

Few details are known about Hong Kong man interested in building

BY MARY-BETH McLAUGHLIN
BLADE BUSINESS WRITER

On his first visit to Toledo, a Hong Kong businessman decided to buy the vacant Toledo Trust Co. building after being told it could be obtained at a bargain.

But Frank Chiu, a well-known entrepreneur with a number of enterprises in his native land, has not put up any money and has agreed only to make architectural plans for offices and apartments in the renovated building before he returns to Toledo by Sept. 1.

"He has a very good name in Hong Kong," said Karen Wu, a graduate student at the Medical College of Ohio whose father has had dealings with Frank Chiu in her hometown of Handan, China.

"My father suggested Mr. Chiu visit here and look for investment [opportunities]. He had visited several other places and this was the last stop."

Mr. Chiu, who has returned to Hong Kong and was not available for comment, signed a letter of intent late Monday night to purchase the 21-story Toledo Trust building at 245 Summit St., which has stood vacant for two years, and a parking lot at the corner of Madison Avenue and St. Clair Street.

The letters says Mr. Chiu is Director G.M. of Fu Da Group, Fu Da Enterprise Development Co., Fu Da Furniture Co., Ltd., and Fortech

Technology Limited.

However, little else is known about his background. At yesterday's formal announcement of the agreement, Mayor Carty Finkbeiner offered few specifics.

"All of those who met them agreed they are very, very fine gentlemen," he said, referring to local officials who met with Mr. Chiu and an accompanying Chinese delegation.

About 2½ weeks ago, Mayor Finkbeiner proposed demolishing the Toledo Trust building as part of his plan to offer an unobstructed view of the river and to open up downtown Toledo for more trees and flowers. The building, built in 1913, was the city's tallest skyscraper for the first 17 years of its existence. It last housed offices of what is now Society Bank & Trust Co. and has stood vacant since those offices moved to Summit Centre more than two years ago.

Mr. Chiu, whose age is not known, joins the ranks of Hong Kong investors who have sought to buy U.S. real estate in recent years. They want to get their money out of their native land and to establish temporary residency in the United States before Hong Kong reverts to mainland China's rule in 1997.

"That is another reason, yes," Ms. Wu said.

She said Mr. Chiu supplied start-

Turn to Page 42, Col. 3

Hong Kong

► Continued from Page 41

up money and the equipment several years ago for a furniture-making factory in Handan. Mr. Chiu came to Toledo after the Handan governor suggested he accompany a Handan delegation coming here this weekend to look for possible sites for a furniture factory, Ms. Wu said.

Henry Fullen, executive director of Toledo Sister Cities International, said most of the 200 Sister Cities visitors each year who come to Toledo have little money, but Mr. Chiu is "somebody with an idea and some dollars behind it."

Ken Marciniak, of the Toledo commercial real estate firm Zyn-dorf/Serchuk, Inc., which has been marketing the Toledo Trust building for two years, said he is to send floor plans and other information to Mr. Chiu.

"In my discussions with him, he sees it as a five-year project that will be done in stages so he can keep a handle on the investment," Mr. Marciniak said.

He said Mr. Chiu talked of dividing some of the 5,600-square-foot floors into 2,500-square-foot apartments, upscale units that would be done first.

The signed letter of intent says Mr. Chiu will return no later than Sept. 1 to close the deal.

"I fully expect it will happen," Mr. Marciniak said, giving the deal

an 85 per cent chance of becoming final.

He said no financial numbers were discussed, but that it would be "a sizable investment and that [Mr. Chiu] said he plans to bring a deposit check."

One hurdle is gaining approval of Society Bank & Trust Co., which owns the building and has definite ideas what it wants in a new owner.

"Society's overriding concern is that piece of real estate is developed in a way that it is appropriate and positive for the community and won't be a negative for downtown in any way," said Joanne Wagner, a spokesman for Society.

But the proposed Chiu project

might not be the best possible use of downtown space, said Stephen Welby, an office market specialist with Michael Realty, also a Toledo commercial real estate firm.

"We've got a pretty substantial vacancy rate downtown as it is," he said, adding the vacant office space is currently about 27 per cent.

"It would put more pressure on the downtown with more speculative office space. But if he's able to bring in his corporation and occupy the lion's share of it, then it's a viable project. If done correctly, it would be nice to see some foreign dollars downtown."

Toledo Blade

Wed April 27-94

Hong Kong businessman makes bid for Toledo Trust building

BY BLADE STAFF WRITER

A Hong Kong businessmen late last night signed a letter of intent to purchase the former Toledo Trust Co. building, 245 Summit St., and the parking lot at the corner of Madison Avenue and St. Clair Street, city officials said.

Frank Chiu, director of the Hong Kong-based Fu Da Enterprise Development Co., signed the letter to purchase the 21-story building and the parking lot from Society Bank and Trust Co., which put the 81-year-old structure up for sale two years ago.

This is not the first time foreign investors have been interested in buying a Toledo building. A different Hong Kong investor a year ago toured the Macy building with the thought of buying it, but made no commitment.

J. David Reck, chairman of the international practice group for the Detroit law firm Miller Canfield Paddock and Stone, said there is U.S. policy that will grant temporary residency for two years to aliens who invest at least \$1 million in a U.S. city and agree to create at least 10 jobs for U.S. citizens.

"If, at the end of two years, they have not met that employment stimulation, they will lose their temporary status," he said. "But if they have met it, they can get permanent green cards, which means they will still be resident aliens but they can come and go freely and don't have to worry about renewing it."

Mr. Chiu said he wants to renovate the building and use it for commercial offices and apartments. He said he will return to Toledo in August to complete the sale.

He said through an interpreter, Karen Wu, a student at Medical College of Ohio, that if the purchase is successful, there was a possibility that he would relocate his headquarters in Toledo.

Mayor Carty Finkbeiner said the letter was signed after a 72-hour visit to Toledo by Mr. Chiu and his associates. Mr. Finkbeiner said no dollar amount was agreed upon