

December 13, 2021

To: Members of the Budget and Finance Committee

From: Paula Boggs Muething, City Manager *PBM* 202103298

Subject: **Emergency Ordinance – Authorizing a Property Sale and Development Agreement with Auburn Land Holdings LLC**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with Auburn Land Holdings LLC, an affiliate of Uptown Rental Properties LLC and North American Properties LLC, for the sale of City property located at 2429 Macauley Street, 2434 Vine Street, and 13 E. McMillan Street, in the Mt. Auburn neighborhood of Cincinnati, in connection with the construction of (i) a four-story apartment building consisting of 270 market-rate residential rental units on top of a three-story podium parking garage, and (ii) 5 three-story market-rate townhomes.

BACKGROUND/CURRENT CONDITIONS

The City owns the Hollister Recreation Area near the southeastern corner of Vine and E. McMillan Streets, stretching east to Macauley Street and south to Hollister Street, in the Mt. Auburn neighborhood under the control of the City's Park Board of Commissioners ("Parks"). The site currently contains parking, tennis courts, and a basketball court, which are underused and deemed unsuitable for continued recreation use. The site is surrounded by wooded hillsides on three (3) sides.

In May 2021, the City released a Request for Proposals (RFP) for the sale and redevelopment of an approximately 3.1 acres portion of the site. Proposals were reviewed by an evaluation committee and based on the recommendation of the committee; the RFP was awarded to Auburn Land Holdings LLC.

DEVELOPER INFORMATION

Auburn Land Holdings LLC is a partnership of Uptown Rental Properties, LLC (URP) and North American Properties LLC (NAP). URP and NAP are Cincinnati-based developers with extensive history collaboratively developing projects in Mt. Auburn and surrounding uptown neighborhoods, including VP3 and One41 Wellington. Dan Schimberg is the President of URP and Tony Hobson is Partner at NAP.

PROJECT DESCRIPTION

Auburn Land Holdings LLC will construct a new four-story apartment building atop a three-story podium parking garage, as well as five (5) three-story townhomes. The project will create approximately 270 units, a mix of studio units, one-bedroom units, two-bedroom units, and four-bedroom units. Amenities will include a workout facility, study rooms, gathering space, pet amenities, and two (2) outdoor courtyards. The project will seek LEED certification. Total project cost is currently estimated to be \$60 million, with a construction cost at approximately \$49.4 million. Construction is projected to take approximately 14-18 months but the Developer has to complete site assembly of privately owned parcels and does not expect to commence construction until site assembly is completed.

The developer plans to work with the Cincinnati Board of Park Commissioners, Cincinnati Recreation Commission and Mt Auburn stakeholder groups to enhance and improve Inwood Park to the south of the site. The Vine Street frontage of the Hollister Recreation Area retained by the City, under the control of Parks, will remain public greenspace.

The Department of City Planning and Engagement held a Community Engagement Meeting for the proposed sale on October 20, 2021. For more information, please visit: <https://www.cincinnati-oh.gov/planning/community-engagement-meetings1/past-community-engagement-meetings/hollister-sale-in-mount-auburn/>

City Planning Commission approved the sale on November 5, 2021. The Board of Park Commissioners approved a resolution authorizing the sale on December 8, 2021. Auburn Land Holdings LLC has received letters of support from the Mt. Auburn Community Development Corporation and Short Vine Association. While the project has not yet received a letter of support from the Mt. Auburn Community Council (MACC), the proposed agreement requires continued engagement with the MACC related to the project prior to commencement of construction

The proposed project is consistent with *Plan Cincinnati* (2012) within the Live Initiative Area Goals to “Create a more livable community” (p. 156) and “Support and stabilize our neighborhoods (p. 160). It is also consistent with the Vision of the *Mt. Auburn Corridor Strategic Development Plan* (2017) of a “vibrant, mixed-use corridor where historic architecture, new infill development, and institutional destinations are fused together in a modern urban environment” (p. 7).

The proposed sale is also consistent with areas of the *Cincinnati Parks Centennial Master Plan* (2007). The Economic Development & Neighborhood Revitalization section includes Key Recommendations to “Work with the City’s Community Development Department and private developers to create *development agreements and special improvement districts* to help fund park improvements, operations, programming, and/or maintenance” and “*Expand partnerships with the development community*, building upon work with 3CDC, Uptown Consortium and such development agreements as at Piatt

Park” (p. 69). The funding section of the plan includes a Key Recommendation to “Develop and implement mechanisms to *increase revenue for parks* (new facilities, more fees, increased rents or institutional surcharges/payments in lieu of rent, strategic sale of properties, development agreements, special improvement districts, grants, planned giving, etc.), while continuing to provide equitable access to all” (p. 71).

PROPOSED INCENTIVE

Parks and DCED are recommending a sale to Auburn Land Holdings LLC at fair market value, \$1,520,000. Additionally, Auburn Land Holdings will reimburse the Parks Department \$259,000 for trees lost on the site due to development and will provide \$30,000 in annual support for operational costs and capital improvements at Mt. Auburn parks. The recommendation is based on the following reasons:

- Auburn Land Holdings LLC presented the “most advantageous” proposal for the redevelopment of the site as determined through a competitive RFP process.
- The developer will pay fair market value for the property, reimburse Parks for loss of trees, and provide ongoing financial support for area parks.
- The sale of this property is a key piece in Auburn Land Holdings ongoing efforts to assemble land around the Auburn Avenue corridor over the past several years for large-scale transformative development.

The Developer anticipates returning to the City for a to be determined request for property tax incentive prior to construction something in 2022.

PROJECT TEAM & TIMELINE

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

- Assistant City Manager: William Weber
- DCED Director: Markiea L. Carter
- Project Attorney: Kaitlyn Geiger

The anticipated council timeline is as follows:

- December 13, 2021: Budget and Finance
- December 15, 2021: City Council for Final Approval

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The emergency clause is needed to obtain necessary site control to maintain the pre-development timeline including control of private and public parcels and secure project financing.

Attachment: A. Property location and photographs

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

Attachment A: Location and Photographs



Property Location (in blue)



Hollister Recreation Area