

June 2, 2021

To: Members of the Budget and Finance Committee 202102076
From: Paula Boggs Muething, City Manager
Subject: **Emergency Ordinance – Streetcar VTICA Acceptance**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to accept a donation in an amount up to \$505,000 from CincinnatiVTICA, LLC for the purpose of supporting the operations and maintenance of the Cincinnati streetcar; **AUTHORIZING** the Director of Finance to deposit the donation into Streetcar Operations Fund revenue account no. 455x8645; and further **AUTHORIZING** the transfer of service payments received in lieu of taxes for streetcar operations in accordance with agreements with third-party developers from Urban Redevelopment Tax Increment Equivalent II Fund 763 to Streetcar Operations Fund 455.

Approval of this Emergency Ordinance will authorize the City Manager to accept a donation in an amount up to \$505,000 from CincinnatiVTICA, LLC for the purpose of supporting the operations and maintenance of the Cincinnati streetcar. The Finance Director will be authorized to deposit the donated funds into the Streetcar Operations Fund. Additionally, any service payments received by the City in lieu of taxes for streetcar operations are authorized to be transferred from Urban Redevelopment Tax Increment Equivalent II Fund 763 to Streetcar Operations Fund 455.

To help fund streetcar operations, the City identified certain non-City funding sources to potentially boost the amount of total funding available to the City for the operations and maintenance of the Streetcar. On November 19, 2014, the City Council passed a motion supporting the creation of a tax incentive contribution policy in certain neighborhoods that would incentivize applicants for real property tax abatements to enter into a Voluntary Tax Incentive Contribution Agreement (“VTICA”) to voluntarily contribute a portion of their abated tax savings to the Streetcar. Previously the City and the Southwest Ohio Regional Transit Authority (SORTA) cooperated with Downtown Cincinnati Inc. (operating for this purpose as CincinnatiVTICA, LLC) to facilitate the collection of VTICA payments by CincinnatiVTICA and the application of such payments to the streetcar with those payments going directly to SORTA. With the termination of SORTA’s role in management and operation of the streetcar, this Emergency Ordinance will allow the City to receive donated funds that will cover the VTICA payments collected from July 1, 2020 until June 30, 2021.

The reason for the emergency is the immediate need for the City to accept the described donation and apply it toward streetcar costs incurred by the City in anticipation of the donated funds.

The Administration recommends passage of this Emergency Ordinance.

cc: Christopher A. Bigham, Assistant City Manager
Karen Alder, Finance Director

Attachment