

December 13, 2021

To: Members of the Budget and Finance Committee 202103296
From: Paula Boggs Muething, City Manager
Subject: **Ordinance – Authorizing a Property Sale and Development Agreement with The Acanthus Group, LLC**

Attached is an Ordinance captioned:

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with The Acanthus Group, LLC for the sale of City-owned real property located at 127 Green Street in the Over-the-Rhine neighborhood.

BACKGROUND/CURRENT CONDITIONS

127 Green Street is a City-owned property in the Over-the-Rhine neighborhood near Findlay Market. The property contains a 1,200 square foot vacant lot.

The Department of Community and Economic Development released a Request for Proposals (RFP) for the sale and redevelopment of the lot in June 2019 and an evaluation committee reviewed and scored each of three (3) proposals received. Based on the recommendation of the committee the sale of the property was awarded to The Acanthus Group, LLC who demonstrated the greatest capacity and experience, a good financing plan, densest development permitted on the site, and one of the highest offer prices, all of which were deemed most advantageous to the City.

DEVELOPER INFORMATION

The Acanthus Group, LLC is owned by Greg Cole, a general contractor, project manager, and carpenter. The Acanthus Group has extensive experience in historic renovations and LEED certified projects in Over-the-Rhine, including 1919-1925 Vine Street, 1533 Republic Street, and 121 Green Street. This project will be The Acanthus Group's second new build.

PROJECT DESCRIPTION

The Acanthus Group will construct one (1) new, three-story, LEED certified building. The project will contain two (2) market-rate rental units, one (1) one-bedroom unit and one (1) two-bedroom unit. Projected rents are \$995 for the one-bedroom unit and \$1,800 for the two-bedroom unit. Total project cost, excluding acquisition, is estimated to be \$584,285. The project is estimated to create seven (7) temporary construction jobs.

The Department of City Planning and Engagement held a Community Engagement Meeting on November 18, 2021. For more information, please visit: <https://www.cincinnati-oh.gov/planning/community-engagement-meetings1/past-community-engagement-meetings/public-engagement-session-for-127-green-street/>

City Planning Commission approved the sale of the property on December 3, 2021. The Historic Conservation Board will review the project for a certificate of appropriateness prior to construction. The Acanthus Group has received a letter of support from the Over-the-Rhine Community Council.

The proposed project is consistent with *Plan Cincinnati* (2012) within the Guiding Geographic Principle to “Focus revitalization on existing centers of activity” (p. 86) and the Live Initiative Area’s Goal to “Provide a full spectrum of housing options and improve housing quality and affordability” (p. 164). It is also consistent with portions of the *Over-the-Rhine Comprehensive Plan* (2002) within the Housing Goal to “Encourage and welcome new investment at all income levels of the housing market and ensure the long-term sustainability of enough affordable housing to house current residents” (p. 47).

PROPOSED INCENTIVE

DCED is recommending a sale to The Acanthus Group, LLC at the offer price of \$20,000. This is below the appraised value of the property, which is \$54,000, but tied with the highest offer received. The recommendation is based on a determination that The Acanthus Group has presented the most advantageous proposal for the redevelopment of the vacant property. The proposed project will activate the site by adding two (2) new units of housing near Findlay Market.

PROJECT TEAM & TIMELINE

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

- Assistant City Manager: William Weber
- DCED Director: Markiea L. Carter
- Project Attorney: Charles Martinez

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 Ordinance.

Attachment: A. Property location and photographs

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

