

September 29, 2021

**To:** Mayor and Members of City Council **202102851**  
**From:** Paula Boggs Muething, City Manager  
**Subject: LEVYING SPECIAL ASSESSMENTS FOR THE PACE  
ASSESSMENT PROJECT FOR 3634-3638 MADISON ROAD**

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Attached is an Emergency Ordinance captioned as follows:

LEVYING special assessments for the purpose of the special assessment project at 3634-3638 Madison Road in the City of Cincinnati involving the City of Cincinnati, Ohio Energy Special Improvement District.

#### **BACKGROUND/CURRENT CONDITIONS**

The Ohio PACE (Property Assessed Clean Energy) program allows commercial property owners to opt into a special assessment which is added to the property tax bill to access long-term, fixed-rate financing for energy efficiency upgrades. The current owners, Michelene M. Bennett, Ryan C. Schwallie, and Wilburn Realty Limited, together with the future owner of the project site, Oakley Crossings Holdings, LLC, have requested to have their property added to the Energy Special Improvement District (ESID) and special assessments levied on the property, for the purpose of accessing PACE financing for energy efficient electrical systems, HVAC improvements, lighting, building envelope improvements and related improvements.

#### **DEVELOPER INFORMATION**

Michelene M. Bennett, Ryan C. Schwallie, and Wilburn Realty Limited are the current owners of the property. The anticipated purchaser is Oakley Crossings Holdings, LLC, which is affiliated with Morelia Group, LLC (Morelia). Morelia has experience producing high-quality developments in the Greater Cincinnati area, including within the neighborhood of Oakley.

In 2017, Morelia, through its affiliate entities, acquired from Crossroads Church an approximately five-acre site located on Madison Road in Oakley and constructed thereon the Oakley Connection and Encore of Oakley mixed-use developments that now count as occupants Starbucks, Condado Tacos, Crumbl Cookie, Great Clips, Top Nail Salon, Chicken Salad Chick, General Electric Credit Union, McAlister's Deli, Tropical Smoothie Café, Holtman's Donuts, Tide Dry Cleaners and All About Kids Child Care & Learning Center. Together, these developments were an approximately \$25,000,000 investment that created approximately 300 new jobs, increased the City's tax base, and enhanced the quality of life for Oakley residents.

## **PROJECT DESCRIPTION**

The project will include the construction of approximately 17,300 square feet of commercial space. The total cost of the PACE eligible improvements is \$1,771,846.

## **PROPOSED INCENTIVE**

DCED is recommending that the City amend the Energy Special Improvements District (ESID) boundaries to add this property to the ESID, and levy special assessments on the property. This will allow the developer to access financing for energy efficient electrical systems, HVAC improvements, lighting, building envelope improvements and related improvements.

## **PROJECT TEAM & TIMELINE**

The project team (listed below) will make themselves available at the request of the councilmember(s).

- Assistant City Manager: Billy Weber (Ext. 3318)
- DCED Director: Markiea Carter (Ext. 1953)
- Project Attorney: Samantha Brandenburg (Ext. 4704)

The anticipated council timeline, which includes two Budget and Finance meetings if necessary is as follows:

- September 29, 2021: Introduction to City Council
- October 4, 2021: Budget and Finance (1)
- October 11, 2021: Budget and Finance (2)
- October 13, 2021: City Council for Final Approval

## **RECOMMENDATION**

The Administration recommends approval of this Emergency Ordinance.

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