

May 19, 2021

To: Mayor and Members of City Council

From: Paula Boggs Muething, City Manager *CB for PBM*

202101963

Subject: **NOTWITHSTANDING ORDINANCE FOR THREE OAKS
DEVELOPMENT**

Attached is an Emergency Ordinance captioned as follows:

ESTABLISHING certain policies and conditions regarding the application of residential Community Reinvestment Area real property tax abatements at 2800 Robertson Avenue in the Oakley neighborhood of Cincinnati, notwithstanding Ordinance Nos. 276-2017 and 370-2020.

BACKGROUND/CURRENT CONDITIONS

The Developer is proposing to redevelop the former Kenner Toy Factory site in Oakley into a mixed-use phased development that will include approximately 350 to 400 market-rate residential apartment units, 150 to 200 units of senior housing, 105 single-family homes and necessary public infrastructure improvements to support the overall development. Total project cost is expected to be \$165 million. Previously, pursuant to Council Ordinance 493-2019, effective December 11, 2019, the City established a project-based tax increment financing exemption on the Project Site pursuant to Ohio Revised Code 5709.40(B).

DEVELOPER INFORMATION

The Developer, Oakley Yards Land, LLC, is an affiliate of Neyer Properties, Inc. of Cincinnati. Neyer Properties, formed in 1995, is a fully integrated real estate company headquartered in the Evanston neighborhood of Cincinnati. Recent projects completed by Neyer include the Baldwin building renovation in Walnut Hills and the Keystone Park development in Evanston.

PROJECT DESCRIPTION

Developer will redevelop the former Kenner Toy Factory site into a walkable mixed-use residential development. The project will consist of the Developer's design and construction of approximately 350 to 400 market-rate residential apartment units, 150 to 200 units of senior housing and 105 single-family homes. The project will also

consist of various public infrastructure improvements, such as demolition of former industrial buildings, environmental remediation, and design and construction of public right of way, public roads, public pedestrian path, park space, stormwater management, utilities, and sitework. The project will cost an estimated \$165 million and expected to be completed in its entirety by December 2026.

The Developer estimates that the project will support the creation of 500 full-time equivalent temporary jobs with an annual payroll of approximately \$30,000,000; and 80 full-time equivalents at an annual payroll of approximately \$3,000,000 following completion of construction.

The development is supported by the Oakley Community Council and is also consistent with the Plan Cincinnati's Compete Initiative Area, particularly within the Goal to "Focus development on the existing centers of activity by developing compact walkable mixed-use districts and better connect them to residential areas" (Plan Cincinnati, page 116).

City Planning and the Developer conducted a public engagement meeting with Clifton Heights Stakeholders following the City Manager's Community Engagement Policy on Thursday, April 15th at 4pm. A written summary of the engagement session can be found here: <https://www.cincinnati-oh.gov/planning/community-engagement-meetings/>

PROPOSED INCENTIVE

The City and the Developer anticipate that the eligible public infrastructure improvements will be financed by the Port Authority. The Port will issue bonds in a principal amount not to exceed \$16,000,000. Net proceeds from the bonds will be made available to the Developer to pay for construction of the public improvements associated with the project. The City will use the project TIF revenue it receives from the Hamilton County Treasurer to (a) first, pay any fees charged by the Auditor or any other government entity, (b) second, satisfy the City's obligation to the School Board, (c) third, pay any City monitoring and service fees associated with this incentive, and (d) fourth to make payments to the Port Authority in the amount necessary to pay down the bond debt over the 30-year term of the TIF exemption.

This Notwithstanding Ordinance will limit the percentage of real property tax abatement for the single-family portion of the Three Oaks development (labeled Tract A in the Attached Site Plan) site to 50% of the increase in assessed value attributable to the single-family homes for any residential Community Reinvestment Area tax abatements applied for on the single-family portion of the Development. The 50%

limit on the percentage of the real property tax abatement is required so that the debt issued to pay for certain public improvements related to the Three Oaks project can be serviced by the Project TIF revenues. Without the 50% limit, Project TIF revenues would be insufficient to service the Port bonds and therefore the project would not be financially feasible.

RECOMMENDATION

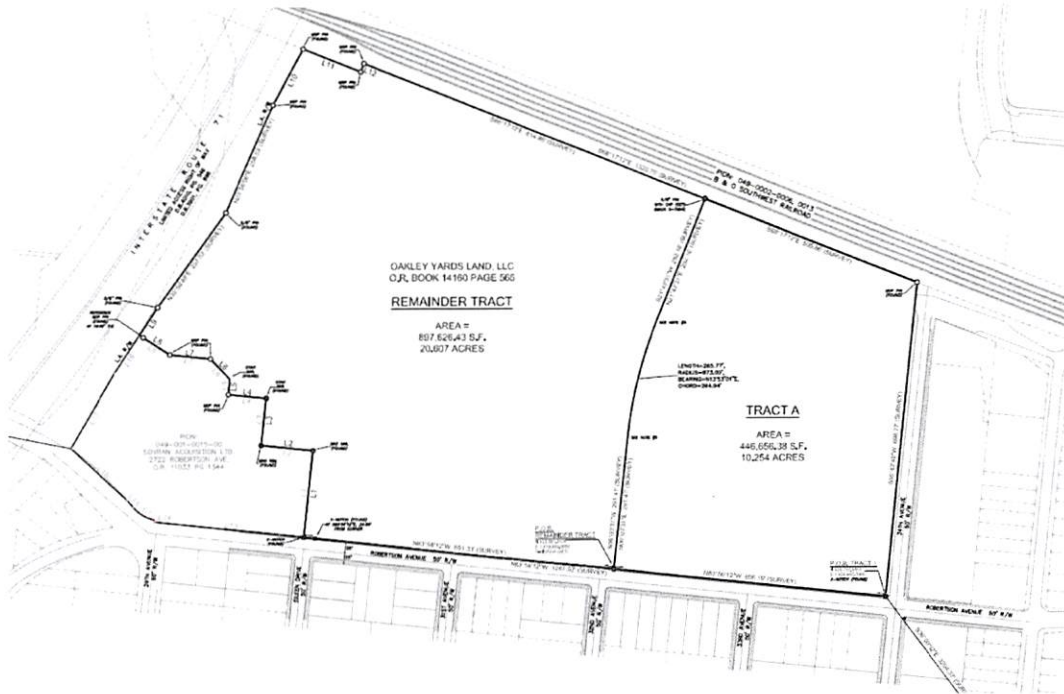
The Administration recommends approval of this Emergency Ordinance. The emergency clause is needed so that the project can meet its construction commencement deadlines.

Attachment: A. Property location and photographs

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Attachment A: Location and Concept Plan

Single-Family Tract A



Concept Plan

