

EMERGENCY

City of Cincinnati

SSB *MG*

An Ordinance No. 400

- 2021

DECLARING improvements to certain real property located at 262 Wilmer Avenue in the East End neighborhood of Cincinnati, including the Lunken Airport Terminal Building and surrounding areas, to be a public purpose and exempt from real property taxation for a period of 30 years pursuant to Section 5709.41 of the Ohio Revised Code.

WHEREAS, the City owns Lunken Airport, including the Lunken Airport Terminal Building located at 262 Wilmer Avenue and the surrounding areas, as more particularly described on Attachment A hereto (the "Property"); and

WHEREAS, by separate ordinances, this Council previously authorized the City Administration (the "Lease Ordinances"), to enter into lease agreements with vR Hospitality LLC or other affiliated organization acceptable to the City Administration ("Developer"), pursuant to which (i) the City will lease the Property to Developer, and (ii) Developer will redevelop the Property, subject to the terms and conditions identified therein (the "Leases"); and

WHEREAS, pursuant to the Lease Ordinances, Council further authorized the City Administration to negotiate and enter into a Development Agreement with Developer, on terms and conditions acceptable to the City Administration (the "Development Agreement"), and pursuant to which Developer would enter into a Service Agreement with the City requiring Developer to make service payments in lieu of real property taxes; and

WHEREAS, this Council authorized the City to enter into the Development Agreement, on terms and conditions acceptable to the City Administration, (i) in order to create or preserve jobs and improve the economic welfare of the people of the City, consistent with Section 13 of Article VIII of the Ohio Constitution; and (ii) in furtherance of a program of redevelopment the City undertook pursuant to Article XVIII, Section 3 of the Ohio Constitution, the Charter and ordinances of the City, and Plan Cincinnati (2012); and

WHEREAS, the City acquired and held title to the Property while engaged in urban redevelopment, and now desires to enter into the Leases and Development Agreement to enable Developer to undertake its urban redevelopment obligations related to the Property; and

WHEREAS, Ohio Revised Code Sections 5709.41, 5709.42, and 5709.43 provide that Council may, in furtherance of its redevelopment activities: (i) declare by ordinance to be a public purpose any Improvement (as defined in Ohio Revised Code Section 5709.41) to a parcel of real property and thereby authorize the exemption of such Improvement from real property taxation for a period of time if (a) the City held fee title to the parcel at any time prior to the adoption of the ordinance, and (b) the parcel is leased, or the fee of the parcel is conveyed, to any person either before or after the adoption of the ordinance; (ii) require the payment of service

payments in lieu of taxes by the owner or owners of the parcel; and (iii) establish an urban redevelopment tax increment equivalent fund for the deposit of those service payments; and

WHEREAS, the City has determined that it is necessary and appropriate, in furtherance of the City's redevelopment activities, and in the best interests of the City, to (i) provide for exemption of the Improvement to the Property from real property taxation, and for the payment of semiannual service payments in lieu of taxes with respect to the Property ("Service Payments"), pursuant to Ohio Revised Code Sections 5709.41 through 5709.43; and (ii) enter into a Service Agreement with Developer to establish certain terms and conditions regarding the payment of the Service Payments; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That, pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.41, Council hereby declares that 100% of the increase in the assessed value of the Improvement (as defined in Ohio Revised Code Section 5709.41) to the real property located at 262 Wilmer Avenue in Cincinnati, as more particularly described on Attachment A to this ordinance (the "Property"), is a public purpose and exempt from real property taxation commencing on the first day of the tax year in which an Improvement of at least \$500,000 resulting from the redevelopment activities on the Property first appears on the tax duplicate of real and public utility property, and ending after the Improvement has been exempted from real property taxation for 30 years, or on the date on which the City can no longer require service payments to be paid on the Improvement, all in accordance with the requirements of Ohio Revised Code Sections 5709.41 through 5709.43.

Section 2. That Council hereby confirms, pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.42, that the owners from time to time of all or any portion of the Property shall be required to pay service payments in lieu of taxes ("Service Payments") with respect to the Improvement, subject to the specific terms and conditions provided for in a Development Agreement and Service Agreement to be entered into with respect to the Property, each on terms and conditions acceptable to the City Administration,

between the City and vR Hospitality LLC (“Developer”) pertaining to the development of the Property (the “Development Agreement,” and the “Service Agreement,” respectively).

Section 3. That any and all Service Payments received by the City shall be deposited into Fund No. 763, Urban Redevelopment Tax Increment Equivalent Fund II, established by Ordinance No. 217-2015 (the “Fund Ordinance”).

Section 4. That Council hereby confirms, pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.43, that the Service Payments shall be applied in accordance with the Development Agreement and the Service Agreement and shall be used in accordance with the Fund Ordinance.

Section 5. That, to facilitate the redevelopment project, Council hereby authorizes the City Administration, upon request of and in consultation with Developer (if applicable and necessary), to prepare (or cooperate in the preparation of) and file an application for the real property tax exemption granted in Section 1 of this ordinance.

Section 6. That Council confirms its approval in all respects of the Development Agreement and the Service Agreement, which provide for, among other things, (i) covenants running with the land of the owner or owners, from time to time, of the Property, including covenants relating to the obligation to pay Service Payments; and (ii) compensation to the Board of Education of the Cincinnati City School District pursuant to its *Tax Incentive Agreement* with the City effective as of April 28, 2020.

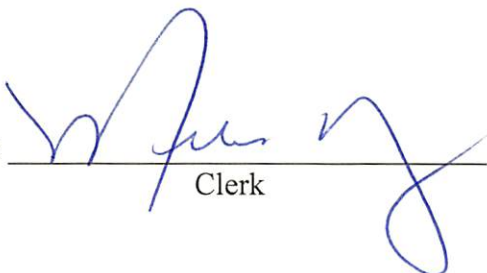
Section 7. That the proper City officials are hereby authorized to take all necessary and appropriate actions to fulfill the terms of this ordinance, the Development Agreement, and the Service Agreement, including, without limitation, negotiating acceptable terms and executing such agreements, any and all ancillary agreements, and other relevant documents.

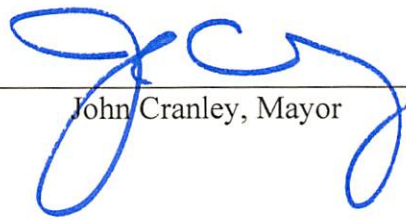
Section 8. That, pursuant to Ohio Revised Code Section 5709.41(E), the Clerk of this Council is hereby directed to deliver a copy of this ordinance to the Director of the State of Ohio Development Services Agency (“ODSA”), 77 South High Street, 29th Floor, Columbus, Ohio 43215, within fifteen days after its passage, and that, on or before March 31 of each year that the exemption set forth in Section 1 hereof remains in effect, the City Administration is authorized to prepare and submit to the Director of ODSA the status report required under Ohio Revised Code Section 5709.41(E).

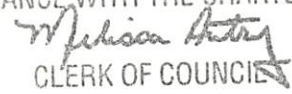
Section 9. That it is hereby found and determined that all formal actions of Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were taken in meetings open to the public, in compliance with all legal requirements, including Ohio Revised Code Section 121.22.

Section 10. 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 redevelopment activities related to the Property to commence at the earliest possible time, for the economic welfare of the people of the City of Cincinnati.

Passed: December 15, 2021

Attest: 
Clerk


John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO. 488-2021
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 12-28-2021

CLERK OF COUNCIL