

City of Cincinnati



202000959

August 3, 2020

To: Mayor and Members of City Council

From: Paula Boggs Muething, Interim City Manager *CBF PBM*

Subject: **PROPERTY SALE AND DEVELOPMENT AGREEMENT FOR 2600 APARTMENT, LLC**

Attached is an Emergency Ordinance captioned as follows:

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with 2600 Apartments LLC for the sale, at fair market value, of City-owned real property located at the northeast corner of the intersection of Short Vine and Corry Streets in the Corryville neighborhood of Cincinnati, for assemblage with the purchaser's adjoining property in connection with the construction of a mixed-use commercial and residential development; **ESTABLISHING** new capital improvement project account no. 980x162x211641, "DCED Property Improvements" for the purpose of providing resources for permanent improvements to vacant buildings and properties controlled or previously controlled by the Department of Community and Economic Development; and further, **DECLARING** expenditures from capital improvement program project account no. 980x162x211641, "DCED Property Improvements," to be for a public purpose.

BACKGROUND/CURRENT CONDITIONS

2600 Apartments, LLC (an affiliate of Uptown Rental Properties) is proposing a split site project along the 2600 Block of Short Vine Street in the Corryville neighborhood. The properties include 2600, 2604, 2622, and 2624-2632 Short Vine ("Property"). 2600-2604 is currently a vacant lot located at the southeast corner of Short Vine Street and East Corry Street. 2622-2632 is a blighted building that has sat vacant for over a decade. This two-story building is one of the last remaining blighted properties in the revitalized Corryville business district. The developer requires a portion of a City-owned parcel located at approximately 4 East Corry Street to create a contiguous, developable site.

DEVELOPER INFORMATION

2600 Apartments, LLC is an affiliate of Uptown Rental Properties. Uptown Rental Properties has over 25-years of development, construction, and property management experience. Their primary focus has been the revitalization of the Corryville and Mt. Auburn neighborhoods. The developer has continued to value strong partnership with the City and communities in which they work.

PROJECT DESCRIPTION

The Developer intends to invest a total of approximately \$7,908,196 to acquire, demolish, and construct new one residential and one mixed-use building to LEED Silver standards ("Project"). The project will include approximately 27 apartments units with a combination of 1 to 5 bedrooms. Rents range from \$1,325-\$2,950. The developer as agreed to keep 1 unit at 80% AMI and not more than one-third of the occupant's income for the duration of the abatement.

The commercial storefront space is intended for a restaurant space that will create two (2) FTEs with an annual payroll of \$90,000. The project will also create forty (40) temporary construction FTEs at a total payroll of \$1,920,000.

In addition to creating jobs and housing, the development will remove activate two the few remaining blighted and/or vacant properties in the Corryville business district.

The Project and the proposed incentive supports the following 'Compete' and 'Live' items within *Plan Cincinnati*: Encourage "small and medium-sized local businesses to locate within centers of activity to help businesses grow and neighborhoods revitalize" ('Compete,' p. 116) and "provide a full spectrum of housing options, and improve housing quality and affordability" ('Live,' p. 164).

PROPOSED INCENTIVE

DCED is proposing the sale of City-owned property at fair market value to the developer in order to facilitate the portion of development located at the corner of Short Vine and East Corry Street. The City's appraisal valued the property at \$29,500. The property is necessary for the developer to create a contiguous, developable site. DCED is also proposing a CRA tax abatement through a separate emergency ordinance.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

Attachment: A. Property location and photographs

Copy: Markiea Carter, Interim Director, Department of Community & Economic Development *mrc*

Attachment A: Property Location and Photographs

Property location



4 East Corry Short Vine Street

