

Local News

> [News](#) > [Local News](#)

[Print this Page](#)

[←-back to story](#)

Grants and ports

Tale of courthouse's fate takes another turn

By Kevin Risner, krisner@advertiser-tribune.com

POSTED: January 13, 2009

Efforts to preserve the 1884 Seneca County Courthouse soon may be taking a different direction.

The Seneca County commissioners met Monday with their bond counsel, an investment banker, the county prosecutor, architects and members of the Seneca County Courthouse Development Group. The commissioners could possibly decide to renovate the courthouse without the involvement of a port authority - if enough grant money can be secured and if the eventual price is right for the county.

The attorneys involved are expected to meet in the coming days to seek solutions to legal issues related to the continued involvement of the development group or the port authority.

Bond attorney John Larson said significant legal hurdles would exist if the Seneca County - Sandusky County - City of Tiffin Port Authority, or any port authority, was to be part of a courthouse renovation project. Larson said he did not believe involving the port authority would allow the project to bypass the competitive bidding process.

He also said he thought there would be legal problems for transferring the property to the port authority.

"I'm not saying it would be impossible," Larson said. "I think it would be very complicated."

Larson said the county should consider the economics of the project before going too far down the road toward the port authority option. One economic reality, according to Larson and investment banker Paul Stubbins, was the interest rate for borrowing by the port authority would be higher than interest rates the county would pay for borrowing for the same project. Stubbins is managing director of RBC Capital Markets.

Development group leader and preservation consultant Franklin Conaway is expected to meet with representatives of MKC Associates within the next few days. Conaway and the MKC architects are expected to iron out differences between the MKC renovation plans and the development group's plans.

Commissioner Ben Nutter said he still expected Conaway to provide a comparison with costs for the development group's plans with MKC's. Months ago, MKC was hired by the commissioners to design a plan for renovating the courthouse. MKC's plan was significantly more expensive than the development group's plan. Conaway and Jim Schmidt of MKC said they would likely meet within the next week.

County Prosecutor Derek DeVine is expected to develop a legal agreement under which the development group can be legally authorized to seek grant funding without transfer of ownership of the courthouse to the local port authority.

Even if involving the port authority is problematic, the efforts of the development group to identify funding sources could still be valuable. The commissioners said they would likely allow time for the development group to apply for grants and seek other funding commitments. If enough grant money and other funding can be found to bring the cost of renovating the courthouse down to what the county can afford, the county may decide to do the project without the involvement of outside entities.

Grants

"We owe it to the people of the county to let these guys go forward and see what they can do," Commissioner Mike Bridinger said about allowing time for the development group to apply for grants and seek other funding commitments.

Commissioner Dave Sauber said he wanted to hear more information from DeVine and Larson before making any decisions about how to proceed. He said there would be no reason to vote to proceed with a plan than might not be legal.

The discussion began after Stubbins and Katie Klinefelter, also of RBC Capital Markets, presented information about three different financing options and made a comparison to funding through the port authority.

Fact Box

Paranormal investigators request permission to study courthouse

The Seneca County commissioners have received a request from Buckeye State Paranormal and Haunting Investigators to investigate the vacant 1884 Seneca County Courthouse. The BSPHI claims to be a scientific based research group.

"Rest assured that we take our investigations very seriously," organization member Gene Lafferty said in the e-mail request. "We have a zero tolerance policy of alcohol, tobacco and drug use before, during and after an investigation and we never allow seances or Ouija boards at our investigations. We also never investigate a location without the proper permissions. Any evidence we collect will be made 100 percent available to you to use in any manner that you feel would be beneficial to your organization."

Stubbins said if the county borrowed its current allowable limit from general obligation bonds-\$5.5 million-it could secure the best interest rates for the financing. General obligation bonds are backed by the full faith and credit of the county.

If the county sold bonds to borrow against its sales tax revenue, the limit would depend only on what amount the sales tax revenue would support. The county could possibly borrow more than \$5.5 million from sales tax revenue bonds, but the interest paid would be higher than for the general obligation bond. Sales tax revenue bonds are backed by a dedicated sales tax revenue stream.

Stubbins said the county could secure financing from a combination of sales tax revenue bonds and general obligation bonds. He said the best mix might be two-thirds sales tax revenue bonds and one-third general obligation bonds. The combined interest paid would be more than general obligation bonds alone, but less than sales tax revenue bonds alone. The mix would also preserve some of the county's general obligation borrowing limit.

If the county entered into an agreement with the port authority, the county would be paying lease payments to retire revenue bond financing by the port authority. Stubbins and Larson said the interest paid by the port authority, and thus the county, would be highest under that scenario.

Commitment

Conaway said he was not committed to the port authority option, nor was he committed to an option that might by-pass competitive bidding. He said he was only committed to the renovation of the courthouse, however it could be done.

Conaway said he was primarily concerned about grants. He said the development group has contacted various funding sources and has secured a "front of the line" position for some grant funds. Conaway said he was concerned if there was much more delay in being about to make formal applications for those funds the project may lose the front of the line status.

Nutter said he did not want to stand in the way of the development group securing funding if it could reduce costs to the county and make renovating the courthouse feasible.

Sauber said he was intrigued if the grant funds could be secured so the county could complete the project on its own.

Bridinger said the development group should have a green light to continue its efforts.

County resident Kenneth Davison addressed the commissioners near the end of the board session. Davison said the vacant courthouse has been estimated to have a current value of at least \$30 million. He said there has been too much discussion about the function and cost associated with renovating the courthouse. He said more emphasis should be placed on the cultural value of the building.

"It makes more sense to preserve our cultural heritage instead of destroying it," Davison said.

[Subscribe to The Advertiser-Tribune](#)

Share:

