ZDS

- 2026

APPROVING AND AUTHORIZING the City Manager to execute a First Amendment to Community Reinvestment Area Tax Exemption Agreement with SoLi Interests LLC, an affiliate of Urban Sites, thereby authorizing a ten-year extension to an existing tax exemption for 100 percent of the value of improvements made to real property located at 1405 Clay Street in the Over-the-Rhine neighborhood of Cincinnati.

WHEREAS, pursuant to Ordinance No. 10-2015, passed by Council on January 22, 2015, the City entered into a certain Community Reinvestment Area Tax Exemption Agreement with SoLi Interests LLC (together with its successors and assigns, the "Company"), dated February 18, 2015 (the "Agreement"), which provides for a 100 percent real property tax exemption for the value of improvements to real property located at 1405 Clay Street in the Over-the-Rhine neighborhood of Cincinnati, as more particularly described in the Agreement, for twelve years (the "Original Term"); and

WHEREAS, pursuant to Ohio Revised Code ("R.C.") Section 3735.67(D)(1), the City may extend a period of exemption from real property taxation for up to ten years (an "Historic Extension") if the property is a structure of historical or architectural significance, is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h), and the residential units within the structure have been leased to individual tenants for at least five consecutive years (the "Extension Requirements"); and

WHEREAS, the Company has represented to the City that the Property satisfies the Extension Requirements and is eligible for an Historic Extension, and has requested that the City grant an extension of the real property tax exemption, for a total exemption term not to exceed 22 years; and

WHEREAS, the Company has committed to lease and make available one of the residential units on the Property to families at or below eighty percent of the Area Median Income, as established by the U.S. Department of Housing and Urban Development, and as may be updated from time to time (the "Affordability Requirements"), upon the terms and conditions more particularly described in the draft First Amendment to Community Reinvestment Area Tax Exemption Agreement attached as Attachment A hereto (the "Amendment"); and

WHEREAS, in consideration of the Company's agreement to comply with the Affordability Requirements, and provided that the Company satisfies the Extension Requirements and the other terms of the Agreement, as amended by the Amendment, the City desires to provide for an Historic Extension of up to ten years; and

WHEREAS, the Property is located within the Cincinnati City School District and, as required by the Agreement, the Company entered into a certain Payment in Lieu of Taxes

Agreement dated April 27, 2015, pursuant to which the Company agreed to pay the Board of Education of the Cincinnati City School District (the "Board of Education"), amounts equal to 25 percent of the exempt real property taxes during the Original Term; and

WHEREAS, the Board of Education, pursuant to that certain Tax Incentive Agreement with the City effective as of April 28, 2020 (as may be amended, the "2020 Board of Education Agreement"), has approved exemptions of up to 100 percent of Community Reinvestment Area projects authorized by Council beginning in 2020, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the 2020 Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 33 percent of the exempt real property taxes during the term of the Historic Extension; and

WHEREAS, the City's Department of Community and Economic Development estimates that, during the Historic Extension, the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately $10,643; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Council authorizes the City Manager:

(a) to execute an amendment to a certain Community Reinvestment Area Tax Exemption Agreement between the City of Cincinnati (the "City") and SoLi Interests LLC (together with its successors and assigns, the "Company"), dated February 18, 2015 (the "Agreement"), in substantially the form of Attachment A to this ordinance (the "Amendment"), authorizing the extension of the real property tax exemption provided by the Agreement by up to ten additional years, relating to real property located at 1405 Clay Street in the Over-the-Rhine neighborhood of Cincinnati, which property is more particularly described in the Agreement, provided the Company satisfies certain conditions as described in the Agreement, as amended by the Amendment, including compliance with all statutory requirements;

(b) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Department of Development, in accordance with Ohio Revised Code Section 3735.672, and to the Board of Education of the Cincinnati City School District, as necessary; and

(c) to take all necessary and proper actions to fulfill the City's obligations under the Agreement, as amended by the Amendment.

Section 2. That this ordinance shall take effect and be in force from and after the earliest time allowed by law.

Passed:_____, 2026

_____
Aftab Pureval, Mayor

Attest:_____
Clerk