city of CINCINNATI
Interdepartment Correspondence Sheet

August 4, 2026

To: Members of the Housing & Growth Committee

From: Sheryl M.M. Long, City Manager

202602541

Subject: **Emergency Ordinance – AUTHORIZING A COMMUNITY REINVESTMENT AREA TAX EXEMPTION AGREEMENT WITH 530 WALNUT LLC.**

Attached is an Emergency Ordinance captioned:

> **APPROVING AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with 530 Walnut LLC, an affiliate of Urban Sites Capital Advisors, LLC, thereby authorizing a fifteen-year tax exemption for 100 percent of the value of improvements made to real property located at 530 Walnut Street in the Central Business District of Cincinnati, in connection with the remodeling of an existing building into approximately 63,117 square feet of residential space consisting of approximately 67 residential rental units, at a total construction cost of approximately $14,436,431; and further **AUTHORIZING** a ten-year historic extension of such fifteen-year tax exemption.

STATEMENT

HOUSING: The new housing units this project will provide will go toward helping to alleviate Cincinnati's strained housing market, which is currently experiencing increasing affordability issues due to lack of supply.

BACKGROUND/CURRENT CONDITIONS

530 Walnut Street is a notable historic building (Property) located in the Central Business District. The building was originally constructed in 1925. 530 Walnut Street is a 10-story office building that is currently 93% vacant, only occupied by Urbana Cafe on the ground floor and Donovan Electric leasing 3,166 square feet on the second floor. These occupied floors include common space and a fitness center on the second floor.

In 2025, after making the Property available for sale, Hamilton County announced its decision to sell the building to a partnership comprised of Stough Development Corporation and Chavez Properties, for the purpose of adaptive reuse as mixed-use apartments. Since that time, the developers have recently secured $5,000,000 in competitive Ohio historic rehabilitation tax credits. The combination of state and federal historic tax credits significantly helps to enable a transformation of the Property, allowing a vacant office building to be utilized for a new highest and best use, while also ensuring that it will be renovated to state and federal historic preservation standards.

DEVELOPER INFORMATION

The Project will be developed, owned, and operated by 530 Walnut LLC, which is affiliate of Urban Sites (Developer and Contractor). Urban Sites is the lead developer of the Project.

Urban Sites is a development, property management, and construction services company with a focus on revitalizing historic assets in the urban core. Urban Sites has over 25 years of development experience and is best known for its catalytic work in Over-the-Rhine, as well as the historic Woodburn Corridor in East Walnut Hills.

PROJECT DESCRIPTION

The Developer will renovate the Property to consist of approximately 67 residential apartments and approximately 12,000 square feet of commercial space, including Urbana Coffee as the commercial tenant on the ground floor facing Walnut Street.

The residential units will consist of studio and 1-bedroom apartments that will serve 60% AMI, 80% AMI, and Market Rate. Site amenities will include but are not limited to a fitness room, in-unit laundry, and a coffee shop (Urbana Cafe) in the lobby. The goal of the project is to bring mixed-income housing to the Central Business District, a vibrant urban area that is lacking attainable, mixed-income options for the community

PROPOSED INCENTIVE

The Office of Strategic Growth recommends a 15-year, net 67% Commercial Tax Abatement. The recommendation is based on the project receiving Affordable Housing Trust Funds; per Ordinance 28-2024 as well as the determination, based on underwriting, that the project needs a significant abatement in order to be economically feasible without any additional City subsidy.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The reason for the emergency is that the developer must lock secure construction pricing and financing in late summer or early fall of 2026 in order to commence construction on schedule.

Project Outline

Project Name	530 Walnut Street
Street Address	530 Walnut Street
Neighborhood	Central Business District
Property Condition	Vacant office building
Project Type	Rehabilitation
Project Cost	Hard Construction Costs: $14,436,431 Acquisition Costs: $2,200,000 Design and Soft Costs: $4,836,862 Total Project Cost: $22,818,800
Private Investment	Private Financing: $7,406,307 Developer Equity: $11,362,493
Sq. Footage by Use	Residential: 63,117 SF Commercial: 12,000 SF
Number of Units and Rent Ranges	67 total apartments; studio and 1-bed units serving 60% AMI, 80% AMI, and Market Rate
Typical 1-BD Rent Affordable To	Household income: $92,000 to $112,000 (2026 median family income is $109,900 for Cincinnati metro area)
Jobs and Payroll	Estimated Permanent Job Creation: 2.72 FTE positions Total Payroll for Permanent FTE Positions: $296,519.81 Estimated Construction Positions: 108 Total Payroll for Construction Positions: $6,597,084
Location and Transit	Located in Central Business District Walk Score: 97 (out of 100) Transit Score: 81 (out of 100)
Community Engagement	Notification to OTR Community Council and Downtown Residents Council
Plan Cincinnati Goals	"Offer housing options of varied sizes and types for residents at all stages of life" (pp. 164 – 178); "Sustain our natural and built environment" (pp. 193-198).

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	$152,817
Total Term Incentive to Developer	$2,292,255
City's Portion of Property Taxes Forgone (Term)	$566,918
City's TIF District Revenue Forgone (Term)	$0

Public Benefit		Value
CPS PILOT	Annual	$75,268
	Total Term	$1,129,021
VTICA	Annual	$0
	Total Term	$0
Income Tax Total Term (Maximum)		$346,844
Total Public Benefit (CPS PILOT, VTICA, Income Tax)		$1,475,865

Total Public Benefit ROI*	$0.64
City's ROI**	$0.61

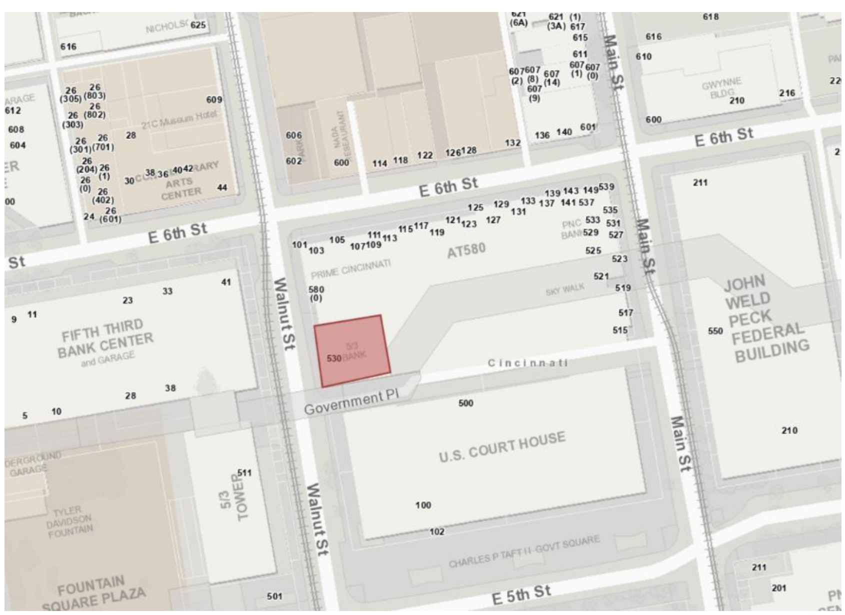
* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.
**This figure represents the total dollars returned for City/ over the City's property taxes forgone.

For Reference: 2026 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	$23,100	$26,400	$29,700	$33,000	$38,680	$44,360	$50,040	$55,720
50%	$38,500	$44,000	$49,500	$54,950	$59,350	$63,750	$68,150	$72,550
60%	$46,200	$52,800	$59,400	$65,940	$71,220	$76,500	$81,780	$87,060
80%	$61,550	$70,350	$79,150	$87,900	$94,950	$102,000	$109,000	$116,050

Project Image and Site Map

Project location shown in red:



cc: Brandon Rudd, Deputy Director, Office of Strategic Growth