

December 13, 2021

To: Members of the Budget and Finance Committee 202103297
From: Paula Boggs Muething, City Manager
Subject: **Emergency Ordinance – Classifying Certain Improvements to Real Property at 3035 Clifton Avenue as Residential Improvements**

Attached is an Emergency Ordinance captioned:

CLASSIFYING certain improvements to real property located at 3035 Clifton Avenue in the CUF neighborhood of Cincinnati as residential improvements eligible for a real property tax abatement, notwithstanding Ordinance Nos. 274-2017, 275-2017, 276-2017, and 370-2020.

BACKGROUND/CURRENT CONDITIONS

The Phi Delta Theta House Association of Cincinnati (“Developer”) completed a new LEED Gold off-campus fraternity house at 3035 Clifton Road in the CUF neighborhood of Cincinnati in August 2019 with a total project cost of \$1,794,499.70. After the Developer purchased the existing property in November 2016 with the intention of tearing down the existing improvements and building a new member house for the fraternity, they approached the City for a CRA tax abatement incentive prior to commencing construction in 2018 and had the well-intended belief that the improvements to the property constituted as residential improvements and did not need a CRA Agreement executed prior to commencing construction. Communal housing facilities, including fraternity and sorority houses, however, are classified as commercial structures for the purposes of the CRA Tax Abatement program and are ineligible to qualify for the residential program under existing ordinances.

DEVELOPER INFORMATION

The Phi Delta Theta Chapter House Association of Cincinnati developed and owns the off-campus property at 3035 Clifton Avenue for the University of Cincinnati chapter of the Phi Delta Theta fraternity.

PROJECT DESCRIPTION

The project included the demolition of the existing property located at 3035 Clifton Road and the construction of a new communal living facility for the Phi Delta Theta fraternity at the University of Cincinnati. Demolition began in January 2018 and construction was completed in August 2019. The three-story structure is approximately 7,500 square feet and consists of fifteen (15) bedrooms. The project has received LEED Gold certification.

PROPOSED INCENTIVE

DCED is recommending the passage of the notwithstanding ordinance to make the project eligible to receive an up to 15-year CRA tax abatement, subject to State law, for a maximum of \$562,000 in new improvement value that LEED Gold residential projects are eligible for under Ordinance Nos. 274-2017, 275-2017, 276-2017, and 370-2020. The developer has voluntarily agreed to enter into a contribution agreement with Cincinnati Public Schools to pay 33% of their forgone taxes for the duration of their abatement period to the school district, an estimated total of \$80,967 (\$5,783 per year).

PROJECT TEAM & TIMELINE

The project team (listed below) will make themselves available at the request of the councilmember(s).

- Assistant City Manager: Billy Weber
- DCED Director: Markiea Carter
- Project Attorney: Kaitlyn Geiger

The anticipated council timeline is as follows:

- December 13, 2021: Budget and Finance
- December 15, 2021: City Council for Final Approval

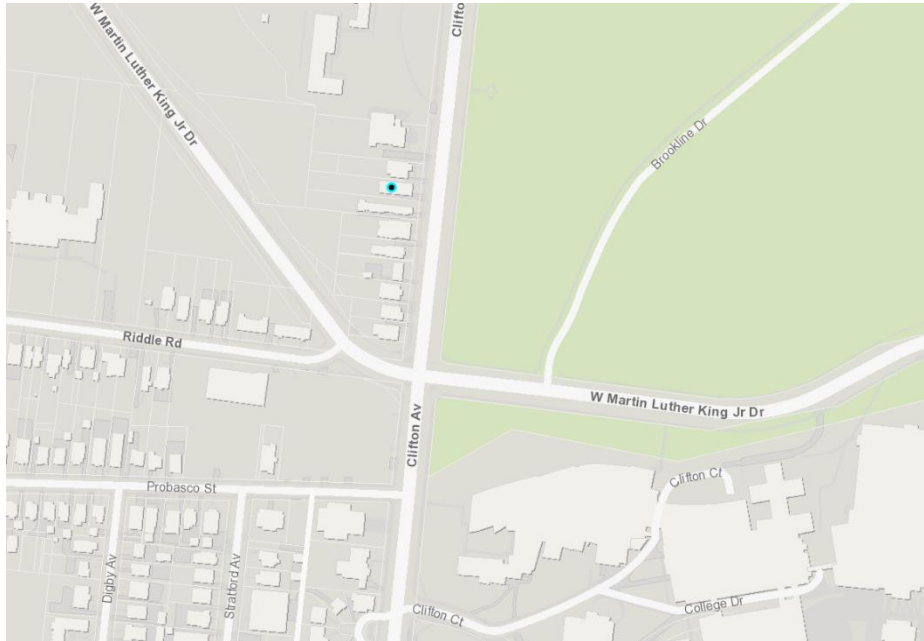
RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. This has been recommended for approval with emergency to allow the administration to process the residential abatement as expediently as possible.

Attachment: A. Property location and photographs

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

Attachment A: Location and Photographs



Property Location



3035 Clifton Avenue