

EMERGENCY

City of Cincinnati

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An Ordinance No. 324

- 2020

**AUTHORIZING** the City Manager to execute any and all agreements and take such other steps as may be necessary in order to sell City-owned real property at 835-847 Oak Street in the Walnut Hills neighborhood of Cincinnati to Melrose IHNGC Limited Partnership, an affiliate of The Model Group, Inc. and Interfaith Hospitality Network of Greater Cincinnati, Inc.

WHEREAS, the City of Cincinnati (the "City") owns real property at 835-847 Oak Street in the Walnut Hills neighborhood of Cincinnati, as more particularly described on Attachment A attached to this ordinance (the "City's Sale Property"), which is under the management and control of the City's Department of Community and Economic Development; and

WHEREAS, the City, contingent upon (i) the City Administration's satisfactory review of all due diligence materials (including, without limitation, a coordinated report conducted by the City Administration, environmental report, title report, etc.) related to the City's Sale Property, and (ii) any terms and conditions that the City Administration deems appropriate, including after reviewing such due diligence materials, desires to convey the City's Sale Property to Melrose IHNGC Limited Partnership, an Ohio limited partnership and affiliate of The Model Group, Inc. and Interfaith Hospitality Network of Greater Cincinnati, Inc. ("Developer"); and

WHEREAS, Developer has proposed the redevelopment of the City's Sale Property and an adjacent property to be acquired by Developer into a new four-story building constructed to Leadership in Energy and Environmental Design Silver standards containing 26 units of affordable permanent supportive housing targeted to families experiencing homelessness with a household member who has a disabling condition at an estimated project cost of approximately \$6,362,027 (the "Project"); and

WHEREAS, the City's Real Estate Services Division has determined, by appraisal, that the fair market value of the City's Sale Property is approximately \$24,500; however, to make the Project economically feasible, the City is agreeable to selling the City's Sale Property to Developer on the terms and conditions acceptable to the City Administration for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits from the Project that equal or exceed the fair market value of the City's Sale Property since the Project will create a significant amount of permanent affordable housing units, stimulate economic growth in the area, and restore the City's Sale Property to a productive use; and

WHEREAS, the City's Sale Property is not needed for a municipal purpose; and

WHEREAS, Section 13 of Article VIII of the Ohio Constitution provides that, to create or preserve jobs and employment opportunities and to improve the economic welfare of the

people of the State, it is a public interest and proper public purpose for the State or its political subdivisions to sell, lease, exchange, or otherwise dispose of property within the State of Ohio for industry, commerce, distribution, and research; and

WHEREAS, Section 16 of Article VIII of the Ohio Constitution provides that it is in the public interest and a proper public purpose for the City to enhance the availability of adequate housing and to improve the economic and general well-being of the people of the City by providing or assisting in providing housing; and

WHEREAS, the City has determined that it is in the best interest of the City to eliminate competitive bidding in connection with the sale of the City's Sale Property because the City believes that the use of the City's Sale Property for the Project is the highest and best use for the site and will contribute to the revitalization of the City's Walnut Hills neighborhood; and

WHEREAS, the City believes that the Project will promote urban redevelopment in the Walnut Hills neighborhood of Cincinnati, is in the vital and best interests of the City and the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state, and local laws and regulations; and

WHEREAS, Cincinnati Planning Commission, having the authority to approve the change in the use of City-owned property, approved the sale of the City's Sale Property to Developer at its meeting on July 17, 2020; now, therefore,

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

Section 1. That the City Manager is hereby authorized to execute any and all documents that may be necessary to sell real property owned by the City of Cincinnati (the "City") at 835-847 Oak Street in the Walnut Hills neighborhood of Cincinnati, as more particularly described on Attachment A attached to this ordinance (the "City's Sale Property"), to Melrose IHNGC Limited Partnership, an Ohio limited partnership and affiliate of The Model Group, Inc. and Interfaith Hospitality Network of Greater Cincinnati, Inc. ("Developer") for \$1.00, contingent upon (a) the City Administration's satisfactory review of all due diligence materials (including, without limitation, a coordinated report conducted by the City Administration, environmental report, title report, etc.) related to the City's Sale Property and (b) any and all terms and conditions as City Administration deems appropriate, including after reviewing such due diligence materials.

Section 2. That the City is agreeable to conveying the City's Sale Property to Developer because Developer has proposed the redevelopment of the City's Sale Property and an adjacent property to be acquired by Developer into a new four-story building constructed to Leadership in Energy and Environmental Design Silver standards containing 26 units of affordable permanent supportive housing targeted to families experiencing homelessness with a household member who has a disabling condition at an estimated project cost of approximately \$6,362,027 (the "Project").

Section 3. That the City's Sale Property is not needed for a municipal purpose.

Section 4. That the City's Real Estate Services Division has determined, by appraisal, that the fair market value of the City's Sale Property is approximately \$24,500; however, to make the Project economically feasible, the City is agreeable to selling the City's Sale Property to Developer on the terms and conditions acceptable to the City Administration for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits from the Project that equal or exceed the fair market value of the City's Sale Property since the Project will create a significant amount of permanent affordable housing units, stimulate economic growth in the area, and restore the City's Sale Property to a productive use.

Section 5. That it is in the best interest of the City to eliminate competitive bidding in connection with the sale of the City's Sale Property because the City believes that the use of the City's Sale Property for the Project is the highest and best use for the site and will contribute to the revitalization of the City's Walnut Hills neighborhood.

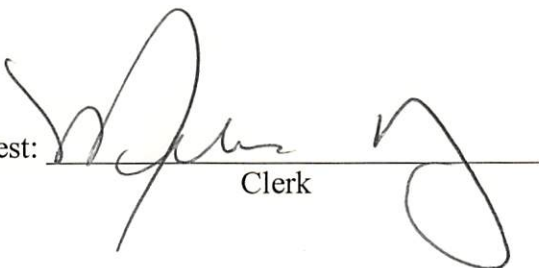
Section 6. That Council authorizes the proper City officials to take all necessary and proper actions to fulfill the terms of this ordinance, including, without limitation, executing all agreements, deeds, easements, conveyance documents, plats, and other documents.

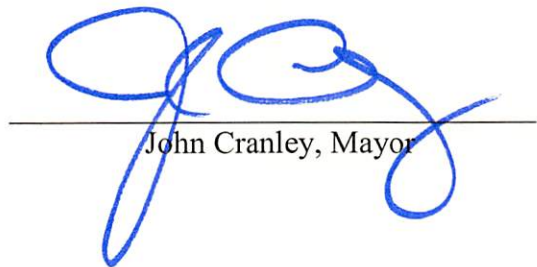
Section 7. That in the event that there are proceeds from the sale of City's Sale Property, such proceeds shall be deposited into Property Management Fund 209 to pay the fees for services provided by the City's Real Estate Services Division in connection with the sale, and that the City's Finance Director is hereby authorized to deposit amounts in excess thereof into Miscellaneous Permanent Improvement Fund 757.

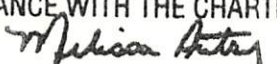
Section 8. That the City's Finance Director is authorized to transfer and appropriate any such excess funds from Miscellaneous Permanent Improvement Fund 757 to capital improvement program project account no. 980x162x211641, "DCED Property Improvements."

Section 9. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is to enable Developer to commence the Project as soon as possible, therefore resulting in the revitalization of the Walnut Hills neighborhood, the creation of a significant amount of affordable housing units, and the economic growth of the City at the earliest possible date.

Passed: September 16, 2020

Attest:   
Clerk

  
John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 304-2020  
WAS PUBLISHED IN THE CITY BULLETIN  
IN ACCORDANCE WITH THE CHARTER ON 9-29-2020  
  
CLERK OF COUNCIL