

EMERGENCY

ZDS

- 2023

AUTHORIZING the City Manager to execute a Property Sale and Development Agreement with Airecon Properties, LLC, for the sale of City-owned real property located at 4036-4046 Erie Court and 5299-5307 Brotherton Court in the Madisonville neighborhood of Cincinnati, for construction of a 5,000 square foot expansion of the manufacturing facility located on the adjoining property.

WHEREAS, the City owns certain real property located at 4036-4046 Erie Court and 5299-5307 Brotherton Court in Madisonville, which is under the management and control of the City's Department of Community and Economic Development (the "City Property"); and

WHEREAS, Airecon Properties, LLC ("Developer") desires to purchase the City Property, as more particularly described and depicted in the Property Sale and Development Agreement (the "Agreement") attached to this ordinance as Attachment A, to consolidate with adjoining real property owned by Airecon Manufacturing Corp. ("Airecon Manufacturing"), an affiliate of Developer (together with the City Property, the "Project Site"), and thereafter construct a 5,000 square foot expansion of the manufacturing facility owned by Airecon Manufacturing, at an estimated total project cost of approximately \$886,000 (the "Project"); and

WHEREAS, the City and Airecon Manufacturing are parties to a Lease dated January 29, 2016, pursuant to which Airecon Manufacturing currently leases a portion of the City Property (the "Lease"); and

WHEREAS, Developer estimates that the Project will (i) retain approximately 45 full-time equivalent permanent jobs with an approximate annual payroll of \$3,500,000; and (ii) will create approximately 6-8 full-time equivalent permanent jobs following completion of construction of the Project with an approximate annual payroll of \$580,000; and

WHEREAS, the City desires that the City 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 City Property is approximately \$126,000, which Developer has agreed to pay; 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 City 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 City Property to Developer because Airecon Manufacturing currently controls a portion of the City Property pursuant to the Lease and owns the adjoining property, and consolidation of the Project Site will put the City Property to the highest and best use; and (iv) the City's sale of the City Property to Developer to complete the Project will create jobs and stimulate economic growth in the Madisonville 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 City Property at its meeting on October 7, 2022; 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 Airecon Properties, LLC ("Developer") certain real property located at 4036-4046 Erie Court and 5299-5307 Brotherton Court in the Madisonville neighborhood of Cincinnati (the "City Property"), a portion of which is currently leased to Developer's affiliate, for Developer to (a) consolidate with adjoining property Developer owns or controls (together with the City Property, the "Project Site"); and (b) construct a 5,000 square foot expansion of the manufacturing facility at the Project Site, at an estimated total project cost of approximately \$886,000 (the "Project").

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

Section 3. That the fair market value of the City Property, as determined by appraisal by the City's Real Estate Services Division, is approximately \$126,000, which Developer has agreed to pay.

Section 4. That eliminating competitive bidding in connection with the City's sale of the City Property to Developer is in the best interest of the City because Developer owns the adjoining property and Developer's affiliate currently controls a portion of the City Property pursuant to an

existing lease with the City, and consolidation within the Project Site will put the City Property to the highest and best use.

Section 5. That proceeds from the sale of the City 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 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 the City’s sale of the City Property to occur as soon as possible to enable Developer to promptly move forward with the Project without delay, which will result in the stimulation of economic growth in the Madisonville neighborhood, and enabling the City Property to be put to its highest and best use, all for the economic benefit of the City, at the earliest possible time.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk