

March 18, 2024

To: Members of the Budget and Finance Committee

From: Sheryl M.M. Long, City Manager

202400881

Subject: Emergency Ordinance – Tax Increment Financing Exemption for Saks Redevelopment

Attached is an Emergency Ordinance captioned:

DECLARING improvements to certain real property located at 101 West Fifth Street in the Central Business District of Cincinnati to be redeveloped by 101 West Fifth LLC, an affiliate of Cincinnati Center City Development Corporation (commonly known as 3CDC), to be a public purpose and exempt from real property taxation for a period of thirty years pursuant to Ohio Revised Code Section 5709.40(B); and **AMENDING** Ordinance No. 412-2002, passed on December 18, 2002, as amended, to remove such real property from the operation of that ordinance.

BACKGROUND/CURRENT CONDITIONS

Pursuant to a companion ordinance, City Administration is requesting authorization from City Council for the City Manager to execute a Property Sale, Funding, and Development Agreement with 101 West Fifth, LLC, pertaining to the redevelopment of 101 West Fifth Street in the Central Business District. The project involves the renovation of the vacant Saks Fifth Avenue department store resulting in approximately 62,000 square feet of renovated office space, 13,000 square feet of renovated restaurant or retail space, and related public improvements at an estimated total project cost of \$30,031,300 (the “Project”). The Agreement will provide for City assistance to the Project in the form of a proposed 30-year property tax exemption for improvements pursuant to Ohio Revised Code Section 5709.40(B), subject to passage by Council of this separate ordinance authorizing the tax exemption.

DEVELOPER INFORMATION

101 West Fifth, LLC is a subsidiary of Cincinnati Center City Development Corporation (3CDC). 3CDC is a non-profit organization that has invested over \$1.47 billion dollars in development in Downtown and Over-the-Rhine over the past 15 years. This investment has resulted in 300 apartment units, 534 condominiums, 156 hotel rooms, 320 shelter beds, 1,070,500 square feet of commercial space, and 4,925 parking spaces. Furthermore, 3CDC manages several of the City’s public spaces, including Fountain Square, which is near this property.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The emergency clause is necessary to establish the TIF exemption prior to financial closing and so that construction can commence at the earliest possible time.

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