

May 13, 2026

To: Mayor and Members of City Council

From: Sheryl M.M. Long, City Manager

202601530

Subject: **LEED Tax Abatements**

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### **REFERENCE DOCUMENT # 202600150**

City Council's Housing & Growth Committee referred the following motion for review and report:

**WE MOVE** that the City Administration prepare a report by March 1st, 2026 updating the Council on all active LEED Tax Abatements. **FURTHER WE MOVE** that the Administration provide statistics on the amount of LEED tax abatements that have been amended or canceled since passage of the original ordinance in 2007 (Ord. 446-2007) and since the 2023 revision (Ord. 106-2023).

#### **Overview of LEED Tax Abatements**

The City of Cincinnati incorporates Leadership in Energy and Environmental Design (LEED) Silver, Gold, or Platinum standards into certain Community Reinvestment Area (CRA) Agreements offering tax abatement to promote sustainable development and environmentally responsible construction practices.

Total Active CRA Agreements: 353

- Active CRA Agreements without LEED Requirements: 197
- Active CRA Agreements with LEED Requirements: 156
- Active CRA Agreements with LEED, Registered with Auditor: 133
- Active CRA Agreements with LEED that have completed construction, but not yet submitted LEED certification: 4
- Active CRA's with LEED Pending Completion Applications: 13
- Active CRAs with LEED Completed, Pending Auditor Registration: 6

#### **Terminations and Amendments**

##### **Terminations**

Non-compliant property owners are subject to have their CRA Agreement terminated, resulting in a loss of the associated tax abatement. However, CRA Agreements are not solely terminated for non-compliance. Terminations may occur when projects do not advance as anticipated, experience financing changes, or property owners elect not to proceed under the original terms of the CRA Agreement. In these cases, terminating the CRA Agreement allows the City to replace the original agreement with a new incentive structure that better aligns with the project's updated scope or feasibility.

Most terminations of CRA Agreements were unrelated to the LEED requirements and were instead driven by broader project or development factors. A total of 11 CRA Agreements with LEED requirements have been terminated. Of these, one was terminated specifically due to LEED non-compliance:

- Barbaurora, LLC – CRA Agreement executed in 2013 and terminated in 2016 due to inability to meet LEED requirements. The project was subsequently restructured under a new CRA agreement without LEED standards, which was in effect from 2017 through 2024.

### **Amendments**

Minor modifications to a CRA Agreement may be made between the City and the property owner in lieu of a termination. There have been limited instances where LEED requirements required amendments to CRA Agreements, including:

- E.M.A. Freeman, LLC – CRA Agreement amended to remove LEED requirements.
- Traction Partners, LLC – CRA Agreement amended to remove LEED requirements due to financing challenges, project delays, and changes in applicable LEED standards that affected feasibility.

### **Process for Amendments and Oversight**

Amendments are formal modifications to the original terms of the agreement and are typically initiated by the property owner, often in response to project feasibility challenges such as increased construction costs, financing constraints, changes in project scope, or evolving LEED standards over time. Amendments to CRA Agreements, including those involving LEED requirements, follow a structured and deliberate process. Upon receiving an amendment request, the Administration conducts a thorough review to evaluate the financial viability of the project, the impact of the proposed change, and continued alignment with the original public benefit.

Minor modifications may be approved administratively; however, any request to remove LEED requirements is considered a substantive change and requires City Council approval. Decisions to remove LEED requirements are made on a case-by-case basis, recognizing that adjustments are sometimes necessary to ensure projects can move forward while still delivering meaningful community benefit.

In addition to internal review, CRA Agreements are subject to ongoing oversight from the Tax Incentive Review Council, which annually monitors and evaluates tax abatements and may recommend terminations of noncompliant CRA Agreements. Further, the property owner's tax abatement will not activate until the City's Housing Officer has (1) verified that the project was completed pursuant to the terms of the CRA Agreement, including having received the applicable LEED certification from the U.S. Green Building Council, and (2) submits to the Hamilton County Auditor an exemption application with the applicable LEED certification. This verification process ensures property owners meet their LEED commitments before they realize any tax abatement benefits.

cc: Markiea L. Carter, Director of the Department of Opportunity and Resident Services