



Hamilton County

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M E M O R A N D U M

Date: September 15, 2019

To: Board of County Commissioners

From: Jeff Aluotto, County Administrator

Copies: John Bruggen, Holly Christmann, Bridget Doherty, Roger Friedmann, Victoria Parks, Alex Linser, Paul Sohi, Tom Gabelman

Subject: **Advancement of The Banks Project – Economic Development and Investment in Queensgate Industrial/Commercial District, Hilltop Basic Resources Land Conveyance Proposal**

Attached to this Memorandum is a detailed response to the questions set forth in Mayor Cranley's August 22, 2019 letter that was addressed to City Council, Hilltop Basic Resources and the County Commission. The Administration comprised these responses, for the Board of County Commissioners, with assistance from Counsel and representatives from Hilltop. All of the issues set forth in the Mayor's letter should be addressed in the attached documents and were also addressed by the County and Hilltop in the September 3, 2019 Economic Growth Committee meeting.

In summary, and as described in the documents enclosed, Hilltop has property currently under contract that would enable the company to relocate its consolidated operations from Hilltop's 15-acre riverfront site on the Central Riverfront that it has owned since 1967, to two separate parcels: a) one site located at the "Sixth Street Yard" in Queensgate for its plant operations campus, and b) the "West Mill Creek Site" for the off-loading of its aggregate materials. As Hilltop has indicated publicly, direct river access for off-loading of materials is critical to Hilltop's operations.

The two sites are a) properly zoned for Hilltop's current uses, b) hold an existing Corps of Engineers permit, and c) contain necessary railroad easements that provide direct, convenient access between the off-loading site on West Mill Creek and the Plant Operations Campus in the Sixth Street Yard. Those sites work well for Hilltop's intended use. We understand the 2.3-acre West Mill Creek off-loading site is worth more than \$1.1MM.

However, we also understand the West Mill Creek Site provides a means of cost-effective access, currently lacking to the future Price Landing Park, which may also save in excess of \$5-7MM in public infrastructure costs for that purpose. As a result, the West Mill Creek Site appears necessary in order to increase the feasibility of developing the Price Landing Park.

In the spirit of cooperation, Hilltop has offered to exchange the West Mill Creek Site it currently has under contract for a fee interest in the East Mill Creek Site, notwithstanding that the East Mill Creek Site has none of the benefits of the West Mill Creek Site: no Corps of Engineers permit, no easements from the railroad, and no direct access to its future campus operations in the Sixth Street Yard. It also has embedded concrete piers that date from the 1890's that may have to be removed in order to fully utilize the site.

The value of the East Mill Creek Site, based on the City's current lease with CBT, is \$136,687, approximately eight times less than the West Mill Creek Site. That value also assumes the property has access to a right of way. Once acquired by Hilltop, the East Mill Creek Site, will be landlocked, which will very likely further reduce its market value.

As a result of Hilltop's relocation, the public will gain an additional 15 acres of riverfront property on our Central Riverfront. As indicated in the attached detailed responses, the City will not lose any riverfront property; in fact *it will gain* additional acreage, and the public will gain with both more land on the Central Riverfront and the development of Price Landing Park on the Western Riverfront. As was reported publicly, it should be recalled that Hilltop is preparing to invest in the Queensgate Industrial/Commercial District by constructing a new state-of-the-art operations campus that incorporates environmentally responsible components to its facilities.

We understand Hilltop's position that in order to ensure its business operations are not interrupted at any point in the future, Hilltop must own its own property that it is investing millions to develop and operate.

Please advise if you have any questions or comments once you reviewed the attached summary.