

Historic Building Development Opportunity



The Fairfield Heritage Association is collaborating with the City of Lancaster Ohio to save and redevelop the historic Hotel Mithoff. The Hotel Mithoff is located in downtown Lancaster Ohio. Built in about 1820 as the Swan Hotel, the original building was a 3 ½-story 5 bay brick structure in the Federal Style. About 1870, the building was modified and enlarged to a 3-story, 10 bay by 11 bay, brick structure in the Italianate style. Characteristic of the Italianate style, the new building included round and segmental arched

windows framed with stone hood moulds and bracketed cornices.

As hotel patronage declined, the building transitioned from one of the busiest hotels in Lancaster to primarily retail usage. About 1930, previous owners began replacing the historic façade with large plate glass windows consistent with the style and interests of that time. More recently, the building has fallen into disrepair. The roof has not been maintained. Much of the building's interior has been exposed to the elements resulting in damage to the plaster ceilings and floors. There is a substantial termite infestation along the west side of the building which has resulted in a partial collapse of the floor in that area. Vandals have stripped much of the historic trim from hotel corridors and stairways. A part 1 environmental assessment identified asbestos related issues within the building. All of that said, the building was recently inspected by a qualified structural engineer who determined the exterior and interior load bearing walls to be structurally sound. However the east wall does need some structurally insignificant repair.



Hotel Mithoff Information

Current Owner: City of Lancaster Ohio

Historic Designation: The Hotel Mithoff is listed as part of the inventory of contributing buildings to the Lancaster (Ohio) Historic District. As a result, the building could qualify for federal and state historic preservation tax credits. The City of Lancaster is also a certified local government and is eligible for certain historic preservation grants.

Limits on Renovation: The period of significance for the Lancaster Historic District ends in 1930. Based on a preliminary review of as-is drawings for the Hotel Mithoff, the State Historic Preservation Office (SHPO) would look favorably on any revitalization plans that maintained the hotel lobby on the second floor, the stairways and the corridors. The SHPO has committed to be flexible in determining the appropriateness of changes needed to redevelop the building for modern use.

Building Specifications

Basement: Approximately 8952 ft²

Ground Floor: Approximately 10,812 ft²; The ground floor is divided into three retail areas which measure approximately 3573 ft², 4148 ft², and 2668 ft² of usable space

Second Floor: 9,897 ft²

Third Floor: 9,897 ft²

The basement and ground floor are partitioned by load bearing walls into four retail areas. The center two retail areas are connected through an existing opening in the wall. The second and third floors have been partitioned into hotel rooms; larger suites and the hotel lobby.

Lot size: 83' x 182'

Zoning: The parcel is included in the Central Business District (CBD). CBD zoning permits the following uses: single-family townhouse units; apartments; public and private schools; colleges and universities; museums; galleries; administrative, business and professional offices; retail stores selling goods for personal or household consumption; restaurants; banks; barber and beauty shops; dry cleaning establishments; duplication facilities; theaters; and hotels, among others.

Deal Terms

City of Lancaster's Responsibilities: Sell or Lease the building for at least 40 years

The City of Lancaster will assist buyer/lessee in obtaining grants that may be available to assist in redevelopment, including but not limited to grants available for environmental cleanup and historic preservation

Residential areas within the building, if any, could qualify for a 10 year real estate tax abatement, with city council's approval

Commercial areas could qualify for a 12 year real estate tax abatement with city council's approval

Developer: Buyer/lessee must demonstrate an economically viable plan for redevelopment and complete same within three years. The city would consider a longer development period if the building safety and environmental issues are mitigated in the first year of the development project.

Buyer shall provide as a condition of any development agreement with the city, a surety in favor of the City of Lancaster in the amount of \$350,000 securing the obligation to close and complete the development plan within three years, unless a longer development period is agreed to by the city. This surety obligation is required to compensate the City for the potential loss of site development grant funds already obtained by the City, which would lapse if development plans do not proceed forward. This surety may be posted in the form of cash or an irrevocable sight draft letter of credit

Market Assessment

Lancaster is located approximately 30 miles southeast of Ohio's capital city, Columbus. It is the gateway to Southeastern Ohio. As such, it offers an excellent location for a company with business interests in southeastern Ohio, Eastern Kentucky and West Virginia.

Lancaster's current population is approximately 38,000 people. Approximately 2,000 of those people work in the downtown area. Over 1.8 million people live within a one hour drive of the city. In addition, 3 million people visit the state parks and recreational facilities within the immediate area each year. The city is steeped in history and culture. It has five museums in its downtown area and hosts a major arts festival attracting 20,000 people annually. Several smaller events such as the statewide American Legion baseball tournament, a Civil War symposium, car shows and the county fair also attract hundreds of people to the area. An Ohio University branch campus is located approximately two miles from the downtown area.

Downtown Lancaster is experiencing a market resurgence. Several other historic properties have recently been, or are planned to be, renovated. They include the City of Lancaster's commitment to renovate the 120 year old Columbian Building into a new municipal court house. The Columbian is located one-half block east of the Hotel Mithoff. This \$8 million plus renovation is expected to begin later this year. A local restaurant/tavern has just begun the renovation of the 150 year old Heritage Pharmacy building to provide additional seating and menu options. The old Lancaster Hardware building, the Culligan Building and the historic Bodenheimer-Mayer House have just been renovated to provide additional office and retail space within one block of the Hotel Mithoff.

A retail area featuring several boutique and specialty shops is located in the block immediately north of the hotel. All but one of the store fronts in that area are occupied. Immediately east of the Mithoff can be found the heart of the city's financial district comprised of four local and national banks and savings and loans. A new artist gallery/retail shop has just opened in this area. Government offices and several law firms are within a two block radius of the Mithoff. Market rate housing has begun to emerge on the upper floors of some downtown buildings.

Market surveys showing what people want in Lancaster's downtown have recently been conducted. They show a demand for restaurants, entertainment and market rate housing. Businesses currently located in the downtown area seek complimentary services such as copying and parcel shipping facilities. Longer term plans for revitalizing the downtown area include a performing arts center, mid-market antique shops and art galleries.

Additional Considerations

A D-5 liquor permit is available; however, it is hoped that a business using the permit will generate approximately 75% of its revenue from food sales

It is hoped that the revitalization of Hotel Mithoff will contribute to the rebirth of Lancaster's downtown. One important factor in revitalizing the downtown area is the creation of a mixed income neighborhood. Therefore it is hoped that market-rate, unsubsidized housing will result from the revitalization effort.

The building immediately east of the Hotel Mithoff was lost to a fire. The vacant lot measures 53' x 182'. It could be available for purchase from a third party. If this parcel was acquired, the total space available for redevelopment would measure 136' x 182'.

Contact Information

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This document is non legally binding letter of intent and is generated for the broad purpose of providing guidance to interested parties. Each proposal or situation will be reviewed for financial viability on its individual merits