

# City of Cincinnati

ZDS

*AWB*

## An Ordinance No. 608

- 2022

**AUTHORIZING** the City Manager to execute a *Property Sale and Development Agreement* with Oakley Crossings Holdings, LLC, an affiliate of Morelia Group, LLC, for the sale of City-owned real property located at the northeast corner of the intersection of Kennedy Avenue and Madison Road in the Oakley neighborhood of Cincinnati, for a commercial development project consisting of approximately 16,200 square feet of commercial retail space.

WHEREAS, the City owns certain real property located at the northeast corner of the intersection of Kennedy Avenue and Madison Road in Oakley, which is under the management and control of the City's Department of Transportation and Engineering (the "City Property"); and

WHEREAS, Oakley Crossings Holdings, LLC ("Developer") desires to purchase a portion of the City Property, being approximately 0.0617 acres, as more particularly described and depicted in the *Property Sale and Development Agreement* (the "Agreement") attached to this ordinance as Attachment A (the "Sale Property"), from the City to consolidate with Developer's adjoining real property (together with the Sale Property, the "Project Site"), and thereafter construct on the consolidated Project Site approximately 16,200 square feet of commercial retail space, at an estimated total project cost of approximately \$9,100,000 (the "Project"); and

WHEREAS, in connection with the construction of the Project, Developer has agreed to dedicate as public right-of-way forever property at the intersection of Kennedy Avenue and Madison Road, as more particularly described in the Agreement (the "Dedication Property"), on the terms and conditions of the Agreement; and

WHEREAS, Developer estimates that the Project will create approximately (i) 80 full-time temporary construction jobs during the construction period with an approximate annual payroll of \$2,500,000; and (ii) approximately 255 full-time permanent jobs following completion of construction of the Project with an approximate annual payroll of \$6,240,000; and

WHEREAS, the City desires that the Sale Property be put to its highest and best use; and

WHEREAS, the City's Real Estate Services Division has determined, by appraisal, that the fair market value of the Sale Property is approximately \$53,750; however, to facilitate the Project and promote its economic feasibility, the City desires to sell the Sale Property to Developer for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits that equal or exceed the fair market value of the Sale Property in connection with the Project, including (i) the creation of jobs and stimulation of economic growth in the Oakley neighborhood of Cincinnati, and (ii) the benefit of the Dedication Property being dedicated for use by the general public; 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, the City has determined that: (i) the Sale Property is not needed for municipal purposes; (ii) the Project is in the vital and best interests of the City and the health, safety, and welfare of its residents; (iii) it is in the best interest of the City to eliminate competitive bidding in connection with the City's sale of the Sale Property to Developer because Developer owns the adjoining property and consolidation of the Project Site will put the Sale Property to the highest and best use; and (iv) the City's sale of the Sale Property to Developer to complete the Project will create jobs and stimulate economic growth in the Oakley neighborhood of Cincinnati, thereby contributing to the social and economic viability and stability of the neighborhood; and

WHEREAS, City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the City's sale of the Sale Property at its meeting on December 17, 2021; 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 a *Property Sale and Development Agreement*, in substantially the form attached to this ordinance as Attachment A (the "Agreement"), pursuant to which the City will sell to Oakley Crossings Holdings, LLC ("Developer") certain real property located at the northeast corner of the intersection of Kennedy Avenue and Madison Road in the Oakley neighborhood of Cincinnati (the "Sale Property"), for Developer to (a) consolidate with adjoining property Developer owns or controls (together with the Sale Property, the "Project Site"); and (b) construct approximately 16,200 square feet of retail space at the consolidated Project Site, at an estimated total project cost of approximately \$9,100,000 (the "Project").

Section 2. That the Sale Property is not needed for municipal purposes.

Section 3. That the fair market value of the Sale Property, as determined by appraisal by the City's Real Estate Services Division, is approximately \$53,750; however, the City is justified in selling the Sale Property to Developer for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits that equal or exceed the fair market

value of the Sale Property because (a) the Project will create jobs and stimulate economic growth in the Oakley neighborhood; and (b) Developer has agreed to dedicate as public right-of-way forever property at the intersection of Kennedy Avenue and Madison Road, including certain real property currently owned by Developer, for the benefit of the general public.

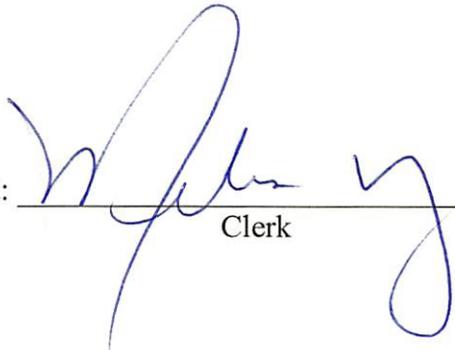
Section 4. That eliminating competitive bidding in connection with the City's sale of the Sale Property to Developer is in the best interest of the City because Developer owns the adjoining property and consolidation and redevelopment within the Project Site will put the Sale Property to the highest and best use.

Section 5. That proceeds from the sale of the Sale Property 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.

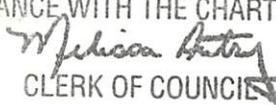
Section 6. That the City Manager and other City officials are authorized to take all necessary and proper actions to carry out the provisions of this ordinance and the Agreement, including, without limitation, executing any and all ancillary agreements, amendments, deeds, plats, covenants, terminations, releases, and other documents.

Section 7. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: March 23, 2022

Attest:   
Clerk

  
Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 48-2022  
WAS PUBLISHED IN THE CITY BULLETIN  
IN ACCORDANCE WITH THE CHARTER ON 4.5.2022  
  
CLERK OF COUNCIL