

EMERGENCY

City of Cincinnati

SSB

AWB

An Ordinance No. _____

- 2021

AUTHORIZING the City Manager to execute any and all agreements and take such other steps as may be necessary in order to sell City-owned real property at 1712 Logan Street in the Over-the-Rhine neighborhood of Cincinnati to Southwest Ohio Housing Development, Inc. (an affiliate of Cincinnati Metropolitan Housing Authority), or other affiliated organization acceptable to the City Manager, to facilitate an affordable housing development by the company in partnership with Urban Sites Capital Advisors, LLC.

WHEREAS, the City of Cincinnati (the “City”) owns certain real property located at 1712 Logan Street in the Over-the-Rhine neighborhood of Cincinnati, as more particularly described on Attachment A attached to this ordinance (the “City’s Sale Property”), which is under the management and control of the City’s Department of Community and Economic Development; and

WHEREAS, pursuant to a Request for Proposals issued by the City, Urban Sites Capital Advisors, LLC, an Ohio limited liability company, and Southwest Ohio Housing Development, Inc., an Ohio nonprofit corporation, an affiliate of Cincinnati Metropolitan Housing Authority (collectively, “Developer”) submitted a development proposal to the City, pursuant to which Developer desires to purchase the City’s Sale Property and construct a mixed-use development thereon consisting of (i) approximately 42 units of senior housing that will be leased and made affordable to households earning 60% or less of the area median income, as established by the U.S. Department of Housing and Urban Development for the Cincinnati metropolitan area; (ii) an approximately 6,000 square foot senior community center; and (iii) approximately 2,000 square feet of ground-floor commercial space, at an estimated project cost of approximately \$13,792,775 (the “Project”); and

WHEREAS, Developer estimates that the Project will create approximately (i) 162 temporary full-time equivalent construction and other jobs during the construction period with an approximate annual payroll of \$6,371,913; and (ii) 8 new full-time equivalent permanent jobs following completion of construction of the Project with an approximate annual payroll of \$320,000; and

WHEREAS, contingent upon (i) the City Administration’s satisfactory review of all due diligence materials (including, without limitation, a coordinated report conducted by the City Administration, environmental report, title report, etc.); and (ii) negotiation of an Agreement with terms and conditions acceptable to the City Manager, the City desires to convey the City’s Sale Property to Developer or such other affiliate organization acceptable to the City Manager; and

WHEREAS, the City’s Real Estate Services Division has determined, by appraisal, that the fair market value of the City’s Sale Property is approximately \$650,000; however, to

facilitate the Project and promote its economic feasibility, the City is agreeable to selling the City's Sale Property to Developer, on the terms and conditions acceptable to the City Administration for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits from the Project that equal or exceed the fair market value of the City's Sale Property since the Project will create a significant amount of additional affordable housing in Over-the-Rhine and restore the City's Sale Property to a productive use; and

WHEREAS, the City's Sale Property is not needed for a municipal purpose; and

WHEREAS, Section 13 of Article VIII of the Ohio Constitution provides that, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, it is a public interest and proper public purpose for the State or its political subdivisions to sell, lease, exchange, or otherwise dispose of property within the State of Ohio for industry, commerce, distribution, and research; and

WHEREAS, Section 16 of Article VIII of the Ohio Constitution provides that it is in the public interest and a proper public purpose for the City to enhance the availability of adequate housing and to improve the economic and general well-being of the people of the City by providing or assisting in providing housing; and

WHEREAS, the City believes that the Project (i) will promote urban redevelopment in Over-the-Rhine; (ii) is in the vital and best interests of the City and the health, safety, and welfare of its residents; and (iii) is in accordance with the public purposes and provisions of applicable federal, state, and local laws and regulations; and

WHEREAS, the City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the sale of the City's Sale Property to Developer at its meeting on June 4, 2021; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the City Manager is hereby authorized to execute any and all documents that may be necessary to sell certain real property owned by the City of Cincinnati (the "City") located at 1712 Logan Street in the Over-the-Rhine neighborhood of Cincinnati, as more particularly described on Attachment A attached to this ordinance (the "City's Sale Property"), to Urban Sites Capital Advisors, LLC, an Ohio limited liability company, and Southwest Ohio Housing Development, Inc., an Ohio nonprofit corporation, (collectively, "Developer"), or other affiliated organization acceptable to the City Manager for \$1.00, contingent upon (a) the City Administration's satisfactory review of all due diligence materials related to the City's Sale

Property; and (b) negotiation of and agreement upon sale terms acceptable to the City Administration, including those terms and conditions it deems necessary following its review of such due diligence materials.

Section 2. That the City is agreeable to conveying the City's Sale Property to Developer because Developer has committed to construct a mixed-use development thereon consisting of (a) approximately 42 units of senior housing that will be leased and made affordable to households earning 60% or less of the area median income, as established by the U.S. Department of Housing and Urban Development for the Cincinnati metropolitan area; (b) an approximately 6,000 square foot senior community center; and (c) approximately 2,000 square feet of ground-floor commercial space at an estimated project cost of approximately \$13,792,775 (the "Project").

Section 3. That the City's Sale Property is not needed for a municipal purpose.

Section 4. That the City's Real Estate Services Division has determined, by appraisal, that the fair market value of the City's Sale Property is approximately \$650,000; however, to facilitate the Project and promote its economic feasibility, the City is agreeable to selling the City's Sale Property to Developer on the terms and conditions acceptable to the City Administration for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits from the Project that equal or exceed the fair market value of the City's Sale Property since the Project will create a significant amount of additional affordable housing in the Over-the-Rhine neighborhood of Cincinnati and restore the City's Sale Property to a productive use.

Section 5. That Council authorizes the proper City officials to take all necessary and proper actions to fulfill the terms of this ordinance, including, without limitation, negotiating

acceptable terms of the sale and executing all agreements, deeds, easements, conveyance documents, plats, amendments, and other documents.

Section 6. That in the event that there are proceeds from the sale of City's Sale Property, such proceeds shall be deposited into Property Management Fund 209 to pay the fees for services provided by the City's Real Estate Services Division in connection with the sale, and that the City's Finance Director is hereby authorized to deposit amounts in excess thereof into Miscellaneous Permanent Improvement Fund 757.

Section 7. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety; and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is to enable Developer to commence the Project as soon as possible, therefore resulting in the creation of a significant amount of affordable housing, and the economic growth of the City at the earliest possible date.

Passed: _____, 2021

John Cranley, Mayor

Attest: _____
Clerk

