

November 18, 2024

To: Members of the Budget and Finance Committee

From: Sheryl M.M. Long, City Manager

202402394

Subject: Emergency Ordinance – First Amendment to Three Oaks Development Agreement

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute a First Amendment to Development Agreement with Oakley Yards Land, LLC, an affiliate of Neyer Properties, Inc., pertaining to the redevelopment of property located at 2800 Robertson Avenue in the Oakley neighborhood of Cincinnati.

STATEMENT

HOUSING: The additional 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

In December of 2019, in anticipation of financing public infrastructure improvements to support the redevelopment of the former Kenner Toy Factory site located at 2800 Robertson Avenue in the Oakley neighborhood of Cincinnati, City Council passed Ordinance No. 493-2019, which created an ORC 5709.40(B) project-based TIF on the site for a period of 30 years.

In December 2021, pursuant to Ordinance Nos. 190-2021, 191-2021, and 192-2021, the City and Developer entered into a Development Agreement and other related agreements that outlined the scope of the site's redevelopment as well as the City's support. At that time, the Developer proposed a mixed-use development that included approximately 350 to 400 market-rate residential apartment units, 150 to 200 units of senior housing, 105 single-family homes, and necessary public infrastructure improvements to support the overall development. Additionally, the City executed two commercial CRA tax abatement agreements for the multi-family and senior housing projects, and authorized revenue from the project-based TIF to pay bond obligations issued by the Port to finance public infrastructure improvements. Since then, the Developer has completed \$15,150,000 in public infrastructure improvements, namely in acquisition of public right-of-way, site demolition/environmental remediation, roadways, utilities, landscaping, and the construction of the public park in the southeast corner of the project. The Developer has also built several single-family for-sale homes, with 19 on hold, sold, or under contract.

DEVELOPER INFORMATION

The Developer, Oakley Yards Land, LLC, is an affiliate of Neyer Properties, Inc. of Cincinnati. Neyer Properties, formed in 1995, is a fully integrated real estate company headquartered in the Evanston neighborhood of Cincinnati. Projects completed by Neyer in Cincinnati include the Baldwin building renovation in Walnut Hills and the Keystone Parke development in Evanston. Neyer is partnering with WP Land Company, a custom homebuilder company in Montgomery, Ohio to construct the single-family project. Neyer will be partnering with CASTO Communities, a commercial real estate company in Columbus, Ohio to construct and operate the multi-family project. Neyer plans to select a senior housing partner in 2025.

PROJECT DESCRIPTION

The Developer has requested that the Development Agreement be amended to reduce the number of single-family homes from 105 to 79. The Developer anticipates up to 15 of the 79 single-family lots will be part of the 2025 Homearama. In the area where the Developer previously anticipated constructing 26 homes, the Developer now desires to construct approximately 31 car condo units. The Developer has engaged the Oakley Community Council on this proposed change and the community council provided a letter of support for the Major Amendment to the Concept Plan and Development Program Statement in June 2024.

Regarding public subsidy, the Developer requested an additional \$5,000,000 (\$21,000,000 in total) in funding for environmental remediation, mass excavation, utilities and related soft costs on the multi-family and senior housing project sites due to price increases since the project commenced. The net proceeds from the bonds will not be used for the car condo project. To meet the Developer's request and increase the public infrastructure improvements, the principal bond proceeds need to be increased to \$30,600,000. It is anticipated that the Port will be issuing the bonds that are guaranteed by the Developer. The City will not provide or guarantee revenue for the bonds aside from the revenues created by the project. The Developer has also requested timelines for each component of the project, i.e., the multi-family, senior housing, single-family, public infrastructure improvements be extended to complete the project.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The reason for the emergency is to enable the parties to execute the Amendment as soon as possible so that Developer can immediately move forward with the amended project, thereby creating jobs, stimulating economic growth in the area, and enabling the project site to be put to its highest and best use, for the economic benefit of the City, at the earliest possible time.

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

Exhibit A: Amended Site Plan and 2024 Aerial Imagery

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