building is listed as a compatible building and Urban Conservator's professional and qualified recommendation is that the building should be listed as a significant building to the Main Street Historic District for its association with Samuel Hannaford as well as a good example of a manufacturing building.

**d) *The demolition request is for a non-significant portion of a building and the demolition will not adversely affect those parts of the building which are significant as determined by the Historic Conservation Board.***

The demolition request is for the entire building.

**Staff Summary and Conclusions:**

It is staff's analysis of the documentation that has been provided by the Applicant as well as evidence and documentation provided by opponents to the request for demolition, that the Applicant has not provided credible evidence that they cannot reuse the building nor can a reasonable economic return be gained from the use of all or part of the building proposed for demolition at 716-718 Main Street. Staff bases their analysis on the following points of evidence.

1. The Owner has not attempted to sell or lease the property and therefore cannot claim an economic hardship as they have not proven that the property could not be sold or utilized to another buyer or tenant for a viable use.
2. The current Owner, in their own words have stated they bought the property with the intention of major redevelopment, which is assumed would require a demolition of the building. This intention is contrary to the law governing the property, which is therefore not a reasonable-investment backed expectation.
3. The building, as stated by the Owner's structural engineering report is capable of sustaining the existing residential use in the building code, including hotel, resulting in minimization of building code requirements for structural updates.
4. The pro forma for apartments that the Applicant provided when incorporating the use of federal historic tax credits, is a project that is economically feasible and viable.
5. When comparing the different cost estimates provided for evaluation, it was demonstrated that the pro formas using TAMZ Construction and Restoration cost estimates for apartments economically feasible and viable, even without the use of any historic tax credits.

## **NEW CONSTRUCTION CONCEPT/PROPOSAL**

With no formal submission to review, future opportunities cannot be taken into consideration. Major redevelopment remains premature until the Owner has ownership control of any of the alleys within the potential site. However, the Zoning Administrator has reviewed the existing conditions and notes the following:

- The Zoning for the property is Downtown Development (DD).
- §1411-05 Land Use Regulations – See Subdistrict C for Use Groups
- §1411-09 Floor Area Ratio - Maximum development density on this site is 9 (Maximum 9 story building utilizing 100% of lot area, or approximately 52,650 sq. ft.; Existing Dennison is 8 story and mezzanine and approximately 46,800 sq. ft.)
- §1411-13 Maximum Building Height - Site is permitted 750 ft. above sea level (approximately 200 ft., limited further by Main Street Historic Guidelines)
- §1411-23 Required Parking Space - Site would not require the existing building to have dedicated parking, but would require new commercial buildings and new 20+ dwelling unit residential projects to obtain dedicated parking.
- §1411-25 Location of Parking - Provision prohibits Public Surface Parking to be permitted upon this site.
- §1411-47 Demolition - Provision states “Except in cases of public emergency, no permit for the demolition of any building in the DD District shall be issued unless an application for a building permit for work to replace the building to be demolished has been filed with the Director of Buildings and Inspections. Provided, however, the applicant may instead post a bond with the Director of Buildings and Inspections to secure compliance with [§ 1411-51](#). The bond shall be in the amount equal to ten dollars per square foot of the area of the lot on which the building to be demolished is located.
- § 1411-51. – Landscaping, states “Any lot within the DD District kept vacant for more than 180 days following the demolition of any buildings thereon shall be landscaped and thereafter maintained in good order. Landscaping shall be in accordance with a plan approved by the hearing examiner following the procedures and standards set forth in [Chapter 1443](#). The landscaping shall be appropriate to an urban park or garden. The lot shall be fenced as appropriate for public safety and aesthetics. All plant material shown on the approved plan shall be watered, fertilized, pruned, kept free from weeds and litter and replaced if diseased, injured or dead, consistent with good horticultural practices. Such lots shall not be used for storage.

Other development considerations noted by the Zoning Administrator

- The site and all historic properties to the north are separated by a public right-of-way from the Owner’s other property holdings. Consolidation of this parcel with the Owner’s four other parcels cannot occur unless all alley right-of-ways are vacated by approval of City Council. Currently the Owner maintains a lease with the City that shall renew for five years in 2017.
- Public water and sewer mains serving all the historic properties on the block are located within the alley and not along Main Street. Consolidation of parcels could

not occur until all needed to service the remaining historic buildings were relocated.

- Main Street Guidelines limit heights are not clearly described for the 7<sup>th</sup> to 8<sup>th</sup> Street Block, but would highly reduce the 200 foot zoning maximum height. For the block between 6<sup>th</sup> to 7<sup>th</sup>, it states, “Maximum height of approximately 100 feet; similar to the building across 7<sup>th</sup> Street (Plaza Arts, 124 E 7<sup>th</sup> Street) but less than landmark buildings such as Gwynne Building and Second National Bank Building.” For the block between 8<sup>th</sup> and 9<sup>th</sup>, it states, “Maximum height of approximately 120 feet; less than landmark buildings such as Gwynne Building and Second National Bank Building.” At the March 21, 2016 HCB meeting, the Historic Conservation Board expressed concerns with proposed new buildings proposed at 719 Main meeting and exceeding the heights of the Second National Bank Building.

### **Other Considerations:**

#### **Prehearing Results:**

March 23, 2016 - The Applicant, Representative from Cincinnati Preservation Association, and unassociated representatives were present. The Applicant was for the demolition, 2 representatives from CPA were opposed to the demolition and the unassociated representatives were neutral.

March 31, 2016- 4 citizens were in attendance on the March 31, 2016 prehearing. All 4 citizens were opposed to the demolition.

**Comments Provided to Staff:** Attachment C Cincinnati Preservation Collection Final Submission 4/13/2015

#### **Consistency with *Plan Cincinnati (2012)*: N/A**

Not consistent with the “Sustain” Initiative Area “Preserve our built history”

### **Recommendation:**

Staff recommends the Historic Conservation Board take the following actions:

#### **A. CERTIFICATE OF APPROPRIATENESS:**

1. **DENY** a Certificate of Appropriateness to demolish the building at 716-718 Main Street as the Applicant has not demonstrated with credible evidence that the structure cannot be reused and has not demonstrated with credible evidence that a reasonable economic return cannot be found from the use of all or part of the building.
2. **FINDING:** The Board makes this determination per Section 1435-09-2:
  - (a) That the Applicant and/or the Property Owner has not demonstrated by

credible evidence that the proposal substantially conforms to the applicable conservation guidelines.

- (b) That the Applicant and/or the Property Owner has not demonstrated by credible evidence that the Property Owner will suffer economic hardship if the Certificate of Appropriateness is not approved. The lack of credible evidence includes
1. The Owner has not attempted to sell the property and therefore cannot claim an economic hardship as they have not proven that the property could not be sold to another buyer for a viable use.
  2. The current Owner bought the property with the intention of major redevelopment, which is assumed would require a demolition of the building. This intention is contrary to the law governing the property, which is therefore not a reasonable-investment backed expectation.
- (c) That the Applicant and/or the Property Owner has not demonstrated by credible evidence that the structure proposed for demolition cannot be reused. The lack of evidence includes
1. The building, as stated by the Owner's structural engineering report is capable of continuing the existing residential use in the building code, including hotel, resulting in minimization of building code requirements for structural updates.
- (d) That the Applicant and/or the Property Owner has not demonstrated by credible evidence that a reasonable economic return cannot be gained from the use of all or part of the building proposed for demolition. The lack of evidence includes
1. The pro forma for apartments that the Applicant provided when incorporating the use of federal historic tax credits, is a project that is economically feasible and viable.
  2. When comparing the different cost estimates provided for evaluation, it was demonstrated that the pro formas using TAMZ Construction and Restoration cost estimates for apartments economically feasible and viable, even without the use of any historic tax credits.

Board Alternative Considerations:

### **Option 1**

If during the Public Hearing, the Board finds that credible evidence has been presented demonstrating that alternatives to demolition may be feasible, the Board may elect to recommend a Demolition Delay per Section 1435-09-3 below. Staff respectfully requests a tabling of no greater than 30 days, and have the Board provide preliminary guidance regarding aspects of managing such Demolition Delay that are important to the Board.

**§ 1435-09-3. - Demolition Delay.**

In addition to the provisions of Sections [1435-09-1](#) and [1435-09-2](#) above, if an application for a Certificate of Appropriateness seeks approval of demolition, the Historic Conservation Board may delay determination of the application for a period of 180 days on a finding that alternatives to Demolition may be feasible and should be actively pursued by both the applicant and the Historic Conservation Board. In the event that action on an application is delayed as provided herein, the Historic Conservation Board may take such steps as it deems necessary to preserve the Historic Asset concerned, in accordance with the purposes of this chapter and in accordance with Cincinnati Municipal Code [Chapter 1101](#). Such steps may include but may not be limited to consultation with civic groups, public agencies and interested citizens, recommendations for acquisition of property by public or private bodies or agencies, and exploration of the possibility of moving one or more structures or other features. No demolition shall take place until permitted pursuant to the provisions of this chapter and the Cincinnati Building Code. Any unlawful demolition of a Historic Asset shall be punishable by the criminal and civil penalties set forth in [Chapter 1451](#) below and the Cincinnati Municipal Code.

**Option 2**

If during the Public Hearing, the Board finds that credible evidence has been found to meet the economic hardship test; Staff:

- a. Respectfully requests a tabling for up to 45 days so that the Applicant can provide a Landscape Plan for the Board's consideration, "appropriate to an urban park or garden" and to meet the requirements of Section 1411-47 and 1411-51. If tabling is proposed, the Staff would seek any preliminary guidance regarding aspects important to the Board.

## Staff Report Attachments

- A. Original submittal dated February 23, 2016
- B. Response Submittal dated April 1, 2016 in response to questions from Staff
- C. Cincinnati Preservation Collective Rebuttal/Submittal
- D. Ordinance 539-1984: Designation of the Main Street Historic District
- E. Staff Report for the designation of the Main Street Historic District
- F. Letter dated June 28, 1985 stating the Main Street Historic District is Certified
- G. Selections from Main Street Historic District Conservation Guidelines
- H. Memo from Ed Cunningham, Supervisor of Property Maintenance Code Enforcement and a Property Code violation history
- I. Memo from Rick Schriewer, Deputy Director of Buildings and Inspections
- J. Pictures from the building from an April 7, 2016 tour
- K. Urban Conservator, Beth Johnson resume
- L. March 22, 2016 Staff Response to February 23, 2016 Applicant Submittal
- M. Julia Miller "Assessing Economic Hardship Claims Under Historic Preservation Ordinances"

**BARRETT & WEBER**  
A LEGAL PROFESSIONAL ASSOCIATION

ANCIS BARRETT  
PATRICK WEBER  
NET L. BELL  
OSHUA L. GOODE

February 23, 2016

500 FOURTH & WALNUT CENTRE  
105 EAST FOURTH STREET  
CINCINNATI, OHIO 45202-4015

TELEPHONE (513) 721-2120  
FACSIMILE (513) 721-2139

Historic Conservation Office  
City of Cincinnati  
Two Centennial Plaza  
805 Central Avenue, Suite 500  
Cincinnati, Ohio 45202

*via Hand Delivery*

Attention: Beth Johnson, Urban Conservator

Re: 716-718 Main Street / Former Dennison Hotel Building  
Main Street Historic District

Dear Ms. Johnson:

Pursuant to our recent discussions, enclosed are the original and three (3) copies of the following documents, along with the check in the amount of \$500.00 payable to the City of Cincinnati for the required fee for Historic Conservation Board review:

1. Application for Certificate of Appropriateness, seeking demolition approval for the above-referenced property;
2. Statement of the Justification for the Issuance of the requested Certificate of Appropriateness (COA);
3. Historic Conservation Office Documentation for the Demolition of Historic Properties, consisting of the following:
  - A. "Information Required for All Properties Proposed for Demolition";
  - B. The "Economic Feasibility Analysis" prepared by Beck Consulting, Inc.;
  - C. Structural engineering report prepared by Advantage Group Engineers, Inc.; and
  - D. Statement of Operating and Maintenance Expenses for 2014 and 2015.

If any additional information is required, or if you have any questions, please do not hesitate to contact the undersigned. Also, please let us know when this matter will be heard by the Historic Conservation Board. Thank you for your attention to this matter.

**BARRETT & WEBER**  
A LEGAL PROFESSIONAL ASSOCIATION

February 23, 2016  
Page 2

Sincerely,

BARRETT & WEBER



C. Francis Barrett  
Attorney for Columbia REI, LLC

Enclosures

cc: Timothy M. Burke, Esq., Attorney for Columbia REI, LLC  
Columbia REI, LLC

# APPLICATION

**PAID** 000027

**HCB**  
HISTORIC  
CONSERVATION  
BOARD

# CERTIFICATE OF APPROPRIATENESS

APPLICATION BUILDING ADDRESS: 716-718 Main Street  
 DISTRICT NAME: Main Street Historic District  
 (if applicable)  
 OWNER NAME: Columbia REI LLC  
 ADDRESS: 250 E. Fifth St., Suite 285, Cincinnati OH 45202  
 PHONE NO: \_\_\_\_\_  
 EMAIL: m@josephcorp.com  
 CONTRACTOR NAME: HGC Construction / SSRG, Structural Systems  
Repair Group  
 ADDRESS: 2824 Stanton Ave., Cincinnati Ohio 45206  
 PHONE NO: (513) 751-7774  
 EMAIL: brogers@ssrg.com  
 ARCHITECT NAME: PDT Architects  
 ADDRESS: 300 W. Fourth Street Cincinnati OH 45202  
 PHONE NO: (513) 745-6703  
 EMAIL: browning.m@pdtarchitects.com

HCB USE ONLY	
DATE RECEIVED BY HCB:	_____
PERMIT/APD NO:	_____
APP. COMPLETION DATE:	_____

**PLEASE NOTE: THE FOLLOWING FEES ARE DUE TO PROCESS YOUR APPLICATION.**

Certificate of Appropriateness (without Board review)... \$50.00  
 Historic Conservation Board Review .....\$500.00

HCB USE ONLY	
Fee Received: \$	<u>500</u>
Date Received:	<u>2-23-16</u>

**IT IS YOUR RESPONSIBILITY TO NOTIFY THE URBAN CONSERVATOR IF ANY OF THIS INFORMATION CHANGES DURING THE PENDING REVIEW OF YOUR**

WORK PROPOSED: (Describe type of work, existing conditions, and methods to be used, materials proposed)

HCB USE ONLY	
<input type="checkbox"/>	MINOR ALTERATION
<input type="checkbox"/>	NEW CONSTRUCTION
<input type="checkbox"/>	ADDITION
<input type="checkbox"/>	DEMOLITION
<input type="checkbox"/>	REHABILITATION
<input type="checkbox"/>	OTHER _____

Demolition of building.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

IN ORDER TO EXPEDITE HCB ACTION, PLEASE ATTACH ADDITIONAL INFORMATION, IF AVAILABLE, AS MAY BE APPROPRIATE. LIST ANY INFORMATION ATTACHED: (Elevations, site plans, specifications, photos, material samples, additional drawings or written matter)

See attached materials.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Attach a letter explaining the justification for the issuance of the desired Certificate of Appropriateness. Be advised that the burden of proof is on the applicant.

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

Re: 716-718 Main Street / Former Dennison Hotel Building  
Main Street Historic District

**STATEMENT OF JUSTIFICATION BY THE PROEPRTY OWNER,  
COLUMBIA REI, LLC, FOR THE ISSUANCE OF THE REQUESTED  
CERTIFICATE OF APPROPRIATENESS (COA) FOR DEMOLITION APPROVAL**

The owner of the subject property retained the services of highly reputable, very knowledgeable, and well-experienced consultants to analyze the physical conditions of the building. These consulting firms included HGC Construction and its subsidiary, Structural Systems Repair Group (SSRG), the architectural firm of PDT Architects, LLC, and the structural engineering firm of Advantage Group Engineers, Inc. The costs to rehabilitate and restore the building for the potential uses have been determined and written costs were prepared.

The property owner thereafter commissioned an independent, expert consultant to undertake a detailed analysis concerning whether any of the physically possible and legally permitted uses of the subject building would be economically feasible. This "Economic Feasibility Analysis" prepared by Beck Consulting, Inc. is submitted with the Application for Certificate of Appropriateness and is incorporated herein by reference. It is documented therein that none of the uses which are physically possible and legally permissible would be economically feasible. The uses considered under this analysis included market level residential apartments, market level residential condominiums, a full service boutique hotel, multi-tenant office space with first floor retail, and first floor retail only.

The conclusion reached by these consultants is that it is not economically feasible to repair, rehabilitate, or retain the building on this site. Therefore, demolition approval is merited.

Respectfully submitted,

Columbia REI, LLC

By: C. Francis Barrett  
C. Francis Barrett  
Barrett & Weber  
105 E. Fourth Street, Suite 500  
Cincinnati, Ohio 45202  
(513) 721-2120  
(513) 721-2139 – facsimile  
cfbarrett@barrettweber.com

By: Timothy M. Burke  
Timothy M. Burke  
Manley Burke  
225 W. Court Street  
Cincinnati, Ohio 45202  
(513) 721-5525  
(513) 721-4268 - facsimile  
tburke@manleyburke.com

*Historic Conservation Office  
Documentation for the  
Demolition of Historic Properties*



A property owner who wishes to demolish a local landmark or a building located in a local historic district must demonstrate to the Historic Conservation Board that there is no feasible and prudent alternative alteration or environmental change that would conform to the conservation guidelines. The applicant must also show that the strict application of the guidelines would deny the owner a reasonable rate of return on the real property and would amount to an economic hardship.

When an applicant claims that the strict application of the conservation guidelines would amount to an economic hardship, the applicant should submit answers to the following questions, in written form, to the Urban Conservator a minimum of 21 days (three weeks) as an addendum of the Certificate of Appropriateness application, prior to a scheduled meeting of the Historic Conservation Board.

**INFORMATION REQUIRED FOR ALL PROPERTIES PROPOSED FOR DEMOLITION**

1. The amount paid for the property, the date of purchase and the party from whom purchased, including a description of the relationship, if any, between the owner and the person from whom the property was purchased;
2. The condition of the property when purchased;
3. The value of significant interior and exterior improvements made after purchase;
4. The assessed value of the land and improvements thereon according to the two (2) most recent assessments;
5. Real estate taxes for the previous two (2) years;
6. Annual debt service, if any, for the previous two (2) years;
7. All appraisals obtained within the previous two (2) years by the owner or applicant in connection with his purchase, financing or ownership of the property;
8. Any listing of the property for sale or rent, price asked and offers received if any;
9. Any consideration by the owner as to profitable adaptive uses for the property;
10. An itemized statement of the annual costs of all insurance on the property;
11. A statement of potential return on investment based on existing or new uses, including costs of rehabilitation of existing supplementary new construction, and using fair market value for the property, a "reasonable" rate of return on investment, and prevailing rehabilitation and rental rates in the area. (Including floor area per floor and total); and
12. All available reports, if any, on the structural condition of the property.
13. Annual gross (pre-tax minus maintenance and other costs) income from the property for the previous two (2) years.
14. Whether or not the property was occupied when purchased, and any income from the property at the time it was purchased immediately or prior thereto.
15. Itemized operating and maintenance expenses for the previous two (2) years.
16. Annual cash flow, if any, for the previous two (2) years.
17. For vacant, semi-vacant and under-utilized buildings, or buildings in need of rehabilitation, owner is required to submit a statement of potential return on investment based on existing or new uses, including costs of rehabilitation, and supplementary new construction, and using fair market value for the property, a "reasonable" rate of return on investment, and prevailing rehabilitation and rental rates in the area.
18. Owner required stating anticipated income from the property after the demolition of the structure or structures.

**CITY OF CINCINNATI  
HISTORIC CONSERVATION OFFICE**

**DOCUMENTATION FOR THE DEMOLITION  
OF HISTORIC PROPERTIES**

**Information Required for All Properties Proposed for Demolition**

Re: 716-718 Main Street, the former Dennison Hotel Building  
Main Street Historic District

Response of the Property Owner to the 18 points of Information required by the  
Historic Conservation Board:

1. *The amount paid for the property, the date of purchase and the party from whom purchased, including a description of the relationship, if any, between the owner and the person from whom the property was purchased:*

The subject property is in the name of Columbia REI, LLC, which acquired title on January 4, 2016 from Columbia Oldsmobile Company, an affiliated entity. As a result, no consideration was paid for this acquisition. Previously, Columbia Oldsmobile Company acquired title to this property on August 26, 2013 from CBD Holdings, Inc. for the purchase price of \$744,431. Columbia Oldsmobile Company acquired the subject real property upon which is situated a dilapidated, deteriorating, vacant building out of necessity for the protection of its adjoining real property and as a part of an assemblage of the property north of Seventh Street, east of Main Street, west of Sycamore Street, and south of Eighth Street, for a major redevelopment. Such a major redevelopment would be highly compatible with the recent development in the adjacent Sycamore Street Corridor and would be an economic boon to the Central Business District.

2. *The condition of the property when purchased:*

The subject property has been vacant and unused for a number of years. The building is presently classified as being in poor to fair condition due to its dilapidated and deteriorated conditions. The building is physically and functionally obsolete and, as a result, has been uninhabitable and has remained vacant.

3. *The value of significant interior and exterior improvements made after purchase:*

There have been no significant interior or exterior improvements made in recent years. However, substantial sums of money have been expended for safety measures. For the protection of first responders, all of the elevator shafts were boarded up and marked for identification. All stairwells and exits have been marked. All doors not exits have been so marked. Numerous items of junk were removed from the building. Exterior safety measures were implemented to protect the general public from falling materials that may come off the exterior of the building. Extensive efforts costing more than \$100,000 were undertaken to remove all combustible items of personal property from the building including, but not limited to, bedding, carpeting, and furniture from the prior abandoned single room occupancy (SRO) rooming house/ hotel/flop house use. More than 20 dumpsters were filled and removed from the site. Additionally, a consultant was retained to make the former inoperable fire suppression system capable of being activated on the exterior of the building by enabling the responding fire engine company to connect to the standpipe on the outside of the building to achieve sufficient water pressure. All safety issues of the Cincinnati Fire Department have been resolved.

4. *The assessed value of the land and improvements thereon according to the two (2) most recent assessments:*

According to the records of the Hamilton County Auditor, the subject property has a current assessed value of \$700,000 (fair market value at 100%) and a taxable value of \$245,000 (35% of fair market value). Of this \$700,000 amount, \$404,890 is allocated to the land (taxable value of \$141,710), and \$295,110 (\$103,280 in taxable value) is allocated to the building. The Auditor's prior assessment (established for the tax year 2011) was the same as the current valuation which was established for the tax year 2014.

5. *Real estate taxes for the previous two (2) years:*

According to the records of the Hamilton County Treasurer, the total tax owed for the first half of the current tax year is in the amount of \$11,570.40, and the total owed for the second half of the current tax year is in the amount of \$11,527.54, for a yearly total of \$23,097.94. The real estate taxes paid in 2014 were in the total amount of \$23,169.

6. *Annual debt service, if any, for the previous two (2) years:*

There has been no mortgage on the property during the past two (2) years and therefore no annual debt service.

7. *All appraisals obtained within the previous two (2) years by the owner or applicant in connection with his purchase, financing or ownership of the property:*

There have been no appraisals commissioned by the owner of the subject property within the past two (2) years, other than the "Economic Feasibility Analysis" prepared by Beck Consulting, Inc., which is submitted with these materials.

8. *Any listing of the property for sale or rent, price asked and offers received if any:*

Although the property has not been listed for sale, the name and telephone number of Mr. Sean Donovan of Comey & Shepherd Realtors has been on this building for most of the past year. Mr. Donovan advises that there has been no interest from anyone in purchasing this building.

9. *Any consideration by the owner as to profitable adaptive uses for the property:*

The owner commissioned an independent study to determine whether any adaptive uses of the property could be profitable or economically feasible. All potential uses that could be made of this building based upon the applicable City zoning regulations and the physical constraints of the property have been considered. These uses include market level apartments, market level residential condominiums, a full service boutique hotel, multi-tenant office space with first floor retail, and first floor retail only. The "Economic Feasibility Analysis" prepared by Beck Consulting, Inc., which is submitted as a part of these materials, determined that none of these uses is profitable or economically feasible.

10. *An itemized statement of the annual costs of all insurance on the property:*

In the year 2014, the sum of \$6,125 was expended for insurance. In 2015, the same amount was expended for insurance.

11. *A statement of potential return on investment based on existing or new uses, including costs of rehabilitation of existing supplementary new construction, and using fair market value for the property, a "reasonable" rate of return on investment, and prevailing rehabilitation and rental rates in the area (including floor area per floor and total):*

See the "Economic Feasibility Analysis" prepared by Beck Consulting, Inc. which is submitted with these materials.

12. *All available reports, if any, on the structural condition of the property:*

See the attached report prepared by Structural Engineer Steve Harm, P.E., of Advantage Group Engineers, Inc., dated May 8, 2015.

13. *Annual gross (pre-tax minus maintenance and other costs) income from the property for the previous two (2) years:*

This property has not produced any income at all during the prior two years. Moreover, the property owner has been out-of-pocket over a half-million dollars for expenses related to this building since purchased by Columbia Oldsmobile Company in August 2013.

14. *Whether or not the property was occupied when purchased, and any income from the property at the time it was purchased immediately or prior thereto:*

The property was vacant when purchased. Therefore, this property has not generated any income for a number of years.

15. *Itemized operating and maintenance expenses for the previous two (2) years:*

See the attached Statement of Operating and Maintenance Expenses. Additionally, the property owner has incurred architectural fees, legal fees and other consulting fees, plus one-time charges for public safety and fire safety matters. The total cash, out-of-pocket expenses exceed one-half million dollars since August of 2013.

16. *Annual cash flow, if any, for the previous two (2) years:*

The subject property had negative cash flow in the amount of \$115,920 for the year 2014, and had negative cash flow in the amount of \$219,392 for the year 2015.

17. *For vacant, semi-vacant and under-utilized buildings, or buildings in need of rehabilitation, owner is required to submit a statement of potential return on investment based on existing or new uses, including costs of rehabilitation, and supplementary new construction, and using fair market value for the property, a "reasonable" rate of return on investment, and prevailing rehabilitation and rental rates in the area:*

All of the foregoing information is contained in the "Economic Feasibility Analysis" prepared by Beck Consulting, Inc., which is submitted with these materials. This independent, detailed report has determined that it is not economically feasible to

rehabilitate the subject building for any physically possible and legally permitted use, based upon a fair market value analysis.

18. *Owner required to state anticipated income from the property after the demolition of the structure or structures:*

At this point in time, it would be speculative on the part of the owner of the subject property to state an anticipated income from the property. The owner of the subject property knows, however, that the demolition of the existing building will allow the substantial annual negative cash flow to be halted and/or reversed.



## BECK CONSULTING, INC.

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### ECONOMIC FEASIBILITY ANALYSIS

Existing 8-Story Building  
716-718 Main Street  
Cincinnati, Hamilton County, Ohio

Prepared For:

C. Francis Barrett, Esq.  
Barrett & Weber, LPA  
500 Fourth & Walnut Centre  
105 E. Fourth Street  
Cincinnati, Ohio 45202-4015

Prepared By:

BECK CONSULTING, INC.  
Town Hall on the Green—4B  
5380 Pleasant Avenue  
Fairfield, Ohio 45014  
513.942.5000  
FAX – 513.942.9602

Date of Report:

February 19, 2016



## BECK CONSULTING, INC.

Town Hall on the Green-4B  
5380 Pleasant Avenue  
Fairfield, Ohio 45014

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Phone (513) 942-5000

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February 19, 2016

C. Francis Barrett, Esq.  
Barrett & Weber, LPA  
500 Fourth & Walnut Centre  
105 E. Fourth Street  
Cincinnati, Ohio 45202-4015

Re: Economic Feasibility Analysis  
Existing 8-Story Building  
716-718 Main Street  
Cincinnati, Hamilton County, Ohio

Dear Mr. Barrett:

At your request, I have analyzed the feasibility of the potential renovations of the building commonly known as the Dennison Hotel located at 716-718 Main Street in Cincinnati, Hamilton County, Ohio. The property is an existing 8-story building that was originally constructed in 1890. The building was purpose-built for use as a flophouse/rooming hotel with multiple resident rooms and common restroom facilities on floors 2-8 with first-floor retail administration space. In addition, there is a full basement beneath the building. The property is located in the "DD" Downtown Development zoning district, subject to the Main Street Historic District Overlay. The potential uses for the subject property in this zoning classification include residential and commercial.

The purpose of this analysis is to develop an opinion of the economic viability of the building under the current zoning regulations, which is based on the potential renovation and reuse of the existing structure considering a number of different potential uses, all of which are permitted in the zoning classification within which the subject property is located.

There are five potential uses for the subject property in the current zoning classification. The renovation of the building can take five basic forms: two of which are residential and three are commercial. The residential-oriented renovations consist of either market-level apartments for rent to tenants or market-level condominium units for sale. The residential renovations would require the entire building for dwelling units or support for the residents with the first floor set aside for lobby and resident services and amenities.

The renovation of the building into commercial use consists of either renovation into a boutique hotel with first floor lobby area, restaurant and bar; offices with first floor lobby area and a retail space on the first floor available for market rent; or renovation of the first floor for retail space leaving all upper floor vacant.



C. Francis Barrett  
February 19, 2016  
Page 2

The historic renovation costs, which are provided by experts in the field of historic renovation, are used as the basis to determine the economic feasibility of each of the potential uses, and ultimately the economic viability of the zoning. The historic renovation cost for each of the potential uses establishes the hurdle price or hurdle rent for that use. This hurdle price and hurdle rent is based on requirements for the individual uses and in the event that the hurdle price/rent of the renovated use is greater than that which the market will support, the use is classified as infeasible.

Based on the analysis briefly described above, of the five possible uses for the subject building, none is economically feasible, indicating that the existing zoning restrictions deprive the property as developed of all economically-viable uses.

The economic viability of the zoning is best indicated by uses that result in an economic benefit to a private market investor with market-based investment expectations through the renovation of the property consistent with the zoning. Economic viability of the zoning is not measured by a use for which there is no private investment-backed economic benefit or where the renovation is subsidized by investors for whom traditional economic feasibility is irrelevant.

The most likely use, most reasonable use, and the use most consistent with the character of the area, and the uses most reasonably contemplated are a boutique hotel, market-level residential condominiums, market-level residential apartments, offices and/or first-floor retail use. The plans for each of the uses reflects different degrees of detail. Costs for each of the projects have been provided by PDT Architects, HGC Construction Company (and its subsidiary Structural Systems Repair Group, SSRG), Model Group and GBBN Architects.

This report complies with the *Uniform Standards of Professional Appraisal Practice (USPAP)*, *Standards Rules 1 and 2*. Furthermore, the following report is in compliance with *Code of Professional Ethics of the Appraisal Institute*.

Respectfully submitted,  
**BECK CONSULTING, INC.**

Lance R. Brown, MAI, AI-GRS  
Ohio General Certified Appraiser No. 409301



## TABLE OF CONTENTS

	<b>Page</b>
<b>COVER PAGE</b>	
<b>LETTER OF TRANSMITTAL</b>	
<b>TABLE OF CONTENTS</b>	
<b>PART I. INTRODUCTION .....</b>	<b>5</b>
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS .....	5
<b>PART II. PREMISES OF ANALYSIS .....</b>	<b>7</b>
SCOPE OF WORK .....	7
<b>PART III. PRESENTATION OF DATA .....</b>	<b>9</b>
NEIGHBORHOOD DESCRIPTION AND ANALYSIS .....	9
DESCRIPTION OF SUBJECT PROPERTY .....	12
SITE DATA .....	12
<b>PART IV. ANALYSIS OF DATA AND CONCLUSIONS .....</b>	<b>18</b>
ECONOMIC FEASIBILITY TEST .....	18
SUMMATION AND CONCLUSION .....	29
<b>PART V. ADDENDA .....</b>	<b>30</b>
STANDARDS RULE 2-2(A) COMPLIANCE .....	31
CERTIFICATION .....	34
ASSUMPTIONS AND LIMITING CONDITIONS .....	36
FLOOR PLANS OF PROPOSED RENOVATIONS .....	38
COST ESTIMATES .....	41
DD-DOWNTOWN DEVELOPMENT DISTRICT ZONING REGULATIONS .....	46
MAIN STREET HISTORIC DISTRICT ZONING MAP .....	53
CONSERVATION GUIDELINES: MAIN STREET HISTORIC DISTRICT .....	54
APPRAISER QUALIFICATIONS .....	60
APPRAISER DISCLOSURE STATEMENT .....	62



## PART I. INTRODUCTION

### SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

<b>Identification of Property:</b>	The property is located at 716-718 Main Street in Cincinnati, Hamilton County, Ohio. The building contains a total above-grade gross building area of 52,650 square feet.
<b>Ownership:</b>	The property is held in the name of Columbia REI, LLC.
<b>Objective of the Report:</b>	
<b>Purpose:</b>	The purpose of this report is to determine the economic feasibility of renovation of the existing structure consistent with the requirements of the Main Street Historic District. By extension, the economic feasibility determination provides insight into the continued use of the existing structure.
<b>Intended Use:</b>	This report is intended to assist the client, Barrett & Weber, LPA, and C. Francis Barrett, Esq., in determining if there are any economically feasible uses for the existing structure that comply with the requirements of the Main Street Historic District.
<b>Intended Users:</b>	The intended users of this report include Barrett & Weber, LPA, C. Francis Barrett, Esq., Columbia REI, LLC, the City of Cincinnati, and this report may be used as evidence in a civil proceeding.
<b>Effective Date:</b>	The effective date of this report is the date of first inspection, August 14, 2015.
<b>Extraordinary Assumption:</b>	<i>It is an extraordinary assumption that the individual projects are constructed in a workmanlike manner consistent to that which is required in the market; the value and/or rent estimates assume that each of the renovations are completed consistent with what is required in a similar competitive market; the market value/rent of each of the potential developments are based upon completion of the project without regard to its legal permissibility or economic feasibility prior to construction; and, the market value/rent of the uses assumes that each of the uses has been built. The use of these assumption and conditions may affect the conclusions of the report.</i>



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*It is an extraordinary assumption of this report that the costs associated with each of the projected redevelopments are substantially correct. Reliance is placed on the experts in the field who prepared the cost estimates. The use of this extraordinary assumption may affect the conclusions of the report.*



## PART II. PREMISES OF ANALYSIS

### SCOPE OF WORK

The scope of work of this report includes the analysis of the subject building as well as the market within which the property is located to arrive at conclusions identified for the purpose, intended use and intended users identified above. The scope of work is appropriate based on the assignment conditions.

The assignment conditions of this report require a brief analysis of the potential uses of the property for purposes of requesting a permit from the Historic Conservation Board to raze and remove the existing structure to make the land available for redevelopment. The analysis set forth in this report is abbreviated and sufficient for the purpose of the report based on the assignment conditions provided.

This report is a brief presentation which provides a determination of the absence of economically feasible uses for the improved subject property that comply with the requirements of the zoning in the "DD" Downtown Development district and in the Main Street Historic District.

The scope of this assignment includes only the determination of the economic feasibility for the potential uses identified, it does not include the valuation of each of the individual uses. Economic feasibility for this assignment is based on the costs and plans that have been provided by others with expertise in the creation of plans and the determination of costs for historic building renovations similar to that required for the subject. The economic feasibility of each of the potential uses is based on the typical market expectations for the individual use based on price, rent, return, expenses, occupancy, and underlying land value.

The scope of the assignment included a detailed inspection of the subject improvements and the consideration of the neighborhood within which the subject property is located. Included within the neighborhood analysis is the anticipation of the street car in the subject's immediate area as well as the general area and the effect that changes within the CBD residential, hotel, office, and retail markets have experienced recently.

The scope of this analysis included an analysis of the proposed renovation of the subject property into market-level apartments; market-level residential condominiums; renovation of the property into a full-service boutique hotel; renovation of the property into a multi-tenant office complex with first floor retail; and renovation of the property into first floor retail only. The analysis of each of the proposed renovations relies on the costs for each of the projects as provided by PDT Architects, HGC Construction Company (and its subsidiary Structural Systems Repair Group, SSRG), Model Group and GBBN Architects.

In addition to the cost provided for each of the individual plans, an entrepreneurial incentive was considered for each of the renovations, and a land cost was included based on the County Auditor's opinion of value of the land to account for the compensation of the land required as part of the economic analysis.

For the market-level apartment analysis, the market was referenced to determine required capitalization rate, expense ratio, and vacancy. The resulting minimum monthly feasible rent per square foot is compared with the actual rents of similar apartments in the CBD market to indicate feasibility of the market-level apartment renovation.



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To determine the feasibility of the condominium redevelopment, the cost is considered along with an entrepreneurial incentive and the cost of the land. The total cost per unit is compared to the price of a typical unit based on an analysis of downtown condominium unit sales. The typical commission in this market is deducted from the resulting market value of the typical condominium unit developed in the subject property to indicate the minimum feasible value of a condominium unit, net of sales commissions.

For purposes of analyzing the boutique hotel renovation, in addition to the costs analyzed, a typical capitalization rate, expense ratio and occupancy were analyzed to determine the minimum feasible average daily rate (ADR) required for economic feasibility.

For purposes of analyzing the potential office renovation, the cost per square foot is analyzed along with a consideration of the capitalization rate, typical expenses, and stabilized vacancy to determine the minimum feasible annual rent per square foot for the project.

To determine the feasibility of the renovation of the property into a first floor retail-only, with no other renovation or uses on floors two through eight, the cost is analyzed along with consideration of the capitalization rate, expenses and stabilized vacancy to indicate the minimum feasible annual rent per square foot.

After analysis of all of the potential renovation discussed above, it is concluded that there are no economically feasible renovations for the subject property that comply with the DD Downtown Development District zoning regulations and the requirements of the Main Street Historic District.



## PART III. PRESENTATION OF DATA

### NEIGHBORHOOD DESCRIPTION AND ANALYSIS

A neighborhood is defined in the 5<sup>th</sup> ed. of the *Dictionary of Real Estate Appraisal* as:

*A group of complementary land uses; a congruous grouping of an inhabitants, buildings or business enterprises.*

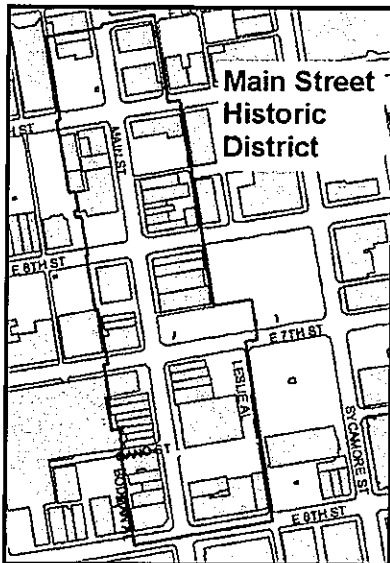
Essentially, a neighborhood includes all things necessary to support a place to live, play, work, and shop. A complete neighborhood analysis is not relevant for the purposes of this report since the intended users of this report are familiar with the Cincinnati neighborhood and the places to work, play and shop.

What is more relevant to the analysis of the subject's feasibility under the plan that maximizes its economic potential is a district analysis. The 6<sup>th</sup> ed. of the *Dictionary of Real Estate Appraisal* defines a district as:

*A neighborhood characterized by homogeneous land uses, e.g., apartment, commercial, industrial, agricultural.*

The analysis that is most relevant to the subject property is more of a district analysis that considers the nature of the main street historic district in the central business district of downtown Cincinnati.

#### Main Street Historic District



As can be seen from the map, the Main Street Historic District within which the subject is located extends from Sixth Street on the south to Court Street on the north. This area is also known as the Backstage area, since the Fifth Third Theater, the back of the Aronoff Center for Performing Arts is located at the corner of Seventh Street and Main Street. This section of Main Street is characterized by buildings that were constructed at the beginning of the twentieth century, and are mostly three- to four-story structures with some buildings that are as many as ten stories. Most of the buildings are masonry construction and the first floor of these buildings were historically retail shops for a variety of different neighborhood-service tenants such as restaurants, a shoe repair, jewelry stores, office supply, and specialty retailers. Some of the first floor space was set aside for service areas for upper-floor uses.

The majority of the upper-floor uses in this district are characterized by residential or office. Most of the uses, when designed, were accessed by stairs that were accessible from the street level along Main Street or from a side door from an alley next to the building. As was typical for buildings of this type constructed at the beginning of the twentieth century, there were few parking amenities included as part of the development. While there are some surface parking lots along Sixth Street, and available to the east of Sixth Street, few of the parking lots are specifically associated with and integrated into the individual buildings for



support of the building tenants. Today the upper floors of the buildings are disproportionately vacant with some of the upper floors having been renovated into more modern residential uses, but the majority of the upper floors offer marginal utility in today's market and continue to reflect an occupancy that is inconsistent with the comparatively high occupancy for the first floor retail spaces. Upper floors that have not been renovated represent C and D class office space or basic shelter housing that is marginally desirable within the market.

It is the architecture of the buildings in the district that has created the designation of the district as a historic zone. The buildings were constructed at a time when engineering and material technology were very different from today. Many of the buildings have inadequate internal elevators or lack effective means of conveying people from the street level to the upper floors of the buildings. Some of the buildings have as many as ten stories, and while there was a time in the City's history when walking up ten stories was acceptable, in the age of motorized Kroger shopping carts, ten-story walk-ups are no longer market acceptable. As a consequence, many of the buildings reveal high vacancy above the third floor.

When traveling within the Main Street Historic District, one is struck by the relatively high level of first-floor vacancies. This is not typical of the downtown market. Other streets in downtown reflect relatively high first-floor occupancy. One street to the west, Walnut Street, includes desirable restaurants, the Aronoff Center, a fully renovated hotel, other completely renovated buildings with desirable first-floor retail space, and a modern high-rise office building. The obvious lack of occupancy in the subject's district can largely be attributed to the absence of any significant investment in the Main Street Historic District. There was a significant investment made in the Walnut Street district when the Aronoff Center was built acting as a catalyst for other investments in the neighborhood.

One impediment to significant investment and new construction in the Main Street Historic District is due to the district's designation as a historic district, which over complicates or eliminates the possibility to redevelop obsolete structures. This has caused stagnation in the Main Street Historic District making it effectively a second-class district in the Cincinnati CBD.

The market will continue to focus on Walnut Street north and south of the Aronoff Center and on Sycamore Street closer to the most recent significant investment in downtown related with the Horseshoe Casino. The anticipation for the subject's district is as an in-between market where little new significant investment can occur and the hope will remain that someday the other markets, where investment is feasible, will overflow into the Main Street Historic District making it feasible for new investment and historic renovation to take place. Until the other districts in downtown exceed their capacity for occupancy, the expectation for the Main Street Historic District is for continued marginal performance, as a second-, or third-class neighborhood.

### Street Car

There is much expectation and anticipation for the economic benefit that will accrue to various neighborhoods throughout Cincinnati CBD and OTR as a consequence of the streetcar activation. The streetcar is not expected to begin operations until September 2016. It is unknown what affect the streetcar will have on the various neighborhoods through which it passes. Some believe that the streetcar will function exclusively as a shuttle bus between Over the Rhine and the riverfront. Others believe that it will function as a conduit for people moving between Over the Rhine and established points of interest in the CBD.



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As with any public means of transportation where access is limited to specific points, there will be portions of the route that will be more significantly affected than other portions of the route. This was true for the railroads and the interstate highway system; the points where people already wanted to go were benefited by the systems, but areas where few wanted to go were largely unaffected or only marginally affected. The areas that will be most greatly affected by the streetcar are those venues where folks are already drawn to attend.

The most obvious points in the CBD that will benefit are Great American Ballpark, US Bank Arena, Paul Brown Stadium, and the Aronoff Center. The portions of the route where there are no reasons to depart the streetcar are those areas that will be least affected. The subject's neighborhood is one of those areas where little is expected to occur that will change the fortunes of the struggling properties in this district. There will be two stations in the subject's neighborhood, one at the northwest corner of Sixth and Main and another at the northwest corner of Eighth and Main. There are few residents in this district and few successful businesses that will prompt people to exit the streetcar. The subject's neighborhood will be like so many expressway exits which cars drive past to get somewhere they want to be.



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## DESCRIPTION OF SUBJECT PROPERTY

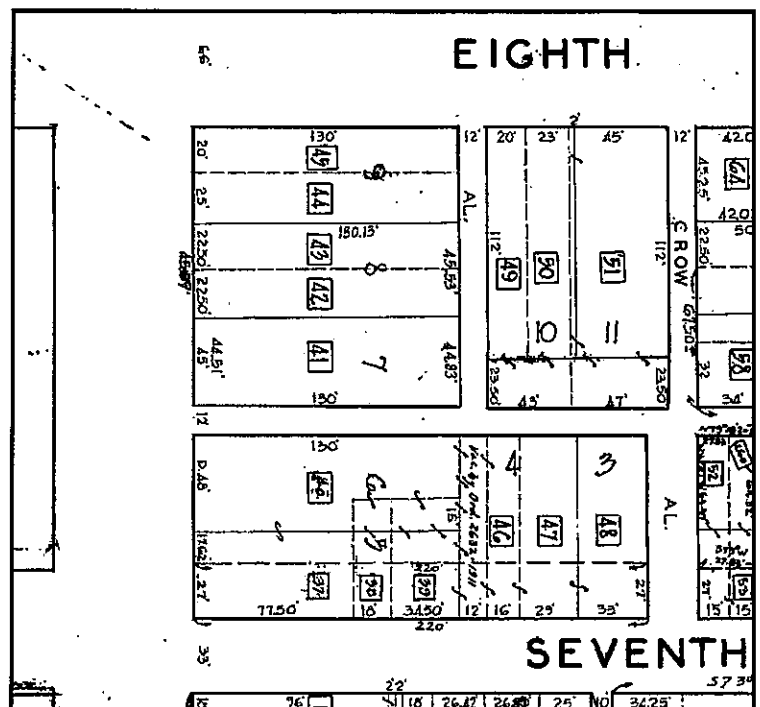
### SITE DATA

#### Location:

The property is located at 716 and 718 Main Street in the Central Business District of Cincinnati, Hamilton County, Ohio.

#### Size and Shape:

The property contains a total of approximately 5,778 square feet located north of Seventh Street, along the east side of Main Street, along the west side of Whetston Alley, and the west side of Pancoast Alley.



#### Zoning Data:

The subject site is located within the zoning jurisdiction of the City of Cincinnati. The subject site is zoned DD Downtown Development district with a Historic District Overlay. The subject property is located in Downtown Sub-district C Downtown Support. The purpose of this district is to maintain and enhance the Downtown Development District providing sites for offices, residential, commercial, and public and semi-public uses essential for the livelihood of businesses and neighborhoods located in Cincinnati and residents living in the Downtown area. Sub-district C permits a mix of professional



and government offices, residential, commercial, public, semi-public, and limited industrial uses.

This zoning classification requires one parking space for every 1,000 square feet of office and no parking for the first 20 dwelling units then 0.75 spaces for each unit above 20 for new buildings. Parking is not required for the conversion, renovation or change in use of an existing building. Retail uses include medical clinics, brokerage firms, private clubs, theaters, restaurants, hotel, exposition and convention centers.

Institutional uses permitted include police and fire stations, tracks, terminals, utility stations, and truck terminals. Office uses include government, business, professional, and TV and Radio studios. Commercial uses include medical clinics, clubs, brokerage firms, business schools, retail uses, theaters, and gas sales and auto-service located in a garage area. The permitted industrial use would be for a bakery.

Overlay restrictions include zero setback overlay, parking overlay in district "X", Floor Area Ratio (FAR) District 9. Under the DD district, there is no minimum lot area requirement. No building shall exceed 750' elevation (ASL). There is no maximum building coverage and no minimum setback requirement in this district.

In parking district X, public parking is not permitted. Accessory or a parking garage is permitted.

**Historic District:**

The subject property is located in the Main Street Historic District, which is an area from Sixth Street on the south to Court Street on the north along both sides of Main Street. There are conservation guidelines within this district that intend to preserve the exterior and interior architectural characteristics of the buildings. The specific guidelines and regulations that govern the modification, renovation and rehabilitation of buildings within this district is contained in the Main Street Historic District Guidelines that are included in their entirety in the Addenda of this report. Generally, the district controls and governs the modification and alteration of any historic material or distinct architectural features. Upper floor windows, cornices, ornamentation, masonry storefronts, signs, awnings, and utility/system installations are all addressed in this district.




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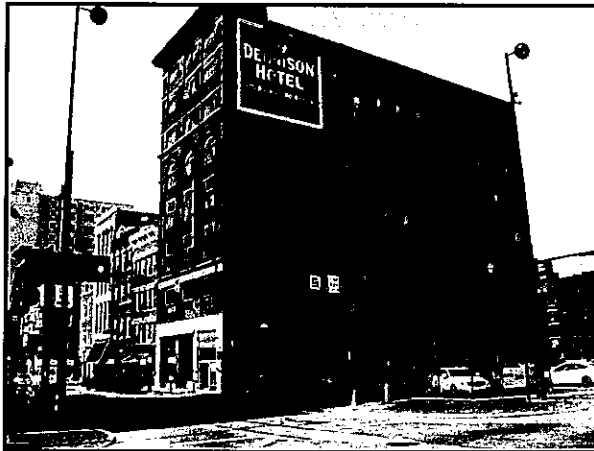
- Topography:** It is noted that the subject property reflects a topography that is generally level with Main Street and the alleys that surround it.
- Soil Types:** The specific soil types are not known, but the site is assumed to be buildable since it has supported a structure for more than 100 years.
- Flood Data:** The subject property is not located within a 100 or 500 year floodplain.
- Utilities:** Public utilities are available along Main Street and have sufficient capacity to accommodate the use of the subject property.
- Deed Restrictions and Easements:** There are no known deed restrictions that encumber the potential use of the subject property, and there are no known significant easements.
- Proposed Street Improvements:** It is noted that there is a proposal for the construction of improvements within Main Street to accommodate the street cars that are to be put into service in September, 2016. These improvements include tracks in the pavement of Main Street as well as overhead electric lines and elevated street-car platforms periodically along Main Street.
- Site Improvements:** The subject property is a relatively small site that is 100% improved with a building. The footprint of the building is effectively the same size as the site.
- Summary:** In summary, the subject property is a site that contains 5,778 square feet located in the downtown district of Cincinnati within the Main Street Historic District. The property has frontage along Main Street with potential access from Main Street, and frontage along two alleys. The site is improved with an 8-story building that was originally constructed in 1890.



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## IMPROVEMENT DESCRIPTION

The subject property is improved with an 8-story brick structure. The building has a full unfinished basement that has access from the rear (east) off of Pancoast Alley and the first floor. According to the County Auditor's records, the building was originally constructed in 1890 and is commonly known as the Dennison Hotel, best described as a former flop house. The building is classified in fair to poor condition, presently uninhabitable and vacant.



Subject property from southwest



Main Street Frontage



Subject property from Northeast



Subject property from Southeast



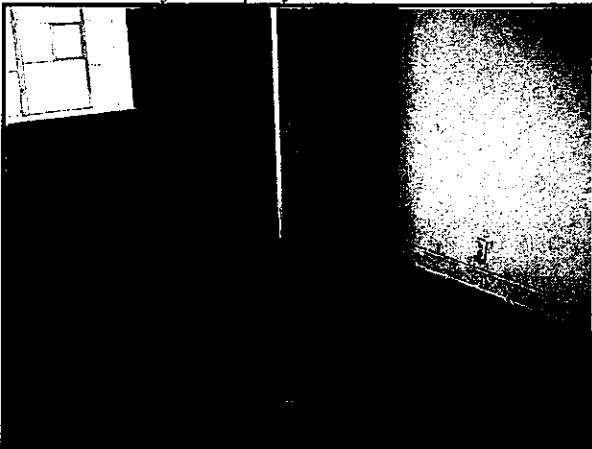
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Subject Property from Southeast



Typical interior hallway on upper floors



Typical room on upper floors



Typical common area/bathroom



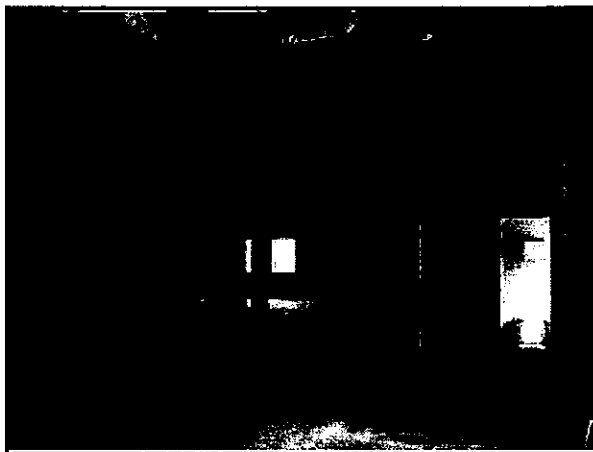
Typical Resident Room



First Floor Retail Space



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Mezzanine Space



Basement

As can be seen from the above, the interior condition of the building is vacant and reveals wood floors with plaster partitions. The upper floors, floors two through eight, have individual dwelling rooms. A typical dwelling room includes a sink and an area for a bed and couch with sometimes a closet. There are no dwelling rooms that have a private restrooms. Restrooms are in the common areas at the end of the hall on each floor.

The building is solid brick construction, load bearing exterior walls with no interior load bearing structural supports. The floors are wood and interior partitions are wood and plaster. There are two staircases that serve each floor, one near the west side of the building and another at the east side of the building. There is one elevator for the upper floors and a freight elevator for the basement and first floor/mezzanine.

The first floor is divided between a retail space that was occupied by a tenant and the lobby/supervisor's space for the flop house. There is a mezzanine that was for support of the commercial/retail space. The basement is accessible from both the stairs and from a door along the alley that accesses the stairwell.

### Functional Utility

The building is functionally obsolete. The use for which the building was constructed is no longer an acceptable living alternative within the market; eight-story walk-up buildings are no longer an acceptable alternative for the typical downtown homemaker. The type of living arrangement contemplated by this building is no longer acceptable in today's society. Some type of extensive renovation needs to occur for the building to be acceptable in today's market.

The building as currently configured and laid out is unacceptable and significant modifications need to be made to create a structure that is desirable within the market. Consistent with proper valuation analysis, alternatives to the existing use are to be considered. These can be: *conversion of the property to an alternative use; renovation of the improvements; or alteration of the property.*<sup>1</sup> Any renovation or conversion must be legally permissible within the Main Street Historic District.

<sup>1</sup> Appraisal Institute; *The Appraisal of Real Estate*; 14<sup>th</sup> Ed; Chicago; 2013; pg. 346



## PART IV. ANALYSIS OF DATA AND CONCLUSIONS

### ECONOMIC FEASIBILITY TEST

The test of economic feasibility is at the heart of highest and best use analysis. Highest and best use analysis is broken down into four different sections: legally permissible, physically possible, financially feasible and maximally productive.

#### Legally Permissible

Legally permissible concentrates on the legality of a specific use. For a use to be the highest and best use of a property, it must initially be legal. Uses that are, for all other purposes, the best use of the property but are not a legal use are excluded at the outset as potential uses for the property. Uses that are legal for the subject property do not include removing the existing structure to make the land available for redevelopment consistent with the highest and best use of the land as if vacant. This prohibition on the removal of the structure makes an analysis of the land as if vacant unnecessary since the land cannot be accessed under the current zoning regulations. Therefore the uses available to the subject property relate to the uses for the property as improved, the most likely of which are the five uses identified above. Each of these uses are legally permissible under the existing zoning classification and require the redevelopment of the building consistent with the historic requirements of the district within which the subject property is located.

#### Physically Possible

The second step in the analysis relates to physical possibility. For a use to be the highest and best use, the use must be physically possible. A use that is legally permissible but is not physically possible cannot be the highest and best use of the property. With regard to the subject property, each of the uses detailed is physically possible. The costs have been prepared by consultants that reflect the physical challenges associated with redeveloping the very old structure with each of the potential uses identified. The costs provided by the expert consultants will maintain the historic integrity of the structure in compliance with the Main Street Historic District which is a legal requirement for use of the building. Costs for each of the above potential renovations for the building have been provided and these potential uses are the most likely under the DD zoning classification.

#### Financial Feasibility

Once the uses that are legally permissible and physically possible have been identified, the next step in highest and best use analysis is to determine which of the uses is financially feasible. The final step of the highest and best use analysis is to identify which of the financially feasible uses results in the highest value and that use is classified as maximally productive and is therefore the highest and best use of the property.

With regard to the potential renovation of the building in the potential uses:

*For any of these options to be financially feasible, the change must add at least as much value to the property as it costs. In other words, the value after conversion, renovation, or alteration less the costs of the modification must be*



*greater than or equal to the value of the property as is. The costs involved in any form of modification can include an estimate of profit or entrepreneurial profit.<sup>2</sup>*

The financial analysis of each of the potential uses of the subject property will indicate which uses are feasible and which uses are not. The costs that need to be satisfied relate to land, labor, capital, and coordination. In the event that a use does not result in a positive return, that use is classified as economically infeasible and is excluded from further highest and best use considerations.

Any use that cannot provide a positive return is infeasible and in the event that all of the uses are infeasible, the underlying zoning is classified as economically inviable.

The five uses identified above are the most likely uses under the DD zoning classification within the Main Street Historic District. Each of these uses relies on market-level costs and market-level rents. None of these analyses assumes philanthropy or decisions made for altruism. It is implicit in a consideration of economic feasibility that each participant in the transaction is acting for self-interest, intent on achieving profit consistent with alternative investments in the market. Funding from governmental, or quasi-governmental entities for which profit has no relevance is not relevant in the determination of economic viability.

#### Proposed Developments

As has been discussed, there are five potential developments that are considered in terms of economic feasibility.

##### 1. Boutique Hotel

The first development that is analyzed is a boutique hotel. The subject property was a transient flop house, and a renovation of the building into a boutique hotel is a possible use. One advantage of this alternative relative to others is that parking is not a specific requirement since there are adequate surface lots and garages nearby that can suffice for valet parking. Also, hotel guests do not always bring a car, frequently arriving by taxi. Therefore, parking becomes less of an issue for this use than for some of the others.

The proposed development assumes a first floor reception area with bar and restaurant, as well as a luggage storage area, kitchen and restaurant service area. The second floor would have the check-in lobby, a small lounge, administrative offices, small meeting rooms, and other common areas. Floors three through eight would be guest rooms and two potential configurations are presented, but each includes a total of 10 guest rooms per floor. The renovation includes a total of two passenger elevators and preservation of the internal stairs.

The total renovation costs for this development provided by HGC Construction are in the amount of \$9,445,509. There is an additional \$1,000,000 required for the restaurant finishes. The total renovation cost is \$10,445,509, and an entrepreneurial incentive on the entire project cost including the land value (which is included based on the amount carried by the County Auditor) is added. Entrepreneurial Incentive is the expected profit that entices individuals with the expertise necessary to undertake this project to agree to initiate the effort. This amount is included at 15%. The total cost of the entire project is just under \$12,500,000.

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<sup>2</sup> Ibid, 346-347




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This total cost is divided by the total number of rooms that are expected for the hotel. This provides an indication of the total cost per room. From the standpoint of income needed to support that cost, a capitalization rate derived from sales of other hotels in the market as well as national surveys is applied to the subject's cost per room. This indicates the total net operating income required per room of \$16,637. Based on PKF surveys, the expense for a full service hotel is typically around 75%, so the total gross annual revenue per room required for feasibility is \$66,548. This can be translated into revenue per available room (RevPAR) by dividing by 365 days, of \$182.

Market information in this area is based on *Smith Travel Research Trend Report* for The Westin Hotel, The 21C Museum Hotel, The Renaissance Cincinnati Hotel, The Cincinnati, The Hyatt Regency, and The Netherland Plaza. Based on the survey of these hotels, occupancy for 2012 was 69.4%, for 2013 was 68.6%, for 2014 was 64.9%, and through July of 2015 occupancy was 65.3%. The occupancy rate applied to the subject property is 68%, which provides a hurdle average daily rate (ADR) of \$268.00.

From this is deducted an amount that relates to the net operating income that can be derived from the restaurant portion of the property assuming that the restaurant will be leased to a restaurant operator since no revenue is included in this for the rooms. A market rent for the first floor retail space of \$30.00 per square foot is used, which is supported by restaurant rents in the downtown market.

Restaurant Size	3,035
Market Rent (NNN)	<u>\$ 30.00</u>
Annual GPI	\$91,050

The feasible ADR that the subject property needs to achieve for a boutique hotel to be feasible, is \$264.00. This is compared to the ADR contained in the *Smith Travel Research Trend Report* for the hotels identified above. The ADR for 2012 was \$139.60, for 2013 was \$149.77, and for 2014 was \$156.62, and through July 2015 it was \$162.55. Based on these data, it is clear that the subject's average daily rate of \$264.00 is not achievable and therefore a boutique hotel is not a feasible use the subject property.



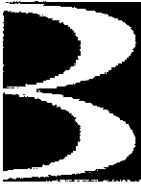
Following is the calculation of the feasibility of the proposed hotel project.

Boutique Hotel	
Cost to renovate HGC Construction	\$9,445,509
Additional cost for Restaurant	1,000,000
Total Renovation Cost	<u>\$10,445,509</u>
Land--Auditor's Value	\$404,890
Total Cost Including Land	<u>\$10,850,399</u>
Entrepreneurial Incentive	15% \$1,627,560
Total Cost	<u>\$12,477,959</u>
Total Guest Rooms	60
Cost per Room	\$207,966
Capitalization rate	8.00%
Annual NOI	\$16,637
Expense Ratio	75%
Expenses	<u>\$49,911</u>
Annual Revenue	\$66,548
RevPAR	\$182
Occupancy	68%
Hurdle ADR	\$268
Deduction for Restaurant Rental	<u>(4.16)</u>
Feasible ADR	\$264

## 2. Market Apartments

The renovation costs for apartments is prepared by HGC Construction and the total cost to renovate the subject property into apartment units is \$7,942,118. This will allow the building to be modified into 52 apartment units with an average unit size of 540 square feet. The first floor will be set aside for lobby and resident amenities. There is a small commercial space on the first floor of 1,604 square feet that will be available for market lease. The total cost including a 15% entrepreneurial incentive and the Auditor's land cost is just under \$9,600,000. This is divided by the total number of units that will be developed in the subject property; the cost per unit is \$184,597.

A capitalization rate for downtown apartments is applied to this cost to indicate a net operating income required for an individual apartment unit. Based on analysis, a 5.5% capitalization rate is appropriate for this type of project, which indicates a required annual net operating income to support the cost of \$10,153. An expense ratio of 35% is appropriate. This assumes that taxes are paid only on the land and that the improvements and renovation of the subject property will be tax abated. Total expenses per unit are \$5,576, which is supported by the following expense breakdown.




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<b>Expenses</b>	
Wages, Taxes and Benefits	\$1,200
Repairs and Maintenance	\$1,500
Turnover	\$250
Utilities	\$1,000
Advertising and Marketing	\$100
Insurance	\$250
Real Estate Taxes (Land Only)	\$240
Management	\$786
Reserves	<u>\$250</u>
Total Expenses	\$5,576

The annual rent necessary for each unit is \$15,729, which is the net operating income required plus the expenses. A stabilized vacancy based on downtown apartment vacancy of 6% is adopted, indicating annual required potential gross income per apartment unit of \$16,733. The retail space is projected to be typical white box space, and the commercial rent for this space is \$15.00 per square foot on a triple net basis, which results in a deduction in the required income per apartment of \$463.00. This indicates the required annual feasible rent per unit of \$16,270, which translates to a monthly rent of \$1,356 .

The market in downtown is for apartments to be leased usually on a square foot basis. Market rents in the downtown area reflect significant consistency in the monthly rent per square foot as opposed to the rent per apartment. In some cases, studio apartments are as large, or larger than, one bedroom apartments, and the rent per square foot is fairly consistent over the size range between studio apartments and two-bedroom apartments, which are always larger. Therefore, on the basis of rent per square foot necessary, the average unit size of 540 square feet is divided into the monthly rent of \$1,356 to indicate a minimum monthly feasible rent per square foot of \$2.51.




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Dennison Apartments	
Cost to renovate HGC Construction	\$7,942,118
County Auditor's Land Value	\$404,890
Total Cost	<u>\$8,347,008</u>
Entrepreneurial Incentive	15% <u>\$1,252,051</u>
Total Cost to Develop	<u>\$9,599,059</u>
Total Units	52
Cost per unit	\$184,597
Capitalization rate	5.50%
Annual NOI	\$10,153
Expense Ratio	35%
Expenses	<u>\$5,576</u>
Annual Rent	<u>\$15,729</u>
Stabilized Vacancy	6%
Annual PGI	\$ 16,733
Commercial Space Size	1,604
Commercial Space Rent	<u>\$ 15.00</u>
Annual PGI from Commercial Space	<u>\$24,060</u>
Allocated Commercial Space PGI Per Unit	<u>\$ (463)</u>
Required Annual Feasible Rent per Unit	\$ 16,270
Monthly Rent	\$ 1,356
Average unit Size	540
Minimum Monthly Feasible Rent per Square Foot	\$ 2.51

A review of market rents in downtown indicate that no projects have achieved this level of market rent, and the project that gets the closest is Current at The Banks with per square foot rents on studio apartments between \$2.26 and \$2.35. More typical apartments like the East Eighth Lofts at Sycamore Place reflect per square foot rents of approximately \$1.75, One Lytle Place reflects rents for one bedroom apartments at \$2.02 per square foot.

It is noted that there is no safe, assigned, secure and close garage parking that is available to the subject property. Parking is still a tenant requirement in Cincinnati's downtown residential market. The most comparable projects including Radius at The Banks, Current at The Banks, Seven & Broadway and Sycamore Place at East Eighth Street all have an option for parking on a monthly cost. There are surface lots around the subject property, but each of these projects offer garage parking, and surface parking for the subject property cannot compare to the garage parking available at The Banks in terms of safety and security.

As can be seen, the market does not support the minimum monthly feasible required rent for the subject's apartment development.

### 3. Market Condominiums

Much like the market apartments detailed above, the cost for the condominiums needs to reflect the cost to place the condominiums into a position that they can compete with other dwelling alternatives in the market. The




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same basic analysis that has been conducted above is followed for the market-level condominiums and the cost to renovate the building into a condominiums building is more than an apartment building because condo unit owners tend to demand more detailed, better-quality finishes than apartment unit owners. Also, the average unit size of a condominium is larger, which results in fewer condominium units than apartment units. There will be 35 condominium units in the building plus a first floor retail space of 1,604 square feet. The total cost for the condominium renovation is \$8,687,250. Added to this is the County Auditor's opinion of the land value which results in total hard costs and an entrepreneurial incentive of 15% is applied. The 15% entrepreneurial incentive is that amount which is necessary to attract a competent developer to the project and undertake the development effort. The total cost for the condominium redevelopment is \$10,455,961.

As discussed, there will be a total of 35 units developed out of this project, and the total cost per unit is \$298,742. The contributory value of the commercial unit based on a typical white box retail space at \$15.00 per square foot triple net and an 11.10 net rent multiplier suggests a contributory value of the retail space of \$267,066, which is divided by the total number of units to indicate the contributory value per unit of the retail space.

Commercial Space Size	1,604
Commercial Space Rent	\$ 15.00
Annual PGI from Commercial Space	\$ 24,060
GIM for Commercial Space	11.10
Value of commercial space	\$ 267,066
Total Units	35
Contributory value per unit	\$ 7,630

This indicates that the net cost per condo unit is \$291,112. To this is added a sale commission. Real estate broker commissions are typical in this market, most residential dwelling units are marketed by real estate brokers and there is a typical commission that is charged of approximately 6%. The fully loaded sale price including sale commission is over \$309,000. The average unit size in this complex is 802 square feet and the hurdle sale price per square foot for feasibility of this project is \$386.00.

Dennison Condos	
Cost to renovate HGC Construction	\$8,687,250
County Auditor's Land Value	\$404,890
Total Hard Costs	\$9,092,140
Entrepreneurial Incentive	15% \$1,363,821
Total Cost	\$10,455,961
Total Units	35
Cost Per Unit	\$298,742
Contributory value of Commercial Unit	\$ (7,630)
Net Cost of Condo Unit	\$291,112
Sale Commission	6% \$18,582
Sales Price including commission	\$309,694
Average Net Unit Size	802
Sale Price per square foot	\$386



A total of 43 downtown condominium units have been analyzed. These units sold from January, 2014 through July, 2015. The average sale price for these units is \$301,471, and the standard deviation of this average is \$107,312. The average sale price per square foot is \$210.00, and the standard deviation is \$47.00 per square foot. The ratio of standard deviation to average is 22%, which is lower for price per square foot than the price per unit ratio at 36%, indicating that the price per square foot is more meaningful unit of comparison than the entire unit price. Based on analysis of downtown condominium sale prices in 2014 through July 2015, per square foot sale prices achieved \$328.00 per square foot for one unit in 400 Pike Street. This unit included 1 parking space. Another unit in 400 Pike Street containing 1,668 square feet sold for \$291.00 per square foot and included one parking space. A sale of a property in July 2014 at 15 4<sup>th</sup> Street for 1,883 square feet commanded \$279.00 per square foot and included two parking spaces while a property at 304 McFarland Avenue sold in July 2014 for \$276.00 per square feet for a 1,070 square foot condo unit including one parking space.

The vast majority of the units that sold included at least one parking space. This is an amenity that the subject property simply does not have and will place the subject in an inferior competitive position relative to the market. Overall, there is little evidence in the market to support the feasible sale price for the subject property at \$386.00 per square foot, and the market condominium project is concluded to be infeasible.

It is noted that the above analysis assumes that all of the condominium units are completed on Day 1 and they are all sold at market value on the same day. There is no provision in the above analysis for the holding cost during the market absorption of the condominium units, which would have the effect of increasing the hurdle price per square foot.

#### 4. Market Office Space

The cost to renovate the subject building into market office spaces is provided by HGC Construction at \$5,000,000. The County Auditor's land value is added to the renovation costs.

Commissions are an initial cost to leasing up an office building. Commissions for Class A office leases in downtown are \$6.00 per square foot (\$1.20 per square foot per year) for a 5-year deal and \$9.00 per square foot (\$0.90 per square foot per year) for a 10-year deal. The mid-point is adopted at \$1.05 per square foot and 7.5 years for purposes of analysis, which suggests a total cost of approximately \$307,000.

Tenant improvements are another cost to get space to the point where it can be occupied. Landlord-paid tenant improvements in the downtown market are between \$15 and \$25 per square foot. For purposes of analysis, \$20 per square foot is used.

To these costs, entrepreneurial incentive is adopted at 15%, which is an amount necessary to attract a developer to the project.

The total cost is approximately \$7,465,000. The total rentable square footage of the subject property is 38,991 square feet, which indicates a cost per square foot above \$191.00. A typical capitalization rate is used to convert the cost per square foot into a required annual net operating income. Based on analysis, the capitalization rate applied to the subject property for an office use is 8.5%, which is supported by national surveys as well as market transactions. This results in a net operating income required of \$16.24 per square foot. Expenses per square foot for this type of property are estimated to be \$8.19, which assumes a relatively low real estate tax




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since taxes are assumed to be paid only on the land. This expense of \$8.19 is supported by downtown office rents that reflect pass through expenses above \$8.00 per square foot, some as high as \$9.87 per square foot.

<b>Expenses</b>	
Management	\$1.47
Insurance	\$0.20
repairs	\$1.50
Cleaning/Janitorial	\$1.50
Utilities	\$2.00
Real Estate Taxes	\$0.32
Administrative	\$0.75
Security	\$0.20
Reserves	\$0.25
Total Expenses	\$8.19

Stabilized vacancy in the downtown market based on market surveys for this property type indicate vacancies in the third quarter 2015 of 15.3% based on *Colliers*; 21.1% based on *Cushman and Wakefield*; and 19.7% based on information from *CRESA*. For this analysis, stabilized vacancy is adopted at 17%, which translates to a gross rent required of \$29.43 per square foot.

Using the same analysis as detailed above for the first floor retail space that is expected to be 4,800 square feet for \$15.00 per square foot white box rent, the deduction from the annual gross rent is \$1.85 indicating a required annual feasible gross rent per square foot of \$27.58.

<b>Dennison Office</b>	
Cost to renovate HGC Construction	\$5,000,000
County Auditor's Land Value	\$404,890
Commissions	\$307,054
Tenant Improvements	\$779,820
	\$6,491,764
Entrepreneurial Incentive	15% \$973,765
Total Cost	\$7,465,529
Total Size	38,991
Cost Per square foot	\$191
Capitalization rate	8.50%
Annual NOI	\$16.24
Expenses (per square foot)	\$8.19
Annual Rent	\$24.43
Stabilized Vacancy	17.00%
Annual PGI	\$29.43
Commercial Space Size (estimated)	4,800
Commercial Space Rent	\$ 15.00
Annual PGI from Commercial Space	\$72,000
Allocated Commercial Space PGI Per square foot	\$ (1.85)
Required Annual Feasible Rent per square foot	\$27.58



This required annual feasible rent per square foot is compared to rental rates within the market. Recent transactions in the 525 Vine Building were done at \$17.75 per square foot gross including \$8.35 per square foot in pass through expenses. This is a lease of a 49,445 square foot to Huntington Bank. In the First Financial Center at 255 E. 5<sup>th</sup> Street, an 8,982 square foot space was leased at \$24.89 per square foot to Calfee, Halter & Griswold, which included a total of 6 month free rent, reducing the effective rent down to \$22.82 per square foot. This building includes a 1,230 space parking garage. Another lease completed in the PNC Center at 201 E. 5<sup>th</sup> Street is for a 10,834 square foot space that commenced in September, 2012 for Cadre Computer Resources at \$13.50 per square foot plus \$9.48 per square foot in pass through expenses indicating a gross rent of \$22.98 per square foot. In addition, there is a \$1.00 electric charge, so the final gross rent is \$23.98 per square foot. This 10 year lease included 10 months of free rent, so the effective rent is \$21.98 per square foot gross. Rents done at 720 Pete Rose Way at a full service gross rate of \$21.50 per square foot and leases done at 1410 Race Street at \$15.00 per square foot modified gross do not support the above required rent of \$27.63 per square foot.

As can be seen from the above analysis, the renovation of the subject property into an office project is not feasible. A couple of things not explicitly considered in this analysis is that the load factor for this building is well above that which is typical in the market. The leasable space in the subject property is 38,991 square feet while the gross size is over 52,000 square feet. The load factor for the subject property is approximately 1.35, which is significantly higher than that which is typically seen in the market. Also, downtown office buildings typically require some type of parking garage availability. There are surface parking lots within reasonable proximity of the subject property and monthly parking is an option, but garage parking is preferred to high-end office tenants. Finally, no holding costs during lease-up is considered.

#### 5. First-Floor Commercial Space

There is a possibility that only the first floor space of the building could be renovated into some type of retail space and the floors two through eight would be left vacant. There are a couple of obvious problems associated with this type of approach, not the least of which is that the building above the first floor has wood floors and fire suppression would need to be installed in this space. Also, it is typical for buildings that are not used to simply disintegrate. The cost associated with maintaining the exterior brick, numerous windows throughout the building and the roof eight floors above the first floor space would be prohibitive. Nevertheless, an analysis has been conducted of the requirements necessary for a renovation into a first floor only project.

The cost to renovate the subject building into a first floor only project is estimated at \$1,449,854, which includes all of the costs associated with properly preparing and mothballing the upper floors of the building and installing appropriate amenities on the first floor to attract a tenant. It is expected that the entire space would be renovated for a standard retail tenant; detailed finishes for a restaurant space substantially increase overall costs and are not included in this analysis. In addition, it will be necessary to pay for the land since the continued occupancy of the building will render the land useless for any other use, so as with past analysis, the cost carried by the County Auditor is the amount used to determine economic feasibility. The entrepreneurial incentive amount of 15% is applied to this proposed project and the total cost for the project is estimated at approximately \$2,132,000. The entire first floor square footage is 5,300 square feet, indicating a total cost per square foot on the first floor of \$402.00.




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The capitalization rate used to convert the cost into a total required net operating income of 9.0% is appropriate based on the risk associated with the unoccupied seven floors above the first floor. This translates to a net operating income of \$36.22 per square foot.

<b>Dennison First-Floor Only Retail</b>	
Cost to renovate HGC Construction	\$1,449,854
County Auditor's Land Value	\$404,890
	<u>\$1,854,744</u>
Entrepreneurial Incentive	15% \$278,212
Total Cost	<u>\$2,132,956</u>
Total Size	5,300
Cost Per square foot	\$402
Capitalization rate	9.00%
Annual NOI per square foot	\$36.18

This net operating income is compared to some retail rents in the market. The 3,000 square feet at Main and Ninth Street recently leased at \$16.00 per square foot modified gross in vanilla shell condition. The northeast corner of Sixth and Main is currently in discussion to be least for \$22.00 gross to a national chain that will do their own finishes. 3CDC has space at Eighth & Sycamore is available for \$18.00 gross. And the space at 615 Main Street is a recently renovated small grocery occupying 2,350 square feet paying \$14.50 per square foot modified gross or approximately \$12.00 NNN.

Finally, the simplified analysis above does not consider a stabilized vacancy, which would have the effect of increasing the hurdle NOI. As can be seen, the triple net rent required to allow the first floor of the subject building to be renovated into retail space is not supported by the market data and a renovation of part of the subject property into retail space is concluded to be economically infeasible.




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## SUMMATION AND CONCLUSION

As discussed above, the highest and best use is determined by a use that is legally permissible, physically possible, economically feasible and maximally productive. The final step in the highest and best use analysis is to analyze each of the uses that are economically feasible and select as the use that use which generates the highest return as the subject's highest and best use. In the case of the subject property, it is economically infeasible to redevelop the property for a boutique hotel, market-level apartments, market-level condominiums, market-level offices, or to renovate only the first floor of the space into retail. There are no other reasonable uses for the subject building that are permissible in the DD zoning district. The analyses above revealed that none of the uses that are reasonable and likely under the DD zoning classification are economically feasible, so none of the uses can be selected as the maximally productive use. This indicates that there is no economically viable use for the subject property as improved. This relates to the economic viability of the zoning and is an indication of the absence of economic viability of the zoning.

Economic viability of a zoning is determined by a use that is compliant with the zoning and results in an economic benefit to a private investor with a reasonable profit expectation from property development. It is not determined by a use for which there is no identifiable private use. As detailed above, none of the projects analyzed that renovate the property consistent with its maximum potential under the existing zoning are feasible, which indicates an absence of economically viable uses for the property.

The most likely use, most reasonable use, the use most consistent with the character of the area, and the use most reasonably contemplated is one of the five uses detailed above. Such uses are not feasible based on market data and market return requirements. The cost associated with renovating the subject property into any of the uses detailed above is prohibitive and is not supported by the market.

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Lance R. Brown, MAI, AI-GRS  
Ohio General Certified Appraiser No. 409301

February 19, 2016  
Date



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**PART V. ADDENDA**

**ADDENDA**

Standards Rule 2-2(a) Compliance  
Certification  
Assumptions and Limiting Conditions  
Floor Plans of Proposed Renovations  
Cost Estimates  
DD-Downtown Development District Zoning Regulations  
Main Street Historic District Zoning Map  
Conservation Guidelines: Main Street Historic District  
Appraiser Qualifications  
Appraiser Disclosure Statement



## STANDARDS RULE 2-2(a) COMPLIANCE

### Uniform Standards of Professional Appraisal Practice

With regard to various market value estimates and market rent estimates adopted throughout the report, the following is required to comply with the Uniform Standards of Professional Appraisal Practice.

#### 2-2(a)

- (i) The client and intended users of these values and market rent conclusions are the same as the intended users of the feasibility analysis.
- (ii) The intended use of the value and rent conclusions is to be used to test the feasibility of the proposed development under the Economic Feasibility Analysis.
- (iii) The real estate for the boutique hotel is the entire hotel containing 60 rooms analyzed on an individual room basis which is the typical unit of comparison for analysis of this property type.

The real estate for the market-level apartments is a typical apartment depicted by a plan that is provided and maintained in the workfile. This plan assumes an average apartment with finishes typical of the market.

The real estate analyzed for the market-level condominium is an individual condominium unit of which there will be 35 in the building, with finishes typical of the market.

The office building is analyzed on a per-square-foot basis which is the typical method and the real estate is a fully renovated building for use as office.

The real estate analyzed for the first floor retail space is that space accessible directly from Main Street and excludes any portions above the first level. The interior finishes of this are typical of quality white box finishes for typical retail in the downtown market. It is not based on the detailed finishes required for restaurant occupancy.

- (iv) The fee simple interest, subject to minor easements, of each of the components is analyzed.
- (v) The market value is defined as follows:

**Market Value**<sup>3</sup> means the most probable price, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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<sup>3</sup> Appraisal Standards Board of the Appraisal Foundation. *Uniform Standards of Professional Appraisal Practices*. 2002 ed. Washington, DC: Appraisal Foundation, 2002. p. 219.



- (i) *buyer and seller are typically motivated;*
- (ii) *both parties are well informed or well advised, and acting in what they consider their own best interest;*
- (iii) *a reasonable time is allowed for exposure in the open market;*
- (iv) *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- (v) *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale*
- (vi) *for purposes of this analysis, the exposure time is adopted at 2 years for the Residential Lots, which is based on marketing time of similar properties.*

**Market Rent<sup>4</sup>** *The most probable rent that the a property should bring in a competitive and open market reflecting the conditions and restrictions of the lease agreement, including the rental adjustment and revaluation, permitted uses, use restriction, expense obligations, term, concessions, renewal and purchase options, and tenant improvements*

**Feasible Rent<sup>5</sup>** *The rent necessary to justify new construction. This concept helps the analyst determine the timing of development, as well as the difference between the required rent and market rent based on known costs and expected returns to the investor.*

- (vi) For purposes of this analysis, exposure time for each of the uses is adopted between six and twelve months.
- (vii) The effective date of value set forth in this appraisal is as of August 14, 2015. The date of the report is detailed on the cover letter.
- (viii) The scope of work included an analysis of recorded transactions and verification of some public records information, access to market rent analysis contained in Beck Consulting, Inc. data files, and analysis of Multiple Listing Service information. Apartment rents were obtained from Apartment Rent Guide and data contained in office files, capitalization rates were derived from *Price Waterhouse Coopers*, and market transactions contained in the data files, expenses and vacancy were all based on information from Beck Consulting, Inc. data files. Information for condominium sale prices was derived primarily from Multiple Listing Service and information regarding hotels and was obtained from *Smith Travel Research* and *PKF Hospitality Research* as well as *Price Waterhouse Coopers*. Information regarding office rents was obtained from interviews with brokers, data contained within office files. Retail rents were obtained from broker interviews and from data contained within office files. Cost information was provided.
- (ix) The application of the income approach was applied to analyze the feasibility of the boutique hotel, apartments, office, and first floor retail, while the sales comparison approach was detailed to determine the feasibility of the market-level condominiums.
- (x) The current use of the property is a vacant 8-story former flop house with first-floor retail.
- (xi) The highest and best use of the property, once renovated, is the use for each of the specific projects. The issue of feasibility is irrelevant once the money has been spent and the renovation is completed;

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<sup>4</sup> Appraisal Institute; *Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Ed; Chicago; 2015; pg. pg. 140

<sup>5</sup> *Ibid*, pg. 87



e.g., the highest and best use of a renovated building for a boutique hotel is a boutique hotel. The economic infeasibility of each renovation is irrelevant once the renovation is completed. The highest and best use is analyzed only for the renovations analyzed.

- (xii) The extraordinary assumptions and conditions that underlie these value estimates are:

It is an extraordinary assumption of that the individual projects are constructed in a workmanlike manner consistent to that which is required in the market; the value and/or rent estimates assume that the renovations are completed consistent with what is required in a similar competitive market; the market value/rent of each of the potential developments is upon completion of the project without regard to its legal permissibility or economic feasibility prior to construction; the market value/rent of the uses assumes that each of the uses has been built. The use of these assumptions and conditions may affect the conclusions of the report.

It is an extraordinary assumption of this report that the costs associated with each of the projected redevelopments are substantially correct. Reliance is placed on the experts in the field who prepared the cost estimates. The use of this extraordinary assumption may affect the conclusions of the report.

#### Three-year sales record

The subject property has transferred in the past three years. The most recent transfer is from Columbia Oldsmobile Company to Columbia REI, LLC, on January 4, 2016. This is not arms-length and Columbia REI, LLC is a wholly-owned subsidiary of Columbia Oldsmobile Company. On August 26, 2013 the property transferred from CBD Holdings, Inc. (3CDC) to Columbia Oldsmobile Company for \$1,230,090; the buyer owns adjacent properties and purchased the subject property to protect their adjacent holdings since there was a proposal to renovate the subject building into a heroin halfway house. On July 24, 2013 the property transferred from Ironworks Apartments, LLC to CBD Holdings, Inc. for \$1,277,473. The sales of the property is not considered when analyzing the feasibility.




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**BECK CONSULTING, INC**

## CERTIFICATION

*I certify that, to the best of my knowledge and belief...*

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Lance R. Brown, MAI, AI-GRS has made a personal visit to the property that is the subject of this report.
- as of the date of this report, Lance R. Brown, MAI, AI-GRS has completed the continuing education program of the Appraisal Institute, Appraisal Foundation, and State of Ohio.
- no one other than James Burt, MAI and Martin Hunter of Beck Consulting, Inc. have provided significant professional appraisal assistance to the person signing this report. Messrs. Burt and Hunter provided assistance with regard to the verification of some of the market data.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- Information regarding the development costs for the various plans were provided by PDT Architects, HGC Construction Company (and its subsidiary Structural Systems Repair Group, SSRG), Model Group and GBBN Architects.

**The ADR for a Boutique Hotel  
as of August 14, 2015 is less than:**

**\$264**

**The Market Rent for Apartments  
as of August 14, 2015 is less than:**

**\$2.51/SF**



**BECK CONSULTING, INC**

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**The Market Value for Condominiums  
as of August 14, 2015 is less than: \$386/SF**

**The Market Rent for Office  
as of August 14, 2015 is less than: \$27.58/SF**

**The Market Rent for First-Floor retail  
as of August 14, 2015 is less than: \$36.18/SF**

\_\_\_\_\_  
Lance R. Brown, MAI, AI-GRS  
Ohio General Certified Appraiser No. 409301

February 19, 2016  
Date



## ASSUMPTIONS AND LIMITING CONDITIONS

1. The report is considered valid only for whom it was prepared and for the stated purpose and function.
2. That the effective date to which the opinions expressed in this report applies is set forth in the letter. I assume no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated.
3. That no opinion is intended to be expressed for legal matters or that would require specialized investigator knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
4. That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the report.
5. That no engineering survey has been made by me. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
6. That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
7. That no opinion is expressed as to the value of subsurface oil, gas, or mineral rights, and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
8. That testimony or attendance in court or at any other hearing is not required by reason of rendering this report unless such arrangements are made a reasonable time in advance.
9. Information contained in this report is assumed to be correct but is not guaranteed.
10. Possession of this report or any copy thereof does not carry with it the right of publication. Disclosure of the contents of this report is governed by the Bylaws and Regulation of the Appraisal Institute. Neither all nor any part of the contents of this Report (especially any conclusions as to value, the identity of the Appraiser or the firm with which the appraiser is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication, without the prior written consent and approval of the author.
11. That, because no title report was made available, I assumed no responsibility for such items of record not disclosed by his normal investigation.




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**BECK CONSULTING, INC**

12. That no detailed soil studies covering the subject property were available. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available to me.
13. That I have made an exterior inspection from the street and adjacent property and I found no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
14. That no consideration has been given to personal property located on the premises, or to the cost of moving or relocating such personal property; only the real property has been considered.
15. That I am not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property, such as the presence of formaldehyde foam insulation, existence of toxic waste, or the existence of asbestos insulation. The existence of such substances may have an affect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the client to retain an expert in the field before making a business decision regarding the property.

#### EXTRAORDINARY ASSUMPTION

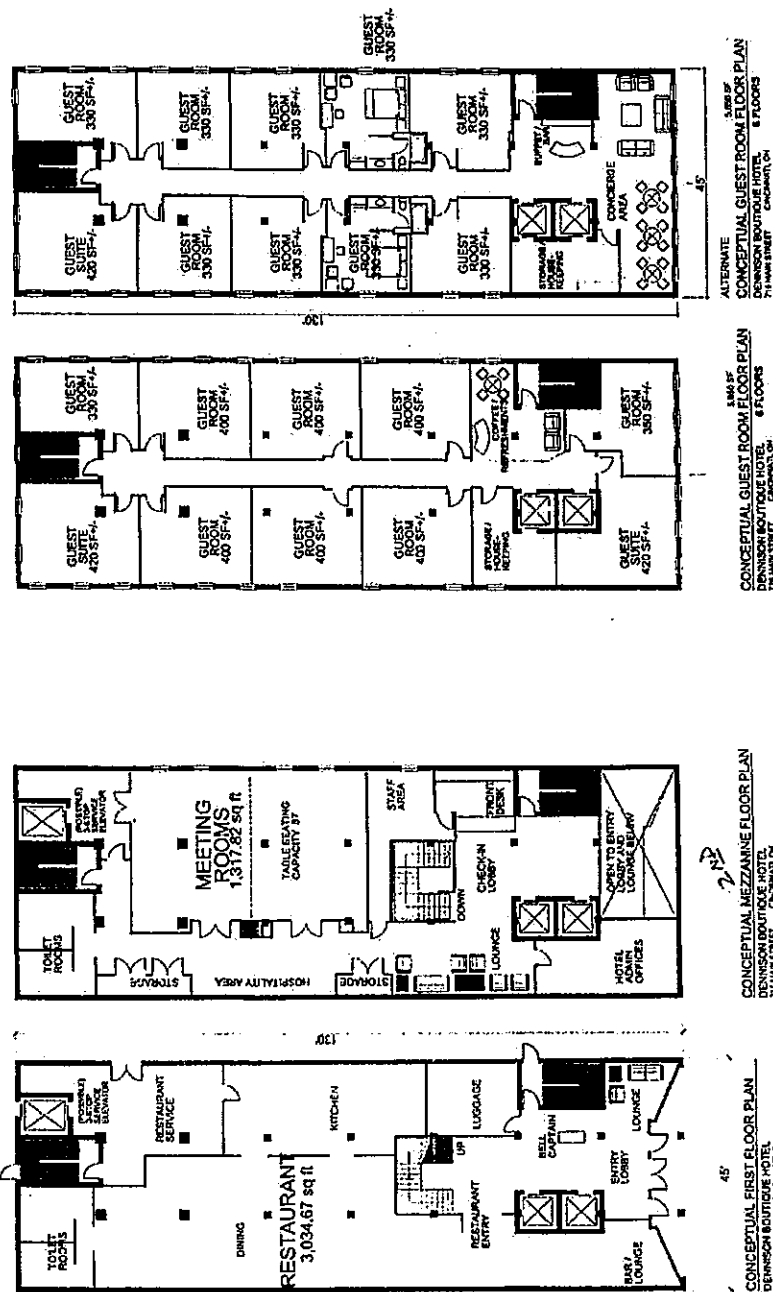
*It is an extraordinary assumption of that the individual projects are constructed in a workmanlike manner consistent to that which is required in the market; the value and/or rent estimates assume that the renovations are completed consistent with what is required in a similar competitive market; the market value/rent of each of the potential developments is upon completion of the project without regard to its legal permissibility or economic feasibility prior to construction; the market value/rent of the uses assumes that each of the uses has been built. The use of these assumptions and conditions may affect the conclusions of the report.*

*It is an extraordinary assumption of this report that the costs associated with each of the projected redevelopments are substantially correct. Reliance is placed on the experts in the field who prepared the cost estimates. The use of this extraordinary assumption may affect the conclusions of the report.*



FLOOR PLANS OF PROPOSED RENOVATIONS

Hotel



1/8" = 1'-0"

1/8" = 1'-0"

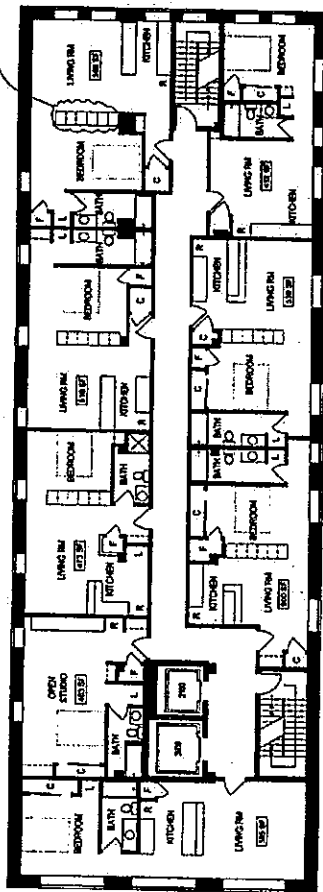


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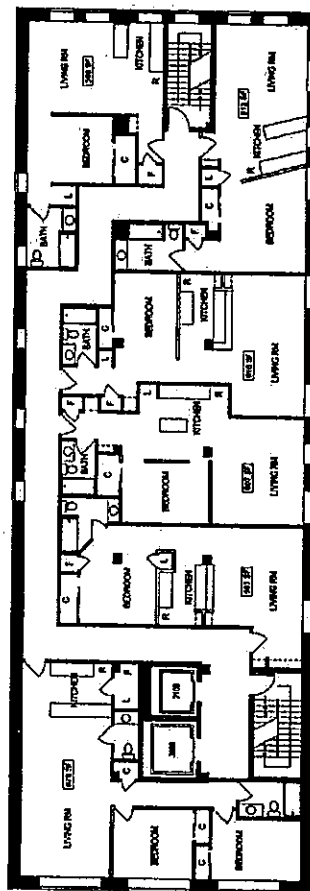
Apartments and Condos



Existing Design (Reference)



FLOORS 4-8  
SCALE 1/8" = 1'-0"

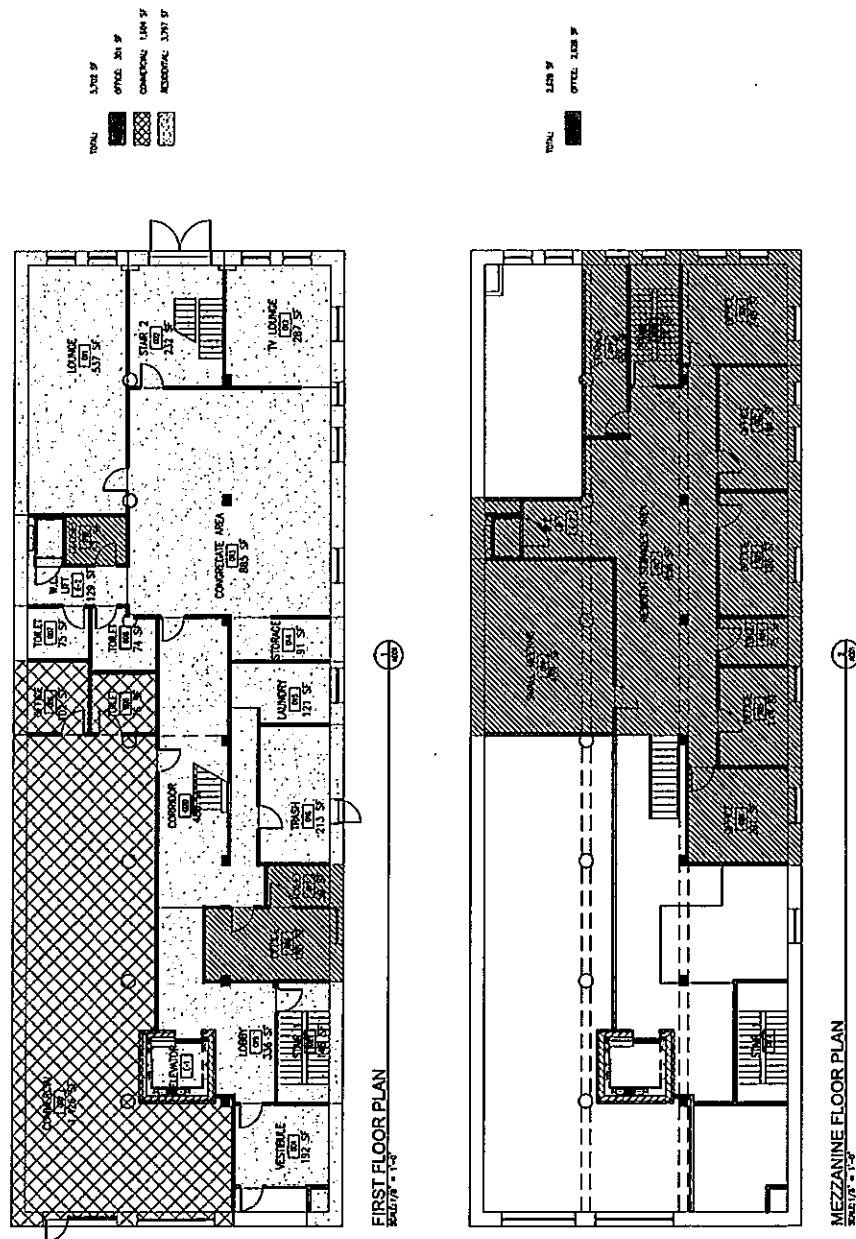


FLOORS 2 & 3  
SCALE 1/8" = 1'-0"

DENNISON DWELLINGS  
FEBRUARY 5, 2009  
NOTE: PLANS ARE CONCEPTUAL IN NATURE. ARCHITECT RESERVES RIGHT TO CONFORM BUILDING DIMENSIONS, BUILDING CONSTRUCTION, AND ALL BUILDING CHARACTERISTICS IN THE FIELD.



First Floor and Mezzanine for Apartments and Condos




**BECK CONSULTING, INC**
**COST ESTIMATES**

**Proposal**

Date: 6/25/15  
 Project: Dennison Boutique Hotel  
 Owner:  
 Architect: Piaskowy & Cooper  
 Project SF: 52650

**PROJECT TOTALS**

Division		Division Totals	Price per SF
1	General Conditions/Requirements	\$ 774,857.50	\$ 14.72
2	Demo / Sitework	\$ 458,385.00	\$ 8.71
3	Concrete	\$ 194,060.00	\$ 3.69
4	Masonry	\$ 625,680.00	\$ 11.88
5	Metals	\$ 94,750.00	\$ 1.80
6	Wood & Plastic	\$ 405,478.75	\$ 7.70
7	Thermal & Moisture Protection	\$ 98,320.00	\$ 1.87
8	Doors & Windows	\$ 594,481.00	\$ 11.29
9	Finishes	\$ 1,456,470.00	\$ 27.66
10	Specialties	\$ 136,418.00	\$ 2.59
11	Equipment	\$ -	\$ -
12	Furnishings	\$ 292,500.00	\$ 5.56
13	Special Construction	\$ -	\$ -
14	Conveying Systems	\$ 515,000.00	\$ 9.78
15	Mechanical	\$ 2,025,000.00	\$ 38.46
16	Electrical	\$ 560,000.00	\$ 10.64
Subtotals:		\$ 8,231,380.25	

Contingency:	\$ 658,510.42	8.0%
Fee	\$ 555,618.17	6.25%

**Project Total:** \$ **9,445,508.84**      \$ **179.40**



**BECK CONSULTING, INC**

**HGC**  
CONSTRUCTION

**PRELIMINARY BUDGET**

Date: 3/2/09  
Project: Dennison Apartments  
Owner:  
Architect: Wendal Associates  
Project SF: 52650

**PROJECT TOTALS**

Division	Division Totals	Price per SF
1	General Conditions \$ 484,642.00	9.20
2	Demo / Sitework \$ 242,521.00	4.61
3	Concrete \$ 32,200.00	0.61
4	Masonry \$ 358,480.00	6.81
5	Metals \$ 59,600.00	1.13
6	Wood & Plastic \$ 444,323.00	8.44
7	Thermal & Moisture Protection \$ 35,500.00	0.67
8	Doors & Windows \$ 633,893.50	12.04
9	Finishes \$ 1,357,099.18	25.78
10	Specialties \$ 78,900.00	1.50
11	Equipment \$ 116,980.00	2.22
12	Furnishings \$ 70,500.00	1.34
13	Special Construction \$ -	0.00
14	Conveying Systems \$ 382,400.00	6.88
15	Mechanical \$ 1,410,000.00	26.78
16	Electrical \$ 470,000.00	8.93
Subtotals: \$ 6,157,038.66		
CM Fee: \$ 307,851.93		5.0%
Contingency: \$ 323,244.53		5.0%
2009 Project Total: \$ 6,788,135		128.93
Project Total w/ 2015 Cost Inflaters: \$ 7,942,118		150.85




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**BECK CONSULTING, INC**

**THE DENNISON HOTEL BUILDING  
716-718 MAIN STREET**

Renovation as Condominium Units:

The cost to renovate the building for condominium units is 10% to 15% more expensive than for apartment units. Although the condominium units would be larger than apartment units, and therefore less walls, there would be better bathrooms, better finishes, and generally a higher quality of construction since the end-users are owners rather than lessees. Specific items of the renovation construction work that would necessarily increase include: masonry; wood and plastics; doors and windows; finishes; furnishings; mechanical; and electrical.

Using the conservative figure of 10%, the cost per square foot is estimated to be \$165.00.

The total estimated construction costs would be \$8,687,250.00.

First Floor Only – Renovation for Retail Use:

Estimated Construction Cost:

For general retail use:       \$45 per square foot

For restaurant use:         \$45 per square foot, plus \$1 million for a commercial kitchen




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**BECK CONSULTING, INC**


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**Dennison Office Building  
Conceptual Estimate**

	52,650	GSF	12 months	6/30/2015
	Quantity	Unit	Unit Cost	Total Cost
<i>Total Foundations</i>			0.62	32,633
<i>Total Basements</i>			0.10	5,265
<i>Total Structure</i>			6.02	316,903
<i>Total Exterior</i>			23.06	1,214,040
<i>Total Roofing</i>			1.14	60,000
<i>Total Interior Construction</i>			5.98	314,775
<i>Total Stairs</i>			0.19	10,000
<i>Total Finishes</i>			1.50	78,975
<i>Total Elevators</i>			7.12	375,000
<i>Total Plumbing</i>			4.00	210,600
<i>Total HVAC</i>			10.00	526,500
<i>Total Fire Protection</i>			2.25	118,463
<i>Total Electrical</i>			7.00	368,550
<i>Total Equipment</i>			0.09	5,000
<i>Total Demolition</i>			7.89	415,445
<i>Total Sitework</i>			0.28	15,000
<i>Total General Requirements</i>			4.30	226,358
		\$/sf	81.55	4,293,505
GC Services	1	mns	468,000.00	468,000
Fee, (Add 0.75% for bond)	5.00%		4,761,505	238,075
<b>Total Construction Cost</b>			94.96	4,999,580
Contingency				-
<b>Total Construction Budget</b>			94.97	5,000,000




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**BECK CONSULTING, INC**


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**HGC**  
 CONSTRUCTION

## Proposal

Date: 2/3/16  
 Project: Dennison Façade and White Box Commercial  
 Owner:  
 Architect:  
 Project SF: 52650

### PROJECT TOTALS

Division		Division Totals	Price per SF
1	General Conditions/Requirements	\$ 138,625.00	\$ 2.63
2	Demo / Sitework	\$ 74,150.00	\$ 1.41
3	Concrete	\$ 28,850.00	\$ 0.55
4	Masonry	\$ 475,580.00	\$ 9.03
5	Metals	\$ 28,950.00	\$ 0.55
6	Wood & Plastic	\$ 59,536.25	\$ 1.13
7	Thermal & Moisture Protection	\$ 95,800.00	\$ 1.82
8	Doors & Windows	\$ 56,240.00	\$ 1.07
9	Finishes	\$ 173,408.25	\$ 3.29
10	Specialties	\$ 34,850.00	\$ 0.66
11	Equipment	\$ -	\$ -
12	Furnishings	\$ -	\$ -
13	Special Construction	\$ -	\$ -
14	Conveying Systems	\$ -	\$ -
15	Mechanical	\$ 70,000.00	\$ 1.33
16	Electrical	\$ 27,500.00	\$ 0.52
Subtotals:		\$ 1,263,489.50	

Contingency:	\$ 101,079.16	8.0%
Fee	\$ 85,285.54	6.25%

<b>Project Total:</b>	<b>\$ 1,449,854.20</b>	<b>\$ 27.54</b>
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## DD-DOWNTOWN DEVELOPMENT DISTRICT ZONING REGULATIONS

### Chapter 1411 - DOWNTOWN DEVELOPMENT DISTRICTS

#### § 1411-01. - Purposes.

The general purposes of the downtown development district regulations are to:

- (a) Provide a balance of uses and amenities fostering a vital economic and cultural center of the city and enhance its aesthetic qualities.
- (b) Encourage quality and variety in building and landscape design as well as compatibility in use and form.
- (c) Protect and enhance historic, cultural and architectural resource.
- (d) Create and enhance pedestrian-oriented streets to preserve retail vitality and improve the quality of life for downtown workers, visitors and residents.
- (e) Establish appropriate standards for the review of proposals for new development and redevelopment.

(Ordained by Ord. No. 15-2004, eff. Feb. 13, 2004)

#### § 1411-03. - Purpose of Subdistricts.

The downtown development use subdistricts have the following purposes:

- (a) **Subdistrict A-Downtown Core.** To encourage, support and enhance the downtown area as a high-density, mixed-use urban center of regional importance and a center for business, communications, office, government, retail and entertainment. Subdistrict A allows a mix of large-scale offices, convention facilities and hotels, commercial, high-rise residential, public, recreation and entertainment uses.
- (b) **Subdistrict B-Downtown Residential.** To create, maintain and enhance areas for residential developments that will complement and support the downtown core. Residential developments may be either as a sole use or as a mixed use and achieved through the adaptive reuse of historic structures or new construction. Subdistrict B also permits loft residences and offices.
- (c) **Subdistrict C-Downtown Support.** To maintain and enhance the Downtown Development District by providing sites for offices, residential, commercial and public and semi-public uses essential for the livelihood of businesses and neighborhoods located in Cincinnati and residents living in the downtown area. Subdistrict C permits a mix of professional and governmental offices, residential, commercial, public, semi-public and limited industrial uses.
- (d) **Subdistrict D-Riverfront.** To enhance the downtown area by providing sites for commercial recreation, hotel, retail and office space and housing in an urban neighborhood along the Riverfront.

(Ordained by Ord. No. 15-2004, eff. Feb. 13, 2004)

#### § 1411-05. - Land Use Regulations.

Schedule 1411-05 below prescribes the land use regulations for DD Downtown Development Use Subdistricts. The regulations for each subdistrict are established by letter designations as follows:

- (a) "P" designates permitted uses. These uses may be subject to additional regulations, as indicated.




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**BECK CONSULTING, INC**


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(b) "L" designates uses that are permitted, subject to certain limitations. Numeric suffixes refer to limitations listed at the bottom of Schedule 1411-05. Except as otherwise indicated, modifications of a numerical, locational or dimensional limitation requires a variance under Chapter 1445 - Variances, Special Exceptions and Conditional Uses.

(c) "C" designates uses permitted only after review and approval of the Conditional Use by the Zoning Hearing Examiner. These uses may be subject to additional regulations, as indicated.

Use classifications are defined in Chapter 1401, Definitions. Use classifications not listed in Schedule 1411-05 below are prohibited.

**Schedule 1411-05: Use Regulations-Downtown Development Use Subdistricts**

Use Classifications	DD-A	DD-B	DD-C	DD-D	Additional Regulations
<b>Residential Uses</b>					
Bed and breakfast home	P	P	P	P	See § 1419-09
Day care home - Adult	P	P	P	P	
Day care home - Type A	L12	L12	L12	L12	
Day care home - Type B	L12	L12	L12	L12	
Group residential					
Convents and monasteries	L1	L1	L1	L1	
Fraternities and sororities	L1	L1	L1	L1	
Patient family homes	L1	L1	L1	L1	
Rooming houses	L2	L2	L2	L2	
Shared housing for elderly	L1	L1	L1	L1	
Permanent residential					
Single-family dwelling	P	P	P	P	
Attached single-family dwelling	P	P	P	P	



Single-family rowhouse	P	P	P	P	
Multi-family dwelling	P	P	P	P	
Two-family dwelling	P	P	P	P	
Residential care facilities					
Assisted living	—	P	P	—	
Developmental disability dwelling	P	P	P	P	
Nursing home	—	P	P	—	
Special assistance shelter	C	C	C	C	
Transitional housing					
Programs 1—5	P	P	P	P	
Program 6	L11	L11	L11	L11	
Public and Semipublic Uses					
Clubs and lodges	P	P	P	P	
Colleges, public or private	P	P	P	P	
Community service facilities	P	P	P	P	
Cultural institutions	P	P	P	P	
Day care center	P	P	P	P	
Government facilities and offices					
Correctional institutions	—	—	C	—	
Offices	P	P	P	P	



Hospitals	P	P	P	P	
Park and recreation facilities	P	P	P	P	
Public maintenance facility	—	P	P	P	
Public safety facilities	P	P	P	P	
Religious assembly	P	P	P	P	
Schools, public or private	P	P	P	P	
<b>Commercial Uses</b>					
Animal services	—	C	C	—	
Banks and financial institutions	L3	L3	L3	L3	
ATM, stand-alone	—	—	C	C	See § 1419-07
Bed and breakfast inns	P	P	P	P	See § 1419-09
Building maintenance services	—	—	P	—	
Business services	P	P	P	P	
Commercial meeting facilities	L4	L4	L4	L4	
<b>Eating and drinking establishments</b>					
Drinking establishments	P	P	P	P	
Restaurants, full service	L3	L3	L3	L3	See § 1419-21
Restaurants, limited	L3	L3	L3	L3	See § 1419-21
Food markets	L3	L3	L3	L3	
Food preparation	P	P	P	P	



Funeral and interment services	—	—	P	—	
Hotels and commercial lodging	P	P	—	P	
Laboratories, commercial	L4	—	L4	L4	
Loft dwelling units	P	P	P	P	See § 1419-23
Maintenance and repair services	P	P	P	P	
Medical services and clinics	L4	P	L4	L4	
Offices	L4	P	L4	L4	
Parking facilities	L13	L13	L13	L13	See § 1411-25
Personal instructional services	L5	L5	P	L5	
Personal services	P	L6	P	P	
Recreation and entertainment					
Indoor or small-scale	L5	L5	P	L5	
Outdoor or large-scale	C	—	C	C	
Retail sales	P	L6	P	P	
Vehicle and equipment services					
Vehicle and equipment sales and rental	L7	—	L7	—	
Car wash	L7	L7	L7	L7	See § 1419-11
Vehicle repair	—	—	L8	—	See § 1419-27
<b>Industrial Uses</b>					
Production industry					



Artisan	—	—	P	P	
Limited	—	—	P	—	
Research and development	—	—	C	—	
Warehousing and storage					
Indoor storage	—	—	P	—	
Wholesaling and distribution	—	—	P	—	
<b>Transportation, Communication and Utilities</b>					
Communications facilities	P	—	P	P	
Public utility distribution system	L9	L9	L9	L9	
Public utility maintenance yard	—	—	C	—	
Public utility plant	C	—	C	—	
Transportation facilities					
Heliports	C	—	C	C	
Transportation passenger terminals	C	C	C	C	
Watercraft and riverfront facilities					
Commercial piers and ports	—	—	—	P	
Marinas	—	—	—	P	
Wireless communication antenna	L10	L10	L10	L10	See § 1419-33
Wireless communication tower	C	C	C	—	See § 1419-33
<b>Accessory Uses</b>					See Chapter 1421




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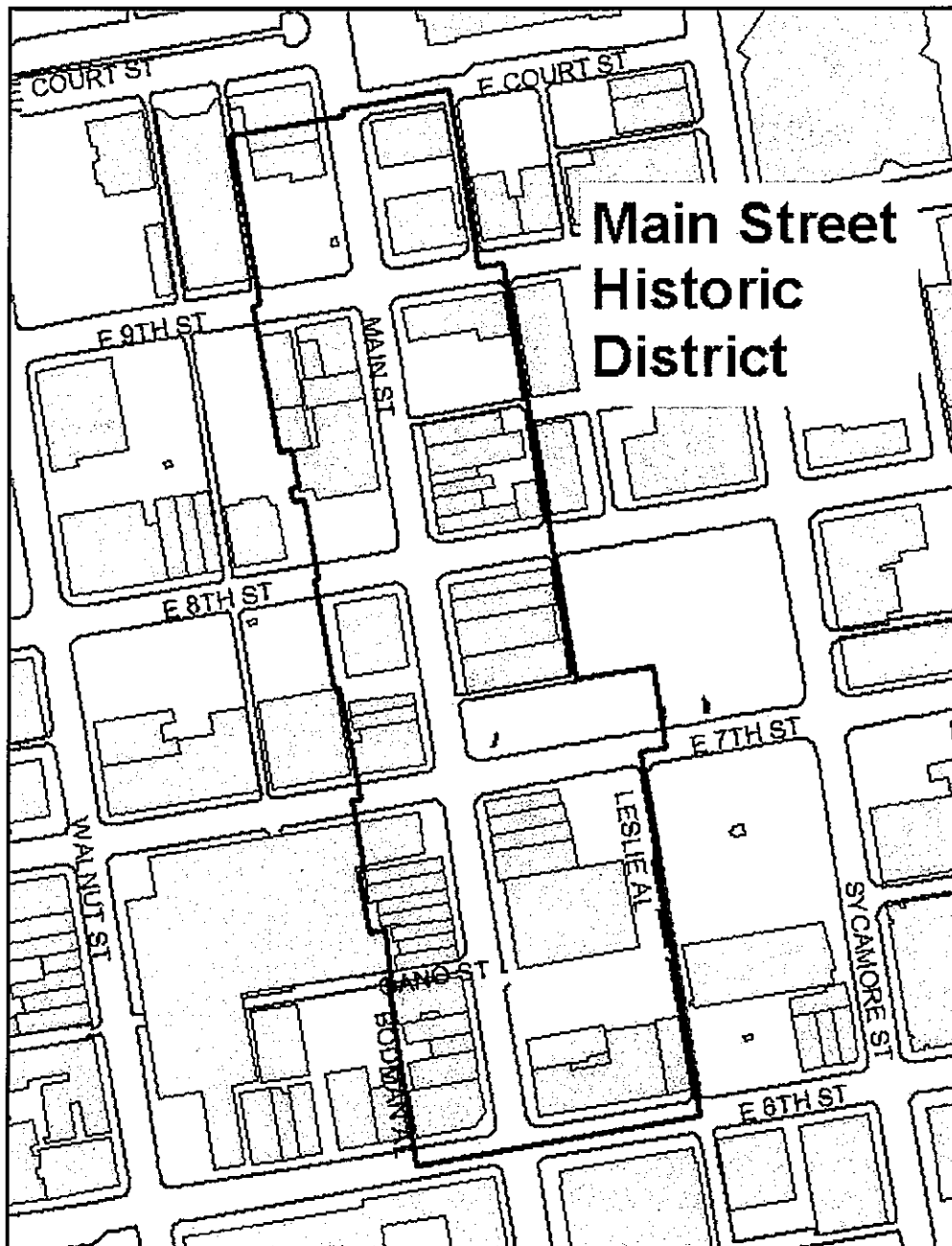
Nonconforming Uses	See Chapter 1447
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Specific Limitations	
L1 A separate entrance for access to rooming units must be provided in a mixed-use building.	L2 Only rooming houses licensed pursuant to Chapter 855, Rooming Houses of the Municipal Code are allowed. A separate entrance for access to rooming units must be provided. The minimum rental is seven days. See § 1421-23.
L3 Drive-through facilities are not permitted.	L4 Not permitted as a principal ground floor use in locations indicated on Map 1411-17: Commercial Continuity Overlay.
L5 Permitted only above the ground floor in a mixed-use building. Modification requires conditional use approval pursuant to Chapter 1445-Variances, Special Exceptions and Conditional Uses.	L6 Permitted on the ground floor only.
L7 Permitted as a secondary use located within a parking garage.	L8 Permitted only if the entire use and storage is within an enclosed structure.
L9 The facility must be underground, within a building or on the roof within an enclosure.	L10 Antenna height may not exceed 20 feet; greater height requires a conditional use approval. The antenna may be attached to a multi-family, public and semi-public, public utility, commercial or industrial building or structure.
L11 Programs may not exceed 50 resident occupants.	L12 Fencing must be provided for purposes of securing outdoor play areas which must be located in the rear yard only.
L13 See 1411-25.	



**BECK CONSULTING, INC**

**MAIN STREET HISTORIC DISTRICT ZONING MAP**





## CONSERVATION GUIDELINES: MAIN STREET HISTORIC DISTRICT

### CONSERVATION GUIDELINES: MAIN STREET HISTORIC DISTRICT

Introduction

Analysis

Rehabilitation and Alteration

Additions

New Construction

Site Improvements

Demolition

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#### INTRODUCTION

Conservation Guidelines are used by owners, architects, contractors and the City's Historic Conservation Board when owners in historic districts decide to make changes to the outside of their buildings.

They are not rigid sets of rules, but rather a guide on how to make improvements in the district which are compatible with its character. Guidelines give building owners advice on how to undertake work in the district, and they give the Historic Conservation Board a way to determine whether proposed work is appropriate. The guidelines set broad parameters within which district changes should occur while maintaining ample opportunity for design creativity and individual choices and tastes.

If an improvement is proposed within the Historic District, a Certificate of Appropriateness (C.O.A.) must first be obtained from the Historic Conservation Board. This is in addition to a building permit, though there is no additional fee. The following kinds of work do not require a C.O.A.

- Interior work such as plumbing, wiring, plastering.
- Ordinary repair and maintenance that does not result in an exterior change.

The following points are of extreme importance:

- The guidelines do not require that an owner make improvements.
- The guidelines do not force an owner to "take the property back to the way it was."
- The HCB may modify certain guidelines, as appropriate, in cases of economic hardship. The Board must approve the proposal, even if it doesn't meet the guidelines, when the owner demonstrates:
  - (a) that there is no "economically feasible and prudent alternative" which would conform to the guidelines, and
  - (b) that strict application of the guidelines would deny the owner a reasonable rate of return on the property, and would amount to a "taking of the property without just compensation."
- The guidelines, and the legislation which set up the Board, are geared toward negotiating solutions which will give the owner substantial benefit without causing substantial harm to the district. The Board may grant approval, set conditions, or waive certain guidelines as "trade-offs" to aid negotiations.
- Any applicant who disagrees with a board decision may appeal the decision to City Council. In the 4½ years that the Board has reviewed proposals in historic districts all over the city, not one applicant has appealed. This indicates overwhelming success of the negotiation process.

The Conservation Guidelines for the Main Street Historic District are based on an analysis of each block in the District. Analysis showed that the buildings on Main Street had great architectural variety as well as certain shared characteristics. These are noted in the analysis section of the guidelines and are intended to serve as a general guide to anyone contemplating changes to their property.



## ANALYSIS

Contact the Historic Conservation Office for a copy of the illustrated guidelines for a block-by-block analysis of architectural development in the Main Street Historic District. The annotated analysis is intended as a guide to changes that will help market the district image of a historic, lively, pedestrian-oriented shopping area that is architecturally distinctive. Owners in historic districts do not have to make any changes at all, but may find these notes helpful when contemplating rehabilitation or new construction

## REHABILITATION AND ALTERATION

### A. Intent and General Guidelines

1. Avoid removing or altering historic material or distinctive architectural features: if it's original and in good shape, try to keep it.
2. Repair rather than replace wherever possible. If replacing, replicate the original based on existing materials. Do not invent something new that "might have been."
3. When extensive replacement of missing or severely deteriorated materials is necessary and replication to exactly match the original is not feasible, the new work should match the character of the original in terms of scale, texture, design and composition.
4. Don't try to make the building look older than it really is. Rehabilitation work should fit the character of the original building. If your building has been substantially altered, nearby buildings of similar age and style may indicate what its original character was.
5. Your building may contain clues to guide you during rehabilitation. Original detailing may be covered up with other, later materials, or there may be physical evidence of what original work was like and where it was located.
6. A later addition to an old building or a non-original facade or storefront may have gained significance on its own. It may be significant as a good example of its style, or as evidence of changing needs and tastes. Don't assume it's historically worthless just because it's not part of the original building.
7. Surface cleaning should be done by the gentlest means possible. Never sandblast or use other abrasive methods. Cleaning or paint removal may not be necessary at all.
8. If no evidence of original materials or detailing exists, alterations should be simply detailed and contemporary in design, yet fit the character of the building. Ideas on how to achieve "fit" are illustrated in New Construction Guidelines.

### B. Specific Guidelines

1. Upper Floor Windows
  - a. Openings: Closing in window openings makes the face of a building appear to have lost its "Eyes." Reducing or enlarging window openings makes the "eyes" appear too small or too large for the face of the building wall.  
Guideline – Original openings should not be altered.
  - b. Trim: Removing window trim such as window heads removes the sense of depth and definition a window has and is like removing the eye brows over the "eyes" (windows) of the building face.  
Guideline – Original window trim should not be removed.
  - c. Type: Replacing original windows with an entirely different type of window (casement replacing double-hung for example), can appear out-of-place given the type of window commonly found buildings of particular styles and particular time periods.  
Guideline – Window replacements should match the character of the original.
2. Cornice – Reducing the depth of a cornice or parapet or removing the cornice makes the building look like it has lost its top.  
Guideline – Cornices should not be removed.



3. **Ornamentation** – Removing ornamentation or replacing it with substitutes which are of a different scale and design from the original leave a building looking stripped and bare. New ornament should match the original (if you have any left as a model) in size, shape, scale and general design character.  
**Guideline** – Replacement ornamentation should match the character of the original.
4. **Masonry**
- a. **Cleaning:** Cleaning dirt or old paint off a building should be done by the gentlest means possible. Low pressure water, detergent, and natural bristle brushes are often adequate. Never sandblast. Sandblasting permanently damages the surface of brick.  
**Guideline** – Never sandblast.
  - b. **Pointing:** Repointing masonry walls built before the turn of the century should be done with a soft lime-based mortar rather than a harder Portland cement based mortar which would be stronger than the old brick and could crack the brick itself. The mortar color, texture, and type and size of joint should match the original or the wall will look like a patchwork.  
**Guideline** – Repoint old masonry with care.
  - c. **Painting 19th Century Buildings:** Removing paint from buildings originally painted, generally pre-1900, leaves the brick surface unprotected, is historically inappropriate, and results in a less lively and less colorful streetscape. Repainting of these older buildings is recommended.  
**Guideline** – Generally do not remove paint from 19th century building.
  - d. **Painting Trim:** Architectural trim and decorative features should be painted in a color or shade which contrasts with the wall color to enliven the facade.  
**Guideline** – Trim should contrast with the wall.
  - e. **Painting 20th Century Buildings:** Painting hard face brick (on buildings built after 1895) and painting stone is unnecessary for the protection of the surface and is historically inappropriate. The contrast of early, painted buildings and later, unpainted buildings adds to liveliness of the street.  
**Guideline** – Generally, do not paint 20th century buildings.
  - f. **Covering Masonry:** Covering brick or stone walls with wood siding or aluminum or other artificial materials alters the scale and appearance of the wall and adds no real insulation value.  
**Guideline** – Generally, do not cover masonry with another material.
5. **Storefronts**
- a. **Materials:** Introducing designs and materials not found in the district or in buildings of a particular time period appears incongruous and often creates a hodgepodge of building materials and a mixture of images.  
**Guideline** – The design of storefronts should be in character with the building.
  - b. **Setback:** Significantly setting back the storefront from the face of the building (not to be confused with recessed entrances which are common) as in an arcade is out of keeping with the historic character of the building and alters the continuity and storefront rhythm of the street.  
**Guideline** – Arcading storefronts (setting them back from the face of the building) is inappropriate.
  - c. **Openings:** Reducing the size of window openings, often by raising the window sill or filling in the transom, cuts down on transparency which is important to store windows and eliminates the vertical emphasis to the 1st floor.  
**Guideline** – Maintain transparency.
  - d. **Features:** Covering or removing significant elements such as piers, lintels, transom, panels below store windows, or original doors results in a substantial loss of historic character.  
**Guideline** – Retain original storefront features.
6. **Signs**
- a. **Location:** Signs are most successful visually when they work with, not against, the architecture. They are usually attached to or at the height of the storefront lintel.



Signs should not project above the 2nd floor window sills or above the roof line where it would overpower the building. Signs should not cover up or require the removal of significant architectural elements.

**Guideline** – Signs should be located at the top of the storefront and should not cover up the special features of the building.

- b. **Size and Number:** Simple, bold designs on a minimal number of signs communicate more clearly than many competing signs. Signs should not significantly reduce storefront transparency or overpower the architecture of the building in terms of size and number of signs or in the ornateness of the design.  
**Guideline** – Signs should not overwhelm, oversize or clutter the storefront.
- c. **Character:** Signs should capitalize on the special character of the building and district and reflect the nature of the business they are identifying. Small projecting signs such as symbol signs are appropriate. Signs painted on windows and signs on awnings are also appropriate.  
**Guideline** – Signs should be as distinctive as the businesses they identify.
- d. **Prohibited signs:**
  - Billboards
  - Standardized, internally illuminated signs with brand names
  - Sandwich boards which obstruct pedestrian traffic
  - Temporary illuminated signs

#### 7. Awnings

- a. **Materials:** Fabric awnings are appropriate on most district buildings and add color to the area. Awnings and canopies made of plastic, wood, or metal are generally inappropriate. Decorative metal canopies may be appropriate on early 20th century buildings.  
**Guideline** – Fabric awnings are encouraged.
- b. **Location:** Awnings can be installed so that they do not cover significant architectural features or alter the character of the original building.  
**Guideline** – Awning installation should not require the removal of or cover significant architectural features. Storefront awnings should not cover 2nd floor window sills.

#### 8. Utility / System Installation

The installation of utility and mechanical systems such as water or gas meters, could detract from district buildings if not inconspicuously placed or screened.

**Guideline** – The installation of utility systems should be avoided on the street facade. Wall or window air conditioning units on the street facade should be avoided in situations where other feasible locations exist

### ADDITIONS

#### A. Intent and General Guidelines

1. Appropriate additions are encouraged as a means of providing for current and future needs and providing for continued use of existing district buildings.
2. Additions should respond architecturally to adjacent buildings in general and to the building they are a part of in particular.
3. If the original building is architecturally significant, the addition should take a respectful "back seat" to it. The addition should not overpower the original. An addition may be taller than the original building if site considerations and care design still allow the old building to remain dominant.
4. In general, additions should follow New Construction guidelines. They should appear contemporary but compatible in character with the original. They should be sympathetic but not imitative in design.
5. The appropriateness of design solutions will be based on the program needs of the applicant with 1) how well the proposed design relates to the original building and neighboring



buildings and 2) how closely the proposal meets the intent of these general guidelines and the specific guidelines for new construction.

## NEW CONSTRUCTION

### A. Intent and General Guidelines

1. Infill construction is encouraged on vacant sites in the Main Street District. The strong sense of an architecturally cohesive district is weakened by several gaps along the street. New construction will fill these gaps and improve the physical quality and economic health of the district.
2. Provision of parking within new structures on infill sites is strongly encouraged, but primary effort should be made to provide for automobile entry and egress at locations other than the Main Street side of the new structure wherever possible (e.g., the new Post building at 125 E. Court). Where this is not possible, frontage devoted to entry and egress should be minimized. Retail frontage is encouraged to reinforce the pedestrian-oriented "storefront" appearance.
3. New construction should appear new. The intent of a historic district is not to "freeze" an area in time, but rather to encourage new, complementary buildings which allow for changing needs and tastes. The high quality of the older structures in the district demands excellence in design for new buildings there. New construction should not attempt to replicate the old or to introduce a false "historic" appearance.
4. Historic Conservation Board review of new construction will focus on design compatibility with older structures. Proposals for new buildings will be reviewed within the context provided in the Streetscape Analysis attached as part of these guidelines.

The appropriateness of design solutions will be based on the programmatic needs of the applicant with 1) how well the proposed design relates to neighboring buildings and 2) how closely the proposal meets the intent of the guidelines.

Specific guidelines for judging compatibility are shown for each development site. They should not, however, be interpreted as hard-and-fast rules. Guidelines must adapt to specific site considerations, to each owner's individual needs, and to the particular design features of nearby buildings. If new development is proposed on a site not illustrated in these guidelines, it will be reviewed within the context of its surroundings and the intent of the guidelines.

The conservation guidelines are intended to encourage design creativity rather than "appropriate prototypes," so illustrations do not attempt to suggest actual solutions which would meet the guidelines.

- B. Specific Guidelines for Each Development Site – Contact the Historic Conservation Office for copies of the illustrated guidelines for new construction in the Main Street Historic District.

## SITE IMPROVEMENTS

### A. Intent and General Guidelines

1. Site improvements should be in character with the district, responding to the colors, textures, materials and sense of scale found in the area.
2. Contemporary design is encouraged. The design should be compatible with district buildings and not detract from them.
3. The design of site improvements should capitalize on the unique character of the area but should not attempt to create a "false history" by incorporating elements which appear to be from an earlier time period.

### B. Specific Guidelines

#### 1. Parking Lots

- a. Screening: The character of the district can be strengthened by screening parking lots. This is critical where parking lots abut sidewalks.  
 Guideline – Cars should be screened from public view. Appropriate screening methods include masonry screen walls or iron fencing in character with the district, and landscaping. Chain link fencing along sidewalks is inappropriate.



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- b. **Landscaping:** The environment of parking lots can be improved through landscaping. Trees on planting islands within the lot can provide shade and break up large areas of paving.  
**Guideline –** Parking lots with capacity of ten or more should contain trees within the lot as well as around the perimeter of the lot.
- 2. **Sidewalks/ Parks/ Plazas and their Furnishings:** Paving materials, screen walls, landscaping, lighting, seating, and other "street furnishings" have an impact on district character. The design and placement of these elements should respond to the historic and architectural character of the district.  
**Guideline –** Paving materials should have the appearance of individual units to give the surface scale. Appropriate materials include brick, scored concrete, and unit pavers. The pattern of the paving should respond to the architectural setting by relating to elements of abutting buildings such as piers, entrances, columns. The furnishings in these spaces should relate to the character of the district.

#### DEMOLITION

Demolition of existing buildings shall be permitted if one of the following conditions exist:

- a. Demolition has been ordered by the Director of Buildings & Inspections for the public safety because of an unsafe or dangerous condition which constitutes an emergency.
- b. The owner can demonstrate to the satisfaction of the Historic Conservation Board that the structure cannot be reused nor can a reasonable economic return be gained from the use of all or part of the building proposed for demolition.
- c. The demolition request is for an inappropriate addition, or an incompatible building, and the demolition of said structure will not adversely affect the streetscape as determined by the Historic Conservation Board.
- d. The demolition request is for a non-significant portion of a building and the demolition will not adversely affect those parts of the building, which are significant as determined by the HCB.




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## APPRAISER QUALIFICATIONS

### QUALIFICATIONS OF LANCE R. BROWN, MBA, MAI, AI-GRS

#### EDUCATION:

Master of Business Administration, University of Cincinnati  
December 1998; Major: Marketing and Real Estate

Bachelor of Science, University of Cincinnati  
December 1992; Major: Real Estate

Appraisal Institute Instructor:

- General Appraiser Income Approach Part 1

Adjunct Professor, Real Estate Appraisal—University of Cincinnati

Various courses and exams of professional appraisal organizations

#### PROFESSIONAL EXPERIENCE:

12/98 to Present—Executive Vice President, Beck Consulting, Inc.

5/95 to 12/98—Appraiser, Willingham Associates, Inc.

12/94 to 5/95 – Staff appraiser for the Appraisal Company of America.

1/89 to 12/94 – Appraiser, American Research and Appraisal Center.

2/86 to 1/89 – Self-employed appraiser and research consultant, providing services to independent appraisal companies in Cincinnati.

#### SPECIALIZATIONS:

Complete detailed condemnation/eminent domain appraisals, including partial acquisitions and severance damages, for the Ohio Department of Transportation, Army Corps, local public authorities, and private clients.

Completed reviews of appraisals prepared for a variety of purposes including condemnation/eminent domain for mortgage lenders, public agencies and private clients.

Provide appraisals for real property, tax cases, including testimony for ad valorem tax purposes for government and private clients.

Prepare appraisals for contested real property, including court testimony.




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Provide appraisals and analysis of proposed commercial, industrial, and residential developments for mortgage lending.

List and facilitate the sale and lease of residential and commercial property.

**LICENSES AND  
CERTIFICATIONS:**

Ohio State certified general appraiser: Certificate No. 409301  
issued October 21, 1994.

Kentucky State certified general appraiser: License No. 002243  
issued March 26, 1999.

Indiana State certified general appraiser: License No.  
CG41100034 issued September 9, 2011  
Ohio Department of Transportation Pre-qualified Appraiser Code  
Number 081114 issued December 4, 1995.

Ohio Department of Transportation Pre-qualified Appraisal  
Reviewer issued November 8, 2000.

Licensed real estate sales agent certificate number 332617 issued  
November 14, 1986.

**BUSINESS &  
PROFESSIONAL  
AFFILIATIONS:**

MAI designated member of the Appraisal Institute

AI-GRS designated member of the Appraisal Institute

GAA member of the Real Estate Appraisal Section of the National Association of  
Realtors

SR/WA Candidate Member of International Right of Way Association


Member of the National Association of Realtors

Member of the Greater Cincinnati Association of Realtors



**BECK CONSULTING, INC**

**APPRAISER DISCLOSURE STATEMENT**

<b>APPRAISER DISCLOSURE STATEMENT</b> In compliance with Ohio Revised Code Section 4763.12 (C)	
1. Name of Appraiser	<u>Lance Brown</u>
2. Class of Certification/Licensure:	<input checked="" type="checkbox"/> Certified General <input type="checkbox"/> Licensed Residential <input type="checkbox"/> Temporary <input type="checkbox"/> General <input type="checkbox"/> Licensed
Certification/Licensure Number:	<u>409301</u>
3. Scope: This report	<input checked="" type="checkbox"/> is within the scope of my Certification or License. <input type="checkbox"/> is not within the scope of my Certification or License.
4. Service Provided By:	<input checked="" type="checkbox"/> Disinterested & Unbiased Third Party <input type="checkbox"/> Interested & Biased Third Party <input type="checkbox"/> Interested Third Party on Contingent Fee Basis
5. Signature of person preparing and reporting the appraisal	
<b>This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state-licensed real estate appraiser.</b>	

State of Ohio  
 Department of Commerce  
 Division of Real Estate  
 Appraisal Section  
 Cleveland (216) 787-3100



*Principals:*  
Richard B. Naegel P.E.  
Robin R. Hahn P.E.  
Raymond J. Brake P.E.

05/08/15

Columbia Development Corporation  
250 East Fifth Street  
Suite 285  
Cincinnati, Ohio 45202

Attn: Ronald Joseph  
Re: Dennison Hotel  
Project No. 15600.27

Dear Mr Joseph:

The purpose of this letter report is to respond to your request concerning the potential renovation of the existing Dennison hotel building located at 716 Main Street in downtown Cincinnati. Specifically, this letter addresses the structural portion of any potential renovation, particularly the major structural needs and potential costs associated with any remediation. Please note that this report only addresses major items that we anticipate requiring attention and only pertains to structural scope. Architectural, mechanical, electrical and other issues are outside our area of expertise in structural engineering will not be discussed here. Please also note that as engineers we have some knowledge of cost estimating, but renovation work is particularly labor intensive and very difficult to estimate costs comprehensively. Because of this we recommend you consult an experienced contractor who has performed similar renovation projects to have a more precise understanding of the magnitude of costs associated with the recommended work. At this time there are no formal plans or project agenda; once a more defined project scope is chosen, additional issues will likely arise and require consideration. The items discussed in this report are the major structural issues which we recommend are dealt with regardless of the final scope and direction of the project.

Our office performed visual observations of the property in May of 2013, and again on April 30<sup>th</sup>, 2015. At the time of our previous report in May of 2013, our primary purpose was to determine if the building

was stable and make recommendations for necessary remediation if needed while the building remained vacant. We provided a brief report stating the building was in general structurally stable, but we also recommended the exterior canopy be removed and the parapet on the west side (facing Main Street) be repaired or wrapped in netting to avoid any potential hazard to life safety due to pieces of it falling and hitting pedestrians on Main Street. At this time the canopy has been removed and as we understand it, some masonry restoration work is ongoing to stabilize the entry cornice and parapet features.

According to the Hamilton County Auditor's website, the building was built in 1890. The existing structure consists of a combination of wood floor framing supported by multi wythe brick exterior bearing walls and interior posts and beams. Based on the spans, we would anticipate the post and beams to be steel or cast iron (not timber); however, this could not be verified due to the finishes. The structure is 8 stories tall with a full basement. The gravity load carrying system is wood floor joists supporting wood decking. The joists run in the north-south direction (parallel to Main Street) and are supported by the exterior multi wythe brick bearing walls and 2 interior post and beam lines approximately equally spaced along the 45 foot width of the building. The interior post and beam lines run in the east-west direction with posts spaced at approximately 16 feet on center along the 130 foot building length. The lateral load carrying system is the exterior multi wythe brick bearing walls. Please note that the current building code would not allow a wood framed building of this size and the lateral load system would not be permitted to be unreinforced masonry. As a result, any significant change in the building's use would require retrofit of the building structure. Given the age of the building and materials used, we believe it would be impractical and potentially impossible to retrofit the structure to be compliant with the current building code. We would anticipate that the costs will substantially exceed the cost to completely demolish and rebuild a code compliant new structure of similar size and use.

Per our conversation, it is our understanding that if the building could be renovated it would be used as residential (apartments or condominiums) or office space. As discussed above, unless the authority having jurisdiction is willing to waive the requirements to retrofit the structure to be compliant with the current building code, any change in use would be infeasible. Thus converting to an office use would not be recommended. The following is a list of major structural items that would need to be addressed if you were to move forward by redeveloping the building for a residential use.

The existing multi wythe exterior brick walls need to be tuck-pointed and the brick should be sealed. Note that tuck-pointing of older masonry should only be done by a contractor with experience working with older buildings. Given the height of the structure and difficulty in accessing the building's exterior, particularly at the north side where there is an adjacent building, we anticipate this to be very costly. Based on other similar projects in which we've had involvement in the area, we would anticipate this costing as much as \$10 per square foot of exterior wall area. If deteriorated bricks are encountered and need to be replaced, this could be significantly more costly as well.

We observed several areas where retrofit brick ties were installed at the floor lines. We recommend additional ties be installed to insure the floor diaphragm is adequately anchored to the walls. At this time we cannot quantify how many new anchors will need to be installed. After demolition of some of the finishes, we can more thoroughly inspect the framing and at that time we can determine the exact quantity and method of anchorage.

Within the wood framed floors, we observed several areas that appeared to have sustained water damage. As a result we recommend the ceilings and finishes around the floor joists be removed and the existing framing should then be inspected for any signs of rotting. Any compromised floor framing must be replaced.

The existing floors were noticeably out of level. Depending on the proposed occupant's level of tolerance, a topping product may need to be applied. Before applying any topping, the existing structure would need to be field measured to insure it can carry the additional load of the topping, and some reinforcement of the existing floor may be needed. Due to the age of the building, there is likely no grading stamp or other means to definitively determine the strength of the wood framing, so some testing of the wood joists would be prudent, in order to determine the grade and species of lumber for use in analysis calculations. If reinforcement is needed, it would likely involve adding more wood joists, and could also result in reinforcing being required for the posts and beams.

As we understand that several new bathrooms will need to be constructed, we recommend that anywhere that new bathtubs are proposed, the existing floor framing should be field measured to insure it can support the weight of the bathtub. Some reinforcement may be needed.

Per our conversation, the existing elevator shafts are not adequate for installing a new elevator to serve the tenants as well as the need for a service elevator. As a result, new elevator shafts will need to be constructed. This will require demolition of some of the basement floor slab for installation of a new foundation to support the shaft and elevator. A soils investigation will need to be performed to verify that the existing soils are adequate; based on our past experience, a deep foundation system may be needed. If a deep foundation system is required, it will be extremely costly and require special low clearance equipment due to confined basement space. This will also require a major retrofit of the floor framing to install the shaft opening in the elevated floors. The existing joists will need to be shored and then cut. Additional reinforcing may also be needed.

The existing stairways do not provide code required minimum clearances for life safety and egress. If it is required to retrofit the stairs to provide code minimum clearances, a major structural retrofit will be required, and essentially encompass the same scope as the elevator shafts, including a new foundation, shoring and demolition of the floor framing in the shaft, and likely some reinforcing of the floor framing.

The existing mechanical systems are inadequate and a new roof mounted mechanical system has been proposed. This will require investigation of the existing roof framing, and likely major reinforcement of the roof framing to support any equipment.

In conclusion, the above mentioned structural scope items are what we anticipate being required should you chose to move forward with redeveloping the existing property. As stated above, we recommend the use of the building be limited to residential to avoid having to retrofit the lateral and gravity structural systems. It is our opinion that if the use is changed and the building is required to be retrofit to be compliant with the current building code, the cost of the retrofit would likely well exceed the cost to demolish and rebuild a structure of the same size and use.

This report is limited to the conditions observed at 716-718 Main Street in Cincinnati, Ohio. This investigation was performed using visual techniques for the site observations. No material testing was

Project No. 15600,27

Page 5

performed. No finishes were removed. Any conclusion or interpretation taken by others based on this report is not the responsibility of AGE, Inc. The conclusions in this report are based on our experience as structural engineers in the Greater Cincinnati Area.

Thank you for the opportunity to assist you with this matter. If you will need additional information or clarification regarding any issue discussed, please do not hesitate to call.



Sincerely,

A handwritten signature in black ink, appearing to read "S. Harm".

Steve Harm, P.E.  
Advantage Group Engineers, Inc.

716-718 MAIN STREET  
DENNISON HOTEL PROPERTYSTATEMENT OF OPERATING AND MAINTENANCE EXPENSES  
FOR THE YEARS 2014 AND 20152014

Utilities	\$ 42,191.00
Maintenance	36,530.00
Insurance	6,125.00
Real Estate Taxes	<u>23,169.00</u>
Total	\$ 108,015.00

2015

Utilities	\$ 41,901.00
Maintenance	8,325.00
Insurance	6,125.00
Security	2,663.26
Real Estate Taxes	<u>23,097.94</u>
Total	\$ 82,112.20

Received 4/1  
000103 *ms*

**BARRETT & WEBER**  
A LEGAL PROFESSIONAL ASSOCIATION

C. FRANCIS BARRETT  
H. PATRICK WEBER  
JANET L. BELL  
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FACSIMILE (513) 721-2139

April 1, 2016

Beth Johnson, Urban Conservator  
Matthew Shad, Zoning Administrator  
City of Cincinnati / Buildings and Inspections  
805 Central Avenue, Suite 500  
Cincinnati, Ohio 45202

*via Hand Delivery*

Re: 716-718 Main Street / Former Dennison Hotel Building  
Main Street Historic District  
COA Submission

Dear Ms. Johnson and Mr. Shad:

Pursuant to your 5-page request dated March 22, 2016 which was hand-delivered to us at the Pre-Hearing meeting on March 23, enclosed are the following materials:

1. Supplemental Information Concerning the Economic Feasibility Analysis prepared by Beck Consulting, Inc. which is signed by Lance R. Brown, Ohio General Certified Appraiser;
2. Data Concerning Occupancy/Vacancy within the Main Street Historic District, which is signed by Lance R. Brown, Ohio General Certified Appraiser;
3. Response to Staff's request concerning verification and reconciliation of cost estimates, pro forma data, and structural information, signed by C. Francis Barrett, attorney for Columbia REI, LLC;
4. Explanation by Ownership concerning the Acquisition of the Subject Property, signed by C. Francis Barrett, attorney for Columbia REI, LLC;
5. Historical Information on the Dennison Hotel building, signed C. Francis Barrett, attorney for Columbia REI, LLC; and
6. Future Use of the Subject Property, signed by C. Francis Barrett, attorney for Columbia REI, LLC

As instructed at the Pre-Hearing meeting on March 23, 2016, we were advised that the deadline for the submission of the requested ten (10) copies of all documents comprising the initial submission made on February 23, 2016 and the enclosed supplemental submission is April 10, 2016. Since that date falls on a Sunday, we will submit the ten (10) set of copies on Friday, April 8, 2016.

Additionally, as explained at the Pre-hearing meeting on March 23, we understand that, if we need additional time for our presentation to the Historic Conservation Board at the public hearing on April 18, 2016, we should make that request at this time. It is our understanding that the time limit for the applicant's case is a total of thirty (30) minutes. Accordingly, if the Board would extend our time limit to sixty (60) minutes, such would be deeply appreciated.

If you have any questions, or if any additional information is sought, please do not hesitate to contact the undersigned.

Respectfully submitted,

BARRETT & WEBER



C. Francis Barrett  
Attorney for Columbia REI, LLC

Enclosures

cc: Timothy M. Burke, Esq., attorney for Columbia REI, LLC  
Kathy Farro Ryan, Esq., attorney/planner  
Columbia REI, LLC

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

**RE: 716-718 MAIN STREET / FORMER DENNISON HOTEL BUILDING  
MAIN STREET HISTORIC DISTRICT**

SUPPLEMENTAL INFORMATION CONCERNING THE  
ECONOMIC FEASIBILITY ANALYSIS  
PREPARED BY BECK CONSULTING, INC.

Responses to March 22, 2016 Request of Beth Johnson, Urban Conservator  
and Matthew Shad, Zoning Administrator

- Page 1      Although the subject building was long used as a flophouse/rooming hotel with multiple resident rooms and common restroom facilities on floors 2-8 with first floor retail/administration space, research indicates that the original use of the building was an ironworks after construction in 1892.
- Page 5      The Effective Date of the report is August 14, 2015, because that is the date of the interior inspection by the appraiser. The timing of the data relied upon is within a reasonable time frame for the type of property involved and provides reasonably accurate and reliable information concerning the economic infeasibility of the proposed alternative uses considered. The passage of several months does not substantially change the validity of the report or its conclusions. Further, any recent projects in the downtown area that have been announced or have come on-line since July 2015 only support the conclusions set forth in the report. Specifically, the hotel data, office data, apartment rental data, residential condominium data, and retail use data relied upon are all valid as of the current time.
- Page 7      The floor plans for apartment units were prepared by Wendel Associates. The project costs were initially prepared by HGC Construction and then later updated by HGC Construction.
- The floor plans for the Dennison boutique hotel were prepared by Piaskowy & Cooper, and the project costs were prepared by HGC Construction.
- The Dennison office building project costs were prepared by HGC Construction.
- The Dennison apartment renovations and Dennison residential condominiums were analyzed by PDT Architects, LLC. The project construction costs were prepared by HGC Construction.

Prior layouts proposed by GBBN Architects were also considered. Previous ownership of the building related to Cincinnati Center City Development Corporation (3CDC) and its affiliate, The Model Group, which considered a Talbert House-type use.

The renovation of the first floor for retail space leaving all upper floors vacant was analyzed based upon project construction costs prepared by HGC Construction.

Most recently, Structural Systems Repair Group (SSRG), which is an affiliate/subsidiary of HGC Construction, reviewed, confirmed, and verified the current cost data with respect to the renovation alternatives considered.

Page 10

The reference in paragraph 1 to “disproportionately vacant” is an indication that the upper floors in this district reflect a higher vacancy than the first floors in this district. It is readily apparent from visual observation that the respective first floors of all buildings along the Main Street Historic District are more likely to be occupied than all of the upper floors; this is supported by a supplemental document.

The reference in paragraph 2 to the effect of inadequate internal elevators and its impediment to development along Main Street is obviously apparent. The clarity of this absence of redevelopment along Main Street is manifest by the continued deterioration of the historic buildings and the disproportionate vacancy of upper floors relative to first floors. These older buildings are lacking adequate internal elevator systems. By contrast, there has been significant investment in redevelopment along both Sycamore Street and Walnut Street, the two streets that flank Main Street, while such development has avoided Main Street. The absence of investment and redevelopment along Main Street over a substantial period of time is clear and obvious.

Page 11

Since there has not been streetcar service in downtown Cincinnati for more than 60 years, there is no specific evidence on the nature of the impact of streetcars on the development. The reference to be made is set forth at the top of page 11, which pertains to “any means of public transportation where access is limited to specific points”. In this sense, the streetcar is analogous to an interstate freeway where exits are periodic. It is readily apparent that interstate freeways have certain points along which exits are well developed with retail uses, while other points along which there is no or very little retail development. As such, it is anticipated that the streetcar will reflect a similar economic development profile where the locations sought by people (such as the Aronoff Center, the Banks, and Great American Ballpark, among others) will benefit most while the areas where people do not presently seek to go will not realize a significant benefit. The Main

Street historic district is one of those areas where there is little reason for people to disembark, and it will be one of those areas that will not benefit as significantly as other areas where people do seek to go.

Page 13

In the second paragraph, the second sentence correctly states, "Parking is not required for the conversion, renovation or change in use of an existing building." (Emphasis added.)

In the fourth paragraph, reference is made to the maximum building height. Cincinnati Zoning Code Section 1411-13, Maximum Building Height, states:

Maximum building height in all DD subdistricts varies according to Map 1411-13: Maximum Building Height Overlay in Downtown Development Districts. . . . A building may not exceed the maximum building height for its location as shown on Map 1411-13: Maximum Building Height Overlay in Downtown Development Districts.

According to Map 1411-13, the property on Main Street north of E. Sixth Street is in the area referenced as "750 A.S.L."

In the sixth and last full paragraph, the second sentence states: "There are conservation guidelines within this district that intend to preserve the exterior and interior architectural characteristics of the buildings." The words "and interior" should be deleted.

Page 15

The last sentence of the first paragraph states: "The building is classified in fair to poor condition, presently uninhabitable and vacant." This condition is presently obvious to any lay person who views this property. The City has constructive notice of this condition by virtue of the "Notice of Violation" previously issued by the City's District Building Inspector. The City also has actual notice of the condition of the building from readily undertaken visual observations of the exterior of the building which reflect long-term deterioration and unsafe conditions. The appraiser is qualified to attest to these conditions, as the appraiser is licensed by the State of Ohio as a general real estate appraiser, and as the appraiser holds the MAI designation as a Member of the Appraisal Institute.

Page 19

With respect to profit expectations, real estate investors typically seek a profit in the range generally between 10% and 30%. The percentage of profit is a function of the risk involved and the anticipated return on investment. A 15% profit expectation is not only a reasonable incentive for undertaking the risk associated with the redevelopment of a property of this size and condition, but also is a conservative amount in light of other downtown development projects. The appraiser has relied on confidential project pro formas that substantiate that other

projects require 15%. A 15% profit cannot be reasonably questioned for any development in the Downtown Central Business District.

- Page 38 The property owner consulted with PDT Architects, HGC Construction, and its subsidiary Structural Systems Repair Group, in reviewing the drawings previously prepared by Wendel Associates. They were able to confirm the reasonableness and appropriateness of such work for use by the appraiser in this report.
- Page 39 The property owner consulted with PDT Architects, HGC Construction, and its subsidiary Structural Systems Repair Group, in reviewing the drawings previously prepared by Piaskowy & Cooper. They were able to confirm the reasonableness and appropriateness of such work for use by the appraiser in this report.
- The reference should be to apartments only. The floor plans for condominium units were not provided. The absence of such floor plans does not change the conclusions as to economic infeasibility.
- Page 40 The floor plans do not reflect an inordinate amount of common areas for the residents, based upon the footprint of the building, the potential layout of units on each floor, and the quality of design sought by the architects.
- Page 40-41 The differences in the cost estimates for the Dennison boutique hotel versus the Dennison apartments is a function of the distinctly different characteristics of each use. Accordingly, the gutting of the building and the subsequent rebuilding thereof for one use will necessarily vary greatly from the gutting of the building and the reconstruction of a materially and physically different use.
- Page 43 It is not a mere assumption that there is a 10% cost increase of condominium units over apartment units, because of the nature of ownership, occupancy, and investment by a condominium unit owner as contrasted with a renter, or temporary and non-invested occupant of an apartment unit. A 10% figure is actually quite conservative. The figure of \$1 million for a commercial kitchen is based upon information provided by HGC Construction from their experience in the construction and installation of commercial kitchens in downtown Cincinnati buildings.
- Page 44 Office plans were not required for the “Dennison Office Building Conceptual Estimate”, which was prepared by HGC Construction, because interior partitions for office space are designed on an ‘as-needed’ basis of the specific needs of the respective individual tenants. Such is typical and normal in this type of property in downtown Cincinnati.
- Page 45 The estimate of the costs for the “Dennison Façade and White Box Commercial” are unique to this use and are therefore not similar to the cost estimates for the

boutique hotel, the residential apartments, the residential condominiums, or the office space.

With regard to the economic feasibility of a project, the use of historic tax credits relies on the uncertain actions of a governmental authority or quasi-governmental authority, and is wholly dependent upon an approval that cannot be relied upon. No historic tax credits have been provided for this project. It is known that any project can be undertaken if enough money is provided by the government, but such does not make the project economically feasible under a fair market analysis.

The appraiser has been involved in the determination of the economic feasibility of multiple projects, some of which may be classified as "historic" while others may not. The feasibility of a project relies on market economics, not on the sources of the funds. In the event that property is deemed historic, and additional funds have been obtained from government or quasi-governmental authorities that enhance the possibility of bringing the project to fruition, such monies would have been considered in the economic analysis and feasibility analysis that the appraiser would have conducted. Irrespective of whether the property is historic or not, feasibility is exclusively the domain of economics.

As an appraiser and as a property economist, the preparer of the report has received extensive education, has undertaken substantial training, and has realized many years of experience. The appraiser is not in a position to independently corroborate any cost estimates prepared from experts within the field of construction regarding the historic renovations that were provided. Nevertheless, the appraiser consulted with those experts and is reasonably confident that such data can be relied upon.

The primary data was provided by the consulting firms of PDT Architects, LLC; HGC Construction; and Structural Systems Repair Group. All three of the foregoing consulting firms are well known by the City of Cincinnati and within the City of Cincinnati as experienced, knowledgeable, and trustworthy.

BECK CONSULTING, INC.

April 1, 2016

By:   
Lance R. Brown, MAI, AI-GRS  
Ohio General Certified Appraiser #409301

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

**RE: 716-718 MAIN STREET / FORMER DENNISON HOTEL BUILDING  
MAIN STREET HISTORIC DISTRICT**

**DATA CONCERNING OCCUPANCY/VACANCY  
WITHIN THE MAIN STREET HISTORIC DISTRICT  
BASED UPON FIELD RECONNAISSANCE  
UNDERTAKEN ON MARCH 30, 2016**

Based on calculations and estimates, there are a total of 809,190 square feet in the Main Street Historic District. Of that amount, 270,345 square feet of space are vacant.

There are 156,837 square feet of first floor space. Of that amount, 31,402 square feet are vacant.

There are 652,354 square feet of upper floor space. Of that amount, 238,943 square feet are vacant.

The overall vacancy in the Main Street Historic District is 33.41%.

The first floor vacancy is 20.02%.

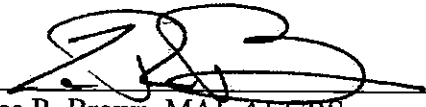
The upper floor vacancy is 36.63%.

Appended hereto is a spreadsheet setting forth the calculations which confirm the foregoing information. Note the reference to the properties in the 600 block of Main Street, in the 700 block of Main Street, in the 800 block of Main Street, and in the 900 block of Main Street.

BECK CONSULTING, INC.

April 1, 2016

By:

  
Lance R. Brown, MAI, AI-GRS  
Ohio General Certified Appraiser #409301

**MSHD Overall**

Total Overall	809,190	270,345	33.41%
Total First Floor	156,837	31,402	20.02%
Total Upper Floors	652,354	238,943	36.63%

**600 Block**

Total Overall		327,848	94,537	28.84%
Total first Floor		61,058	11,473	18.79%
Total Upper Floors		266,791	83,064	31.13%
<b>602 Main</b>				
Overall	19%	121,000	22,990	
First floor	0%	13,064	-	
Upper Floors	21%	107,936	22,990	
<b>630 Main</b>				
Overall	0%	63,894	-	
First floor	0%	15,974	-	
Upper Floors	0%	47,921	-	
<b>652 Main</b>				
Overall	0%	10,395	-	
First floor	0%	2,100	-	
Upper Floors	0%	8,295	-	
<b>654 Main</b>				
Overall	83%	14,400	12,000	
First floor	0%	2,400	-	
Upper Floors	100%	12,000	12,000	
<b>658 Main</b>				
Overall	0%	5,292	-	
First floor	0%	1,764	-	
Upper Floors	0%	3,528	-	
<b>639 Main</b>				
Overall	41%	6,012	2,484	
First floor	60%	1,800	1,080	
Upper Floors	33%	4,212	1,404	

<b>635 Main</b>			
Overall	49%	8,808	4,272
First floor	0%	2,400	-
Upper Floors	67%	6,408	4,272
<b>635 Main</b>			
Overall	24%	6,660	1,620
First floor	0%	1,800	-
Upper Floors	33%	4,860	1,620
<b>631 Main</b>			
Overall	0%	6,000	-
First floor	0%	1,500	-
Upper Floors	0%	4,500	-
<b>629 Main</b>			
Overall	0%	5,508	-
First floor	0%	1,512	-
Upper Floors	0%	3,996	-
<b>627 Main</b>			
Overall	62%	3,780	2,340
First floor	0%	1,440	-
Upper Floors	100%	2,340	2,340
<b>625 Main</b>			
Overall	100%	5,760	5,760
First floor	100%	1,440	1,440
Upper Floors	100%	4,320	4,320

621 Main		Estimated Vacancy	
Overall	3%	17,205	591
First floor	50%	<u>1,182</u>	<u>591</u>
Upper Floors	0%	16,023	-
615 Main		Estimated Vacancy	
Overall	62%	12,500	7,688
First floor	0%	<u>2,250</u>	<u>-</u>
Upper Floors	75%	10,250	7,688
611 Main		Estimated Vacancy	
Overall	24%	7,728	1,886
First floor	0%	<u>2,070</u>	<u>-</u>
Upper Floors	33%	5,658	1,886
607 Main			
Overall	100%	17,000	17,000
First floor	100%	<u>3,060</u>	<u>3,060</u>
Upper Floors	100%	13,940	13,940
601 Main			
Overall	100%	15,906	15,906
First floor	100%	<u>5,302</u>	<u>5,302</u>
Upper Floors	100%	10,604	10,604

## 700 Block

Total Overall		176,008	77,082	43.79%
Total first Floor		31,568	6,530	20.69%
Total Upper Floors		144,440	70,552	48.85%
718 Main				
Overall	100%	52,650	52,650	
First floor	100%	5,702	5,702	
Upper Floors	100%	46,948	46,948	
720 Main				
Overall	0%	7,612	-	
First floor	0%	2,596	-	
Upper Floors	0%	5,016	-	
722 Main				
Overall	0%	8,752	-	
First floor	0%	2,750	-	
Upper Floors	0%	6,002	-	
726 Main				
Overall	0%	13,000	-	
First floor	0%	3,250	-	
Upper Floors	0%	9,750	-	
728 Main				
Overall	3%	27,460	828	
First floor	32%	2,600	828	
Upper Floors	0%	24,860	-	
701 Main				
Overall	0%	32,970	-	
First floor	0%	4,710	-	
Upper Floors	0%	28,260	-	
707 Main				
Overall	57%	7,164	4,104	
First floor	0%	3,060	-	
Upper Floors	100%	4,104	4,104	
719 Main				
Overall	74%	26,400	19,500	
First floor	0%	6,900	-	
Upper Floors	100%	19,500	19,500	

## 800 Block

Total Overall		204,495	50,394	24.64%
Total first Floor		40,483	5,222	12.90%
Total Upper Floors		164,012	45,172	27.54%
<b>800 Main</b>				
Overall	0%	7,860	-	
First floor	0%	4,860	-	
Upper Floors	0%	3,000	-	
<b>802 Main</b>				
Overall	0%	4,000	-	
First floor	0%	1,000	-	
Upper Floors	0%	3,000	-	
<b>806 Main</b>				
Overall	45%	2,460	1,110	
First floor	0%	1,350	-	
Upper Floors	100%	1,110	1,110	
<b>808 Main</b>				
Overall	33%	2,610	870	
First floor	0%	870	-	
Upper Floors	50%	1,740	870	
<b>810 Main</b>				
Overall	0%	23,958	-	
First floor	0%	3,993	-	
Upper Floors	0%	19,965	-	
<b>814 Main Under Renovation</b>				
Overall	100%	7,695	7,695	
First floor	100%	2,700	2,700	
Upper Floors	100%	4,995	4,995	
<b>830 Main</b>				
Overall	27%	56,285	15,328	
First floor	0%	4,289	-	
Upper Floors	29%	51,996	15,328	
<b>835 Main</b>				
Overall	40%	11,419	4,519	
First floor	0%	4,623	-	
Upper Floors	67%	6,796	4,519	

<b>825 Main</b>			
Overall	0%	9,800	-
First floor	0%	2,450	-
Upper Floors	0%	<u>7,350</u>	-
<b>819 Main</b>			
Overall	0%	11,140	-
First floor	0%	3,040	-
Upper Floors	0%	<u>8,100</u>	-
<b>817 Main</b>			
Overall	0%	40,000	-
First floor	0%	5,000	-
Upper Floors	0%	<u>35,000</u>	-
<b>811 Main</b>			
Overall	64%	3,536	2,272
First floor	0%	1,264	-
Upper Floors	100%	<u>2,272</u>	<u>2,272</u>
<b>210 8th</b>			
Overall	0%	5,132	-
First floor	0%	2,522	-
Upper Floors	0%	<u>2,610</u>	-
<b>125 9th Under Renovation</b>			
Overall	100%	18,600	18,600
First floor	100%	2,522	2,522
Upper Floors	100%	<u>16,078</u>	<u>16,078</u>

## 900 Block

Total Overall		100,839	48,332	47.93%
Total first Floor		23,728	8,177	34.46%
Total Upper Floors		77,111	40,155	52.07%
906 Main				
Overall	0%	33,525	-	
First floor	0%	6,705	-	
Upper Floors	0%	26,820	-	
916 Main				
Overall	100%	23,187	23,187	
First floor	100%	5,653	5,653	
Upper Floors	0%	17,534	17,534	
917 Main				
Overall	25%	16,400	4,100	
First floor	0%	4,100	-	
Upper Floors	33%	12,300	4,100	
925 Main				
Overall	48%	8,030	3,872	
First floor	0%	2,222	-	
Upper Floors	67%	5,808	3,872	
927 Main				
		Estimated Vacancy on 1st		
Overall	87%	19,697	17,173	
First floor	50%	5,048	2,524	
Upper Floors	100%	14,649	14,649	

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

**RE: 716-718 MAIN STREET / FORMER DENNISON HOTEL BUILDING  
MAIN STREET HISTORIC DISTRICT**

**RESPONSE TO STAFF'S REQUEST CONCERNING  
VERIFICATION AND RECONCILIATION OF COST  
ESTIMATES, PRO FORMA DATA, AND STRUCTURAL INFORMATION**

The applicant/property owner believes that the best and most credible way for the Historic Conservation Board to be informed and satisfied concerning issues related to cost estimates, pro formas, and the structure of the building is to have the experts present at the Board's public hearing on April 18, 2016 to address the Board and to answer any and all questions related thereto.


These experts will include representatives of HGC Construction and Structural Systems Repair Group, both of which are experienced in downtown development and construction, historic properties, and all related issues. The City of Cincinnati is very familiar with the experience and expertise of the consulting engineers and contractors employed by these firms.

The specific experts will include persons knowledgeable and experienced in construction, cost estimates, and structural engineering.

Respectfully submitted,

COLUMBIA REI, LLC

April 1, 2016

By:   
\_\_\_\_\_  
C. Francis Barrett  
Attorney for Columbia REI, LLC

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

**RE: 716-718 MAIN STREET / FORMER DENNISON HOTEL BUILDING  
MAIN STREET HISTORIC DISTRICT**

**EXPLANATION BY OWNERSHIP CONCERNING  
THE ACQUISITION OF THE SUBJECT PROPERTY**

The subject property is in the name of Columbia REI, LLC, which acquired title on January 4, 2016 from Columbia Oldsmobile Company, an affiliated entity. Both entities are under the control of the Joseph family which has been involved in downtown real estate for multiple decades. Columbia Oldsmobile Company owns the vast majority of the real property in the block bounded by Sycamore Street on the west, Seventh Street on the south, Eighth Street on the north, and Main Street on the west. The only parcels not so controlled are the buildings on the east side of Main Street north of the Dennison Hotel building which includes the building at the southeast corner of Eighth and Main Streets. The Joseph family seeks to have this real estate developed into a major corporate office/headquarters type building, and has worked with the City of Cincinnati and its Economic Development Department in this regard.

Columbia Oldsmobile acquired title to the subject property on August 23, 2013 from CBD Holdings, an affiliate of Cincinnati Center City Development Corporation (3CDC). The purchase price was a negotiated purchase price. This acquisition was necessary to protect the family's investment in this block of downtown Cincinnati. As media reports have confirmed, and as the family had become aware, 3CDC engaged The Model Group for the remodeling of this building into a facility to be owned, occupied, and used by the Talbert House, a halfway house providing housing for persons who have transitioned through the criminal justice system and incarceration. Since it was believed that this type of use would have a damaging effect on their investment in particular and on the neighborhood in general, the family concluded it was necessary to acquire this property. Additionally, its acquisition would then be a part of the assemblage of the parcels in this block to facilitate a major redevelopment.

The Joseph family was previously involved in the redevelopment of Block F under the City's major Urban Renewal program which commenced in the 1950s and carried through the 1980s. Block F is at the northwest quadrant of Fifth and Sycamore Streets in the Central Business District, and is the site of the Class A high-rise office building at that location. This real estate is titled in the name of Columbia Development Corporation, which is wholly controlled by the Joseph family.

Sycamore Street has become the primary commercial corridor in the Central Business District. The property controlled by the Joseph family on the west side of Sycamore Street is the largest and best site in all of downtown Cincinnati for a new major development. The subject property

is a part of this assemblage. The infusion of cash and the significant investment to be made in this site will directly benefit the Main Street historic district and the owners of all properties therein.

With the ownership of the multiple parcels in this block controlled by the Joseph family, the parcels can be consolidated into a single parcel through a boundary survey, and all public rights-of-way and/or alleys within the property can be vacated pursuant to the procedures of the City for vacating such rights-of-way.

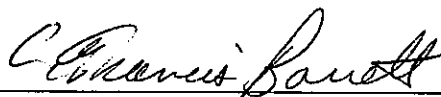
The Dennison Hotel building, under prior ownerships, had been allowed to decay, deteriorate, and become unsafe over a period of years. Since this acquisition, current ownership has eliminated many of the unsafe conditions including the removal of multiple dumpsters of rubbish and combustible materials from all eight floors of the building, resolving issues with the Fire Department, and taking preventative measures to prevent pedestrians and passers-by from potential injury.

Since the building was an eyesore and actually quite disgraceful, the current ownership undertook after acquisition to analyze whether it was economically feasible to restore or renovate this building for any of the uses permitted under the "DD" Downtown Development District zoning regulations. Services of expert consultants were retained. The Economic Feasibility Analysis demonstrates that no economically feasible re-use of the building is possible.

Respectfully submitted,

COLUMBIA REI, LLC

April 1, 2016

By:   
C. Francis Barrett, Attorney at Law

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

**RE: 716-718 MAIN STREET / FORMER DENNISON HOTEL BUILDING  
MAIN STREET HISTORIC DISTRICT**

**HISTORICAL INFORMATION ON THE DENNISON HOTEL BUILDING**

Research indicates that the subject building was originally constructed in 1892. At the time of the purchase of this site in 1891, there was a 2-story building on this site which was demolished to accommodate this new construction.

The initial use of the building was an ironworks, which lasted until 1930. In 1931, the new owners of the building, office furniture companies, used the first three floors. The upper floors were then converted into a hotel, originally called the Main Hotel until 1933.

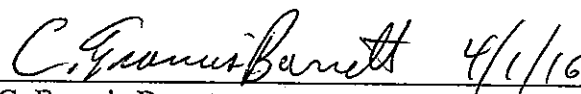
The original Dennison Hotel had been located at Fifth and Main Streets. After it was demolished in 1932, it relocated to the subject site and the name was change to the New Dennison Hotel.

For many years thereafter, the building became a lower quality rooming house that continued to decline and deteriorate, and it became associated with criminal behavior. One particular historical report detailed its association with "constant robberies, regular assaults, frequent fraudulent checks, suicides, a bomb threat, and even straight up murders." This report went on to state that "its 105 rooms witnessed the deepest, darkest depths of human depravity during this time."

Although the building is reported to have been designed by the architectural firm of Samuel Hannaford & Sons, the subject building is not referenced in any of the outstanding or well-known buildings designed by Samuel Hannaford. Hannaford designed hundreds of buildings in Cincinnati, and some of the most famous include City Hall, Music Hall, the Cincinnati Observatory, Elsinore Arch, and many churches of numerous denominations. The Dennison Hotel building is not mentioned, or regarded as significant, in any of the writings recently found about Samuel Hannaford.

Hence, the Dennison Hotel building is considered to be among the least important and least significant buildings designed by Samuel Hannaford.

Respectfully submitted,



C. Francis Barrett  
Attorney for Columbia REI, LLC

**CITY OF CINCINNATI  
HISTORIC CONSERVATION BOARD**

**RE: 716-718 MAIN STREET / FORMER DENNISON HOTEL BUILDING  
MAIN STREET HISTORIC DISTRICT**

**FUTURE USE OF THE SUBJECT PROPERTY**

As explained in other documentation submitted, it is the intent of the property owner to undertake a major redevelopment of all of the parcels which are under their control in the block bounded by Sycamore Street on the west, Seventh Street on the south, Eighth Street on the north, and Main Street on the west. This property includes the subject property which would be a part of that development, and all of the presently vacant land only parcels in this block. The only parcels not under their control are the buildings on the east side of Main Street north of the Dennison building.

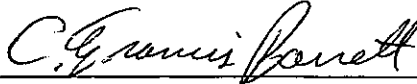
In order to bring a cessation to the severe negative cash flow being experienced by ownership with respect to this building, demolition is the only remedy. After demolition, the subject property would be under certain regulations set forth in Chapter 1411, Downtown Development Districts, of the Cincinnati Zoning Code. Section 1411-47, Demolition, provides for the posting of a bond to secure compliance with Section 1411-51. Section 1411-51, Landscaping, provides that vacant lots in the "DD" district must be landscaped and thereafter maintained in good order.

Accordingly, the zoning regulations of the City of Cincinnati address the concerns of area property owners as to the interim use of this site.

Unlike the site at 719-721 Main Street which the Historic Conservation Board approved for demolition at its meeting on March 21, 2016, which is presently occupied and therefore producing income, the subject property is unoccupied and legally uninhabitable because of the condition of the building. As a consequence, thousands of dollars in losses continue to accrue. Hence, demolition is necessary at this time.

COLUMBIA REI, LLC

April 1, 2016

By:   
C. Francis Barrett, Attorney at Law  
Attorney for Columbia REI, LLC

HISTORIC CONSERVATION BOARD  
CITY OF CINCINNATI, OHIO

<b>IN RE:</b>	:
	:
	: (Hon. Mike Burson, Chair)
<b>APPLICATION FOR DEMOLITION,</b>	:
<b>716-718 MAIN STREET, DENNISON</b>	:
<b>HOTEL BUILDING, BY COLUMBIA</b>	:
<b>REI, LLC, OWNER AND</b>	:
<b>APPLICANT.</b>	:
	: <u>MOTION OF CINCINNATI</u>
	: <u>PRESERVATION ASSOCIATION AND</u>
	: <u>CINCINNATI PRESERVATION</u>
	: <u>COLLECTIVE FOR SUSPENSION OF</u>
	: <u>RULES OF HEARING PROCEDURE</u>

Graydon Head & Ritchey LLP, attorneys for the Cincinnati Preservation Association and Cincinnati Preservation Collective (“Preservation Organizations”), hereby moves for and requests that the Historic Conservation Board suspend the Rules of Procedure to allow additional time for the Preservation Organizations to present their rebuttal arguments and evidence at the April 18, 2016, hearing (the “Hearing”).

The Rules of Procedure of the City of Cincinnati Historic Conservation Board dated effective March 23, 2015 (the “Rules”), contain hearing procedures that, *inter alia*, impose time limits on speakers. Under Section H(4) of the Rules, an applicant has 15 minutes to present its case and offer evidence and testimony, with a 15 minute extension in the Chair’s discretion. All other speakers are given two minutes each under Section H(7). Section 7(C) of the Rules provides the Board with discretion to suspend the rules.

It is our understanding that attorneys for the Applicant have requested that their time be extended to 60 minutes. In addition to presentation and arguments, the Preservation Organizations anticipate presenting a number of witnesses to testify in rebuttal to Applicant’s

case. Therefore, the Preservation Organizations are also respectfully requesting 60 minutes to present their rebuttal arguments and evidence in this matter.

The Preservation Organizations appreciate the Board's significant case load and volunteer time and do not make this request without good cause. Because of the facts and circumstances surrounding this matter, the Preservation Organizations believe that this additional amount of time is necessary for them to adequately present a rebuttal at the Hearing.

Respectfully submitted,

GRAYDON HEAD & RITCHEY LLP

*/s/ Sean S. Suder*

Sean S. Suder

Partner

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E-mail: *ssuder@graydon.com*

*Attorneys for the Cincinnati Preservation  
Association and Cincinnati Preservation  
Collective*

OF COUNSEL:

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Cincinnati, OH 45202-3157

Phone: (513) 621-6464

Fax: (513) 651-3836

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing was sent by regular mail to C. Francis Barrett, Barrett & Weber, 500 Fourth & Walnut Centre, 105 East Fourth Street, Cincinnati, Ohio 45202, and Timothy M. Burke, Manley Burke, 225 West Court Street, Cincinnati, Ohio 45202, attorneys for the Applicant, this 12<sup>th</sup> day of April, 2016.

*/s/ Sean S. Suder*

\_\_\_\_\_  
Sean S. Suder, Partner  
Graydon Head & Ritchey LLP

6305564.1



# CINCINNATI PRESERVATION COLLECTIVE

04/13/2016

The below documentation is submitted to demonstrate without doubt that the Dennison Hotel, 716 Main St., can be profitably renovated and that the owners of the building do not face an undue economic hardship required for demolition of an historic building in a national historic district per Cincinnati Municipal Zoning Code 1435-09-02. This documentation is submitted in opposition of the pending Certificate of Appropriateness for demolition requested by Columbia REI, owner of Dennison Hotel; 716 Main St. Cincinnati, OH 45202

- 1. REQUIREMENT TO DEMOLISH THE DENNISON HOTEL ..... 2
- 2. PROFITABILITY OF DENNISON HOTEL RENOVATION ..... 3
  - 2.1 OUR REQUEST TO ENTER THE BUILDING ..... 3
  - 2.2 ATTEMPT TO SELL THE BUILDING ..... 3
  - 2.3 RENOVATION OF THE BUILDING ..... 3
    - 2.3.1 Cost of Construction..... 3
    - 2.3.2 Historic Preservation Tax Credits..... 4
    - 2.3.3 Operating Pro Forma and Expenses..... 6
- 3. ADDITIONAL INFORMATION ..... 7
  - 3.1 HISTORICAL SIGNIFICANCE..... 7
  - 3.2 COMMUNITY OPPOSITION..... 7
  - 3.3 POTENTIAL NEW DEVELOPMENT ..... 8
  - 3.4 PREVIOUS PROPOSED PROJECT – IRONWORKS BUILDING ..... 10
  - 3.5 KNOWLEDGE OF BUILDING PRIOR TO PURCHASE..... 10
- 4. SUMMARY..... 11
- 5. RESOURCES ..... 13



# 1. Requirement to Demolish the Dennison Hotel

Per Cincinnati Municipal Code, the demolition of the Dennison Hotel may be approved only if:

“...the property owner has demonstrated by credible evidence that the property owner will suffer economic hardship if the certificate of appropriateness is not approved.

In determining whether the property owner has demonstrated an economic hardship for purposes of (b) above, the Historic Conservation Board shall consider all of the following factors:

- (i)  
Will all economically viable use of the property be deprived without approval of a Certificate of Appropriateness;
- (ii)  
Will the reasonable investment-backed expectations of the property owner be maintained without approval of a Certificate of Appropriateness; and
- (iii)  
Whether the economic hardship was created or exacerbated by the property owner.  
In evaluating the above factors for economic hardship, the Historic Conservation Board may consider any or all of the following:
  - (aa)  
A property's current level of economic return;
  - (bb)  
Any listing of property for sale or rent, price asked, and offers received, if any, within the previous two years, including testimony and relevant documents;
  - (cc)  
The feasibility of alternative uses for the property that could earn a reasonable economic return;
  - (dd)  
Any evidence of self-created hardship through deliberate neglect or inadequate maintenance of the property;
  - (ee)  
Knowledge of landmark designation or potential designation at time of acquisition; and/or
  - (ff)  
Economic incentives and/or funding available to the applicant through federal, state, city, or private programs.”



## 2. Profitability of Dennison Hotel Renovation

### 2.1 Our Request to Enter the Building

We requested to enter the Dennison Hotel and were denied access. We believe this runs counter to the owner trying to alleviate an economic hardship as access to the building is a basic requirement for the evaluation of its viability for sale or redevelopment. One would think that if the condition of the building was such that it could not be redeveloped, that our access would work in the owner's favor.

*Please see attachment 2-1 for further information.*

**Result: Access denied to OTR ADOPT, Cincinnati Preservation Collective and our consultants to enter the building**

### 2.2 Attempt to Sell the Building

Per requirement (bb) in the Cincinnati Municipal Code 1435-09-02, one way to alleviate a potential financial burden is to list the subject property for sale. There have been no attempts to sell the building since the Joseph Auto Group has owned it. The building has not been listed on any real estate website and no signage has been placed on the building listing it for sale. Thus, the requirement that a sale of the building be attempted prior to demolition has not been met and thus a legitimate effort has not been made by the applicant to relieve themselves of economic hardship, thereby precluding them from meeting section 1435-09-02 of the Cincinnati Zoning Code.

**Result: failure to adequately meet City Municipal Code requirement for demolition:**

**(bb)**

**Any listing of property for sale or rent, price asked, and offers received, if any, within the previous two years, including testimony and relevant documents;**

*Please see attachment 2-2 for further information.*

### 2.3 Renovation of the Building

In addition to failing to make any attempt to sell the building to relieve financial burden, the owner provides inaccurate statements as to the viability of the project to be renovated for productive use. In consulting with real estate and development professionals, the Cincinnati Preservation Collective would like to present the following facts.

#### 2.3.1 Cost of Construction

**Entrepreneurial Incentive** – an entrepreneurial incentive of 15% is adding an imaginary number onto this valuation based on no supporting data. With each economic analysis conducted by Beck Consulting, a Hurdle Rate is included of varying percentages. The purpose



of a hurdle rate in an economic analysis is to account for minimum expected return by the developer or investor and thus accounts for any required profit. To then include an additional 15% 'entrepreneurial incentive' is excessive.

In considering the estimated costs by HGC Construction, we have determined that these costs are substantially inflated and contribute towards the conclusion by Beck Consulting that the building cannot be rehabilitated profitably.

For an additional expert estimate for construction costs, we have consulted with TAMZ Construction to identify what a reasonable construction estimate may be for the building.

TAMZ construction has been the general contractor for multiple projects in Cincinnati, Ohio including the Crown OTR.

Their estimates for rehabilitation of the building, in contrast with those submitted by Columbia REI on behalf of HGC, are as follows:

USE	HGC	TAMZ	DIFFERENCE	% DIFFERENCE
Hotel	\$10,445,509	\$8,440,932	\$2,004,577	19%
Apartments	\$7,942,118	\$6,115,851	\$1,826,267	23%
Offices	\$5,000,000	\$3,948,750	\$1,051,250	21%
White Box Commercial	\$1,449,854	\$1,048,899	\$400,955	28%

Both contractors used 10% multipliers on their apartment estimates to estimate costs for condo renovation.

*Please see attachment 2-3-1 for further information.*

### 2.3.2 Historic Preservation Tax Credits

As described in City of Cincinnati Municipal code, the HCB may consider economic hardship based on:

(ff) Economic incentives and/or funding available to the applicant through federal, state, city, or private programs.”

Based on the submitted report by Kunst Development (2-3-2), it is proven that no economic hardship exists when considering historic preservation tax credits:

1. The renovation of the Dennison Hotel as apartments does qualify for and would receive (if applied for) \$1,489,179 in Federal Historic Preservation Tax Credits.



2. The renovation of the Dennison Hotel as apartments does qualify for and would possibly receive \$1,861,473 in Ohio Historic Preservation Tax Credits.
3. The renovation of the Dennison Hotel as apartments does qualify for and would almost certainly receive at least \$990,000 in Ohio Historic Preservation Tax Credits.
4. The current financial burden stated by Columbia REI is unfounded based on available tax credits and that even in the most likely and conservative scenarios, the financial burden does not exist for renovation of the Dennison Hotel as apartments utilizing state and federal historic preservation tax credits.

**HGC/Beck Consulting Construction**  
Numbers (all values provided by Applicant except for included HPTC)  
\$9,599,059.00 Total Cost  
\$2,479,179.15 HPTC  
\$7,119,879.85 Total Cost W/ HPTC  
\$136,920.77 Cost Per Unit  
\$7,530.64 NOI  
\$5,576.00 Expenses  
\$13,106.64 Annual Rent  
\$0.06 Vacancy  
\$13,893.04 Annual PGI  
\$24,060.00 PGI Commercial  
\$462.69 Allocated Commercial Rent PGI  
\$13,430.35 Required Annual Rent  
\$1,119.20 Monthly  
540 Unit Size  
\$2.07 Minimum Monthly Rent Per SF  
\$2.10 Average Market Rents /SF, Per Beck Consulting

**RESULT: \$2.10 is greater than \$2.07 = PROFITABLE, based on all data provide by application; even beyond hurdle rate and entrepreneurial incentive expected by building owner**

(cc) The feasibility of alternative uses for the property that could earn a reasonable economic return;

**TAMZ Construction Numbers**  
\$6,115,851.00 Total Cost  
\$2,479,179.15 HPTC  
\$3,636,671.85 Total Cost W/ HPTC  
\$69,936.00 Cost Per Unit  
\$3,846.48 NOI  
\$5,576.00 Expenses  
\$9,422.48 Annual Rent  
\$0.06 Vacancy  
\$9,987.83 Annual PGI



\$24,060.00 PGI Commercial  
\$462.69 Allocated Commercial Rent PGI  
\$9,525.14 Required Annual Rent  
\$793.76 Monthly  
540 Unit Size  
\$1.47 Minimum Monthly Rent Per SF  
\$2.10 Average Market Rents /SF, Per Beck  
Consulting

**RESULT: \$2.10 is greater than \$1.47 = PROFITABLE far beyond any potential expected profitability**

(cc) The feasibility of alternative uses for the property that could earn a reasonable economic return;

*Please see attachment 2-3-2 for further information.*

### 2.3.3 Operating Pro Forma and Expenses

For analysis of the operating pro forma submitted by Beck Consulting, we enlisted the services of real estate professional Matt Jacob for a thorough analysis. Mr. Jacob has evaluated more than 30,000 apartments units and more than a million square feet of retail space in his work in the real estate profession.

Regarding the financial viability of the project, Mr. Jacob (2-3-3) submits that “when reducing these costs by the 20% federal historic tax credit available to all properties in a historic district...results in a present value in the \$1.8-\$1.5M profit on top of the required market returns of ~15% without even factoring in the state credits.”

Mr. Jacob has also estimated, very conservatively, rental rates at \$2.00 per square foot, which he contends existed more than 2 years ago for other developments in downtown Cincinnati. He provides that the project will be profitable from day 1 and that with historic tax credits, the leveraged internal rate of return (IRR) will be 14% even in the most conservative estimations.

Mr. Jacob concludes with “this analysis proves conclusively that this building is economically feasible to redevelop into market apartments with the aid of federal historic tax credits.”



## 3. Additional Information

### 3.1 Historical Significance

Dr. David Stradling, Professor of History at the University of Cincinnati, substantiates the historical importance of the Dennison Hotel Building. Not only is it in the East Manufacturing and Warehouse Historic District, the building itself is historically significant. Its architect, Samuel Hannaford, was one of the most renowned and prolific architects of the 19th century and is by far the most important architect in Cincinnati history. Hannaford's range of architectural styles, his productivity and that many of his buildings are on the National Register of Historic Places demonstrate his work's importance--and that includes the Dennison. Furthermore, as Dr. Stradling mentions, several of Hannaford's projects have already been demolished. Like any other great architect, his work deserves recognition by our city, not additional destruction. Dr. Stradling, who replaced his mentor Dr. Zane Miller, has written several books on urban history. From this breadth of knowledge and success in his field, Dr Stradling also makes the case that "reckless removal of old buildings for the sake of urban 'renewal' and redevelopment hurt Cincinnati profoundly throughout the 20<sup>th</sup> century ... Think how much we mourn the buildings we have lost already, much of it to road expansion and parking lot construction – hardly a good tradeoff ... we should know this past and exhibit extreme caution in further demolition of old buildings."

*Please see attachments 3-2 for further information.*

### 3.2 Community Opposition

Via a public petition via Change.org, there are (as of April 12th) 462 people opposed to the demolition of the Dennison Hotel. Opposition comes largely from our neighbors in Cincinnati but also from around the country from people who realize how unique and important our historic architecture is. Some signature examples:

*"I'm signing because our architectural heritage is what makes Cincinnati an asset in the Midwest. Our buildings are what drew the film industry here, and our lack of historic building stock is what will ultimately drive the film industry away. Please save this building!"*

[Caitlin Behle](#), Cincinnati, OH



*"We have to STOP tearing down all of our historic buildings. Have we learned nothing from the beauty and resurgence of historic Over-the-Rhine, full of beautiful old buildings that have bolstered its sense of place and made it such a desirable place to visit and live? Think of the warmth and vibrancy of that neighborhood compared to the coldness of downtown, largely remade with boring, ugly, box architecture of 70s and 80s."*

*[Emily Lang](#), Cincinnati, OH*

*"I first visited Cincinnati five years ago as I was the executor of an estate of someone in Cincinnati who has passed away. I had never given any thought to visiting that city but circumstances brought me there. I was absolutely blown away by the architecture there. But also blown away by how underappreciated it is locally by so many. I have since gone back there again and again and tell others to check out Cincinnati whenever I can. Several of my friends have actually taken me up on it and have gone. You must stop ripping down these sort of structures – you have no idea the treasures you have. It is not a city to visit for the typical "punch list" things to see. Lots of cities have good theaters, a great zoo, etc. The attraction to Cincinnati is the built form of the city itself – exploring the books and crannies where everywhere you turn there is another another interesting street scene or architectural gem. These are your developmental assets. It is the collection of these as a whole and their integrity and congruency that make your city great. Do not squander them. I already cannot wait for my next trip back."*

*[Brian Finstad](#), Minneapolis, MN*

*"The greenest buildings are the ones already built. This one happens to be beautiful, historic, built with regional materials and by hand. It should be remade into something new, not trashed."*

*[Chris Heckman](#), Cincinnati, OH*

*"The architecture of Cincinnati is what makes it so unique. During my first visit to Cincinnati, I fell in love with the city because of its beautiful, historic architecture. As a young professional who chose to move to this city, I have great pride in our city's architecture and rank it among the top reasons I decided to make Cincinnati home. Respecting our city's heritage is so important to many living in this city and will play a huge role in attracting others. The character and charm of these historic buildings is truly impossible to replace."*

*[Kelly Gillen](#), New York, NY*

*Please see attachment 3-3 for further information.*

### 3.3 Potential New Development

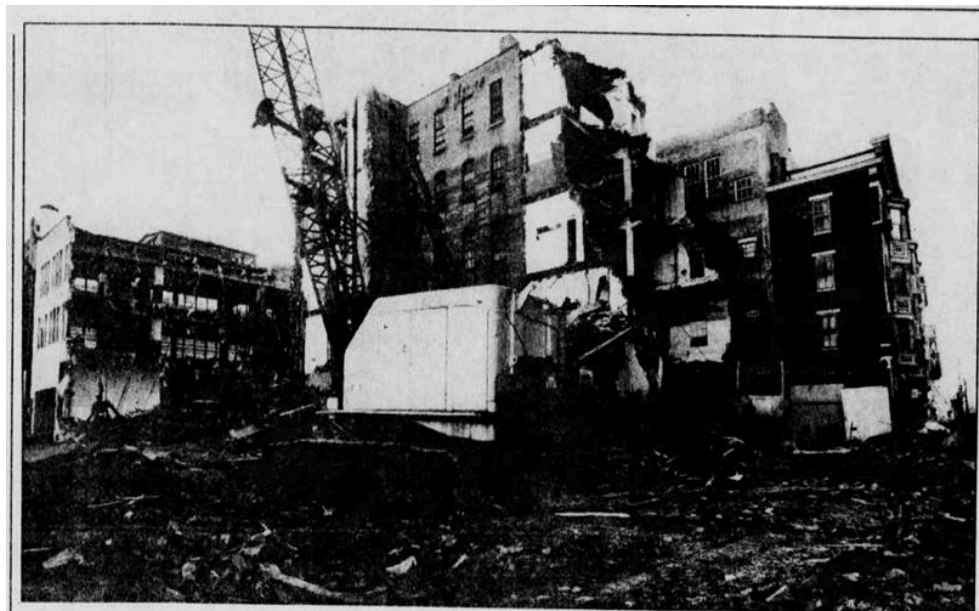
It has been the stated goal of the Joseph Auto Group to utilize the subject property and the vacant lots surrounding it to attract a Fortune 500 company. To address these speculations:

1. This cannot be stressed enough: **the future proposed use of a lot once a building is demolished has absolutely no impact on whether or not the building can be demolished.** The barrier to demolishing a historic building in a national historic district is

that an economic hardship exists and that it can only be relieved by demolishing the building. Any future plans for the building, especially extremely speculative ideas based solely on a single rendering, should have zero impact on the ruling of the Historic Conservation Board.

In justifying a speculative new development, Joseph Auto Group CEO Ron Joseph states that there is a “natural flow of development that comes over to our side” and “I believe Cincinnati itself has attracted interest throughout the United States...” These conditions would also favor the redevelopment of the Dennison.

It should be noted also that if history is any indication, any new construction on this lot is not likely given the applicant’s record of demolishing historic buildings for surface parking. The below article appeared in the Cincinnati Enquirer on January 14<sup>th</sup>, 1987.



The Cincinnati Enquirer/John Samora

Wrecking crane prepares to break down another wall at demolition site.

# Downtown block razed

## Columbia Development may build office space

### THE CINCINNATI ENQUIRER

Columbia Development Co., a joint venture partner in the Columbia Plaza office tower at Fifth and Sycamore streets, is leveling two buildings in the block northwest of Seventh and Sycamore to clear the way for another office project.

Given the large amount of office space now vacant in Cincinnati, said Louis Rouse executive vice president of Columbia Oldsmobile, a development is probably several years off.

The Columbia Oldsmobile Co. subsidiary owns 75% of the block. Excluding several buildings near

Eighth and Main, the remaining structures are being razed. The resulting 63,000-square-foot parcel will be used for parking until a development package can be put together.

Rouse said the company is interested in finding a joint venture partner, possibly a national corporation, for a major office building.

The facade of one of the buildings being torn down, at 700 Main St., is being preserved. It will be kept in storage and incorporated in the new development, he said.



### 3.4 Previous Proposed Project – Ironworks Building

In 2011, there was in place a plan to redevelop the Dennison Hotel into 63 units of permanent supportive housing designed to serve veterans of our armed forces in education, life skills, job training, crisis intervention and more. The project was a joint venture between the Model Group and Talbert House. The Model Group has been developing historic buildings for more than 30 years with more than \$100 million invested in Cincinnati alone.

In 2013, the Joseph Auto Group “believed that this type of use would have a damaging effect on their investment in particular and the neighborhood in general” and so concluded “it was necessary to acquire the property.” There is no evidence to support that this development was halted due to market economic conditions (again, in a climate that has improved dramatically in the past 5 years).

### 3.5 Knowledge of Building Prior to Purchase

(ee)

Knowledge of landmark designation or potential designation at time of acquisition; and/or

As described above, the Joseph Auto Group purchased the building in 2013 as “part of the assemblage of the parcels in this block to facilitate a major redevelopment.” It can reasonably be assumed that at the time of purchase, 14 years after the property had become part of a national historic district, that the Joseph Auto Group was aware of the historic district and the requirements within this district and that the major redevelopment proposed included the Dennison Hotel being rehabbed. Even if unaware, the benefit of the building within the historic district is a 45% potential historic preservation tax credit which would only serve to relieve any potential economic hardship.

We may also assume that the building was inspected during a due diligence period. It has also not been demonstrated by the building owner that the building has deteriorated in any way in the past 3 years. Thus, the owner cannot state that there is an economic hardship.



## 4. Summary

Per Cincinnati Municipal Code, the demolition of the Dennison Hotel may be approved only if:

“...the property owner has demonstrated by credible evidence that the property owner will suffer economic hardship if the certificate of appropriateness is not approved.

In determining whether the property owner has demonstrated an economic hardship for purposes of (b) above, the Historic Conservation Board shall consider all of the following factors:

(i)

Will all economically viable use of the property be deprived without approval of a Certificate of Appropriateness;

The building has not been listed for sale (possible reprieve from economic hardship) and it has been demonstrated at length that profitable rehabilitation of the building can be conducted.

(ii)

Will the reasonable investment-backed expectations of the property owner be maintained without approval of a Certificate of Appropriateness; and

Redevelopment of the building shows profitability in excess of any hurdle rate (and arbitrary entrepreneurial incentive) required by investor. Sale of the building has not been explored by owner.

(iii)

Whether the economic hardship was created or exacerbated by the property owner.

There exists no economic hardship.

In evaluating the above factors for economic hardship, the Historic Conservation Board may consider any or all of the following:

(aa)

A property's current level of economic return;

Intentionally left vacant for 3 years.



(bb)

Any listing of property for sale or rent, price asked, and offers received, if any, within the previous two years, including testimony and relevant documents;

**There has been no attempt to sell the building.**

(cc)

The feasibility of alternative uses for the property that could earn a reasonable economic return;

**It has been concluded above that the project rehabbed as apartments is profitable beyond owner's own profitability standards.**

(dd)

Any evidence of self-created hardship through deliberate neglect or inadequate maintenance of the property;

**There is no evidence of this.**

(ee)

Knowledge of landmark designation or potential designation at time of acquisition; and/or

**As property owners already within the national historic district, it's assumed that this was known.**

(ff)

Economic incentives and/or funding available to the applicant through federal, state, city, or private programs.”

**It has been demonstrated that at least \$2.48 million can be achieved in historic preservation tax credits.**



## 5. Resources

[https://www.municode.com/library/oh/cincinnati/codes/code\\_of\\_ordinances?nodeId=TIXIZOCO\\_CI\\_CH1435HIPR\\_S1435-09-2CEAPSTRE](https://www.municode.com/library/oh/cincinnati/codes/code_of_ordinances?nodeId=TIXIZOCO_CI_CH1435HIPR_S1435-09-2CEAPSTRE)

[https://www.change.org/p/beth-johnson-urban-conservator-prevent-the-proposed-demolition-of-the-dennison-hotel?recruiter=514460585&utm\\_source=share\\_petition&utm\\_medium=copylink](https://www.change.org/p/beth-johnson-urban-conservator-prevent-the-proposed-demolition-of-the-dennison-hotel?recruiter=514460585&utm_source=share_petition&utm_medium=copylink)

<http://www.cincinnati.com/story/money/2016/04/12/battle-lines-drawn-over-dennison-hotel-plan/82916686/>



000139

**Danny Klitzler**  
Director

525 Vine St, Suite 2320  
Cincinnati, OH 45202

w: [www.otradopt.com](http://www.otradopt.com)  
e: [danny@otradopt.com](mailto:danny@otradopt.com)  
p: 513.237.4449

March 30<sup>th</sup> 2016

Tim Burke  
Manley Burke  
225 W Court St  
Cincinnati OH 45202

Mr. Burke,

Hello, I am writing you as a representative of OTR ADOPT and the Cincinnati Preservation Collective. As an employee of OTR ADOPT I have been involved in the rehabilitation of over 30 historic buildings in Cincinnati's urban core in our short history. I'm interested in gaining access to the Dennison hotel building located at 716-718 Main St for the purposes of evaluating the building before the public hearing regarding the certificate of appropriateness for demolition on April 18<sup>th</sup>. If possible I'd like to bring other experts in the historic development/rehabilitation field with me.

I'm a professional that works in the field of historic redevelopment. I am willing to sign a waiver before entering the building releasing you/the owners of the property of any liability for bodily harm caused by my entering this building (I walk around historic buildings most every day, some in very poor condition). I appreciate you considering this request and if possible I'd like to hear back as soon as possible given the short timeframe before the hearing.

Please reach out to me Brenden Regan at (336) 339-1617 or [brenden@otradopt.com](mailto:brenden@otradopt.com)

Thanks,

Brenden Regan  
OTR ADOPT



---

**FW: Request for Access to Dennison Building**

2 messages

---

**Brenden Regan** <brenden@otradopt.com>  
To: John Blatchford <john.j.blatchford@gmail.com>

Mon, Apr 11, 2016 at 12:59 PM

[My original request to Tim \(see attached\)](#)

---

**From:** Brenden Regan [mailto:[brenden@otradopt.com](mailto:brenden@otradopt.com)]  
**Sent:** Thursday, March 31, 2016 2:23 PM  
**To:** 'tburke@manleyburke.com' <[tburke@manleyburke.com](mailto:tburke@manleyburke.com)>  
**Subject:** Request for Access to Dennison Building

Hi Tim,

See the attached PDF. Thanks for taking the time to review this request per our conversation yesterday. I look forward to the owners response.

Thanks,

Brenden Regan

Project Manager

OTR ADOPT

[336-339-1617](tel:336-339-1617)

[brenden@otradopt.com](mailto:brenden@otradopt.com)

[www.facebook.com/otradopt](http://www.facebook.com/otradopt)

---

 **Access Request Dennison.pdf**  
489K

---

**Brenden Regan** <brenden@otradopt.com>  
To: John Blatchford <john.j.blatchford@gmail.com>

Mon, Apr 11, 2016 at 12:59 PM

Subsequent e-mail string w/Tim.

Thanks,

Brenden Regan

Project Manager

OTR ADOPT

336-339-1617

[brenden@otradopt.com](mailto:brenden@otradopt.com)

[www.facebook.com/otradopt](http://www.facebook.com/otradopt)

---

**From:** Tim Burke [mailto:[tburke@manleyburke.com](mailto:tburke@manleyburke.com)]  
**Sent:** Sunday, April 10, 2016 9:04 AM  
**To:** Brenden Regan <[brenden@otradopt.com](mailto:brenden@otradopt.com)>  
**Subject:** RE: Request for Access to Dennison Building

Brenden

The owner has provided complete access to the building to the City officials who have inspected the building as recently as this past Thursday, April 7.

Respectfully they are declining to provide access to private citizens such as yourself.

Tim

**Timothy M. Burke**

Manley Burke, LPA

225 West Court St.

Cincinnati, OH 45202

513 721-5525

513 721-4268- Fax



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**From:** Brenden Regan [<mailto:brenden@otradopt.com>]  
**Sent:** Monday, April 04, 2016 2:29 PM  
**To:** Tim Burke <[tburke@manleyburke.com](mailto:tburke@manleyburke.com)>  
**Subject:** RE: Request for Access to Dennison Building

Sounds good Tim. Thanks for the update.

Brenden Regan

Project Manager

OTR ADOPT

336-339-1617

[brenden@otradopt.com](mailto:brenden@otradopt.com)

[www.facebook.com/otradopt](http://www.facebook.com/otradopt)

---

**From:** Tim Burke [<mailto:tburke@manleyburke.com>]  
**Sent:** Monday, April 04, 2016 12:53 PM  
**To:** Brenden Regan <[brenden@otradopt.com](mailto:brenden@otradopt.com)>  
**Subject:** RE: Request for Access to Dennison Building

Brenden

I have passed on your request. I do not have a response yet. As soon as I do I will let you know. I cannot promise when that may be.

000143  
21

Tim

**Timothy M. Burke**

Manley Burke, LPA

225 West Court St.

Cincinnati, OH 45202

513 721-5525

513 721-4268- Fax



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**From:** Brenden Regan [<mailto:brenden@otradopt.com>]  
**Sent:** Thursday, March 31, 2016 2:23 PM  
**To:** Tim Burke <[tburke@manleyburke.com](mailto:tburke@manleyburke.com)>  
**Subject:** Request for Access to Dennison Building

Hi Tim,

See the attached PDF. Thanks for taking the time to review this request per our conversation yesterday. I look forward to the owners response.

Thanks,

Brenden Regan

Project Manager

OTR ADOPT

336-339-1617

[brenden@otradopt.com](mailto:brenden@otradopt.com)

[www.facebook.com/otradopt](http://www.facebook.com/otradopt)

**FOR BUILDING  
SERVICE**

**CONTACT SEAN DONOVAN**

**513-235-9951**







**TAMZ CONSTRUCTION & RESTORATION, Inc.**  
Specializing in New & Historic Development

1800 Garrett House Lane, Fairfield, OH 45014 • 513.889.1600 Phone • 513.889.4844 Fax

**COST ESTIMATE**

Job Name:	Dennison Boutique Hotel	Job Description:	
Location:	716-718 Main Street, Cincinnati, OH		
Type of Work:	60 Hotel Rooms		
Project Duration:			
Union/Non-Union:	Non	Architect:	
Estimate Date:	4/10/2016	Revision Date:	
		Expiration Date:	90 Days

Description	Quantity	Unit Price	Total	Remarks
General Conditions/Requirements			697,368	
Demo/Sitework			412,529	
Concrete			174,660	
Masonry			563,112	
Metals			85,275	
Wood & Plastic			364,932	
Thermal & Moisture Protection			88,488	
Doors & Windows			535,033	
Finishes			1,310,830	
Specialties			122,777	
Equipment				
Furnishings			292,500	
Special Construction				
Conveying Systems			463,500	
Mechanical			1,822,500	
Electrical			510,000	
Sub Total			7,443,503	
Contingency 8%			595,480	
Fee 5%			401,949	
Project Total			8,440,932	



# TAMZ CONSTRUCTION & RESTORATION, Inc.

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1800 Garrett House Lane, Fairfield, OH 45014 • 513.889.1600 Phone • 513.889.4844 Fax

## COST ESTIMATE

Job Name:	Dennison Apartments	Job Description:	
Location:	716-718 Main Street, Cincinnati, OH		
Type of Work:	52 Apartments		
Project Duration:			
Union/Non-Union:	Non	Architect:	
Estimate Date:	4/10/2016	Revision Date:	
		Expiration Date:	90 Days

Description	Quantity	Unit Price	Total	Remarks
General Conditions/Requirements			378,000	
Demo/Sitework			162,680	
Concrete			20,000	
Masonry			298,460	
Metals			36,970	
Wood & Plastic			396,420	
Thermal & Moisture Protection			36,000	
Doors & Windows			498,889	
Finishes			1,288,700	
Specialties			78,900	
Equipment			86,590	
Furnishings			50,000	
Special Construction				
Conveying Systems			285,500	
Mechanical			1,208,000	
Electrical			470,000	
Construction Management 5%			264,755.45	
Sub Total			5,559,864	
Contingency 10%			555,986	
Project Total			6,115,851	



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**COST ESTIMATE**

Job Name:	Dennison Office Building	Job Description:	
Location:	716-718 Main Street, Cincinnati, OH		
Type of Work:	Office Space		
Project Duration:			
Union/Non-Union:	Non	Architect:	
Estimate Date:	4/10/2016	Revision Date:	
		Expiration Date:	90 Days

Description	Quantity	Unit Price	Total	Remarks
General				
Conditions/Requirements				
Demo/Sitework				
Concrete				
Masonry				
Metals				
Wood & Plastic				
Thermal & Moisture Protection				
Doors & Windows				
Finishes				
Specialties				
Equipment				
Furnishings				
Special Construction				
Conveying Systems				
Mechanical				
Electrical				
Sub Total				
Contingency 8%				
Fee 5%				
Project Total	52,650	75.00 sq.ft.	3,948,750	



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1800 Garrett House Lane, Fairfield, OH 45014 • 513.889.1600 Phone • 513.889.4844 Fax

**COST ESTIMATE**

Job Name:	Dennison Façade and White Box Commercial	Job Description:	
Location:	716-718 Main Street, Cincinnati, OH		
Type of Work:	Commercial Build Out		
Project Duration:			
Union/Non-Union:	Non	Architect:	
Estimate Date:	4/10/2016	Revision Date:	
		Expiration Date:	90 Days

Description	Quantity	Unit Price	Total	Remarks
General Conditions/Requirements			70,500	
Demo/Sitework			56,250	
Concrete			20,000	
Masonry			298,460	
Metals			26,970	
Wood & Plastic			48,667	
Thermal & Moisture Protection			45,900	
Doors & Windows			64,800	
Finishes			158,780	
Specialties			32,650	
Equipment			7,500	
Furnishings				
Special Construction				
Conveying Systems				
Mechanical			54,100	
Electrical			23,560	
Sub Total			908,137	
Contingency 10%			90,814	
Fee 5%			49,948	
Project Total			1,048,899	



April 10, 2016

# Historic Preservation Tax Credit Analysis – Dennison Hotel | 716 Main St. Cincinnati, Ohio 45202

- 1. INTRODUCTION.....2
- 2. OVERVIEW: .....3
  - 2.1. ASSUMPTIONS.....3
  - 2.2. HISTORIC PRESERVATION TAX CREDITS (HPTC) .....3
  - 2.3. FEDERAL HPTC .....3
  - 2.4. STATE OF OHIO HPTC.....3
- 3. APPLICATION BREAKDOWN .....4
  - 3.1. QRES AND FUNDING POOL.....4
  - 3.2. FEDERAL APPLICATION .....4
  - 3.3. STATE APPLICATION .....4
- 4. PROJECTED TAX CREDIT AWARD AND MODIFIED FINANCIALS .....5
- 5. CONCLUSION.....6
- 6. APPENDICES .....7
  - 6.1. OHIO HISTORIC PRESERVATION TAX CREDIT POINT CALCULATION.....7
    - 6.1.1. Full request, \$1,861,473 .....7
    - 6.1.2. Partial Request, \$990,000.....7
  - 6.2. LEVERAGED INVESTMENT .....8
  - 6.3. QRE AND CREDIT ANALYSIS .....8
  - 6.4. RECENT SIMILAR AWARD WINNERS .....9



## **1. Introduction**

This report is prepared by John Blatchford of Kunst Development. John has an MBA from the University of Cincinnati, a degree in industrial engineering from Binghamton University, a certificate in construction management from the Turner School of Construction Management (Turner Construction) and has personally applied for and successfully received historic preservation tax credits (state and federal) for 5 different projects in Cincinnati, Ohio as part of work with Kunst Development and OTR ADOPT. John Blatchford is also a board member and treasurer of the Cincinnati Preservation Collective.

The purpose of this document, which is proven conclusively, is to illustrate that even under the most likely and most conservative circumstances that historic preservation tax credits (HPTCs) can be achieved by the developer of the Dennison Hotel –in this case Columbia REI- and that such tax credits will relieve developer of any potential financial burden in developing the building.

## 2. Overview:

### 2.1. Assumptions

Information (including construction estimates) used in this report is obtained directly from Certificate of Appropriateness application submitted by Columbia REI LLC on February 23<sup>rd</sup>, 2016.

### 2.2. Historic Preservation Tax Credits (HPTC)

Any building within a national historic district (there are 28 such districts in Cincinnati including in Over-the-Rhine, Hyde Park, Downtown, Pendleton, Walnut Hills, etc.) automatically qualifies for a 20% federal historic preservation tax credit and 25% State of Ohio historic preservation tax credit #fn.

This combined 45% (state and federal) tax credit can be applied to all qualifying expenses (QRE) which generally includes all construction costs except for appliances, demolition and additions.

### 2.3. Federal HPTC

The federal tax credit is non-competitive meaning that a project simply has to apply and then conform to very basic historic guidelines in order to achieve a 20% credit. This tax credit can be used over 20 years to reduce any federal tax burden by the company or any of its members (and are often sold to investors to raise capital up front).

### 2.4. State of Ohio HPTC

The state credit is competitive in 2 rounds each year and is given to the top projects in each round based on various factor described below. Any unused credits can be claimed on personal tax returns of business Members as a refund or reduction of Ohio tax liability.

When applying for the competitive allocation of Ohio HPTC, there are 3 'pools' of money and thus 3 different groups that a specific project may be competing in. Small projects must have less than \$1 million in QRE, Medium projects must have between \$1 million and \$10 million in QRE and large/normal projects must have greater than \$10 million in QRE. Essentially then the amount of QRE for your project will dictate the group with which you will be competing during any given round for a limited amount of available funding.



### 3. Application Breakdown

#### 3.1. QREs and Funding Pool

The Dennison Hotel as apartments is estimated to cost \$7,942,118 as provided by HGC Construction. Associated QREs are then \$7,445,896 per calculation in Appendices.

#### 3.2. Federal Application

It must be stressed: **the federal HPTC, which essentially results in a 20% reduction in overall project costs is non-competitive and can be applied for at any time by virtue of a contributing building existing within a national historic district.** Said another way, there is 100% probability that the renovation of the Dennison Hotel would receive a 20% federal HPTC assuming that the renovation is completed within basic historic guidelines.

#### 3.3. State Application

As discussed previously, the Ohio Historic Preservation Tax Credit is competitively distributed in 2 rounds each year. Because the project would have \$7 million in QREs, this project would classify as a medium-sized project. Each application is scored competitively based on a 100-point system. Winning applications from all previous such rounds include:

Intermediate pool point threshold:

80 - Round 15 (December 2015)

80 - Round 14 (June 2015)

75 - Round 13 (December 2014)

74 - Round 12 (June 2014)

-Round 11: Intermediate did not exist prior to Round 12.

We then may assume that, based on all available data that a score above 75 would have a chance at tax credits and a score of 80 or above would almost certainly achieve tax credits.

- 100% - Probability of Federal HPTC (20% = \$1,489,179) | Non-competitive
- 50% - Probability of Full Ohio HPTC (25% = \$1,861,474) | Point score of 75 with 50% of previous Medium rounds awarding projects at 75 points
- 100% - Probability of Partial Ohio HPTC (13% = \$990,000) | Point score of 80 points with 100% of previous Small rounds awarding projects at 80 points
- **Total HPTC, With 100% Probability Based on Past Rounds = \$2,389,179**



## 4. Projected Tax Credit Award and Modified Financials

### HGC/Beck Consulting Construction Numbers

\$9,599,059.00	Total Cost
\$2,479,179.15	HPTC
\$7,119,879.85	Total Cost W/ HPTC
\$136,920.77	Cost Per Unit
\$7,530.64	NOI
\$5,576.00	Expenses
\$13,106.64	Annual Rent
\$0.06	Vacancy
\$13,893.04	Annual PGI
\$24,060.00	PGI Commercial
\$462.69	Allocated Commercial Rent PGI
\$13,430.35	Required Annual Rent
\$1,119.20	Monthly
540	Unit Size
<b>\$2.07</b>	<b>Minimum Monthly Rent Per SF</b>
<b>\$2.10</b>	<b>Average Market Rents /SF, Per Beck Consulting</b>

### CONCLUSION: PROFITABLE

### TAMZ Construction Numbers

\$6,115,851.00	Total Cost
\$2,479,179.15	HPTC
\$3,636,671.85	Total Cost W/ HPTC
\$69,936.00	Cost Per Unit
\$3,846.48	NOI
\$5,576.00	Expenses
\$9,422.48	Annual Rent
\$0.06	Vacancy
\$9,987.83	Annual PGI
\$24,060.00	PGI Commercial
\$462.69	Allocated Commercial Rent PGI
\$9,525.14	Required Annual Rent
\$793.76	Monthly
540	Unit Size
<b>\$1.47</b>	<b>Minimum Monthly Rent Per SF</b>
<b>\$2.10</b>	<b>Average Market Rents /SF, Per Beck Consulting</b>

### CONCLUSION: PROFITABLE



## 5. Conclusion

It is thus concluded that a few points are irrefutably true:

1. The renovation of the Dennison Hotel as apartments does qualify for and would receive (if applied for) \$1,489,179 in Federal Historic Preservation Tax Credits.
2. The renovation of the Dennison Hotel as apartments does qualify for and would possibly receive \$1,861,473 in Ohio Historic Preservation Tax Credits.
3. The renovation of the Dennison Hotel as apartments does qualify for and would almost certainly receive at least \$990,000 in Ohio Historic Preservation Tax Credits.
4. The current financial burden stated by Columbia REI is not founded based on available tax credits and that even in the most likely and conservative scenarios, the financial burden does not exist for renovation of the Dennison Hotel as apartments utilizing state and federal historic preservation tax credits.

Sincerely,

John Blatchford  
Owner - Kunst Development  
(john@kunst.us)



## 6. Appendices

### 6.1. Ohio Historic Preservation Tax Credit Point Calculation

#### 6.1.1. Full request, \$1,861,473

	Projected Points	Maximum
C1 - Jurisdictional Balance	2.00	8
C2 - County Per Capita Balance	2.00	7
C3 - Benefit to Low Income Jurisdiction	5.00	5
C4 - Benefit to Low Income Census Tract	3.00	5
C5 - Benefit to Unemployed in County	3.00	5
C6 - Leveraged Investment	5.00	10
C7 - Financing Committed	15.00	15
C8 - Timeline to Completion	5.00	5
C9 - Physical Scope and Jobs	5.00	10
C10 - Vacant Property	15.00	15
C11 - Local Participation	5.00	5
C12 - Job Commitments	4.00	4
D - Cost Benefit	6.00	6
Total (Maximum 100 Points)	75.00	100.00

#### 6.1.2. Partial Request, \$990,000

	Projected Points	Maximum
C1 - Jurisdictional Balance	2.00	8
C2 - County Per Capita Balance	2.00	7
C3 - Benefit to Low Income Jurisdiction	5.00	5
C4 - Benefit to Low Income Census Tract	3.00	5
C5 - Benefit to Unemployed in County	3.00	5
C6 - Leveraged Investment	10.00	10
C7 - Financing Committed	15.00	15
C8 - Timeline to Completion	5.00	5
C9 - Physical Scope and Jobs	5.00	10
C10 - Vacant Property	15.00	15
C11 - Local Participation	5.00	5
C12 - Job Commitments	4.00	4
D - Cost Benefit	6.00	6
Total (Maximum 100 Points)	80.00	100.00



## 6.2. Leveraged Investment

### Leveraged Investment (Full)

Spent so Far	\$900,000.00
Total Project Investment	\$10,499,059.00
Remaining Investment to Complete	\$9,599,059.00
QREs	\$6,364,013.46
OHPTC Requested	\$1,861,473.94
Leveraged Investment	5.64

### Leveraged Investment (Partial)

Spent so Far	\$900,000.00
Total Project Investment	\$10,499,059.00
Remaining Investment to Complete	\$9,599,059.00
QREs	\$6,364,013.46
OHPTC Requested	\$990,000.00
Leveraged Investment	10.61

## 6.3. QRE and Credit Analysis

		QRE?
General Conditions	\$484,642.00	Y
Demo/Sitework	\$242,521.00	N
Concrete	\$32,200.00	N
Masonry	\$358,480.00	Y
Metals	\$59,600.00	Y
Wood and Plastic	\$444,323.00	Y
Thermal and Moisture	\$35,500.00	Y
Doors and Windows	\$633,893.00	Y
Finishes	\$1,357,099.00	Y
Specialties	\$78,900.00	N
Equipment	\$116,980.00	Y
Furnishings	\$70,500.00	N
Conveying Systems	\$362,400.00	Y
Mechanical	\$1,410,000.00	Y
Electrical	\$470,000.00	Y
SUM	\$6,157,038.00	N/A
CM Fee	\$307,851.93	Y
Contingency	\$323,244.53	Y
SUM	\$6,788,134.46	N/A

<b>QRE</b>	<b>\$6,364,013.46</b>
2015 Multiplier	17.00%
2015 Cost	\$7,942,117
<b>2015 QRE</b>	<b>\$7,445,895.75</b>
Federal HPTC (20%)	\$1,489,179.15
Full Ohio HPTC (25%)	\$1,861,473.94
Partial Ohio HPTC (13%)	\$990,000.00
<b>Total Likely HPTC</b>	<b>\$2,479,179.15</b>



## 6.4. Recent Similar Award Winners

Project	Total Redevelopment	QRE	State Credit	Location	Use	Round	Size
Abington Flats	\$ 4,855,059.00	\$ 1,931,996.00	\$ 482,999.00	33 Green St. 45202	Apartments, Commercial	14	Medium
Baldwin Piano	\$ 39,233,265.00	\$ 19,360,000.00	\$ 4,840,000.00	655 Eden Park Dr. 45202	Apartments	14	Large
Market Square A	\$ 2,585,377.00	\$ 999,996.00	\$ 249,999.00	1808,1810 Race 45202	Condos, Commercial	14	Small
Market Square B	\$ 2,568,088.00	\$ 999,996.00	\$ 249,999.00	101 W. Elder 1812 Race 45202	Condos, Commercial	14	Small
Merchants Building	\$ 9,921,186.00	\$ 3,929,180.00	\$ 982,295.00	34 W. 6th 45202	Apartments, Commercial	14	Medium
Warner Brothers	\$ 1,310,665.00	\$ 736,000.00	\$ 184,000.00	1600 Central Parkway 45202	Offices	14	Small
1200,1208 Main	\$ 3,231,129.00	\$ 1,280,000.00	\$ 320,000.00	1200, 1208 Main 45202	Apartments, Commercial	13	Medium
Ambassador Apartments	\$ 9,410,866.00	\$ 3,655,004.00	\$ 913,751.00	722 Gholson Ave. 3415 Reading 45229	Apartments	13	Medium
Heberle School	\$ 11,189,704.00	\$ 7,336,000.00	\$ 1,834,000.00	2015 Freeman Ave. 45214	Apartments	13	Medium
1818,1826 Race	\$ 8,503,167.00	\$ 6,600,000.00	\$ 1,650,000.00		Apartments, Commercial	12	Medium
1308 Race	\$ 5,101,146.00	\$ 992,068.00	\$ 248,017.00		Office	12	Small
Slobe	\$ 4,886,992.00	\$ 2,160,000.00	\$ 540,000.00		Office, Commercial	12	Medium
St. John's Church	\$ 4,500,000.00	\$ 1,960,000.00	\$ 490,000.00		Commercial	12	Medium
7th and Race Apartments	\$ 14,656,862.00	\$ 5,800,000.00	\$ 1,450,000.00		Apartments, Commercial	12	Medium
Windsor School	\$ 9,139,567.00	\$ 3,602,312.00	\$ 900,578.00	937 Windsor St. 45206	Apartments	12	Medium
15th and Race	\$ 38,934,759.00	\$ 12,004,424.00	\$ 3,001,106.00		Condos, apartments, commercial	11	Normal
Girby Rd. School	\$ 6,410,000.00	\$ 2,400,000.00	\$ 600,000.00	1710 Bruce Ave 45223	Apartments	11	Medium
Pabst Bedding	\$ 7,817,663.00	\$ 3,111,508.00	\$ 777,877.00	1201-1211 Walnut	Office	11	Medium
	\$ 10,236,416.39	\$ 4,381,026.89	\$ 1,095,256.72				
<b>SOURCE</b>							
14	<a href="https://development.ohio.gov/files/media/pressrelease/2015%200630%20Tax%20Credits%20Awarded%20to%2019%20Historic%20Preservation%20Projects.pdf">https://development.ohio.gov/files/media/pressrelease/2015%200630%20Tax%20Credits%20Awarded%20to%2019%20Historic%20Preservation%20Projects.pdf</a>						
13	<a href="https://development.ohio.gov/files/media/pressrelease/12.18.14%20-%20Release%20-%202013%20Historic%20Buildings%20Rehabilitated%20with%20Help%20from%20State.pdf">https://development.ohio.gov/files/media/pressrelease/12.18.14%20-%20Release%20-%202013%20Historic%20Buildings%20Rehabilitated%20with%20Help%20from%20State.pdf</a>						
12	<a href="https://development.ohio.gov/files/media/pressrelease/6.24.14%20-%20Release%20-%202013%20Ohio%20Communities%20Receive%20State%20Help%20to%20Save%20Historic%20Buildings.pdf">https://development.ohio.gov/files/media/pressrelease/6.24.14%20-%20Release%20-%202013%20Ohio%20Communities%20Receive%20State%20Help%20to%20Save%20Historic%20Buildings.pdf</a>						
11	<a href="https://development.ohio.gov/files/media/pressrelease/12.20.13%20-%20Release%20-%2010%20Ohio%20Communities%20will%20benefit%20from%20the%20Restoration%20of%20Historic%20Buildings.pdf">https://development.ohio.gov/files/media/pressrelease/12.20.13%20-%20Release%20-%2010%20Ohio%20Communities%20will%20benefit%20from%20the%20Restoration%20of%20Historic%20Buildings.pdf</a>						

Dear HCB,

My background is in financial analysis of commercial real estate throughout the Midwest, primarily focused in Cincinnati. Over the past 5 years, I've analyzed over 30,000 apartment units ranging from urban mixed-use to suburban communities as well as hundreds of millions of square feet of retail, office, and industrial. Using this experience, I've modeled the Dennison Hotel building under market conditions with information gathered from Beck Consulting's report. This analysis proves conclusively that this building is economically feasible to redevelop into market apartments with the aid of historic tax credits.

First I have modeled the second scenario titled "market apartments" in Beck Consulting's report in the first column of the second page for comparison. Next, I have conservatively applied market assumptions and projected the cash flows over the 10-year life (as would typical investors purchasing the property,) in order to come to a value for the property after it has been fully rehabilitated. As you can see, this analysis projects a value in the range of \$7.5-7.0M with leveraged IRRs in the range that investors today are looking for. These values still fall short of the \$7.9M estimated costs to rehabilitate the building; however when reducing these costs by the 20% federal historic tax credit available to all properties in a historic district (not even applying the additional 25% state tax credits which are also competitively available) results in a present value in the \$9.3-8.5M range when readjusting for the leveraged returns needed by investors. This leaves a \$1.8-1.5M profit on top of the required market returns of ~15% without even factoring in the state credits.

In addition to these overall findings, a few comments need to be made about the projections that have been submitted in Beck's report. First, it should be noted that the estimates for construction costs seems much higher than the typical \$200.00/SF ballpark for high-end apartment renovations. But even given these cost estimates, the estimates for R&M and Utilities seemed too high for a fully renovated, as-new apartment building. If you just spent \$265-245/SF to renovate the building, I would hope that its cost per unit wouldn't be as energy inefficient or need as many repairs as the average apartment in the area. Second, it should be noted that I've used the \$2.00/SF/mo rent, which is a very proven rental rate for downtown and OTR; however it should be considered very conservative in today's market. As a comparison, when Current at the Banks was sold 2 years ago, studio apartments were ranging in the \$2.50-2.25/SF/mo range for smaller sized units and \$2.25-2.00/SF/mo for slightly bigger 1-bedroom units. Rents in the CBD have continued to rise considerably since this time, and given this building's location on the streetcar line between both the Banks and an even hotter OTR; even \$2.50/SF/mo (cited in Beck's report) should not be ruled out as an unfeasible rental rate. Smaller unit sizes also tend to skew to a higher \$/SF/mo than comparable 2-bedroom units which are more predominate throughout the market.

In closing, I'd like to stress the feasibility of this building's rehabilitation and the need to keep this historic district intact for future generations to enjoy. There is a time and place for demolishing buildings when they have become a financial hardship on the owner and surrounding property owners, but this is simply not the case with the Dennison Hotel building.

---

Matt Jacob

## Dennison Hotel Cincinnati, OH

### Notes to Cash Flow

<b>Residential Units</b>	52 Units
<b>Average Unit Size</b>	540 SF /Unit
<b>Apartment Size</b>	28,080 SF

**Retail Space Size** 1,604 SF

### Annual Growth Rate

**Rent** 2.5% Growth

**Vacancy Loss** 5.0%

**Other Income** 2.5% Growth

**Operating Expenses** 2.5% Growth

### Replacement Reserves

2016 \$250 Per Unit  
2.5% Growth

### Leveraged

Loan to Value	75%
Interest Rate	4.50%
Amortization Term	25 Years
Loan Fees	1.0%

### 2016 Pro Forma Revenue

Gross Potential Rent	\$ 2.00 Per SF per Unit
Other Income	\$ 22.00 Per SF of Retail

### 2016 Pro Forma Expenses

Management Fee	5.0% of Net Rental Income
Payroll & Benefits	\$47,000
Repairs & Maintenance	\$300 Per Unit
Utilities	\$700 Per Unit

Terminal Cap Rate	7.50%
Cost of Sales	3.00%

**Dennison Hotel  
Cincinnati, OH**

	Beck Projections	Per Unit	2016 Pro Forma	Per Unit	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rental Income													
Gross Potential Rent	\$846,040	\$16,270	\$673,920	\$12,960	\$690,768	\$708,037	\$725,738	\$743,882	\$762,479	\$781,541	\$801,079	\$821,106	\$841,634
Vacancy	(\$50,762)	(\$976)	(\$33,696)	(\$648)	(\$34,538)	(\$35,402)	(\$36,287)	(\$37,194)	(\$38,124)	(\$39,077)	(\$40,054)	(\$41,055)	(\$42,082)
Net Rental Income	\$795,278	\$15,294	\$640,224	\$12,312	\$656,230	\$672,635	\$689,451	\$706,688	\$724,355	\$742,464	\$761,025	\$780,051	\$799,552
Other Income	\$24,060	\$463	\$35,288	\$679	\$36,170	\$37,074	\$38,001	\$38,951	\$39,925	\$40,923	\$41,946	\$42,995	\$44,070
Total Income	\$819,338	\$15,756	\$675,512	\$12,991	\$692,400	\$709,710	\$727,453	\$745,639	\$764,280	\$783,387	\$802,971	\$823,046	\$843,622
Controllable Expenses													
Payroll & Benefits	\$62,400	\$1,200	\$47,000	\$904	\$48,175	\$49,379	\$50,614	\$51,879	\$53,176	\$54,506	\$55,868	\$57,265	\$58,697
Unit Turnover	\$13,000	\$250	\$13,000	\$250	\$13,325	\$13,658	\$14,000	\$14,350	\$14,708	\$15,076	\$15,453	\$15,839	\$16,235
Repairs & Maintenance	\$78,000	\$1,500	\$15,600	\$300	\$15,990	\$16,390	\$16,799	\$17,219	\$17,650	\$18,091	\$18,543	\$19,007	\$19,482
Marketing	\$5,200	\$100	\$5,200	\$100	\$5,330	\$5,463	\$5,600	\$5,740	\$5,883	\$6,030	\$6,181	\$6,336	\$6,494
Management Fees	\$40,872	\$786	\$33,776	\$650	\$34,620	\$35,485	\$36,373	\$37,282	\$38,214	\$39,169	\$40,149	\$41,152	\$42,181
Total Controllable Expenses	\$199,472	\$3,836	\$114,576	\$2,203	\$117,440	\$120,376	\$123,385	\$126,470	\$129,632	\$132,873	\$136,194	\$139,599	\$143,089
Non-Controllable Expenses													
Utilities	\$52,000	\$1,000	\$36,400	\$700	\$37,310	\$38,243	\$39,199	\$40,179	\$41,183	\$42,213	\$43,268	\$44,350	\$45,459
Insurance	\$13,000	\$250	\$13,000	\$250	\$13,325	\$13,658	\$14,000	\$14,350	\$14,708	\$15,076	\$15,453	\$15,839	\$16,235
Property Taxes	\$12,480	\$240	\$12,480	\$240	\$12,792	\$13,112	\$13,440	\$13,776	\$14,120	\$14,473	\$14,835	\$15,206	\$15,586
Total Non-Controllable Expense	\$77,480	\$1,490	\$61,880	\$1,190	\$63,427	\$65,013	\$66,638	\$68,304	\$70,012	\$71,762	\$73,556	\$75,395	\$77,280
Total Expenses	\$276,952	\$5,326	\$176,456	\$3,393	\$180,867	\$185,389	\$190,023	\$194,774	\$199,643	\$204,634	\$209,750	\$214,994	\$220,369
Capital Expenditures	\$13,000	\$250	\$13,000	\$250	\$13,325	\$13,658	\$14,000	\$14,350	\$14,708	\$15,076	\$15,453	\$15,839	\$16,235
Net Operating Income	\$529,386	\$10,180	\$486,056	\$9,347	\$498,208	\$510,663	\$523,430	\$536,515	\$549,928	\$563,676	\$577,768	\$592,213	\$607,018

## Dennison Hotel Cincinnati, OH

### Valuation Matrix

Price	Price/Unit	Price/SF	Year 1 Cap Rate (2016)	Unleveraged IRR	Leveraged IRR
\$6,076,000	\$116,846	\$216.38	8.00%	10.74%	21.46%
\$6,272,000	\$120,615	\$223.36	7.75%	10.27%	20.28%
\$6,481,000	\$124,635	\$230.80	7.50%	9.78%	19.06%
\$6,705,000	\$128,942	\$238.78	7.25%	9.28%	17.81%
<b>\$6,944,000</b>	<b>\$133,538</b>	<b>\$247.29</b>	<b>7.00%</b>	<b>8.77%</b>	<b>16.50%</b>
<b>\$7,201,000</b>	<b>\$138,481</b>	<b>\$256.45</b>	<b>6.75%</b>	<b>8.24%</b>	<b>15.15%</b>
<b>\$7,478,000</b>	<b>\$143,808</b>	<b>\$266.31</b>	<b>6.50%</b>	<b>7.71%</b>	<b>13.73%</b>
\$7,777,000	\$149,558	\$276.96	6.25%	7.15%	12.24%
\$8,101,000	\$155,788	\$288.50	6.00%	6.59%	10.66%
\$8,453,000	\$162,558	\$301.03	5.75%	6.00%	8.97%
\$8,837,000	\$169,942	\$314.71	5.50%	5.40%	7.16%

5% Vacancy  
5% Management Fee

### Cap Rate Variance On Pricing

Price	Price/Unit	Price/SF	Cap Rate on Beck Projection
\$6,076,000	\$116,846	\$216.38	8.71%
\$6,272,000	\$120,615	\$223.36	8.44%
\$6,481,000	\$124,635	\$230.80	8.17%
\$6,705,000	\$128,942	\$238.78	7.90%
\$6,944,000	\$133,538	\$247.29	7.62%
\$7,201,000	\$138,481	\$256.45	7.35%
\$7,478,000	\$143,808	\$266.31	7.08%
\$7,777,000	\$149,558	\$276.96	6.81%
\$8,101,000	\$155,788	\$288.50	6.53%
\$8,453,000	\$162,558	\$301.03	6.26%
\$8,837,000	\$169,942	\$314.71	5.99%

6% Vacancy  
4.99% Management Fee

**Dennison Hotel  
Cincinnati, OH**

Valuation Matrix after 20% Federal Tax Credit Deducted						
Price	80% of Price	Price/Unit	Price/SF	Year 1 Cap Rate (2016)	Unleveraged IRR	Leveraged IRR
\$6,076,000	\$4,860,800	\$93,477	\$173.11	10.00%	14.26%	29.98%
\$6,272,000	\$5,017,600	\$96,492	\$178.69	9.69%	13.74%	28.73%
\$6,481,000	\$5,184,800	\$99,708	\$184.64	9.37%	13.21%	27.45%
\$6,704,000	\$5,363,200	\$103,138	\$191.00	9.06%	12.67%	26.16%
<b>\$6,944,000</b>	<b>\$5,555,200</b>	<b>\$106,831</b>	<b>\$197.83</b>	<b>8.75%</b>	<b>12.12%</b>	<b>24.82%</b>
<b>\$7,201,000</b>	<b>\$5,760,800</b>	<b>\$110,785</b>	<b>\$205.16</b>	<b>8.44%</b>	<b>11.56%</b>	<b>23.44%</b>
<b>\$7,478,000</b>	<b>\$5,982,400</b>	<b>\$115,046</b>	<b>\$213.05</b>	<b>8.12%</b>	<b>10.98%</b>	<b>22.04%</b>
\$7,777,000	\$6,221,600	\$119,646	\$221.57	7.81%	10.39%	20.57%
\$8,101,000	\$6,480,800	\$124,631	\$230.80	7.50%	9.78%	19.06%
<b>\$8,453,000</b>	<b>\$6,762,400</b>	<b>\$130,046</b>	<b>\$240.83</b>	<b>7.19%</b>	<b>9.15%</b>	<b>17.49%</b>
<b>\$8,837,000</b>	<b>\$7,069,600</b>	<b>\$135,954</b>	<b>\$251.77</b>	<b>6.88%</b>	<b>8.51%</b>	<b>15.83%</b>
<b>\$9,258,000</b>	<b>\$7,406,400</b>	<b>\$142,431</b>	<b>\$263.76</b>	<b>6.56%</b>	<b>7.84%</b>	<b>14.09%</b>
\$9,721,000	\$7,776,800	\$149,554	\$276.95	6.25%	7.15%	12.24%
\$10,233,000	\$8,186,400	\$157,431	\$291.54	5.94%	6.44%	10.25%
\$10,801,000	\$8,640,800	\$166,169	\$307.72	5.63%	5.70%	8.08%
\$11,437,000	\$9,149,600	\$175,954	\$325.84	5.31%	4.93%	5.69%
\$12,151,000	\$9,720,800	\$186,938	\$346.18	5.00%	4.13%	2.99%
\$12,962,000	\$10,369,600	\$199,415	\$369.29	4.69%	3.29%	-0.15%

5% Vacancy  
5% Management Fee

<http://www.diggingcincinnati.com/2015/05/the-dennison-hotel.html>

by Ann Senefeld



Thursday, May 7, 2015

## The Dennison Hotel

I am so sorry for the bit of a sabbatical. I have been busy keeping up my [Facebook page](#) and researching for clients. However, it was recently brought to my attention that the Dennison Hotel building on Main Street with its iconic ghost sign was sold with the intent for possible demolition. So I was asked to dig into the history of the building to see when and why it was constructed.



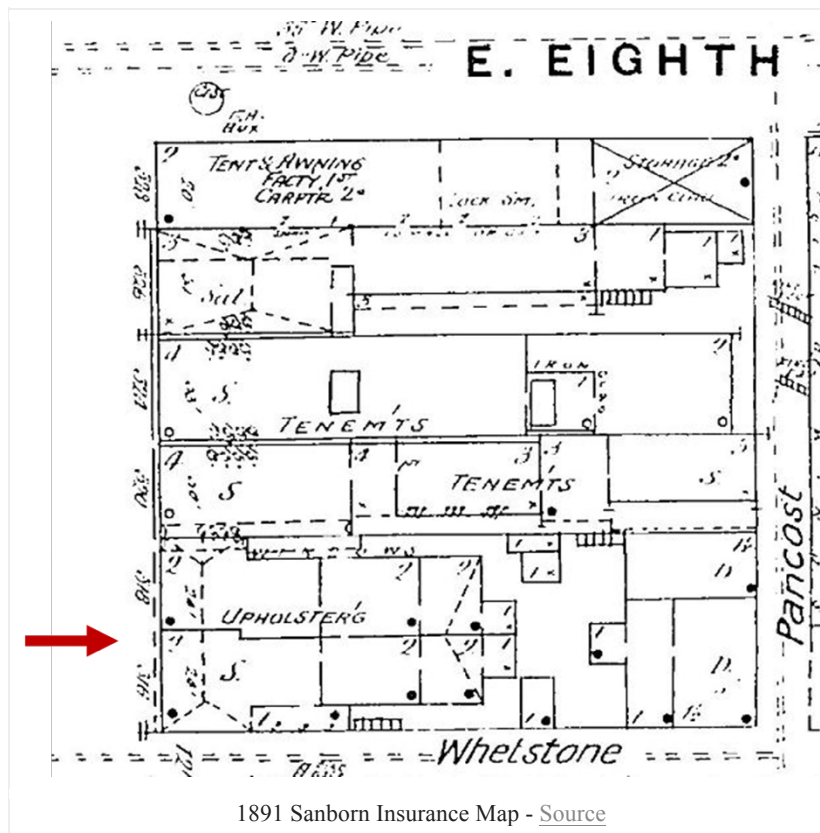
Rearview of the Dennison Hotel building

Source - [UrbanUp](#)

The building was originally constructed in 1892 for the G. B. Schulte Sons Company. They were in the iron and steel business, making springs, axles, wood work, blacksmiths' and wagon makers' tools, carriage and wagon hardware, according to their listing in the Williams' City Directory. The company purchased the land in 1891 and demolished the prior two-story building.

<http://www.diggingcincinnati.com/2015/05/the-dennison-hotel.html>

by Ann Senefeld



1891 Sanborn Insurance Map - Source

John E. Bell has sold his property on Main street, north-east corner of Patterson alley, having a frontage of 40 feet by a depth of 130 feet, to G. B. Schulte & Sons, carriage tools manufacturers, on a basis of \$10,000. The property is Nos. 261 and 263 Main street, Not long since W. W. Scarborough purchased the south-east corner at about the same figure. This makes Main-street property in the neighborhood of \$1,000 a foot. An old brick structure stands on the Schulte property.

The address in the article is an error. It was the current address of the company, not the future one. Cincinnati Enquirer; Nov 22, 1891; p. 10; ProQuest Historical Newspapers

**Building Permits.**  
The E. B. Schulte's Sons Co., on the east side of Main street, between Seventh and Eighth streets, six-story brick warehouse, to cost \$20,000. Samuel Hannaford & Sons architects; W. H. Stewart's Sons, contractors.

This article also has a typo in the company name. There is no E. B. Shulte's Sons Co. in the directories. Cincinnati Enquirer; Mar 31, 1892; p. 12; ProQuest Historical Newspapers

The G. B. Shulte Sons Company remained in business at this location until 1930, when it evidently closed either from the Great Depression or the increase in sales of the automobile. In 1931, Globe-Wernicke Service Company and Kelsall-Voorheis Inc, both office furniture companies, announced they would be using the first three floors of

<http://www.diggingcincinnati.com/2015/05/the-dennison-hotel.html>

by Ann Senefeld

the building. The rest would be converted into a hotel, originally called the Main Hotel until 1933, when it was changed to the New Dennison Hotel. The original Dennison Hotel had been located at Fifth and Main Streets and was demolished in 1932.

### Main Street Offices Leased By Globe-Wernicke Service; Savings Shown By Recorder



Globe Wernicke Service Company, 615 Main Street, yesterday leased the first three floors of 716-718 Main Street, shown above, formerly the G. B. Schulte Sons' Building, from Stoller & Sander, the present owner. The lease is for a period of ten years, and calls for total rental of \$81,000.

The Globe Wernicke Service Company will install an entire new front, build a large mezzanine floor on the first floor, and remodel the building into the finest office equipment showroom in Ohio, officials say.

The lease was negotiated by Robert G. Tidball of the Warren E. Richards Company. The upper floors are to be converted into a hotel by the building owners.

x x

Cincinnati Enquirer; 01/14/1931; p. 26

<http://www.diggingcincinnati.com/2015/05/the-dennison-hotel.html>

by Ann Senefeld

By 1940, only Kelsall-Voorheis Inc. and the hotel remained. The hotel became known as a place for affordable housing for the less fortunate. Housing rates in 1999 were \$30.63 per day and \$88.40 to \$110.50 per week.

In 2011, it was announced that the building had been purchased by The Model Group and, with help from 3CDC and the Cincinnati Metropolitan Housing Authority, the building would get a renovation to 63 studio apartments, but continue to serve as low income housing. Entitled the Ironworks Apartments, Talbert House was to provide supportive services for the residents and a storefront cafe for a place for residents to gain job experience.



Rendering of Ironworks Apartments - [Soapbox Media](#)

However, these plans did not come to fruition, and in July, 2013, the building was sold to CBD Holdings Inc. for \$1,277,473. Just one month later, the building was sold again to the Columbia Oldsmobile Company for \$744,431. There has not been a public announcement for the reasons for the sale, but word on the street is that the newest owner plans to demolish this building. Observers noticed this week that dumpsters were in place, but the workers at the building declared they were just removing leftover bedding and other items that could be a fire risk. The Cincinnati Preservation Association is aware of this possible demolition and have put it on their watch list.

Posted by [cincyhistoryluvr](#) at 9:24 PM

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**Department of History**  
 University of Cincinnati  
 PO Box 0373  
 Cincinnati, OH 45220

360 McMicken Hall  
 2700 Campus Way

(513) 556-2144

Beth Johnson  
 Urban Conservator  
 City of Cincinnati

March 31, 016

Dear Ms. Johnson:

I write to protest the proposed demolition of the Dennison Hotel Building, located at 716 Main Street in the Central Business District. As a Professor of History at the University of Cincinnati, I wish to call attention to the fact that the Dennison Hotel was designed by renowned architect Samuel Hannaford. Given that he is one of the most admired architects in our city's history, having designed landmarks like Music Hall and City Hall, the potential destruction of one of his buildings is deeply troubling.

After earning my Ph.D. from the University of Wisconsin, I was able to return home to Cincinnati to teach urban history and, more specifically, the history of Cincinnati. I arrived in the year 2000, replacing my mentor Dr. Zane L. Miller, Cincinnati's finest historian. I have published seven books in urban and environmental history, including a narrative history of Cincinnati. I am currently writing a history of the University of Cincinnati and its relationship to the city. As someone who has made a career studying urban America, I oppose the further destruction of our urban core, in this case, in the form of the demolition of the iconic Dennison Hotel. Reckless removal of old buildings for the sake of urban 'renewal' and redevelopment hurt Cincinnati profoundly throughout the 20<sup>th</sup> century. The destruction of the West End, for example, was profoundly devastating to its people, community and architecture – and a great loss to the greater community. Think how much we mourn the buildings we have lost already, much of it to road expansion and parking lot construction – hardly a good tradeoff. My job as a historian is to stress that we should know this past and exhibit extreme caution in further demolition of old buildings.

I want to call special attention to the fact that the Dennison was designed by Samuel Hannaford (1835-1911). Hannaford lived in Cincinnati for the bulk of his life. He planned and executed numerous buildings. He was most productive after the Civil War, from the 1870s to the 1890s. According to the National Register of Historic Places, these include City Hall, Music Hall, Cincinnati Workhouse & Hospital in Camp Washington, the Phoenix Building, the Emery Theatre, Elsinore Arch, Eden Park Water Tower and Pump Station No. 7, Probasco Fountain, the Van Wormer Library at the University of Cincinnati, Cincinnati Observatory, the Palace Hotel (now the Cincinnati), a number of churches such as Old Saint George Church in Clifton, Northside Methodist Church

and the Nast Trinity United Methodist Church in Over-the-Rhine, several schools, apartment buildings and numerous private residences—including political boss George Cox’s mansion in Clifton. Hannaford’s architectural styles range and include Victorian, Romanesque, Romanesque Revival, Richardsonian Romanesque, Gothic, Gothic Revival, Queen Anne, Second Empire and Chateausque. Within Ohio, Kentucky, Indiana, West Virginia and Tennessee, Hannaford and his partners contributed over three hundred structures. These buildings are considered by the National Register as important due to their architectural integrity, connections to local history and association with Hannaford as a prolific, versatile and urban architect. **The Dennison, as one of his most visible buildings, should be understood as historically significant and worthy of preservation and adaptive reuse.**

Several of the buildings that Hannaford either designed or supervised the design of have already been demolished—for instance, the U.S. Post Office and Custom House on Government Square, the Grand Hotel, the Cincinnati Workhouse, the Alexander McDonald House, the old McMicken Hall, and, most recently, the structure at 111 Wellington Place. The National Register notes additional demolitions.

In addition to my plea here as a professional historian and a student of Cincinnati, let me note my personal attachment to this particular building. Even when I was a child, when my parents brought me downtown, I used the Dennison Hotel as an urban marker. Its prominent location on Main Street, its high visibility around the east side of the basin and, of course, its wonderful painted signage, all helped give Cincinnati its distinctive identity. The loss of such buildings, one by one, diminishes us all, as we lose touch – literally – with the urban landscape that made Cincinnati unique. Please do not repeat the mistakes of previous generations, and let future generations enjoy the Dennison Hotel.

Sincerely,



David Stradling, Professor  
Associate Dean for Humanities, McMicken College of Arts and Sciences

# Beth Johnson - Urban Conservator: Prevent the Proposed Demolition of the Dennison Hotel



By signing my name below, I register my protest against the proposed demolition of the Dennison Hotel Building, located at 716 Main Street, Cincinnati, Ohio, 45202. Currently owned by Columbia REI, LLC, the building is due for a hearing at the Historic Conservation Board on April 18th, 2016, at which time its owner plans to ask for a certificate of appropriateness for demolition.

For several reasons, the Dennison should be preserved:

1) Columbia REI has not met the criteria for demolition according to City Municipal Code.

The Dennison is not dangerous, unsafe or threatening immediate collapse; Columbia REI has not proven the Dennison's economic infeasibility for redevelopment; it has not put forth a sincere, best-effort attempt to market and sell the Dennison; and it has not thoroughly investigated Federal and State Historic Tax Credits to alleviate its financial burden for redevelopment.

2) Columbia REI has no proposed plan for what it intends to do with the lot once the Dennison has been demolished. Given this, it seems that there is a strong chance that the site would sit as a parking lot. We do not need more surface parking downtown, especially given that to the south and east of the Dennison is already a large tract of parking lots.

3) It is crucial that we maintain our historic streetscapes, especially given that the Dennison sits within

the Cincinnati East Manufacturing and Warehouse District, a national historic district recognized for its style, consistency and density of early Cincinnati buildings. 000173  
51

4) Nationally-renowned architect Samuel Hannaford (designer of Music Hall, City Hall and dozens more) designed and built the Dennison in the late 19th century, its construction complete in 1892. Some of his buildings have already been demolished—the Cincinnati Workhouse, for example, and more recently, 111 Wellington Place. We cannot continue to destroy his legacy.

5) Individuals want to live and work in Downtown and Over-the-Rhine because of these neighborhoods' historic buildings and character. Demolishing yet another building which is part of a consistent historic streetscape in a federal historic district does a huge disservice to this exciting demographic trend.

For all these reasons, I strongly urge the Historic Conservation Board to deny the requested Certificate of Appropriateness for Demolition for the Dennison Hotel Building.

**This petition will be delivered to:**

- **Urban Conservator - City of Cincinnati**

Beth Johnson

**Read the letter**

**Cincinnati Preservation Collective** started this petition with a single signature, and now has 489 supporters. Start a petition today to change something you care about.

Start a petition

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[Beth Johnson - Urban Conservator: Prevent the Proposed Demolition of the Dennison Hotel](#)

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Add your voice

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**John Blatchford**

United States

Please enter a comment.

We were unable to post your comment. Please try again.

000175

53

This is important

Post comment

## Supporters

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[I'm signing because our architectural heritage is what makes Cincinnati an asset in the Midwest. Our buildings are what drew the film industry here, and our lack of historic building stock is what will ultimately drive the film industry away. Please save this building!](#)

[Caitlin Behle, Cincinnati, OH](#)

[6 days ago](#)

4

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[What is past is prologue. If we can't preserve uniquely historic structures in designated historic districts, than we are dooming this city to a future of bland mediocrity and sameness among the mundane and bountiful crop of second tier flyover cities. Don't destroy the urban fabric which sets Cincinnati apart. Architectural heritage tourism and the ensuing economic development are real, catalytic, tangible results. Middling megablocks and surface parking lots? Not so much. Save the Dennison. Do not make a mockery of historic preservation in this city, and a sham of the process as a whole.](#)

[Casey Coston, Cincinnati, OH](#)

[4 days ago](#)

3

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[Tearing this building down is neither respectful nor sustainable. The dis-repair of the building is a shame.](#)

000176  
54  
but not a loss. The overwhelming majority of new development in Cincinnati has been an abomination that is executed completely agnostic of any sense of local context. Cincinnati has a unique opportunity to renew many of the old buildings that give the city a sense of depth and unique identity. By eliminating buildings like the Dennison and replacing them with vapid monotony of present day architecture, we are admitting defeat, and accepting mediocrity.

[William Clark, San Francisco, CA](#)

[6 days ago](#)

3

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We have to STOP tearing down all of our historic buildings. Have we learned nothing from the beauty and resurgence of historic Over-the-Rhine, full of beautiful old buildings that have bolstered its sense of place and made it such desirable place to visit and live? Think of the warmth and vibrancy of that neighborhood compared to the coldness of downtown, largely remade with boring, ugly, box architecture of 70s and 80s.

[Emily Lang, Cincinnati, OH](#)

[7 days ago](#)

3

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I stay in Cincinnati regularly and love all the historic vibe, one of the most beautiful cities in America and by far the most beautiful city in the midwest.

[Susan Zipser, Phoenix, AZ](#)

[6 days ago](#)

2

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Proposed demolition of the Dennison Hotel, planned erasure of the Davis Furniture building, along with the irrevocable loss of Arch Street row houses, have all been well funded campaigns by the gentry. They are interested in making a killing on destructive PDs, one of the most destructive land use tools out there.

Consolidation of lots almost never returns to the neighborhood scale fell which they departed. It's not only the loss of an historic structure we should fight against but the imbalance of scale and loss of multifaceted dynamics of a district.

We must stop this madness of granting demolition permits to developers and narrow interests, \*not only before\* a plan has been presented but even after a structure's significance is dismantled by claims of low ROI. It's often a difference if making \$n million or \$n+5 million.

A vote for granting a demolition permit is a vote for lining the pockets of development interests...not the vibrancy and diversity of the city.

**Christian Huelsman, Cincinnati, OH**

6 days ago

2

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Cincinnati has some of the most unique architecture in the country. This should be treated as a valued asset. As employment becomes more diffuse via the communications revolution, PLACE becomes ever more important. Your building stock is THE marker of PLACE. Its what tells the citizen you are in CINCINNATI and not Indianapolis or Dayton, or Anyplace, USA.

Do NOT squander this irreplaceable resource just so some group of speculators can make a quick profit on your backs. Its YOUR city. You can determine its future. Don't sell for cheap today what generations tomorrow would have cherished.

**Mitchell Brown, Chicago, IL**

6 days ago

2

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I first visited Cincinnati five years ago as I was the executor of an estate of someone in Cincinnati who has passed away. I had never given any thought to visiting that city but circumstances brought me there. I was absolutely blown away by the architecture there. But also blown away by how under appreciated it is locally by so many. I have since gone back there again and again and tell others to check out Cincinnati whenever I can. Several of my friends have actually taken me up on it and have gone. You must stop ripping down these sort of structures - you have no idea the treasures you have. It is not a city to visit for the typical "punch list" things to see. Lots of cities have good theaters, a great zoo, etc. The attraction to Cincinnati is the built form of the city itself - exploring the books and crannies where everywhere you turn there is another another interesting street scene or architectural gem. These are your developmental assets. It is the collection of these as a whole and their integrity and congruency that make your city great. Do not squander them. I already cannot wait for my next trip back.

**Brian Finstad, Minneapolis, MN**

6 days ago

2

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The greenest buildings are the ones already built. This one happens to be beautiful, historic, built with regional materials and by hand. It should be remade into something new, not trashed.

**Chris Heckman, Cincinnati, OH**

7 days ago

2

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We need to preserve historic and functional, beautiful architecture. I live where there are almost no historic buildings. I miss this aspect of living in that part of the country.

**steven carson, Anchorage, AK**

1 day ago

1

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The historic conservation board has already approved other demolitions in the historic district where the Dennison stands. If this request is also approved soon the Cincinnati East Manufacturing and Warehouse District will just be mass of parking lots.

It saddens me that developers can purchase buildings, do little to no work on buildings, and then speciously claim "financial hardship" as cause for demolition a year later. If the building was such a hardship, they should not have purchased it. Don't ruin the city's historic fabric, which earns Cincinnati national praise, due to the lack of foresight (or cynical foresight for demolition). These individuals have not respect for these properties, and a callous disdain for the work of urban conservators.

**Tom Moosbrugger, Columbus, OH**

3 days ago

1

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The architecture of Cincinnati is what makes it so unique. During my first visit to Cincinnati, I fell in love with the city because of its beautiful, historic architecture. As a young professional who chose to move to this city, I have great pride in our city's architecture and rank it among the top reasons I decided to make Cincinnati home. Respecting our city's heritage is so important to many living in this city and will play a huge role in attracting others. The character and charm of these historic buildings is truly impossible to replace.

**Kelly Gillen, New York, NY**

4 days ago

1

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History doesn't need erasing it needs embracing

**Joel Griggs, Cincinnati, OH**

6 days ago

1

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[I grew up in the area . Love the old hotel. It should be saved for our history](#)

[margaret werthwein, Hudson, FL](#)

[6 days ago](#)

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[I am signing this petition because it is important for our city to preserve the historic buildings of Cincinnati and thus maintain the character of the historic downtown area. Once a building like the Dennison is torn down, its contribution to the character of that federal historic district can not be replaced.](#)

[Judy McClanahan, Loveland, OH](#)

[6 days ago](#)

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[It is ridiculous that our city is known for our historic architecture & buildings, that can be restored, yet there are those that think it is ok to destroy what we're known for.](#)

[Shahriar Matlib, Cincinnati, OH](#)

[7 days ago](#)

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59

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[I'm signing because this building is part of our city's collective heritage. Those who don't see it as an opportunity but an obstacle don't deserve to do business here.](#)

[Christopher Uihlein, Cincinnati, OH](#)

[7 days ago](#)

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[The Dennison is a part of a historic building stock that defines and sets Cincinnati apart from other cities.](#)

[Justin Leach, Cincinnati, OH](#)

[7 days ago](#)

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[There is no need for another empty lot but there is great value in preserving a Samuel Hannaford building. This block of Main Street is historic and the whole city benefits if we preserve it!](#)

[Eric Hammer, Cincinnati, OH](#)

[2 weeks ago](#)

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[It deserves to be saved!](#)

[Tim Jeffries, Cincinnati, OH](#)

[1 day ago](#)

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[The demolition of this building should come under the heading of a CRIME!! Don't do it!](#)

[Laura Orebaugh, Hillsboro, OH](#)

[1 day ago](#)

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[I find it disgusting, that our city leaders keep allowing demolitions of so many if our Historic structures in our city. Any other well healed, major city would be tripping all over themselves to save these historic structures!!! We don t want our citites history to be erased by a bunch of concrete, and glass structures that will be out dated in 20 years..... We have a significant history in this city: we have a some historic building stock left; although there have been some terrible decisions made, and great losses that we can never replace....ie the Albee, The Schubert, the original main Library, Crosley Field, the Commerce Building, the Kenyon Barr neighborhood..... There have been many others that were threatened by the city, and thankfully, saved through the voices of the people...ie, the Union Terminal, all of Over the Rhine, the Netherland Hilton, Plum St Temple, and St Petersburg in Chains.....We need to revitalize, and preserve, cherish our history, and what we have left of our Historic structures in our city; especially, downtown!!!!](#)

[Ellen Faeth, Cincinnati, OH](#)

[1 day ago](#)

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I believe the Dennison is important to downtown's fabric, an irreplaceable piece of history, and should be preserved.

[Andy Shenk, Cincinnati, OH](#)

[1 day ago](#)

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I recently moved downtown from the suburbs and the reason I chose to invest in this city is because of the character of the people and the place. It is our responsibility to preserve the character of our place and the Dennison is part of what makes our city unique.

[Diana Sadowski, Cincinnati, OH](#)

[2 days ago](#)

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I walk by it frequently. Like the ghost of writing on the side. It has the potential to warm up that street scape. Good for that block. I just joined the historic preservation society. I hope the city keeps its character.

[Diane Fishbein, Cincinnati, OH](#)

[3 days ago](#)

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Ensuring that Cincinnati maintains its particular, idiosyncratic, historical character is more important than a new store.

[Seth Jones, Iowa City, IA](#)

[3 days ago](#)

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[Save the history that makes our city beautiful.](#)

[Clare B, Cincinnati, OH](#)

[3 days ago](#)

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[This building is beautiful. Another brilliant Samuel Hannaford structure that is important to the historical fabric of this city. Demolishing it would hurt our wonderful community!](#)

[Patrick McCue, Milford, OH](#)

[3 days ago](#)

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[My love is for the historic preservation. There is too much blood and memory that went into this building, there MUST be some other purpose!](#)

[Denise Naim, Chicago, IL](#)

[4 days ago](#)

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[Stop demolishing buildings that make this city an interesting and unique place!](#)

[Kay Wolfley, Cincinnati, OH](#)

[4 days ago](#)

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[Does anyone care about historic structures?? They should.](#)

[scott budd, Covington, KY](#)

[4 days ago](#)

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[Our city's history is important and the Dennison is an important piece of it. A treasured artifact like this doesn't deserve to be demolished.](#)

[Phil ArmstrongPhilA, Cincinnati, OH](#)

[4 days ago](#)

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[I think historic architecture in Cincinnati should be preserved.](#)

[Barbara Hammel, Cincinnati, OH](#)

[4 days ago](#)

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[I love our architectural heritage. Please don't let this Hannaford-designed hotel go.](#)

[Glenetta Krause, Cincinnati, OH](#)

[4 days ago](#)

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[It's the right thing to do.](#)

[Jay Springer, Cincinnati, OH](#)

[4 days ago](#)

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[What makes Cincinnati Special and better than the anything outwest is our historic fabric.](#)

[Jerome Gels, Union, KY](#)

[4 days ago](#)

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[Work and live in the neighborhood and I don't want to see this beautiful building torn down for some thoughtless project. OTR needs a hotel, fix it up.](#)

[Tony Salcido, Cincinnati, OH](#)

[5 days ago](#)

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[I am signing this petition because I strongly believe in the preservation of Cincinnati's great architecture. Our buildings grace the top of travelers' reasons to visit the Queen City; they are admired by all- young, old, native Cincinnatians, visitors, restauranteurs, movie directors, and everything in between. I remember visiting downtown with my grandma twenty years ago and lovingly listening to her tell me the history of each building. I was mesmerized by these walls that held so many secrets. These industrial scrapbooks. That's a history worth preserving. That's a history worth acknowledging and being proud of. Cincinnati's architecture are all of these things and more.](#)

[Brooke Huerkamp, Cincinnati, OH](#)

[5 days ago](#)

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[Saving the building for all the reasons mentioned.](#)

[Also, I think this issue with the Dennison is very critical in that if demolition would be allowed....it would basically go completely against the rules of the city's Historic Preservation Board. If the Board itself should end up going against its own guidelines in this decision.....the Board would then make itself....and its mission... very much less relevant in all its future proceedings, because it would show that being in a historic district means little as far as preservation. I also find it troubling how "who you know in the right places" as well as "who your lawyer knows" seems to often prevail in matters dealing with teardowns and development within the city.](#)

[Mark Bambach, Cincinnati, OH](#)

[5 days ago](#)

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[Newer is not always better.](#)

[Regina Trantham, Weaverville, NC](#)

[5 days ago](#)

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[Because there are stories to be told about this beautiful building--there were memories made here and hopefully more to come with a little love.](#)

[Alexa Flanigan, Cincinnati, OH](#)

[5 days ago](#)

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[we need to preserve what we have](#)

[michelle maurer, Cincinnati, OH](#)

[5 days ago](#)

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[The Denison Hotel is an excellent example of pre-1900 architecture in the Cincinnati East Manufacturing and Warehouse District in Cincinnati, designed by Cincinnati's most famous architect Samuel Hannaford. I am signing this petition to prevent another piece of Cincinnati's historic urban fabric from being destroyed forever.](#)

[Johann Pareigis, Suisun City, CA](#)

[5 days ago](#)

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[Before the hearing takes place, I would like to urge current members of the HCB to review the preamble to the National Historic Preservation Act of 1966, as amended through 1992:](#)

<https://www.nps.gov/history/local-law/nhpa1966.htm>

±

[Review the legal briefs and letters; policy positions; plus, the HCB and ZBA's findings of law & fact issued in the Stough Development case \(re Davis Furniture building\).](#)

±

[City of Pittsburgh v Weinberg  
676 A.2d 207 \(Pa. 1996\)](#)

±

[To all HCB members:](#)

[Please uphold our local laws and regulations; please pay close attention to the details featured in the Urban Conservator's staff report and recommendation. Beth Johnson is experienced and talented - a top-shelf talent. We're fortunate to have her in Cincinnati.](#)

±

[Thank you](#)

[M Greenberg, Cincinnati, OH](#)

[5 days ago](#)

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[It is a piece of history and this lady knows what she is talking about](#)

[Olivia Voges, Erlanger, KY](#)

[5 days ago](#)

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[Save the Dennison!](#)

[Sarah Dworak, Cincinnati, OH](#)

[5 days ago](#)

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[Cincinnati has destroyed way too many of our historical buildings already. Those buildings are an important part of our heritage and should be preserved. They are as beautiful and have so much charm, elegance, class, and character than whatever generic building would be put up in its place.](#)

[Louise Bruemmer, Cincinnati, OH](#)

[5 days ago](#)

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[I'm signing because Beth knows what she's doing!](#)

[LAURA TAYLOR, Fort Mitchell, KY](#)

[5 days ago](#)

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[I am a historic preservation student at UC and feel that the character of OTR would be in danger if demolition were to occur.](#)

[Jake Gianni, Northbrook, IL](#)

[5 days ago](#)

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[I am signing this petition because I am opposed to the demolition of the Dennison Hotel, located at 716 Main Street, Cincinnati, OH 45202.](#)

[Adam Bosken, Cincinnati, OH](#)

[5 days ago](#)

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[Our city is in danger of losing our identity.](#)

[Marge Hammelrath, Cinti, OH](#)

[5 days ago](#)

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[this could be a great opportunity for an adaptive reuse and not just another instance of Cincinnati tearing down it's historic context.](#)

[Paul Neidhard, Indianapolis, IN](#)

[5 days ago](#)

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[I believe in protecting historic districts and structures in Cincinnati.](#)

[Michael Christian-Budd, Cincinnati, OH](#)

[5 days ago](#)

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[Much like the Albee Theater, I don't want to have to explain to my kids 40 years from now why we tore down the iconic Dennison Hotel.](#)

[Peter Howe, Cincinnati, OH](#)

[6 days ago](#)

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[I support our architectural heritage.](#)

[Kenneth Jordan, Cincinnati, OH](#)

[6 days ago](#)

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[You can't build old buildings again.](#)

[Sean Mullaney, Cincinnati, OH](#)

[6 days ago](#)

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[We need to keep our historic buildings \(especially a Hannaford\)!](#)

[Jane Messingschlager, Cincinnati, OH](#)

[6 days ago](#)

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[I am signing because I grew up in Cincinnati and know what a special city it is. One of the things that makes Cincinnati great is its architecture. When you go downtown and look around, spectacular buildings full of history and beauty surround you. Its a feeling you don't get in any of Ohio's other major cities.](#)

[Jamie Bedel, Columbus, OH](#)

[6 days ago](#)

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[Our historic architecture is what differentiates our city from others. We cannot afford to lose a beautiful building like this—it's absolutely appropriate for renovation and reuse.](#)

[Margy Waller, Cincinnati, OH](#)

[6 days ago](#)

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[The history of all is more important than higher profits for a few.](#)

[Rob Simpson, Knoxville, TN](#)

[6 days ago](#)

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[Felisha Monroe, Cincinnati, OH](#)

[6 days ago](#)

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[I'm tired of developers tearing up the historic urban fabric of our city. There are plenty of surface parking lots to develop - have at it.](#)

[Peter Adams, Chicago, IL](#)

[6 days ago](#)

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[This building is where my grandmother was born](#)

[Benjamin Bedel, Cincinnati, OH](#)

[6 days ago](#)

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[This historic Hannaford building could be incorporated into a larger contemporary development with just a little creativity. There is no justification for demolition.](#)

[Jeanne Golliver, Cincinnati, OH](#)

[6 days ago](#)

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[We have torn down too many historic structures in this city. No one has been given a chance to purchase this building. I am certain that this parcel can be sold for a profit to someone capable of rehabilitation go this building.](#)

[Chris Wiedeman, Cincinnati, OH](#)

[6 days ago](#)

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[I want to save Cincinnati's history!](#)

[Karen Davis, Hillsboro, OH](#)

[6 days ago](#)

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[The historic buildings remaining in Cincinnati are what give the city its character, charm, and uniqueness!](#)

[Jerome Wilson, Cincinnati, OH](#)

[6 days ago](#)

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[I'm an architecture student who came to Cincinnati partly because of its rich architectural heritage. It would be a shame to destroy that.](#)

[Grant Wagner, Cincinnati, OH](#)

[6 days ago](#)

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[i'm signing because i have family in Cincinnati and visit often - i always tell people at home in CA how lovely the city is and what a smart decision urban planners there made by not tearing down it's historic architecture. don't start tearing it down now - you'll end up looking like a mc-city with no character and personality - and you really will lose what is special about your unique home.](#)

[james combs, LA, CA](#)

[6 days ago](#)

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[This is a beautiful building. The market for living and working in places like these, especially in OTR is booming. Rehab is totally possible and would add to the neighborhood much more than tearing it down.](#)

[Calvin Cassady, Knoxville, TN](#)

[6 days ago](#)

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[I love Cincinnati and want it to stay beautiful and historic - that's the magic of the city](#)

[karen combs, Los Angeles, CA](#)

[6 days ago](#)

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[The beauty of this city and her architecture is an important component of its draw. We don't need another generic anything in this world. We need the beauty of place. Cincinnati's particular beauty is unique in the Midwest and the reason I moved here. Don't destroy it.](#)

[April Mann, Cincinnati, OH](#)

[6 days ago](#)

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[It is a Hannaford building and should be rehabbed rather than torn down!](#)

[Betty Ann Smiddy, West Chester, OH](#)

[6 days ago](#)

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[I support the salvaging and repurposing of Cincinnati's under appreciated history.](#)

[Christian Austin, Fort Thomas, KY](#)

[6 days ago](#)

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[this building is a landmark of my neighborhood and a piece of history. do not read this building down; it only hurts my neighborhood and I cannot let that happen.](#)

[Leslie Hall, Cincinnati, OH](#)

[6 days ago](#)

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[I want to preserve this city's cultural heritage and historic character.](#)

[Jason Nix, Cincinnati, OH](#)

[6 days ago](#)

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[Preserving architecture like this is why films like last year's Carol are being filmed in Cincinnati. As someone involved with media content being produced in Cincinnati, I feel it's crucial that beautiful buildings like this be kept standing; both for their historic novelty and the potential benefits they provide for outside business interest.](#)

[Joshua Thomas, Cincinnati, OH](#)

[6 days ago](#)

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[Historic buildings in Cincinnati are irreplaceable.](#)

[Amber Zaragoza, Cincinnati, OH](#)

[6 days ago](#)

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[I've witnessed the destruction of the Albee and The Shubert just to mention two. The Dennison has a future. Do not destroy.](#)

[Linda Elson, Cincinnati, OH](#)

[6 days ago](#)

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[This building is a treasure - it's not available to the person or companies most politically involved withdrew pockets!](#)

[Joy Pierson, Cincinnati, OH](#)

[6 days ago](#)

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[Cincinnati needs to restore not destroy it's past.](#)

[Tracy Mulica, Atlanta, GA](#)

[6 days ago](#)

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[This building is of the many beautiful architecture on Main St. It should be preserved. I would hate to some modern unimaginative whatever building in its place. Sure wish the Historic Board would follow its own guidelines & not the almighty dollar. Otherwise why does the board exist?](#)

[Kate Pflum, Cincinnati, OH](#)

[6 days ago](#)

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[As other people who live elsewhere have noted, Cincinnati has some of the finest historic architecture in the whole country. This architecture is an asset that can be leveraged by the city for economic development of areas like film and heritage tourism. You get rid of these assets, particularly ones like the Dennison which was designed by Samuel Hannaford - one of Cincinnati's finest architects who, you destroy the city's greatest asset. Would people desire tearing down Music Hall yet another masterpiece by this same talent? The answer is no and the answer should be no for this as well. Not every city has the abundance of architectural treasures that Cincinnati does, particularly in the Midwest, and in a competitive marketplace a city has to sell what makes it unique and architecture more than anything else sells Cincinnati. Without it Cincinnati is any other place.](#)

[Neil Clingerman, Chicago, IL](#)

[6 days ago](#)

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[I don't want to see this structure lost, destroyed, or demolished.](#)

[Jarrod Becker, Erlanger, KY](#)

[6 days ago](#)

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[I want to keep history alive...not destroy it.](#)

[Amy Flottemesch, Cincinnati, OH](#)

[6 days ago](#)

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[I've seen far too many losses...](#)

[Bonnie Speeg, Cincinnati, OH](#)

[6 days ago](#)

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[It is right and just to save our heritage and the character that our historic buildings represent. You cannot bring these buildings back once they are destroyed. We must fight mightily to save them!](#)

[Ann Knecht, Cincinnati, OH](#)

[6 days ago](#)

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[This is a beautiful building that should be saved.](#)

[Jason Barron, Cincinnati, OH](#)

[6 days ago](#)

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[Stop tearing down our beautiful history!](#)

[ashley henderson, Jacksonville Beach, FL](#)

[6 days ago](#)

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[We need to honor the past as we look toward the future.](#)

[Nicholas Brokaw, Cincinnati, OH](#)

[6 days ago](#)

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[I'm signing this petition because too much of our history has been demolished for parking lots and bland buildings. The current owners also own the parking lots around it and have no precedent to show that it will end up anything more than a paved lot. This is a Samuel Hannaford building \(who designed Music Hall\) and there are not many remaining due to "developers" such as these. All they care about is the bottom line, not history.](#)

[Jsohua Elson, Cincinnati, OH](#)

[6 days ago](#)

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[Historic building that would look great refurbished!!..](#)

[Barry Levine, Cincinnati, OH](#)

[6 days ago](#)

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[Our historic architectural landscape is unique across the country and integral to what makes Cincinnati special. It is important that we make every effort for preservation.](#)

[Leyla Shokooh, Cincinnati, OH](#)

[6 days ago](#)

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[it has historical value and can easily be restored to several options.](#)

[Christopher sluder, Cincinnati, OH](#)

[6 days ago](#)

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[There are way too many precious from an architectural stand point building that have been demolished already. We cannot afford to keep doing that. We are not the baby boomers :\) Go Cincy!](#)

[Tatiana Gajiu, Cincinnati, OH](#)

[6 days ago](#)

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[Save it please!](#)

[isaac stokes, boulder, CO](#)

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[do not destroy the thing that makes you unique; the historic infrastructure is the key. without it you're bland](#)

[Teri Heist, Union, KY](#)

[6 days ago](#)

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[No Historic building should ever be demolished unless it's in severe and unsafe condition](#)

[Craig Schultz, Cincinnati, OH](#)

[6 days ago](#)

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[Our city needs to keep its history. Developers are only in it for money. We don't need that kind of greed downtown.](#)

[Doug Newberry, Cincinnati, OH](#)

[6 days ago](#)

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[Preserving Cincinnati's history is important for preserving Cincinnati's future. Our historic structures are one of the best assets we have.](#)

[Adam Hyland, Cincinnati, OH](#)

[6 days ago](#)

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[Just yesterday, I was in conversation with a young woman who plans to move to Denver. Her reasoning had so much to do with how we approach our infrastructure as a city, the lack of support for multi-modal trans, the demolition of buildings that corporate money has its eye on for a parking lot. But there is a commitment from those who are vested in the city to push for our voices to be heard.](#)

[Annette Wick, Loveland, OH](#)

[6 days ago](#)

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[We need to preserve our history. Enough has been lost already !!](#)

[Christopher Vest, Cincinnati, OH](#)

[6 days ago](#)

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[I am passionate about preserving historic buildings.](#)

[Christine Celsor, Cincinnati, OH](#)

[6 days ago](#)

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[We need to keep our historic districts intact. We have an incredibly unique stock of historic buildings that need us to stand up for them. Once they are gone, they are gone.](#)

[Pam Sattler, Cincinnati, OH](#)

[6 days ago](#)

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[The building is a beautiful representation of our heritage and the uniqueness of our city. Keeping and restoring our building is how the city has been able to make the turn around it has. Please don't destroy our Cincy roots.](#)

[Stephanie Ress, Cincinnati, OH](#)

[6 days ago](#)

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[Enough is enough. The richest and most powerful cannot continue to run over our historic conservation laws and destroy our historic buildings just because they can afford to hire the most renowned lawyers.](#)

[danny klingler, cincinnati, OH](#)

[6 days ago](#)

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[This is a historic building that should be saved.](#)

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English (United States) 

## Ironworks Permanent Supportive Apartments: Renovation of the Dennison Hotel

The Ironworks Apartments development is the proposed \$11 million transformation of the dilapidated Dennison Hotel in the heart of the Central Business District into 63 units of permanent supportive housing designed to serve veterans of our armed forces. Talbert House and the Model Group make up the core development team and, collectively, they have nearly 80 years of experience serving Cincinnati and its residents.



*Current Facade*

Built in 1890, this historic property located at 718 Main Street, has had no capital improvements or unit upgrades in over thirty years. The property was most recently operated as the Dennison Hotel with 114 Single Room Occupancy units, common bathroom facilities, and no common amenities. The storefront space has been vacant for years. With the Ironworks redevelopment, the building will undergo a historically sensitive and energy efficient renovation into 63 one bedroom apartments, complete with kitchens, private bathrooms, and common amenities that include meeting space, laundry facilities, a television room, a common kitchenette, an interior ventilated smoking room, and 24 hour/day staffed entrance to ensure the safety of tenants and restrict access to the building. The project is large enough to provide a sense of community and be economically efficient, but not too large that it feels institutional. We will only have seven units per floor and work hard to build healthy relationships with and among tenants.

Talbert House, which has been serving Cincinnati residents since 1965, will own Ironworks and oversee the delivery of comprehensive supportive services to tenants, including case management, counseling, education, life skills, job training, crisis intervention, and more). Talbert House understands the unique needs of veterans in our community, as Talbert’s clientele has included Cincinnati-area veterans for many years. To enhance the coordination and delivery of services to residents, Talbert brings a long standing commitment to the Veteran’s Administration clients to this project. Talbert is also committed to providing employment and training opportunities for tenants by reinvigorating the storefront space through the creation of a social enterprise café.



*Current Unit Conditions*

The Model Group, which has over 33 years in historic rehabilitation, affordable housing development, and management, will serve as the contractor and property manager. As in all of their affordable developments, Model is committed to providing housing opportunities that are market-rate quality to remove the stigma that sometimes comes with living in affordable housing. The goal is for residents to be proud of their new home (see sample photographs of unit finishes below). Model's property management company, Brickstone Properties, will lease, maintain and be responsible for compliance issues associated with this project. Tenant referrals will be solicited from the Veteran's Administration, shelters, and transitional housing agencies.



*Ironworks façade, after historic restoration*

The Ironworks development is critical to preserve the existence of quality affordable housing and supportive services for individuals at-risk of homelessness in a rapidly gentrifying Central Business District. The proposed Ironworks development will ensure that downtown individuals who are in need have safe, clean, top-quality housing in a prime downtown location. At their front door, tenants will enjoy easy access to the downtown job market, parks, library, eateries, government services, and other community amenities. This project also implements a portion of the "Homeless to Homes Plan" approved by the City of Cincinnati and Hamilton County in 2009.



*Standard Model Construction Amenities*

The local development team has a long track record of providing for Cincinnati residents in need. The team is committed to the sustainable social and economic health of Cincinnati and its residents. They understand the unique needs of this target population in Cincinnati and have long standing relationships in the community that are needed to make Ironworks and its services a success for tenants and the community.

Over the last three years, the team has put investment of over \$1 million at risk on this project to acquire the property and design a first class PSH property in the face of mounting political pressure. The team has worked hard to redevelop the Dennison Hotel into permanent supportive housing that is so important to the CBD. Over those three years, the development team has met with countless stakeholders and earned support for the project from the many in the community, including the Downtown Residents Council. As Cincinnati-based organizations, being a good neighbor in permanent supportive housing is absolutely essential. It is exactly the type of high profile project, like the Anna Louise Inn, that is important for solving homelessness in our community and sending a message that Cincinnati cares about the least fortunate in its community.

AN ORDINANCE No. 539-1984

To establish the Main Street Historic District in the vicinity of Main Street, north of Sixth Street and south of Court Street, as an overlay district pursuant to Chapter 35, Regulations for Historic Structures, Sites, and Districts, of the Cincinnati Zoning Code, and Chapter 741, Historic Conservation, of the Cincinnati Municipal Code, by ordaining supplementary Section 102.1.942 of the Zoning Code to amend Building Zone Map No. 335.

Whereas:

In 1982, Council adopted the Cincinnati 2000 Plan as the Comprehensive Development Plan for downtown Cincinnati. The 2000 Plan proposed as appropriate for designation as a local historic district along Main Street from Sixth Street to Central Parkway.

The Urban Conservator has prepared a designation report including conservation guidelines for the proposed district.

Following a public hearing, the Historic Conservation Board, at its meeting held November 5, 1984, favorably recommended designation of the Main Street Historic District including the recommended Conservation Guidelines for such district.

Upon receipt of the decision of the Historic Conservation Board, the City Planning Commission at its meeting of November 9, 1984, approved the designation of the Main Street Historic District, taking into account the factors enumerated in Section 741-7(c) of the Cincinnati Municipal Code.

Council considers the establishment of the Main Street Historic District to be in the best interest of the city and the general public.

Now, Therefore, Be It Ordained by the Council of the City of Cincinnati, State of Ohio:

Section 1. Council adopts the Designation Report prepared by the Urban Conservator for the Main Street Historic District. That report, "Exhibit A," attached, is incorporated by this reference as a part of this ordinance. Council specifically adopts as its own the findings that the Main Street Historic District has historic significance as defined by Section 741-1-H1 of the Cincinnati Municipal Code and qualifies in all respects for historic designation under Chapter 741 of the Cincinnati Municipal Code and Chapter 35 of the Cincinnati Zoning Code.

Section 2. Supplementary Section 102.1.942 shall read:

Sec. 102.1.942. The Main Street Historic District in the vicinity of Main Street, north of Sixth Street and south of Court Street as shown as an overlay on Building Zone Map 335, shall include the following described area:

Situate in the City of Cincinnati, Hamilton County, State of Ohio and being more particularly described as follows:

Beginning at a point in the center line of Main Street, said point being the point of intersection with the center line of East Sixth Street; thence westwardly with the center line of East Sixth Street a distance of 127.25 feet to a point of intersection

with the center line of an unnamed 8.5 foot alley; thence northwardly with the center line of said alley to the point of intersection with the center line of Gano Alley; thence eastwardly with the center line of Gano Alley to the point of intersection with the southwardly extension of the west parcel line of Parcel 87 Plat Book 78 Page 1 HCAP; thence northwardly along said parcel line extended and said line to the south parcel line of Parcel 96 Plat Book 78 Page 1 HCAP; thence westwardly along said parcel line to the southwest corner of said parcel thence northwardly along the west parcel line of said parcel 96 to the south parcel line of Parcel 97 Plat Book 78 Page 1 HCAP; thence westwardly along said parcel line to the southwest corner of said parcel; thence northwardly along the west parcel line of said parcel to the northwest corner of said parcel; thence eastwardly along the north parcel line of said parcel 97 to the southwest corner of Parcel 98 Plat Book 78 Page 1 HCAP; thence northwardly along the west parcel line of said parcel and continuing along the west parcel line of Parcels 99, 100, 101 and 102 Plat Book 78 Page 1 HCAP and said line extended of said parcel 102 to the center line of East Seventh Street; thence eastwardly with said center line to the point of intersection with the southwardly extension of the west parcel line of Parcel 20 Plat Book 79 Page 1 HCAP; thence northwardly along said parcel line extended and said line and continuing along the west parcel line of Parcels 21, 22, 23, 24, and 25 Plat Book 79 Page 1 HCAP to the irregular south parcel line of Parcel 28 Plat Book 79 Page 1 HCAP; thence northwardly 5.10 feet and westwardly 9.93 feet along said parcel line to the southwest corner of said parcel; thence northwardly along the west parcel line of said parcel 28 and continuing along the west parcel line of Parcels 150, 29, and 30 Plat Book 79 Page 1 HCAP and said line extended of said parcel 30 to the center line of East Eighth Street; thence westwardly with said center line to the point of intersection with the southwardly extension of the west parcel line of parcel 61 Plat Book 79 Page 1 HCAP; thence northwardly along said parcel line extended and said line to the south parcel line of Parcel 64 Plat Book 79 Page 1 HCAP; thence westwardly along said parcel line to the southwest corner of said parcel; thence northwardly along the west parcel line of said parcel and said line extended to the south parcel line of Parcel 69 Plat Book 79 Page 1 HCAP; thence westwardly along said parcel line and continuing along the south parcel line of Parcel 151 Plat Book 79 Page 1 HCAP to the southwest corner of said parcel 151; thence northwardly along the west parcel line of said parcel and said line extended to the center line of East Ninth Street; thence eastwardly with said center line a distance of 8 feet to the point of intersection with the center line of an unnamed 10 foot alley; thence northwardly with the center line of said alley to the point of intersection with the westwardly extension of the north parcel line of Parcel 110 Plat Book 79 Page 1 HCAP; thence eastwardly along said parcel line extended, said line and said line extended to the center line of Main Street; thence north-

wardly with said center line to the point of intersection with the center line of East Court Street; thence eastwardly with the center line of East Court Street to the point of intersection with the center line of Pancoast Alley; thence southwardly with the center line of Pancoast Alley to the point of intersection with the center line of East Ninth Street; thence eastwardly with the center line of East Ninth Street to the point of intersection with the center line of Pancoast Alley; thence southwardly with the center line of Pancoast Alley to the point of intersection with the center line of Whetstone Alley; thence eastwardly with the center line of Whetstone Alley to the point of intersection with the center line of Crow Alley; thence southwardly with the center line of Crow Alley to the point of intersection with the center line of East Seventh Street; thence westwardly with the center line of East Seventh Street to the point of intersection with the center line of Leslie Alley; thence southwardly with the center line of Leslie Alley to the point of intersection with the center line of East Sixth Street; thence westwardly with the center line of East Sixth Street to the point of beginning.

Section 3. "Exhibit B," attached, is a plat of the territory described in Section 2. It is incorporated by this reference as a part of this ordinance.

Section 4. Council adopts and incorporates by this reference as a part of this ordinance the "Main Street Historic District Conservation Guidelines," "Exhibit C," attached, for the purposes set forth in Section 741-11 of the Cincinnati Municipal Code.

Section 5. The Clerk of Council is directed to notify the Historic Conservation Board, the City Planning Commission, the Director of Buildings and Inspections, and the City Solicitor of the designation of Main Street as an Historic District. The Solicitor shall cause the designation to be recorded by the Hamilton County Recorder. The Historic Conservation Board shall notify all interested or affected property owners, groups, City departments, boards and commissions.

Section 6. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety. It shall go into immediate effect. The reason for the necessity of immediate effect is the need to protect the structures in the Main Street Historic District from alteration detrimental to their maintenance as part of the city's cultural and historic heritage.

Passed December 19, A.D., 1984

CHARLES J. LUKEN, Mayor.

Attest: DENNIS H. ROGERS, Clerk.

1-1-1t

Vote 6-3  
Nay votes: Luken, Blackwell, Guckenberger  
Yes votes: Mann, Bortz, Spencer, Strauss, Fellerhoff, Sterne

November 5, 1984

The Honorable Historic Conservation Board  
Cincinnati, Ohio

Subject: Transmittal of Designation Reports and Conservation Guidelines for Court Street Historic District and Main Street Historic District

### Background

The passage of the Cincinnati 2000 Plan in mid-1982 resulted in the lifting of a City Council moratorium on historic designations in the Central Business District. Since then, staff of the City Planning Department's Historic Conservation Office have been conducting the detailed research, analysis and preparation of conservation guidelines which precede the designation of historic buildings and districts.

Work is now complete on two major districts, one running along Court Street from Plum to the Hamilton County Court House, and the other flanking Main Street from 6th Street north to Court. Although the districts abut, they are distinct from each other in style, period, and character.

### Necessary "Findings" and "Impacts" Found in Conservation Study

According to Chapter 741 of the Municipal Code, certain findings must be made about a proposed district's historic and architectural merit, and about the distinction of the proposed district as an identifiable area.

Consideration must also be given to whether the proposed district is in conformance with other city plans, and attention must be given to other planning considerations.

Conservation Studies for both Main and Court Street Districts, attached, provide a "Designation Report" (Section I) which addresses the findings and impact considerations which must be made prior to district designation.

### Conservation Study Also Includes Marketing Recommendations

The Main Street Historic District Study Committee concentrated primarily on the financial incentives and support programs which could promote preservation in the districts.

Committee and staff recommendations, applicable to both Court and Main Street Districts, are included in the Conservation Study, as "Marketing Opportunities" (Section II).

### Conservation Guidelines Attached Separately

At the time of district designation, conservation guidelines must also be adopted by City Council. The guidelines, according to Municipal Code Chapter 741, "shall promote the conservation, development and use of structures, sites and districts ... and shall promote the special historic, architectural, community or aesthetic interest or value (of the districts)." The guidelines address rehabilitation, new construction, and demolition.

The guidelines for the Main Street and Court Street Districts are based on a thorough streetscape analysis and a building-by-building assessment of existing conditions. They are aimed at promoting, not just regulating, appropriate change and economic revitalization in the districts.

The guidelines are somewhat different from those adopted for other districts in the city. They are geared toward educating property owners about what makes each district unique and valuable, what kinds of questions the Historic Conservation Board considers when it reviews building permit applications, and what types of changes are appropriate or inappropriate for the district.

This new, more detailed, approach is a direct result of citizens' study committee requests for guidelines which strike a fine balance between the need for flexible, case-by-case review and the need for as much predictability as possible. Thus the analysis sheets are incorporated into the guidelines as an educational and informative tool, almost all of the guidelines are illustrated for greater clarity and communication, and -- unique to the Main Street District -- guidelines for Main Street were prepared for each existing development site. Despite the specificity, the guidelines are written with very few rigid "rules".

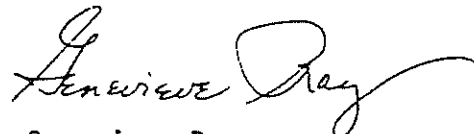
Guidelines for each district are attached to this report.

### Recommendations

1. That the Historic Conservation Board find that the proposed Court Street Historic District contains structures of architectural significance which together constitute an identifiable area important to the city's history and which meet criteria for historic designation as specified in Chapter 741 of the Municipal Code.
2. That the Historic Conservation Board recommend to the City Planning Commission the approval of the Court Street Historic District, with boundaries as recommended in the Designation Report, and further recommend its adoption by City Council.

3. That the Historic Conservation Board endorse the conservation guidelines prepared for the Court Street Historic District and recommend their approval by the City Planning Commission and their adoption by City Council.
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7. That the Historic Conservation Board recommend to the Planning Commission and City Council that provisions of the city's Anti-Displacement Ordinance be applied to the Main Street Historic District and the Court Street Historic District.
8. That the Historic Conservation Board endorse the economic development incentive concepts as recommended in the Conservation Study (Section III), and urge the City Administration to devote major effort to 1) refinement of those suggested incentives, and 2) development of further incentives for encouraging rehabilitation and promotion of the historic districts.

Respectfully submitted,

A handwritten signature in cursive script that reads "Genevieve Ray". The signature is written in black ink and is positioned above the printed name.

Genevieve Ray  
Urban Conservator

Attachments

November 5, 1984

The Honorable Historic Conservation Board  
Cincinnati, Ohio

Subject: Transmittal of Designation Reports and Conservation Guidelines for Court Street Historic District and Main Street Historic District

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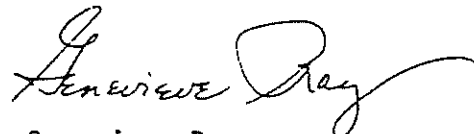
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Respectfully submitted,



Genevieve Ray  
Urban Conservator

Attachments



# United States Department of the Interior

## NATIONAL PARK SERVICE

MID-ATLANTIC REGION  
143 SOUTH THIRD STREET  
PHILADELPHIA, PA. 19106

IN REPLY REFER TO:

F78(MAR-PDS)

28 JUN 1985

Ms. Genevieve Ray  
Urban Conservator  
City of Cincinnati  
Room 222, City Hall  
Cincinnati, OH 45202

Dear Ms. Ray:

This is to notify you as duly authorized representative that the Main Street Historic District has been certified by the Secretary of the Interior for purposes of §2124 of the Tax Reform Act of 1976, §§701 (f) and 315 of the Revenue Act of 1978, and §§212 and 214 of the Economic Recovery Tax Act of 1981 as meeting substantially all the requirements for listing of districts in the National Register of Historic Places. In accordance with Federal Regulations (36 CFR 67.9 [g], March 12, 1984) this district is also determined to be eligible for listing in the National Register of Historic Places effective the date of this letter.

Individual property owners of depreciable buildings within this district can qualify for the Federal tax incentives by filling out Parts 1 and 2 of a Historic Preservation Certification Application (sample enclosed) and submitting them to the Ohio State Historic Preservation Officer (SHPO). Additional application forms are available from the SHPO. For optimum results it is important that these applications be submitted as early as possible in the planning of a rehabilitation project.

Review Boards and Commissions should become familiar with the Secretary of the Interior's "Standards for Rehabilitation" (copy enclosed). These standards are used by the Secretary in certifying rehabilitation work for the tax incentives of the Tax Reform Act. Both the SHPO and this office are available to advise individuals and organizations in this matter.

If you have any questions, please call Martha Raymond of this office at (215)597-1578.

Sincerely,

*Myra F. Harrison*  
for Myra F. Harrison  
Assistant Regional Director  
Office of Cultural Programs

Enclosure

cc: NR/WASO  
OH SHPO



AS REVISED AND RECOMMENDED BY<sup>000231</sup>  
Historic Conservation Board, 11/5/84  
City Planning Commission, 11/9/84  
Revisions completed 11/30/84

# MAIN STREET HISTORIC DISTRICT

# CONSERVATION GUIDELINES



HISTORIC CONSERVATION OFFICE

CITY PLANNING DEPARTMENT

CINCINNATI OHIO

NOVEMBER 1984

TABLE OF CONTENTS  
CONSERVATION GUIDELINES  
 MAIN STREET HISTORIC DISTRICT

		<u>Page</u>
I.	<u>Introduction</u>	1
II.	<u>Boundary Map</u>	2
III.	<u>Analysis:</u>	
	Main St., 7th to 6th - East Side	3
	Main St., 6th to 7th - West Side	4
	Main St., 8th to 7th - East Side	5
	Main St., 7th to 8th - West Side	6
	Eighth St., at Main - North Side	7
	Eighth St., at Main - South Side	8
	Main St., 9th to 8th - East Side	9
	Main St., 8th to 9th - West Side	10
	Ninth St., at Main - South Side	11
	Main St., Court to 9th - East Side	12
	Main St., 9th to Court - West Side	13
IV.	<u>Rehabilitation and Alteration: Intent; General Guidelines</u>	15
	<u>Specific Guidelines:</u>	
	Upper Floor Windows	16
	Cornices	17
	Ornamentation	18
	Masonry	18
	Storefronts	21
	Signs	23
	Awnings	25
	Utilities	26
V.	<u>Additions: Intent; General Guidelines</u>	27
VI.	<u>New Construction: Intent; General Guidelines</u>	28
	<u>Specific Guidelines:</u>	
	East side Main - 6th to 7th	29
	East side Main - 8th to 9th	30
	West side Main - 6th to 7th	31
	West side Main - 8th to 9th	32
	West side Main - 9th to Court	33
VII.	<u>Site Improvements: Intent; General Guidelines</u>	35
	<u>Specific Guidelines:</u>	
	Parking Lots	35
	Sidewalks/Parks and Furnishings	36
VIII.	<u>Demolition</u>	37

## I. INTRODUCTION

Conservation Guidelines are used by owners, architects, contractors and the City's Historic Conservation Board when owners in historic districts decide to make changes to the outside of their buildings.

They are not rigid sets of rules, but rather a guide on how to make improvements in the district which are compatible with its character. Guidelines give building owners advice on how to undertake work in the district, and they give the Historic Conservation Board a way to determine whether proposed work is appropriate. The guidelines set broad parameters within which district changes should occur while maintaining ample opportunity for design creativity and individual choices and tastes.

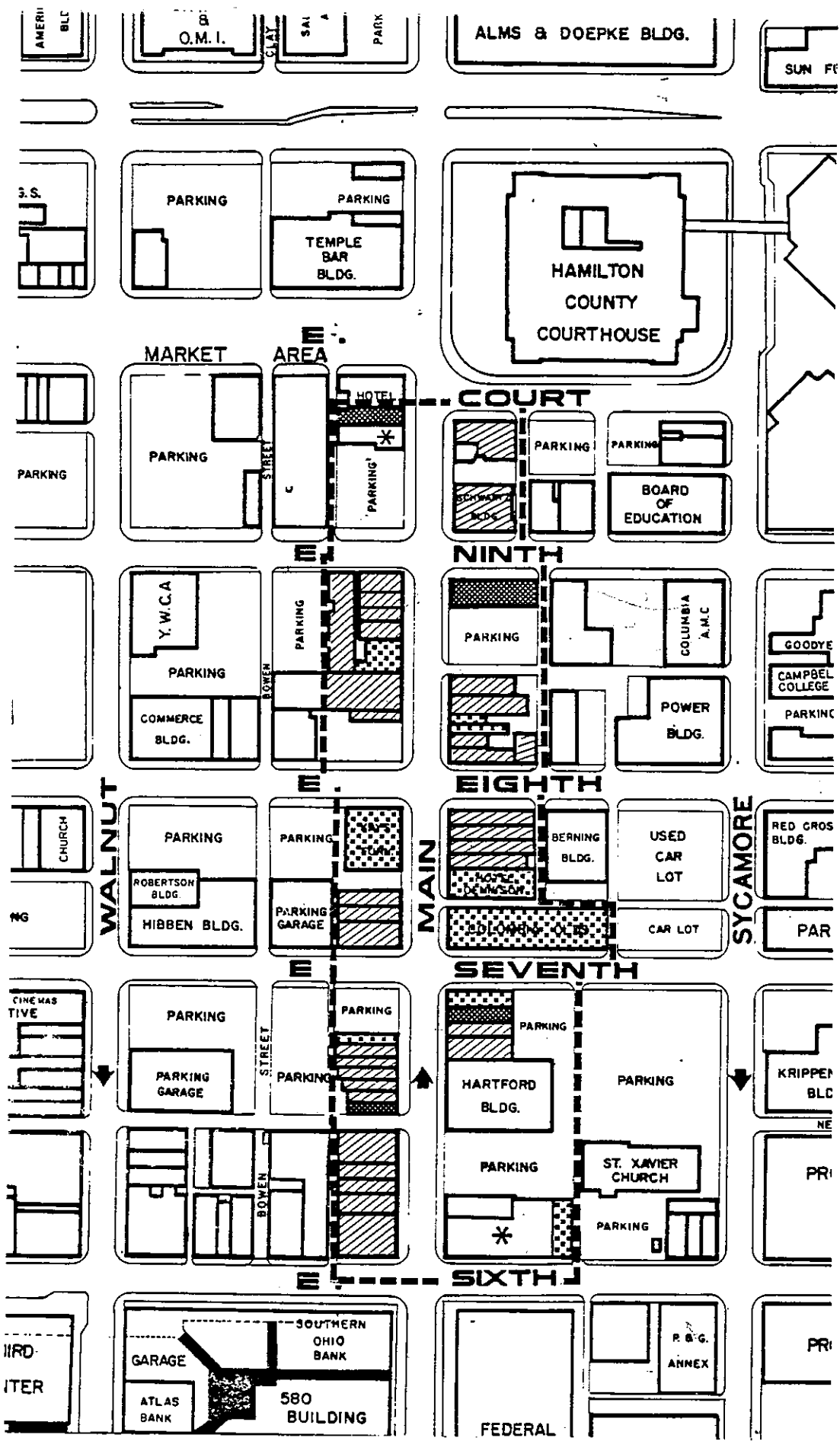
If an improvement is proposed within the Historic District, a Certificate of Appropriateness (C.O.A.) must first be obtained from the Historic Conservation Board. This is in addition to a building permit, though there is no additional fee. The following kinds of work do not require a C.O.A.:

- Interior work such as plumbing, wiring, plastering.
- Ordinary repair and maintenance which does not result in an exterior change.

The following points are of extreme importance:






- The guidelines do not require that an owner make improvements.
- The guidelines do not force an owner to "take the property back to the way it was."
- The HCB may modify certain guidelines, as appropriate, in cases of economic hardship. The Board must approve the proposal, even if it doesn't meet the guidelines, when the owner demonstrates
  - a) that there is no "economically feasible and prudent alternative" which would conform to the guidelines, and
  - b) that strict application of the guidelines would deny the owner a reasonable rate of return on the property, and would amount to a "taking of the property without just compensation."
- The guidelines, and the legislation which set up the Board, are geared toward negotiating solutions which will give the owner substantial benefit without causing substantial harm to the district. The Board may grant approval, set conditions, or waive certain guidelines as "trade-offs" to aid negotiations.
- Any applicant who disagrees with a Board decision may appeal the decision to City Council. In the 4½ years that the Board has reviewed proposals in historic districts all over the city, not one applicant has appealed. This indicates overwhelming success of the negotiation process.

The Conservation Guidelines for the Main Street Historic District are based on an analysis of each block in the District. Analysis showed that the buildings on Main Street had great architectural variety as well as certain shared characteristics. These are noted in the analysis section of the guidelines and are intended to serve as a general guide to anyone contemplating changes to their property.



## ARCHITECTURAL ANALYSIS

### MAIN STREET HISTORIC DISTRICT

-  NATIONAL REGISTER
-  OUTSTANDING
-  SIGNIFICANT
-  COMPATIBLE
-  INCOMPATIBLE

HISTORIC CONSERVATION OFFICE  
 CITY PLANNING DEPARTMENT  
 CINCINNATI, OHIO JULY 1983  
 BOUNDARIES OCTOBER 1984



### VIII. DEMOLITION

Demolition of existing buildings shall be permitted if one of the following conditions exist:

- (a) Demolition has been ordered by the Director of Buildings & Inspections for the public safety because of an unsafe or dangerous condition which constitutes an emergency.
- (b) The owner can demonstrate to the satisfaction of the Historic Conservation Board that the structure cannot be reused nor can a reasonable economic return be gained from the use of all or part of the building proposed for demolition.
- (c) The demolition request is for an inappropriate addition, or an incompatible building, and the demolition of said structure will not adversely affect the streetscape as determined by the Historic Conservation Board.
- (d) The demolition request is for a non-significant portion of a building and the demolition will not adversely affect those parts of the building which are significant as determined by the HCB.



Date: 04/12/16

**To:** Matthew Shad, Zoning Administrator

**From:** Ed Cunningham, Division Manager, PMCE

**Copies:** File

**Subject: STATUS OF CODE ENFORCEMENT 716-18 MAIN STREET**

---

The now vacant masonry high-rise building was formerly used as single room occupancy, or a "rooming house," with a commercial use on the first floor. The last rooming house license inspection was approved in December 2009. On or about April 30, 2015, at the invitation of the attorney for the owner via letter dated April 22, 2015, the building was inspected by this Division, General Building Inspection, and the Fire Department.

As a result of the inspection the Property Maintenance Code Enforcement Division issued orders to correct 9 code violations. A copy of the order is attached. The owner appealed the order and the case was continued by the Board of Housing Appeals. The case is pending as of the time of this communication.

On December 16<sup>th</sup>, 2015, Brad Rogers, the engineer for the owner, submitted a proposed stabilization plan to accomplish the following *"to provide a level of protection to the general public until we can do a more thorough stabilization in the spring."*

To date the majority of the plan has not been accomplished. However, a sidewalk scaffold was installed along the front of the building to protect pedestrians from any loose parts of the façade that may dislodge and fall.

While the building has code violations and requires maintenance, the condition of the building is not considered dangerous and unsafe as referenced in the Cincinnati Zoning Code Section 1435-09-5.- *Exceptions from the requirement to obtain Certificate of Appropriateness*, paragraph (c), and does not constitute an emergency at this time.

None of the 9 violations are in full compliance per our records. The case will remain open and subject to enforcement until the corrections are completed and approved.



4-13-2016

**FOR YOUR INFORMATION**

TO: Urban Conservator, Zoning Administrator

CC: Art Dahlberg, Building and Inspections Director

FROM: Richard Schriewer, Deputy Director

---

Subject: 716 Main St., Dennison Hotel Structure Assessment by Advantage Group Engineers, Inc.  
Report dated 5/8/2015

The subject report for 716 Main St. describes the physical conditions of the property as observed by the writer as "generally structurally stable". There are current maintenance orders that have been issued to address the exterior of the buildings and the restoration of fire separations. These items are listed in the report and they have been partially addressed with repairs noted as in progress as of this writing.

The balances of the findings listed in the report are written as a precaution to the owner pointing to additional requirements that could apply if the use of the property was to be changed from the existing residential use to one that would be deemed a greater hazardous to life safety or represent a greater fire risk.

If a change of use is anticipated, Ohio Building Code Section 3409.1 provides a tool that would allow the building official to evaluate the life safety risks associated with the repurposing of historic structures without necessarily requiring the change of use to comply with the current day code requirements. Until such time that a decision is made as to how the property will ultimately be designed and used it will be difficult at best to determine or quantify the new requirements if any.

Reference:

**OBC SECTION 3409**  
**HISTORIC BUILDINGS**

**3409.1 Historic buildings.** The provisions of this code relating to the construction, repair, alteration, addition, restoration and movement of structures, and change of occupancy shall not be mandatory for historic buildings where such buildings are judged by the building official to not constitute a distinct life safety hazard.



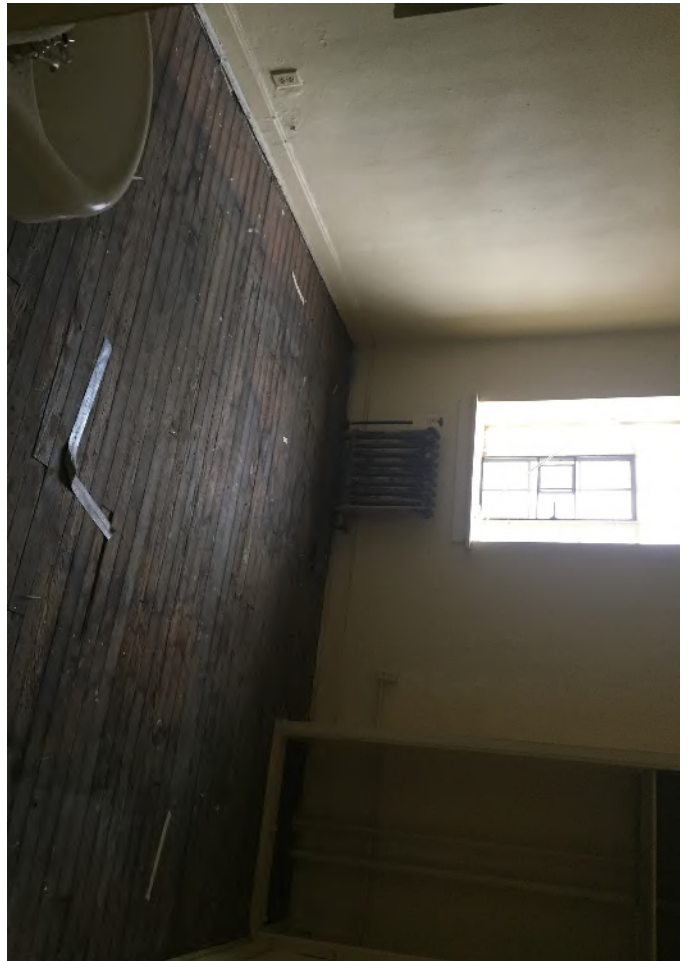
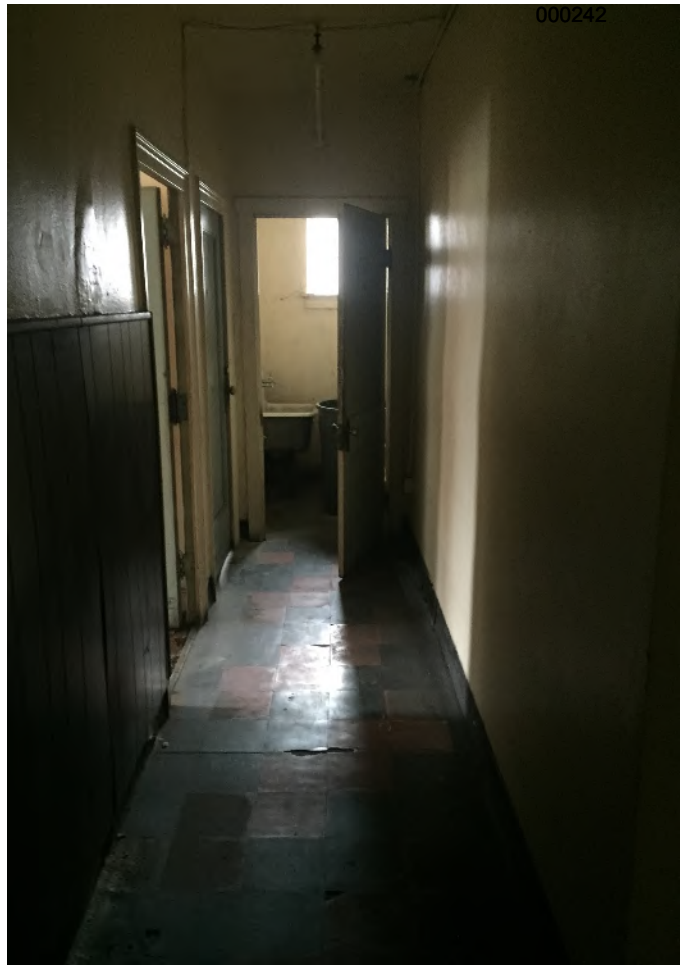




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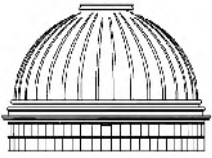


000245









# Beth Johnson, AICP

## Education:

**Cornell University, College of Architecture, Art and Planning, Ithaca, NY**  
Master of Art, Historic Preservation Planning  
Summa Cum Laude

**Ball State University, College of Architecture and Planning, Muncie, IN**  
Bachelor of Urban Planning: Double major History, minor Historic Preservation  
Honors Degree and Magna Cum Laude

## Overview and Highlights of Work Experience:

**City of Cincinnati Buildings and Inspections Department Cincinnati, OH**  
*Urban Conservator*

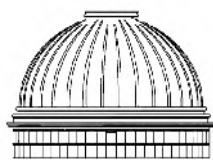
- Administer the review and permitting process in the local historic districts and historic landmarks
- Provide technical expertise in project review and staff reports to the Historic Conservation Board
- Coordinate the Certified Local Governments Program and grant funds
- Administer and lead negotiations in the Section 106 process for the City of Covington.
- Provide resources and assistance for residents doing historic building research and rehabilitations.
- Provide general design, historic, and planning expertise to both public and private projects.

**Planning and Zoning Department, Austin, TX**  
*Senior Planner/Deputy Historic Preservation Officer*

- Administer the review and permitting process in the local historic districts, National Register Historic Districts, and Local Landmarks.
- Staff the Historic Landmark Commission
- Coordinate the Certified Local Governments Program and grant funds
- Manage the RFP, consultant selection and contractors for a 2000+ property, \$300,000 historic resource survey.
- Provide resources and assistance for residents doing historic building research and rehabilitations.
- Coordinating Historic Preservation rewrite on CodeNext/Zoning Code update.
- Supervisory role over Planner I, II and III positions.

**City of Covington Community Development Department, Covington, KY**  
*Preservation and Planning Specialist (formally Historic Preservation Officer)*

- Administer the review and permitting process in the local historic districts.
- Staff the Urban Design Review Board (Covington's Local Preservation Commission).
- Coordinate the Certified Local Governments Program and grant funds (Averaged \$15,000-\$20,000 in grant funds each year, 20% of the total grant fund pool for the state).
- Administer and lead negotiations in the Section 106 process for the City of Covington.
- Managed and created preservation plans for City Funded rehabilitation programs.
- Project manager for NKY Restoration Weekend.
- Give general assistance for Federal and State Tax Credit programs
- Updated and revised the Covington Historic Design Guidelines as well as wrote various guidelines for Development Plans and Agreements.
- Provide resources and assistance for residents doing historic building research and rehabilitations.
- Project Manager for the Roebling Point Small Area Study, a land use and design feasibility study.
- Liaison and/or coordinate implementation teams for three Small Area Plans.
- Provide general design, historic, and planning expertise to both public and private projects.
- Provide educational opportunities to residents and professionals including an annual lecture series with the Kenton County Library and NKY Home Builders Association.
- Helped establish one of Kentucky's first five Cultural and Heritage Districts in Covington.
- Created various historic walking tours for special interest groups and conferences.
- Managed the survey and nomination of an individual listing and two proposed National Register Districts with a total of 1200 resources and the resurvey of 6 existing Districts with 1800 resources.



# Beth Johnson, AICP

## Special Projects:

### **Color Covington** 2009

#### *Project Manager*

Fund-raised over \$10,000 through local grants and selling ads to create a forty page coloring book of historic sites in Covington, Kentucky that is used as a teaching tool about Cultural History in Covington. As Project Manager, I was in charge of all fund-raising and hiring the consultants that created the artwork, formatted, and printed the book.

### **Experience Covington Tour** 2008-2009

#### *Oral Historian and Project Coordinator*

Worked on a team that created an audio-digital walking and driving tour of Covington that was funded through a Preserve America Grant. As a trained oral historian, I was charged with coordinating and interviewing about 20 people for the product. I also helped coordinate visual media products and was on the advising committee for the project. I coordinated the opening event/launch of the tour.

### **Historic Preservation: Saving Place** 2011

#### *Executive Producer and Script Writer*

Created a 23 minute award winning video, in partnership with the City of Bellevue and funded through Certified Local Government Grants, that was aimed at educating the importance of historic preservation and rehabilitation. The video can be found at <http://vimeo.com/35608673>

### **Living History: The Architecture of Northern Kentucky** 2013

#### *Executive Producer and Script Writer*

Created a 48 minute video, in partnership with the City of Bellevue and funded through Certified Local Government Grants, that was aimed at educating about the main styles of architecture that are found in the River Cities of Northern Kentucky. The video can be found at <http://vimeo.com/76638467>

### **Northern Kentucky Restoration Weekend** 2012, 2013, 2014

#### *Project Manager and Presenter*

Managed a group of local preservationists, vendors, and craftsman to create a two day event/conference focused on homeowner and professional education. The event provides between 20-30 classes each year, a keynote speaker, vendors fair, continuing educations classes for AIA and AICP, and Preservation Trade Network craftsman demonstrations. Yearly attendance averages at 300 participates. Fundraised an average of \$12,000 each year to put on the program.

### **Covington Design Guidelines** Adopted June 2014

#### *Project Manager*

Worked with committee of members of our local design review board, developers, architects, and other preservation professionals to evaluate the existing guidelines that were written in 1988 to update them to fit the current preservation climate of Covington and to be more customer friendly and accessible. These guidelines received a Stewardship award from Cincinnati Preservation Association.

### **Village Breeze- Covington Historic Preservation** 2009-2010

#### *Guest columnist*

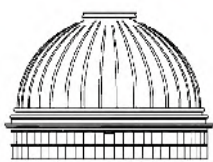
Wrote a column in the quarterly newspaper, *The Village Breeze*, published by a business owner and resident of one of Covington's local historic districts.

Ten Reasons Historic Preservation Makes Covington a Better Place to Live, December 2009

What Does it Mean to Be Historic and Other Common Historic Preservation Questions, April 2010

Tips to Making your Historic Building Energy Efficient, October 2010

How to Properly Insure your Historic Home, February 2011



# Beth Johnson, AICP

## Trainings and Skills:

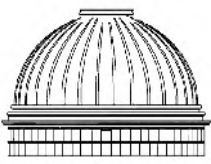
- Grant Writing
- Section 106 Essentials and Advanced
- National Alliance for Preservation Commission's Short Course Commission Training
- Main Street 101
- Pine Mountain Preservation School: Wood Window Restoration
- Preservation Leadership Training/ Advanced Real Estate and Finance
- Brownfields Basics
- Microsoft Office Suite
- Adobe Creative Suite
- ArcMAP and GIS info
- Proficient in evaluation and manipulation of Census and Statistical data
- Graphic design, composition and layout including Website, logo and document design
- Public speaking and presentation/class instruction
- Historic Document research
- Oral History Documentation
- Building documentation (survey, photography, measured drawings, architectural descriptions)
- Historic Building Condition Analysis and Assessment- Over 200 buildings assessed
- Architectural drafting and design, exterior and interior design
- Writing of Design Guidelines, Building/Plumbing/Zoning Code updates, MOU/A, PA
- Rehabilitation project feasibility analysis and project management- Over 100 projects completed
- Rehabilitation Tax Credit applications, state and federal- Over a dozen projects completed
- National Register research, documentation, and nominations

## Achievements:

- Meet and exceed the Secretary of the Interior's Professional Qualifications for Historic Preservation
- American Institute of Certified Planners (AICP) Outstanding Student of the Year Award, 2004
- Ball State University Department of Urban Planning Academic Achievement Award, 2004
- Ball State University College of Architecture and Planning Valedictorian, 2004
- Cornell Preservation Thesis Achievement Award, 2006
- Kentucky Colonel Recognition- 2008
- Ida Lee Willis Service to Preservation Award for "*History Preservation: Saving Place*", 2012
- NAPC Best Practices: Public Service/Advocacy for "*History Preservation: Saving Place*", 2012
- Professional Remodeler's Magazines top 40 under 40, 2012
- Preservation Kentucky- Edith Bingham Award for Excellence in Preservation Education for NKY Restoration Weekend, 2013
- Preservation Kentucky- David L. Morgan State Historic Preservation Tax Credit for Excellence in Residential Rehabilitation, 2013
- Kentucky American Institute of Architects- John Russell Groves Citizens Laureate Award- 2013
- Cincinnati Preservation Association Stewardship Award for the *Historic Covington Design Guidelines*- 2014
- Wrote the Architecture of Covington chapter in *The Gateway City: Covington, Ky*- 2014

## Memberships/ Community work:

- National Trust for Historic Preservation- Forum Member
- Preservation Kentucky
- American Institute of Certified Planners, member since 2012
- American Planning Association, Kentucky Chapter of the APA
- Cornell Historic Preservation Planning Alumni-Board Member, Executive Board (Treasurer)
- University of Kentucky's Department of Historic Preservation Advisory Board Member
- Covington Public School Mentoring Program and Holmes 180 Volunteer
- Keep Covington Beautiful/Great American Clean-up Volunteer
- Center for Great Neighborhoods- Covington Quest Volunteer



# Beth Johnson, AICP

## Lectures and Presentations:

House Stories: Putting the Pieces Together of the History of Your Home” - Kenton County Library (yearly in the spring since 2008), NKY Restoration Weekend March 2012, February 2013, March 2014

“How to Have Legally Defensible Architectural Review Board” - Covington, KY UDRB Training, January, 2009, Bellevue, KY Architectural Review Board Training, Scheduled for March 2013.

“The Architecture of Latonia” - Rittes Corner and West Latonia Neighborhood Association Summit, March 2011

“Greening your Historic Home” - Rittes Corner and West Latonia Neighborhood Association Summit, March 2011

“Getting the Message Out: Using Media to Your Advantage” - KAPA (Kentucky Chapter of the APA) conference, September 2011

“Paint: Why is it Failing and How to Pick the Right Colors” - NKY Restoration Weekend March 2012, February 2013

“CLG: Putting the Certified Local Government Program to Use” - KY State Preservation Conference, October 2012

“Historic Preservation: Local Districts and Guidelines” - Northern Kentucky Home Builders Association, 3 classes over fall 2012 and 3 classes in Spring 2013

“Putting on a Restoration Fair” - KY State Preservation Conference, October 2012

“The History of MainStrasse: Facts and Fables as Seen Through Our Buildings” - Kenton County Public Library, October 2012

“Section 106: The What, Why, and Hows” - Training with the Northern Kentucky Department of Health, February 2013

“The Architecture of Bellevue: Styles and Important Details” - Bellevue Ky, Architectural Review Board Training, Scheduled for March 2013.

“Replacement Materials: How to Decide Whats Acceptable” - Bellevue Ky, Architectural Review Board Training, Scheduled for March 2013.

“Building Relationships with Applicants” - Bellevue Ky, Architectural Review Board Training, Scheduled for March 2013.

“The Architecture of Northern Kentucky.” Northern Kentucky Home Builders Association, 3 classes over spring 2014

“I Have Bought a Historic Home, Now What?” NKY Restoration Weekend, March 2014

“Hellman Lumber National Register Individual Listing Nomination.” November 2014

“Chapter 6: From Art to Architecture: The Visual Arts in Covington. ” in Gateway City: Covington, Kentucky, 1815-2015. March 2015



Date: March 22, 2016  
To: C. Francis Barrett  
From: Beth Johnson, Urban Conservator  
Matthew Shad, Zoning Administrator  
Subject: 716-718 Main Street– COA submission

---

We would like to request a site inspection of the building with a team from the City of Cincinnati Buildings & Inspections. Please let us know of a time the week of March 28<sup>th</sup> that we would be able to tour the building.

In review of your submission material to date, it is the recommendation from our department that the following information be provided. It is suggested that the information below and all additional supplemental information is submitted to staff by **no later than April 1, 2016**. Any additional information received after April 1 may be presented to the Board and entered into the record only by the affirmative consent of the Board.

Any special requests regarding your presentation, timing and other procedurals, should also be submitted to the Urban Conservation no later than by April 1, 2016 for consideration.

As the process is a quasi-judicial proceeding, there are many statements made within your submission that is not backed up with corroborating evidence. Please consider the following:

#### BECK CONSULTING – ECONOMIC FEASIBILITY ANALYSIS

- Page 1 – Paragraph 1 states was built as a flop-house. This is historically incorrect though its final use was such. Amend statement.
- Page 5 – The effective date of this report is August 14, 2015. For determining market valuation, this report is effectively 9 months old, well outside what most real estate experts would deem an appropriate timeframe. Provide an overall update to this report, particularly noting updates to the following sections:
  - Page 20 – Hotel Data (rates and occupancy) was provided as of July 2015. Affirm that NO update is available since.
  - Page 23 - Determination of apartment and condo sales rates within 45202. Provide factual evidence in making determination of rates. Several projects have announced or come online since July, 2015.
- Page 7 - Paragraph 6 and repeated throughout report. Reference is made that analysis is provided by several firms. Edit and revise whom shall be cited within the report unless their work is specifically identified and their work is certified or affirmations provided by affidavit from persons from the following entities:
  - PDT Architects
  - HGC Construction
  - Structural Systems Repair Group
  - Model Group

- GBBN Architects
- Page 10 – Paragraph 1 – ‘disproportionately vacant’. Affirm this with citations as even a cursory review on street reveals otherwise.
- Page 10 – Paragraph 2 – Affirm your vacancy without elevators with examples.
- Page 10 – Paragraph 4 – Affirm with supporting facts and evidence to the alleged claim that Main Street’s designation as a historic district has impeded the development of the district.
- Page 11, Affirm with supporting facts and evidence, particularly relating to the consultant’s direct knowledge of how streetcars impact development, particularly in states where he is licensed to do appraisals, that Main Street is an area where the Street Car is expected to have little effect. Page 13 – Paragraph 2 - Consultant incorrectly asserts all office and residential uses requires parking when only new construction requires such. Amend statement.
- Page 13 –Paragraph 4 – Consultant incorrectly asserts maximum height is 750 feet (ASL). This is true for Subdistrict X ONLY outside of the Main Street Historic District. Amend statement.
- Page 13 – Paragraph 6 Consultant incorrectly states that the Conservation Guidelines within the District are intended for preservation on the interior. The Conservation Guidelines only affect the exterior. Page 15 - Paragraph 1 as well as in answer # 2 of the Documentation Justification questionnaire, it is stated that the building is classified in “fair to poor condition”. Provide identity of qualified source who classified the building as fair to poor and how this classification was determined. Please provide credentials for who made the determination in regards to their work with historic building condition assessment.
- Page 19 – Provide rationale as to why a 15% profit should be expected on this project. Provide examples based on similar project pro formas.
- Page 38 – Provide Designer Source of proposed hotel and date devised. Per Page 41, it appears to be Wendel Associates (never cited within the report). Provide affidavit stating if the licensed designer was directly engaged with the current owner regarding this proposal, date(s) of engagement and how the designer and the HGC mutually generated the proposed construction budget.
- Page 39 - Provide Designer Source of proposed apartments and date devised. Per Page 42 it appears to be PCA (formerly Piaskowy & Cooper and never cited within the report). Provide affidavit stating if the licensed designer was directly engaged with the current owner regarding this proposal, date(s) of engagement and how the designer and HGC mutually generated the proposed construction budget.
- Page 39 – Inaccurately labels the page as also the condo floor plan when the report clearly states 35 dwelling units not 52 as depicted. This drawing only reflects the apartment variant. Provide floor plans from the licensed designer that would substantiate the claims made on Page 43.
- Page 40 – Demonstrates an inordinate amount of non rentable area within the building. Please clarify the need for this amount of space and why it could not be repurposed for rental income.
- Page 41 and 42 – In comparing estimates, itemizations of certain line items that should be nearly identical as greatly differentiated. Please explain the significant margins in the following hotel and apartment line items, when the difference in units is 8. For example:
  - General Conditions and Requirements \$775K vs \$485K 73% variation
  - Demo/Sitework \$458K vs \$242K 89% variation
  - Masonry \$626K vs \$358K 75% variation
  - Mechanical \$2,025K vs \$1,410 43% variation

- Page 43 – Makes an assumption of a 10% cost increase based on a non-existent plan. Provide a plan and estimate accordingly. Provide detailed accounting of how \$1,000,000 commercial kitchen was estimated. Page 44 – Provide Designer Source of proposed office budget and date devised. All sources currently unknown. Provide affidavit stating if the licensed designer was directly engaged with the current owner regarding this proposal, date(s) of engagement and how the designer and HGC mutually generated the proposed construction budget. If HGC, again compare and contrast with estimates on universally necessary work and why again the variations in pricing.
- Provide the office plans that cost estimates were based on.
- Page 45 – Provide explanation on why universally necessary work have varied estimates from other proposals
- Provide credentials and examples for Beck Consulting, Inc., in particular Lance R. Brown, in regards to his previous work on urban historic rehabilitation feasibility analysis including the use of historic rehabilitation tax credits. Provide an affidavit from Mr. Brown stating his ability to corroborate any of the cost estimates provided for any of the pro forma.
- Provide credentials for all entities designing and estimating construction costs, including but not limited to Wendel Associates, PCA, HGC, SSRC, PDT, Model Group and GBBN in their previous work on urban historic rehabilitation cost estimating and specifically cost estimating in regards to certified historic rehabilitations.
- Provide credentials for Advantage Engineering Group in regards to their experience evaluating historic buildings.

#### PRO-FORMA REVISIONS/PRESENTATION

- General Standards
  - Each pro-forma to be provided shall be certified by a licensed architect, contractor or engineer in Ohio. Please provide affidavits certifying the pro-formas from HGC, SSRC, PDT, Model and GBBN.
  - Please indicate clearly what the gap within each pro forma is.
  - It would assist the Board if you provide explanations for line items, particularly for extraordinary expenses in all of the pro-forma.
- General Presumptions
  - Calculate and incorporate all incentives that likely would be granted this project including tax abatements and federal historic tax credits. You may wish to provide as sidebar, state historic tax credits
  - Recalculate the pro formas within the Beck Consulting, Inc. document for Boutique Hotel, Apartments, Condos, Offices, and first floor retail with current market data (within the last 90 days)
  - Provide a pro forma and economic feasibility analysis for indoor storage. This is a permitted and potentially viable use that needs to be explored.
  - Adjust the Boutique Hotel EXPENSES to accurately reflect the 75% expense ratio off of the Annual NOI per room.
  - Adjust the Dennison Apartment pro forma line EXPENSES to accurately reflect the 35% expense ratio off of the Annual NOI.

PROVIDE VIA OWNER AFFIDAVIT OR TESTIMONY AT THE HEARING

1. Provide a statement about the members within Columbia REI, LLC and the managing member that can make assertions on behalf of the LLC.
2. Provide how the Owner came to the determination as to the purchase price of the property at the time of purchase on August 26, 2013? What credible resources were utilized?
3. Provide any appraisals, from qualified real estate appraisers that were used to determine the sale price on August 26, 2013 and if none, why?
4. Provide Owner statement of their knowledge of the state of the building at the time of purchase in 2013? If no assessments were ascertained, Owner to provide rationale for not partaking in appropriate assessments during their due diligence process?
5. Provide Owner statement as to what uses were considered when the property was purchased and describing what efforts have been taken to determine a viable use since 2013.
6. Provide an Owner statement as to whether they were aware of the Main Street Historic District designation on the property before the purchase.
7. Provide Owner statement as to how and what legal uses they would use the property for if demolition occurred.
8. Provide Owner statement clarifying their intended proposed legal use for the property if the demolition is approved. It is noted that the use of the property as a Parking Facility, namely as a Public Surface Parking, is prohibited within the Subdistrict X.

#### DOCUMENTATION FOR THE DEMOLITION

Have the Owner, via testimony or affidavit; respond to the following follow-up questions from their original answers.

Question 1. Elaborate upon how 716 Main can become part of an assemblage when currently it is separated by a public alley with active utilities therein from the Owners other holdings upon the block?

Question 2. Provide an affidavit of the source of the determination of the building being characterized as being in "fair to poor" condition. Provide rationale for how this determination was made the credentials of the source related to historic rehabilitation projects.

Question 3. Were the “external safety measures” implemented as a requirement of the Buildings & Inspections Department? Was the property purchased knowing and taking into consideration these challenges in the maintenance and upkeep of the property? Were such challenges factored into the cost of purchase?

Question 7. How did the Owner derive the Fair Market Value to purchase the property in 2013 if Owner did not have an appraisal commissioned at time of purchase in 2013?

Question 8.

- Provide an affidavit from Mr. Sean Donovan, stating his work on behalf of the Owner and if a listing agreement has been signed between the Owner and Comey & Shepard Realtors since Owner acquired property in 2013.
- Provide evidence that a FOR SALE sign with contact information has been prominently displayed on the building. At present, the signage does not convey that the property is or was for sale, including photos Owner provided illustrating property from July, 2015.
- Provide an Affidavit explaining why the building has not been formally listed with a recognized real estate listing service.

Question 15 - It states that there have been out of pocket expenses exceeding \$500,000. Provide an itemized account of the expenses, preferably through the CPA doing the accounting for the Columbia Oldsmobile Company.

Question 16 - In regards to the negative cash flow for 2014 and 2015, the numbers provided to not match the statement of operating and maintenance expenses for the years 2014-2015. Explain and correct this information, preferably through the CPA doing the accounting for the Columbia Oldsmobile Company.

#### ADVANTAGE GROUP REPORT

- Page 2 – Paragraph 3 – Structural Engineer did not cite specifically what could be unfeasible. Further, the advice did not appear to evaluate the Building Code in regards to rehabilitating Historic Buildings, or whether the proposed uses actually change the use of the building per Building Code requirements. This evaluation would seem critical in order to make their assertions.
- Provide credentials for Advantage Engineering Group in regards to their experience evaluating historic buildings.

# Assessing Economic Hardship Claims under historic preservation ordinances

By Julia Miller

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Historic preservation ordinances in effect around the country often include a process for administrative relief from preservation restriction in situations of "economic hardship." Under typical economic hardship procedures, an applicant may apply for a "certificate of economic hardship" after a preservation commission has denied his or her request to alter or demolish a historic property protected under a preservation ordinance. In support of an application for relief on economic hardship grounds, the applicant must submit evidence sufficient to enable the decision making body to render a decision. The type of evidence required is generally spelled out in preservation ordinances or interpreting regulations. The burden of proof is on the applicant.

The exact meaning of the term "economic hardship" depends on how the standard is defined in the ordinance. Under many preservation ordinances economic hardship is defined as consistent with the legal standard for an unconstitutional regulatory taking, which requires a property owner to establish that he or she has been denied all reasonable beneficial use or return on the property as a result of the commission's denial of a permit for alteration or demolition.

Requests for relief on economic hardship grounds are usually decided by historic preservation commissions, although some preservation ordinances allow the commission's decision to be appealed to the city council. In some jurisdictions, the commission may be assisted by a hearing officer. A few localities have established a special economic review panel, comprised of members representing both the development and preservation community.

## **Economic Impact**

In acting upon an application for a certificate of economic hardship, a commission is required to determine whether the economic impact of a historic preservation law, as applied to the property owner, has risen to the level of economic hardship. Thus, the first and most critical step in understanding economic hardship is to understand how to evaluate economic impact.

Commissions should look at a variety of factors in evaluating the economic impact of a proposed action on a particular property. Consideration of expenditures alone will not provide a complete or accurate picture of economic impact, whether income-producing property or owner-occupied residential property. Revenue, vacancy rates, operating expenses, financing, tax incentives, and other issues are all relevant considerations. With respect to income-producing property, economic impact is generally measured by looking at the effect of a particular course of action on a property's overall value or return. This approach allows a commission to focus on the 'bottom line' of the transaction rather than on individual expenditures.

In addition to economic impact, the Supreme Court has said that "reasonable" or "beneficial use" of the property is also an important factor. Thus, in evaluating an economic hardship claim based on the constitutional standard for a regulatory taking, commissions will need to consider an owner's ability to continue to carry out the traditional use of the property, or whether another viable use for the property remains. In *Penn Central Transportation Co. v. City of New York*, 438 U.S. 104 (1978), the landmark decision upholding the use of preservation ordinances to regulate historic property, the Supreme Court found that a taking did not arise because the owner could continue to use its property as a railroad station.

The Supreme Court has also said that the applicant's "reasonable investment-backed expectations" should be taken into consideration. Although the meaning of this phrase has not been delineated with precision, it is clear that "reasonable" expectations do not include those that are contrary to law. Thus, an applicant's expectation of demolishing a historic property subject to a preservation ordinance at the time of purchase (or subject to the likelihood of designation and regulation) may not be considered "reasonable." Also pertinent is whether the owner's objectives were realistic given the condition of the property at the time of purchase, or whether the owner simply overpaid for the property. Under takings law, government is not required to compensate property owners for bad business decisions. Nor is the government required to guarantee a return on a speculative investment.

Commissions may also be able to take into account whether the alleged hardship is "self created." Clearly relevant is whether the value of the property declined or rehabilitation expenses increased because the owner allowed the building to deteriorate.

Application of the takings standard in the context of investment or income-producing property is usually fairly straightforward. The issue can be more complex, however, in situations involving hardship claims raised by homeowners. In the context of homeownership, it is extremely difficult for an applicant to meet the standard for a regulatory taking, that is, to establish that he or she has been denied all reasonable use of the property. When a commission insists that houses be painted rather than covered with vinyl siding, and windows be repaired rather than replaced, the applicant can still live in the house. The fact that these repairs may be more costly is not enough. Even if extensive rehabilitation is required, the applicant must show that the house cannot be sold "as is," or that the fair market value of the property in its current condition plus rehabilitation expenditures will exceed the fair market value of the house upon rehabilitation. See *City of Pittsburgh v. Weinberg*, 676 A.2d 207 (Pa.1996). It is also important to note that "investment-backed expectations" are different in the context of homeownership, owners often invest in home improvements or renovations without the expectation of recouping the full cost of the improvement in the form of increased property value.

In addressing hardship claims involving historic homes, commissions must be careful to be objective and consistent in their approach. Otherwise, a commission may undermine the integrity of its preservation program and raise due process concerns as well. Ideally, grant money, tax relief, and other programs should be made available to historic homeowners who need financial assistance.

Special standards for economic hardship may apply to nonprofit organizations. Because these entities serve charitable rather than commercial purposes, it is appropriate to focus on the beneficial use of their property, rather than rate of return, taking into account the particular circumstances of the owner (i.e., the obligation to serve a charitable purpose). In such situations, hardship analysis generally entails looking at a distinct set of questions, such as: the organization's charitable purpose, whether the regulation interferes with the organization's ability to carry out its charitable purpose, the condition of the building and the need and cost for repairs, and whether the organization can afford to pay for the repairs, if required. (Note, however, that while consid-

eration of financial impact may be appropriate, a nonprofit organization is not entitled to relief simply on the basis that it could raise or retain more money without the restriction.)

### **The Proceeding**

Under a typical hardship process, the applicant will be required to submit specific evidence in support of his or her claim. Once a completed application has been filed, a hearing will be scheduled, at which time the applicant generally presents expert testimony in support of the economic hardship claim on issues such as the structural integrity of the historic building, estimated costs of rehabilitation, and the projected market value of the property after rehabilitation. Once the applicant has presented its case, parties in opposition or others may then present their own evidence. The commission may also bring in its own expert witnesses to testify. As noted above, the burden of proof rests on the property owner.

In hearing economic hardship matters, commissions must be prepared to make a legally defensible decision based on all the evidence presented. In the event of conflicting expert testimony, which is often the case in economic hardship proceedings, the commission will need to weigh the evidence, making specific findings on the relative credibility or competency of expert witnesses.

In evaluating the evidence, the commission should ask itself five distinct questions:

1. *Is the evidence sufficient?* Does the commission have all the information it needs to understand the entire picture, or is something missing. The application is not complete unless all the required information has been submitted. If additional information is needed, ask for it.
2. *Is the evidence relevant?* Weed out any information that is not relevant to the issue of economic hardship in the case before you. Commissions may be given more information than they need or information that is not germane to the issues, such as how much money the project could make if the historic property were demolished. The property owner is not entitled to the highest and best use of the property.
3. *Is the evidence competent?* Make an assessment as to whether the evidence establishes what it purports to show.
4. *Is the evidence credible?* Consider whether the evidence is believable. For example, ask whether the figures make sense. A commission will need to take into consideration the source of the evidence and its reliability. (If the evidence is based on expert testimony, the commission should determine whether the expert is biased or qualified on the issue being addressed. For example, it may matter whether

a contractor testifying on rehabilitation expenditures actually has experience in doing historic rehabilitations.)

5. *Is the evidence consistent?* Look for inconsistencies in the testimony or the evidence submitted. Request that inconsistencies be explained. If there is contradictory evidence, the commission needs to determine which evidence is credible and why.

In many instances the applicant's own evidence will fail to establish economic hardship. However, in some situations, the question may be less clear. The participation of preservation organizations in economic hardship proceedings can be helpful in developing the record. Commissions should also be prepared to hire or obtain experts of their own. For example, if a property owner submits evidence from a structural engineer that the property is structurally unsound, the commission may need to make an independent determination, through the use of a governmental engineer or other qualified expert, as to the accuracy of that information. It may be impossible to evaluate the credibility or competency of information submitted without expert advice.

The record as a whole becomes exceedingly important if the case goes to court. Under most standards of judicial review, a decision will be upheld if it is supported by substantial evidence. Thus, in conducting administrative proceedings, it is important that evidence provides a true and accurate story of the facts and circumstances and that the commission's decision is based directly on that evidence.

## EVIDENTIARY CHECKLIST

The following checklist may serve as a useful tool for local commissions and other regulatory agencies considering economic hardship claims:

### 1. Current level of economic return:

- Amount paid for the property, date of purchase, party from whom purchased, and relationship between the owner of record, the applicant, and person from whom property was purchased,
- Annual gross and net income from the property for the previous three years; itemized operating and maintenance expenses for the previous three years, and depreciation deduction and annual cash flow before and after debt service, if any, during the same period,
- Remaining balance on the mortgage or other financing secured by the property and annual debt-service, if any, during the prior three years,
- Real estate taxes for the previous four years and assessed value of the property according to the two most recent

assessed valuations,

- All appraisals obtained within the last two years by the owner or applicant in connection with the purchase, financing, or ownership of the property,
  - Form of ownership or operation of the property, whether sole proprietorship, for-profit or not-for-profit corporation, limited partnership, joint venture, or other,
  - Any state or federal income tax returns relating to the property for the last two years.
2. Any listing of property for sale or rent, price asked, and offers received, if any within the previous two years, including testimony and relevant documents regarding:
    - Any real estate broker or firm engaged to sell or lease the property,
    - Reasonableness of price or rent sought by the applicant,
    - Any advertisements placed for the sale or rent of the property.
  3. Feasibility of alternative uses for the property that could earn a reasonable economic return:
    - Report from a licensed engineer or architect with experience in rehabilitation as to the structural soundness of any buildings on the property and their suitability for rehabilitation.
    - Cost estimates for the proposed construction, alteration, demolition, or removal, and an estimate of any additional cost that would be incurred to comply with the requirements for a certificate of appropriateness,
    - Estimated market value of the property: (a) in its current condition, (b) after completion of the proposed alteration or demolition, and (c) after renovation of the existing property for continued use,
  4. Any evidence of self-created hardship through deliberate neglect or inadequate maintenance of the property.
  5. Knowledge of landmark designation or potential designation at time of acquisition.
  6. Economic incentives and/or funding available to the applicant through federal, state, city, or private programs. ■

*Julia Miller works in the Law and Public Policy office at the National Trust for Historic Preservation.*



April 11, 2016

Mr. Paul Muller  
Director  
Cincinnati Preservation Association  
342 W. 4<sup>th</sup> Street  
Cincinnati, OH 45202

Dear Mr. Muller,

You have asked us to analyze a submission to The Historic Conservation Board in re 716 – 718 Main Street.

Urban Fast Forward is a real estate and consulting practice which focuses extensively in urban centers. Within our practice areas are urban planning, asset acquisition and disposition, retail leasing, site analysis and property marketing.

We have worked extensively in the downtown CBD and Over the Rhine among other areas.

We are familiar with the area around the subject site, as well as with the site itself. Moreover we have worked with a range of analysts and consultants over the years. To our certain knowledge there are projects flourishing today that were undervalued prior to commencement by those whose expertise may be deep but who lack familiarity with the specific process of urban development where history, walkability and proximate amenities are prized and conversely such features as ease of parking and artificial placemaking are of lesser importance.

For this assignment we are dealing only with the Beck Consulting report. This is the document in which real estate value and proposed uses is most closely analyzed.

See our comments below.

### **1. General Notes**

On page 10, Beck Consulting asserts 'one is struck by the relatively high level of first floor vacancies. This is not typical of the downtown market'. That assertion is incorrect. A site survey encompassing only Race, Main and Fourth streets would indicate a relatively high number of street level vacancies, consistent across all three streets.

Moreover, Main Street has been the two-year site of streetcar construction. While this project is expected to enhance economic value in the long term, there is no question that the short term impact has been to depress both leasing and sales due to the exigencies of construction.

**A Women Business Enterprise**

Nonetheless as it comes to completion, new businesses are moving in, with one opening in this block in the last few weeks.

In this same section Beck makes the assertion that ‘one impediment to significant investment is ...the district’s designation as a historic district’. In recent years Cincinnati has discovered quite the reverse. Over the Rhine, it could be argued, is more strictly governed by historic guidelines than any other area. And yet development is thriving, based on that very history.

Cincinnati’s historic built environment is proving to be a unique economic demand driver. Main Street has not capitalized on this opportunity, but the historic fabric in this part of downtown is more likely to be an asset than a liability if properly recognized.

Moreover, the sales pattern of recent years does not support the Beck analysis. As shown below in data from the Hamilton County Auditor, sales along this section of Main Street have been accelerating in recent years, probably in anticipation of the street car.

Additional sales on Main, not yet recorded, have been announced.

**Main Street Sales – CBD – 2012 – 2016**  
**Data Source: Hamilton County Auditor**

Street #	Street Name	Land Use Code	Parcel	Sale Date	Sale Price
814	MAIN	404	0790004007300	10/1/2012	300,000
1019	MAIN	447	0790001014100	10/1/2014	150,000
707	MAIN	430	0790001002300	10/31/2014	50,000
600	MAIN	449	0790004000100	12/16/2014	4,300,000
610	MAIN	449	0790004000300	12/16/2014	4,300,000
625	MAIN	404	0780001009300	1/14/2015	142,500
601	MAIN	405	0780001001600	3/19/2015	1,235,000
400	MAIN	400	0830007003000	6/19/2015	3,000,000
830	MAIN	456	0790004007500	7/27/2015	1,100,000
1027	MAIN	499	0790001014800	12/31/2015	1,000,000
626	MAIN	449	0790004001000	3/1/2016	2,800,000
626	MAIN	456	0790004000900	3/1/2016	2,800,000

In re the streetcar, also on page 10, Beck asserts that ‘the portions of the route where there are no reasons to depart the streetcar are those areas that will be least affected’. This assertion is in direct contradiction to the 2007 HDR study outlining potential economic benefits of the streetcar.

The subject site is included in what was then designated as the C3 zone and numerous economic benefits are projected.

But even without such a detailed resource as provided by HDR, Beck Consulting's statement challenges common sense by assuming a continuing static state in this location. If the subject property is revitalized to include retail, restaurants, hotel or residences, then the property itself becomes a 'reason to depart the streetcar'.

It is for just this purpose that the streetcar has been positioned as both a first stage transit option and an economic demand driver, and the Denison is exactly the sort of property this municipal investment is intended to benefit.

## **2. Boutique Hotel**

By the time this product is developed, there will be at least two additional hotels in the downtown market, one at The Banks and a second relatively near at 8<sup>th</sup> and Sycamore.

On that basis alone, it is arguable that this location is not feasible for a Boutique Hotel.

However, it should be noted that it is on page 19 of this section that Beck Consulting amplifies the idea of entrepreneurial incentive, elsewhere often known as Developer Incentive (DI), and first introduced on page 7.

This is a monetary reward for risk taking above and beyond profit if the building is quickly sold or long term profit if it is a portfolio hold.

This incentive is subject to interpretation even within the appraisal industry. Beck Consulting uses 15% in all examples, but there is no established benchmark for that calculation.

If an equally arguable figure of 10% were used instead, it would have a material impact on cost and return as will be shown below. Suddenly the targets move from impossible to achievable and the numbers work in at least some applications.

## **3. Market Apartments**

If DI is reduced to 10%, total cost to renovate is \$9,181,708 (page 21 and forward). Divided by the proposed 52 units, this yields a per unit cost of \$176,571.

Commercial revenue as projected is low. There are nearby retail properties leasing now at \$16.50 - \$18.50 sf NNN. Product coming to market after streetcar stabilization is expected to achieve even higher rates. If indeed the ground floor user turns out to be a restaurant, as Beck notes on page 20, an additional premium can be expected in the form of either enhanced base rent, or a percentage rent override. Nonetheless for this example we have chosen a relatively conservative number.

On the plan attached to the Beck Consulting report, page 40, there also appear to be several small offices on the mezzanine level, and a small meeting room. There is no indication in the estimates that this space has been monetized, as might otherwise be expected.

Assuming the Developer's plan to provide 52 units remains unchanged, cost per unit is \$176,571.00. Even without other cost revisions, changes noted above have the following effect on calculations:

Cost per unit	\$176,571.
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Capitalization Rate		5.50%
Annual NOI		\$ 9711.40
Expense Ratio		35%
Expenses		<u>\$ 5576.00</u>
Annual Rent		\$15,287.40
Commercial space size	1604	
Commercial space rent	<u>\$18.50</u>	
Annual PGI commercial	\$29,674.	
Allocated PGI per unit		<u>(\$571.00)</u>
Required Annual Feasible Rent per Unit		\$14,716.40
Monthly Rent		\$1226.37
Average unit size		540 square feet
Monthly rent per square foot		\$2.27

This rental rate is competitive against comparable new product available today. Moreover, given that Dennison Apartments will not make a market entry for at least 24 months, even a rise of 3% a year gives additional margin. \$2.27 becomes \$2.41 by 2018.

Lack of parking, cited by Beck Consulting as a potentially fatal flaw, is not. The surrounding area is rich in both surface and structured parking, with additional facilities incoming. Safety is not a perceived or real problem in this area. A luxury building proposed for across the street from the subject site is being designed to utilize these proximate resources, with no onsite parking, merely a parking modification to facilitate loading and unloading of such items as groceries.

Moreover, Dennison Apartments is directly on the street car route, an urban transit amenity highly prized by the target Millennial consumer, and both Red Bike and Zip Car are available nearby.

There is extensive industry research demonstrating that Millennials do not prioritize car ownership, nor consider it an important lifestyle investment.

### **Market Comps – The Banks**

The report from Beck Consulting correctly notes that downtown rents are highest at The Banks, and here the target of \$2.30 is achieved and surpassed.

Other than at this location there is very little in the CBD comparable to what might be proposed for Dennison Apartments. Most of the product is older and lacking in the modern amenities and contemporary style desired by the target Millennial consumer.

First to market was Current. There are 32 units coming available for re-lease between now and July 2016, though only a few directly size comparable to Dennison Apartments. Samples are shown below.

<b>SF</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>
674	\$1604.00	\$2.40

This building came to market just 3 years ago at ~\$1.85 sf, a record benchmark at the time. Market demand, and the shortage of quality product, has driven rates up well faster than inflation.

The newer Radius building is leasing now.

<b>SF</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>
692	\$1645.00	\$2.38

It might be suggested that there are locational assets to The Banks, including ease of access to entertainment and sporting events.

It should be noted that these assets to some will be deficits to others who might want a more central location such as that offered by Dennison Apartments, or one where seasonal crowds are not so intense.

#### **Market Comps – CBD East – Available Now**

As Beck Consulting notes, rents for this product is lower than the Dennison target. But equally, in most cases location and/or unit quality are also substantially lower.

Nonetheless, according to Downtown Cincinnati Inc., other than at The Banks there are currently only 45 apartments available for lease in the Cincinnati CBD at the moment.

Lytle Tower

<b>SF</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>
500	\$1005.00	\$2.01

Sycamore Place Lofts

<b>SF</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>
574	\$1015.00	\$1.79

One Lytle

<b>SF</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>
485	\$989.00	\$2.04

East 8 Lofts

<b>SF</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>
697	\$1275.00	\$1.83

**Beck Consulting's conclusion that the market does not support the rent needed for this project is not supportable based on reasonable adjustments to their calculations as above.**

#### **4. Market Condominiums**

Adjusting Becks figures as above by reducing DI to 10% and increasing commercial revenue, their defined sales price hurdle of \$386.00 per square foot is reduced to \$365.00, a savings of \$21.00 per square foot, or on average size, \$16,842.00 per unit.

Total cost comes down \$10,001,354/35 units.

Cost per unit is \$285,753. net of supporting commercial revenue per unit of \$9410. (using Beck's GIM but increasing base rent to \$18.50 sf) per unit cost is \$276,343.

Adding Beck's projected sales commission of 6% raises total unit cost to \$292,924.00

Using Beck's projection of average net unit size of 802 square feet, per square foot cost with commission loading, is \$365.

There is remarkably little for sale product available in the Cincinnati CBD. And based on available CBD comps, \$365. Is aggressive.

But compared to Over the Rhine sales, the area where for sale product is being developed most strongly, this price is not impossible, especially since, again, product will not come to market for at least 18 – 24 months.

Nor is parking included in later OTR developments, instead pushing incoming residents with cars to the many surface and garage options available for rent in the area. This is contrary to Beck's assertion on page 25 that this would put Dennison Condos in an 'inferior position'.

#### Market Comps - OTR Condo Sample

14 Mercer	888 sf	\$275,000.	\$310. Sf	Parking not included
1509 Pleasant	867 sf	\$310,500.	\$358. Sf	Parking not included
1316 Race	998 sf	\$450,000.	\$451. Sf	Parking not included
1408 Elm	970 sf	\$320,000.	\$309. Sf	Parking not included
1501 Vine	745 sf	\$234,675.	\$315. Sf	Parking not included

It is our belief, supported by these comps and continuing market knowledge, that the market would readily accept condos in this location, that 802 square feet (average) is market competitive, and that price, while perhaps high today, would be achievable by the time product comes to market.

Moreover, on the streetcar line, in a quieter CBD area with historic appeal and yet proximate to OTR, The Banks, and downtown activities, Dennison Condos would have market appeal to Millennial buyers for whom the other areas cited may be to lively, noisy or diverse.

**Based on minor adjustments as above, Blake's conclusion that Condos are not economically feasible in this location is, at minimum, weak.**

#### **5. Market Office Space**

By, once again, reducing DI to 10% and increasing commercial rent to \$18.50, required rent based on Beck's numbers, comes down to \$25.53.

We believe it is possible to impeach this number further, but not productive. This is not a premium office location, and the Cincinnati market is about to see a major repurposing of B and C class office to residential use.

**We believe the residential options above are more productive for this site and we would not recommend the office option.**

#### **6. First Floor Commercial Space**

This is the non-option option. With the boom in downtown residential, and Cincinnati's urban growth overall, it would be foolish to warehouse multiple floors of a historic building in a desirable location. **As Beck Consulting's analysis shows it is financially unfeasible.**

#### **7. Summation and Conclusion**

Zoning does not allow the property to be used as parking, the subject building occupies close to maximum FAR, and the historic restrictions were known at the time of purchase.

Based on minor adjustments and current market data, absent even moderate growth projections, and without challenging significant curious internal deviations across projections for differing uses, **it is not supportable to conclude that this building cannot be a subject for adaptive reuse, especially as rental or for sale housing.**

**Moreover, this use would provide a continuing revenue producing asset for both the owner and the corridor overall.**

Please let us know of any additional assistance we can provide.

Cordially,

*Kathleen*

Kathleen Norris  
Managing Principal

April 14, 2016

To Members of the City of Cincinnati's Historic Preservation Board,

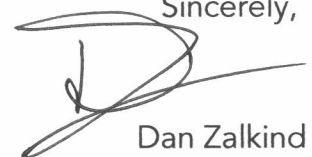
I am a member of the Limited Liability Company that owns 652 Main Street (corner of Main Street and 7th) in the central business district of Cincinnati, OH. Our property is within 100 yards of the former Dennison Hotel. I am unable to attend the April 18 hearing before the Historic Conservation Board and wanted to submit this letter in lieu of my attendance to share my views on the proposed project located on the site of the Dennison Hotel. My opinions are my own and were not solicited by any party.

Cincinnati's downtown is in the midst of many changes. During this time, it is important to consider the preservation of unique and historic properties so that the historical look and character of Cincinnati is retained. As an owner of a building in a historic district, I certainly share the concern for demolishing a 120-year-old structure. Outsiders and newcomers to Cincinnati often compliment us for the historical skyline and streetscapes. Recently, motion picture studios have recognized the value of our older buildings by filming several feature films here including "Carol" and "Miles Ahead."

However, this particular building does not belong to the architecturally important buildings that make our city great. As a building owner in close proximity to the old Dennison Hotel I cannot refute the need to replace it with a modern structure. In my opinion, the current structure is not visually appealing nor is it complimentary to the other adjacent buildings. Although I have never seen anything fall from it, I have seen brick residue around the base and in the parking lot adjacent to it suggesting substantial erosion and deterioration of the brick. I am very concerned about the structural integrity of such an old and neglected building.

I believe a compromise is possible if the replacement building incorporates some of the historical aspects of the older structure. The new building and these historical details can be enjoyed by future generations. I recommend that the newer structure incorporate a portion of the exterior wall labeled "DENNISON HOTEL 105 ROOMS 60 BATHS" possibly in a smaller form as has been done in other projects such as in Boston or New York. I believe a harmonious balance can be reached with this new development that incorporates the history of the Dennison Hotel.

Sincerely,

A handwritten signature in black ink, appearing to be 'DZ', with a long horizontal stroke extending to the right.

Dan Zalkind  
Member, SYVONE LLC