

SUMMARY OF, AND RESPONSE TO, ISSUES CITED IN MAYOR CRANLEY'S 8/22/2019 LETTER

201901468

MAYOR CRANLEY'S AUGUST 22, 2019 LETTER	STATEMENT OF FACTS
<p>STATEMENT: Hilltop and the County are trying to move Hilltop to land that is owned in part by the City.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. Hilltop has property under contract to relocate its unloading operations to the West Mill Creek Site and its concrete plant to the Sixth Street Yard; no City land would be required. 2. However, in response to concerns raised by the Lower Price Hill ("LPH") residents and stakeholders, Hilltop is willing to relocate its unloading operations to the East Mill Creek Site. 3. Hilltop has offered to convey property (that is under contract by Hilltop) to the City that we understand the LPH community desires as a critical component of the future Price Landing Park. As we understand, Hilltop's West Mill Creek Site will provide a more cost effective vehicular and pedestrian access at grade to Price Landing Park. The creation of the Price Landing Park was endorsed by the City in the approval of the Lower Price Hill Resurgency Plan. 4. The current City Administration position rejects Hilltop's offer to convey 2.3 acres of (above water) property to the City; instead, proposes that Hilltop grant the City an option, possibly to be exercised in the future, to purchase the West Mill Creek Site from Hilltop for the same price Hilltop paid for it. It is our understanding that the LPH Community would like the West Mill Creek Site secured for park purposes now since the West Mill Creek Site saves millions of dollars by transferring land that provides direct access between the Park and LPH and ends the industrial use of the West Mill Creek Site. The City's acquisition of the West Bank Site for park purposes would also end its use for commercial/industrial purposes, something the City is unable to do by rezoning.
<p>STATEMENT: To accomplish this, existing businesses have to relocate or shutdown and lots of public money will be spent to do so.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. It is important to note that the County has not requested City's financial assistance, nor has the City committed money to relocate Hilltop.

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	<ol style="list-style-type: none"> 2. As we understand it, the only existing business that may have to relocate is Noramco. Noramco is a month-to-month tenant of the current property owner that contracted to sell its property to Hilltop. In response to Noramco's request, Hilltop expressed a willingness to work with Noramco to allow for a reasonable but limited period of time to relocate its operation. In addition, we also understand that the City's Department of Community and Economic Development is working with Noramco; HCDC could also assist if needed. 3. In regard to the City-owned property leased to CBT on the East Bank of the Mill Creek, it is our understanding that CBT confirmed it had never used that portion of the Site and indicated to Hilltop that it has no future plans to use that portion of the CBT Site; as a result, no business would have to shut down or be relocated with respect to that parcel. 4. CBT also confirmed to the County and Hilltop that it was not seeking compensation to release its leasehold interest in the East Mill Creek Site for the 4.7 years remaining on its Lease with the City. 5. The City's East Bank Mill Creek Site has <u>not</u> been used for commercial purposes for decades.
<p>STATEMENT: Public is entitled to know all aspects of any deal to move Hilltop prior to considering any City legislation that would ask the Planning Commission, City Council and the City Manager to give title to City land to Hilltop and also to accept title to other Hilltop-owned land (the "Noramco" site).</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. Hilltop has taken numerous steps to ensure that the Mayor, City Council Members, the Lower Price Hill and Queensgate Communities, the general Public and media understand the terms of its relocation to Queensgate. These have included presentations both in writing and orally before the Planning Commission, City Council meetings, community group meetings and tours of its current site. 2. The only existing business that may have to relocate is Noramco. As indicated above, Noramco is a month-to-month tenant of the current

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	<p>property owner that is selling its property to Hilltop.</p> <p>3. It is our understanding that the Price Hill Community desires to eliminate commercial/industrial off-loading at the West Mill Creek Site to enhance development of Price Landing Park.</p>
<p>At a minimum, the public should be told at this hearing, and ideally before, the following:</p> <p>1. Hilltop's full schematics and design for all locations, including, but not limited to, the 6th Street Yard, and its goal to locate some of its operations on city owned land west of the Southern Railway Bridge.</p>	<p>RESPONSE:</p> <p>1. As indicated above, Hilltop has been transparent about its relocation plans for a new Queensgate Plant Operations Campus and has in fact provided schematic design drawings of its state-of-the-art plant operations to the LPH & Queensgate communities, Members of City Council, County Administration, the Public and the media.</p> <p>2. We understand that Hilltop presented relocation plans to the City Administration on June 6, 2019 and has made multiple presentations to the LPH and Queensgate communities. Hilltop has also opened its current plant operations for multiple tours.</p> <p>3. For full disclosure, it should be noted that it is our understanding that despite Hilltop's requests, the City has not provided information on how the 50 acres of riverfront property, associated with the CBT lease, which is currently underutilized, will be developed in the future. That has a direct bearing on the availability of property for Hilltop and Valley Asphalt.</p>
<p>2. A description and mapping of how all truck, car, boat, and any other transportation vehicle will access the various locations and estimated truck counts, etc.</p>	<p>RESPONSE:</p> <p>1. It is our understanding that this information was provided directly to the City on June 6, 2019; Hilltop will not utilize any City streets to move materials off-loaded from the Ohio River on the East Mill Creek Site to the new Hilltop Plant Operations Campus.</p> <p>2. Hilltop has made multiple presentations on this very issue to the LPH and Queensgate communities. Harriet Street will serve as a primary access to and from Sixth Street Yard Campus.</p>

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<p>3. Any and all environmental reports for the "Noramco" site in Lower Price Hill.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. It is our understanding, after consulting with Hilltop, that there are no environmental reports available. As part of its due diligence, Hilltop has commissioned such a study and the results will be provided.
<p>4. A full, un-redacted copy of the County-Hilltop purchase contract, which includes all public expenses to be incurred in that transaction. Considering how much money the City, the County and other parties may need to spend to move forward with this transaction, I believe it is vital to the public interest and to the City's consideration of any proposed transaction to know how much money the public is spending on this purchase of Hilltop's existing site.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. This request refers to an agreement between Hilltop and the County. It should be noted, as we understand there has been some confusion on this point, that the <u>City</u> is not acquiring Hilltop's riverfront property. No City funds are being used to purchase the existing Hilltop site. Further, the City is not "giving away" any parcels to accomplish this transaction. 2. Under the proposed transaction, the City, and the LPH and West Side communities, would receive property that is more valuable from a commercial/community benefits standpoint; and it is an essential element of the proposed Price Landing Park since it provides a more cost-effective means of access to/from the Lower Price Hill Community to Price Landing Park. 3. As the Board is aware, the agreement with respect to the Hilltop acquisition has not been finalized. Disclosure of negotiating terms could adversely impact the final cost paid by the County taxpayers. Revealing particularly sensitive information at this juncture before properties are actually acquired is especially risky due to the likelihood that the price of available properties suitable for relocation being artificially inflated which would not serve the taxpayers' interests. Once Hilltop's relocation is finalized, the Hamilton County Board of County Commissioners, in a full and open public hearing, will review and consider the terms and conditions of the Hilltop acquisition. 4. Again, it should be emphasized, that no City funds are involved in

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	the County's acquisition of the Hilltop property.
<p>5. The exact location and design of the asphalt plant-- there needs to be certainty on this.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. Hilltop has assured LPH and the Queensgate communities that Valley Asphalt's Plant will not be located on the West Mill Creek Bank parcel or Hilltop's Plant Operations Campus in Queensgate. 2. Valley Asphalt's Plant will not be relocated until an acceptable site is determined. As has been discussed, one possibility includes the City/CBT making additional acreage available on the currently underutilized 50-acre riverfront site that is under control of the City and CBT. To date, the City and/or CBT have been unwilling to accommodate such request. In terms of Valley Asphalt's Plant, Hilltop owns the land, but does not own or operate the business; however, it is our understanding that Hilltop, and the owner of Valley Asphalt, the Jurgensen Companies, have committed to a prudent and professional approach in the relocation of Valley Asphalt's Plant once an acceptable site is determined. 3. In terms of relocation and development schedule, the relocation of the Asphalt Plant will likely not occur until after the commencement or completion of the Hilltop Parking Facility construction in 2020-2021.
<p>STATEMENT: In addition to the above, I ask my colleagues on City Council, some of whom are considering initiating legislation-that would violate the long-standing practice to retain City ownership of existing city riverfront property-to give away the city owned Riverfront property in exchange for the Hilltop- owned "Noramco" site in</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. County Administration was unable to locate any City policy, Legislation or Ordinance prohibiting the conveyance of like-kind parcels such as the West and East Mill Creek sites. 2. It should also be noted that the City would receive property with permits, easements, access rights and significantly greater commercial market value, in exchange for City-owned property that

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<p>Lower Price Hill, to make sure that any such legislation protects the city's interests by ensuring the following:</p>	<p>is currently vacant, has no permits or easements; has multiple embedded concrete in place since the 1890's; and will be landlocked, once conveyed, with no direct access to a public street.</p> <p>3. It is also important to remember that the County's purchase of the Hilltop Site results in putting approximately 15 new acres of central riverfront property into public ownership.</p> <p><u>Benefits/Burdens of the City-owned East Mill Creek Site:</u></p> <ul style="list-style-type: none"> a) No Corps of Engineers off-loading permits; b) No access easements from CSX Railroad or Central Railroad of Indiana; c) Limited transportation access to Hilltop's new Plant Operations Campus; no existing access road to Hilltop Campus; d) Multiple embedded concrete columns & structures from the 1890's need to be removed; e) The East Mill Creek Site, once conveyed, will be landlocked, the Site will have no direct access to City streets or rights of way, substantially decreasing its current market value of approximately \$136,867. <p><u>Benefits/Burdens of Hilltop Contracted West Mill Creek Site</u></p> <ul style="list-style-type: none"> a) Corps of Engineers off-loading permit in effect currently; b) Existing access easements from CSX and Central Railroad of Indiana to allow crossing for transportation to Hilltop's Plant Operations; c) Existing access road directly to Hilltop Plant Operations Campus; d) No embedded obstructions on site. <p>4. It should also be noted that the County and City have cooperated in the past as it relates to property transfers to facilitate development of</p>

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	<p>the riverfront, and The Banks, specifically. As an example, the County has conveyed, to date, 24 acres of County-owned riverfront property to the City for the development of Smale Park. Such property has a \$96MM value, which the City has leveraged as in-kind contributions for additional grant funds. The County conveyed this property to the City <u>without</u> requiring any payment by the City.</p>
<p>STATEMENT:</p> <ol style="list-style-type: none"> 1. That an appraisal of both properties be published before any transaction occurs. 	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. The value of the City-owned parcel on the East Mill Creek Site can be assessed based on the lease payments the City currently receives for that portion of the Site which is approximately \$34,600 per year; on such basis, the value of the East Mill Creek Site would be approximately \$136,867. The Auditor's value of the East Mill Creek Site currently is ±\$213,000. However, the actual market value, once conveyed to Hilltop as a separate parcel, would be substantially less since the Site will be landlocked with no direct access to public streets. 2. The <u>actual</u> commercial value of the East Mill Creek Site is significantly less because once conveyed to Hilltop there is: <ol style="list-style-type: none"> a) No readily available transportation access to the Hilltop Campus Location; b) Site is landlocked with no direct access to City streets or right of way; c) No Corps of Engineers off-loading permit; d) No railroad access easements which are essential to access the Site. 3. The commercial value of the West Mill Creek Site is at <u>least 8 times</u> greater than that of the East Mill Creek Site because the West Mill Creek Site has: <ol style="list-style-type: none"> a) Direct access road to the new Hilltop Plant Operations Campus;

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	<ul style="list-style-type: none"> b) Corps of Engineer's off-loading permit; c) Railroad right of way access easements; d) Does not have multiple concrete columns and other obstructions throughout the Site; e) The commercial market value of the West Mill Creek Site is in excess of \$1.1M. The Auditor's value is \$721,560. <p>4. The value of the West Mill Creek Site should be assessed based upon the fact that it:</p> <ul style="list-style-type: none"> a) Enables cost-effective pedestrian and vehicular access from Price Hill to the Price Landing Park; b) Eliminates \$5M-\$7M in public Park infrastructure costs which would have been necessary for access and connectivity to the Price Landing Park.
<p>STATEMENT:</p> <p>2. That Hilltop or the County agree to pay for and conduct all appropriate remediation of the Noramco site so that it could be converted to a park.</p>	<p>RESPONSE:</p> <p>1. Hilltop is deeding property to the City that has significantly greater value. It would seem appropriate for both entities to manage real-estate related costs associated with the individual parcels they control following the land swap.</p>
<p>STATEMENT:</p> <p>3. That the City be held harmless from this proposed transaction and that any agreement will compensate the city for the many expenses it will incur and loss of revenues from the city owned land.</p>	<p>RESPONSE:</p> <p>2. We are not aware of any cost benefit analysis detailing harm that would be experienced by the City related to this transaction.</p> <p>3. The only "revenue lost" by the City, to our knowledge, is \$34,600 per annum for the remainder of the less than 5 years left on the lease term on the East Mill Creek Site. However, as we understand, the City could save \$5M-\$7M in infrastructure costs in developing Price Landing Park.</p> <p>4. It should also be noted that the City will retain significant tax revenue by retaining Hilltop as a corporate employer with 104</p>

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	employees within the City that also has a \$52MM economic impact per year in the City.
<p>STATEMENT: The following issues should be resolved in any agreement:</p> <p>a. The City would be LOSING a revenue producing asset, so the City should be paid the net present value of future rent payments.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. Current Lease Payment is approximately \$34,600 per year for less than 5 years, until the expiration of the lease in May 2024. 2. Based upon the above lease payments, the net present value of the future rent payments is \$136,587. 3. It is our understanding that City and the LPH will save \$5MM-\$7MM in future public infrastructure costs for the Price Landing Park. This amount exceeds the present value of \$136,587 annual lease payments for the remaining less than 5-year term.
<p>STATEMENT: b. The City would be GAINING a property that would result in the removal of an existing business and therefore would not have any revenue associated with it and will require significant remediation before it could be turned into a park. Hilltop or the County should provide some transition assistance to the displaced business and should also pay for all remediation of the site.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. It should also be noted that the City will retain a business with 104 employees and its tax base; Hilltop produces an economic impact of \$52MM per year in the City. 2. As with other sites in LPH and Queensgate, state and federal funds are available for the environmental remediation of such properties, if determined necessary. 3. We are not aware that any remediation would be required for the property provided to the City. 4. We have not been apprised of the environmental remediation necessary for the City's East Mill Creek Site.
<p>STATEMENT: Mayor warned that Newport could beat us to the punch if we didn't move fast. The Bengals supported putting it on lot 24 and did not condition it on moving Hilltop. It has been the County, not the Bengals, that has pushed the Bengals to allow the music venue to</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> 1. The County has been trying for several years to move forward with the next phase of The Banks Project. 2. On November 14, 2018, the Bengals endorsed Lot 27 for the siting of the Music Venue and Lots 23 & 28 for the expansion of the Smale Park. In 2019 the Board or County Commissioners and City

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<p>be located closer to Paul Brown Stadium, which requires their consent and has led to the agreement to move Hilltop. The Bengals did not initiate this chain of events.</p>	<p>Council approved the site of the Music Venue on Lot 27 and expansion of Smale Park on Lots 23 & 28.</p> <ol style="list-style-type: none"> It should be noted that after applying State grants and Banks-generated revenues sources, the County is advancing all financing for the development of the public infrastructure for Lots 23, 27 and 28, without assessing interest on the City's \$4.5MM obligation for Phase III. The County also agreed to fund the potential shortfalls in The Banks TIF District fund, relieving the City of an additional potential \$2MM in Banks related funding obligations. The City's repayment of such obligation would also be without interest and only from Banks generated revenue sources, rather than the City General Fund. The County is effectively providing the City with an interest free loan, potentially up to \$6.5MM, which will only be repaid from future Banks generated revenues – not the City General Fund. Location of the Music Venue on Lot 27 is vital to the future viability of the Banks given the associated ability to advance highest and best use development on Lot 24 which, in turn, will produce revenue capable of driving additional public infrastructure work.
<p>STATEMENT: This overall transaction involves the County granting very valuable riverfront property for the Bengals to earn money on game days and to pay Hilltop to move from its current site.</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> The City gains valuable property that may be used for park purposes without expending <u>any</u> capital dollars. It is critical to note that no property is being "granted" to the Bengals. As a result of the County's efforts, an additional 15 acres of riverfront property will be publicly owned on the Central Riverfront which will sustain and expand the overall redevelopment of Cincinnati's riverfront.
<p>STATEMENT: The City should not be harmed financially in order that</p>	<p>RESPONSE:</p> <ol style="list-style-type: none"> We are unaware of any financial harm to the City due to this

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<p>two private businesses benefit.</p>	<p>transaction. The City is gaining more valuable property and will retain an employer with 104 employees in Cincinnati that produces an annual economic impact of \$52MM in the City.</p>
<p>STATEMENT: We are told that this deal makes the county's stadium deal better. But the public won't know if that is true until it sees the amount of public money that will be spent to move Hilltop.</p>	<p>RESPONSE: 1. The Hamilton County Board of County Commissioners is the elected body of the County that determines the purchase price, and its reasonableness of the acquisition of the Hilltop property. The logistics of the MOU with the Bengals were discussed in detail at a public session of the Board in November of 2018. The property acquisition cost associated with Hilltop, subject to the Board's review and approval, will be discussed publicly once all of the deal components are finalized.</p>
<p>STATEMENT: The public has a right to know and the City should not commit to spend any money or transfer any land until all the facts are on the table. Sunshine makes better public policy than secrecy.</p>	<p>RESPONSE: 1. The County has detailed all elements of these transactions that can be publicly disclosed without further risk to the taxpayer. As deal components are concluded, additional information will be brought forward for public discussion prior to Board approval.</p>

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