

January 19, 2021

To: Mayor and Members of City Council

From: Paula Boggs Muething, City Manager

Subject: **LEGISLATIVE RESOLUTION DECLARING THE NECESSITY OF
THE PACE ASSESSMENT PROJECT FOR 2347 READING ROAD,
LLC (2ND AMENDMENT)**

202100184

Attached is a Legislative Resolution captioned as follows:

DECLARING by legislative resolution the necessity of the special assessment project at 2347 Reading Road in the City of Cincinnati, Ohio involving the City of Cincinnati, Ohio Energy Special Improvement District.

BACKGROUND/CURRENT CONDITIONS

The Ohio PACE (Property Assessed Clean Energy) program allows commercial property owners to opt into a special assessment which is added to the property tax bill to access long-term, fixed-rate financing for energy efficiency upgrades. The owner and developer of 2347 Reading Road previously requested to have their property added to the Energy Special Improvement District (ESID) and special assessments levied on the property, for the purpose of accessing PACE financing for energy efficiency upgrades to their commercial construction project.

The addition of the property to the ESID was approved by Council in October 2018. In November 2019 the owner and developer requested that the schedule for those special assessments be amended to commence in 2021 instead of 2020 and the request was approved by Council. The owner and developer are now requesting an additional amendment to have assessments commence in 2022 and the term of the assessment will be reduced from 30 years to 28 years.

DEVELOPER INFORMATION

2347 Reading Road, LLC is affiliated with Kingsley + Co., a minority-owned holding company and developer. The company partnered on the redevelopment of the Mabley Place Garage in the Central Business District, as well as the Fairfield Inn & Suites at U-Square in CUF.

PROJECT DESCRIPTION

This project will result in the construction of a 73,450 square foot hotel in the Mt. Auburn neighborhood. The cost of the new construction is estimated to be \$8.4MM and the total project cost is estimated to be \$14MM. Construction commenced in 2019 and is expected to be completed by December 2021.

PROPOSED INCENTIVE

DCED is recommending that the City adjust the schedule for the special assessments for this previously authorized project to commence in 2022 instead of 2021 and for the term to be reduced from 30 years to 28 years.

RECOMMENDATION

The Administration recommends approval of this Legislative Resolution.

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