



City of Cincinnati

801 Plum Street
Cincinnati, OH 45202

Agenda - Final

Budget and Finance Committee

Chairperson Reggie Harris
Vice Chair Jeff Cramerding
Councilmember Mark Jeffreys
Councilmember Scotty Johnson
Vice Mayor Jan-Michele Kearney
Councilmember Liz Keating
Councilmember Meeka Owens
Councilmember Seth Walsh
President Pro Tem Victoria Parks

Monday, May 22, 2023

1:00 PM

Council Chambers, Room 300

AGENDA

COMMUNITY REINVESTMENT AREA AGREEMENTS

1. [202301358](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 5/10/2023, **APPROVING AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) with Fair Oaks Enterprises, Ltd., thereby authorizing an eleven-year tax exemption for 100 percent of the value of improvements made to real property located at 3005 Vandercar Way in the Oakley neighborhood of Cincinnati, in connection with the construction of a new hotel consisting of approximately 117 rooms, containing approximately 71,000 square feet of commercial space in aggregate, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$15,500,000. (Subject to the [Temporary Prohibition List <https://www.cincinnati-oh.gov/law/ethics/city-business>](#))

Sponsors: City Manager

Attachments: [Transmittal](#)

[Ordinance](#)

[Exhibit A](#)

2. [202301359](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 5/10/2023, **APPROVING AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) with Lot 3 Local Oakley, LLC, thereby authorizing an eleven-year tax exemption for 100 percent of the value of improvements made to real property located at 2910 Disney Street in the Oakley neighborhood of Cincinnati, in connection with the construction of a new hotel, consisting of approximately 116 rooms, containing approximately 73,621 square feet of commercial space in aggregate, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold

or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$11,400,000. (Subject to the [Temporary Prohibition List <https://www.cincinnati-oh.gov/law/ethics/city-business>](https://www.cincinnati-oh.gov/law/ethics/city-business))

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Exhibit A](#)

3. [202301360](#) **ORDINANCE** submitted by Sheryl M. M. Long, City Manager, on 5/10/2023, **APPROVING AND AUTHORIZING** the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Pleasant Cake LLC, thereby authorizing a fifteen-year tax exemption for one hundred percent of the value of improvements made to real property located at 1527-1531 Pleasant Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the construction of a mixed-use building consisting of approximately 959 square feet of commercial office space and approximately 7,208 square feet of residential space, comprised of approximately five residential rental units, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$3,158,393. (Subject to the [Temporary Prohibition List <https://www.cincinnati-oh.gov/law/ethics/city-business>](https://www.cincinnati-oh.gov/law/ethics/city-business))

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Exhibit A](#)

GRANTS

4. [202301431](#) **ORDINANCE** submitted by Sheryl M. M. Long, City Manager, on 5/17/2023, **AUTHORIZING** the City Manager to apply for grants, loans, and loan assistance awarded by Hamilton County from the Municipal Road Fund Program and the Ohio Public Works Commission State Capital Improvement Program, the Local Transportation Improvement Program, and the Revolving Loan Program (Funding Round 38) to ensure the timely completion of various road, bridge, and pedestrian construction projects throughout the City.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

5. [202301432](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City

Manager, on 5/17/2023, **AUTHORIZING** the City Manager to apply for grants awarded by the Southwest Ohio Regional Transit Authority Transit Infrastructure Fund to ensure the timely completion of various road, bridge, wall, and pedestrian safety construction projects throughout the City.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

TRANSFERS AND APPROPRIATIONS

6. [202301433](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 5/17/2023, **AUTHORIZING** the transfer and return to source Fund 304, "Community Development Block Grant," of \$1,598,789 to close out or decrease existing project accounts according to Section A of the attached Schedule of Appropriation; and **AUTHORIZING** the transfer and appropriation of \$1,598,789 from the unappropriated surplus of Fund 304, "Community Development Block Grant," to various project accounts, as set forth in Section B of the attached Schedule of Appropriation, to provide funding that will be spent in a timely manner to support vital City programs.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

CRC BONUS PLAN

7. [202301430](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 5/17/2023, **AUTHORIZING** the City Manager to establish a Recreation Center Part-Time Staff Bonus Plan to recruit and retain qualified employees within the Cincinnati Recreation Commission's Recreation Centers, according to the attached Schedule.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

ADJOURNMENT

May 10, 2023

To: Mayor and Members of City Council

202301358

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing CRA Tax Exemption Agreement with Fair Oaks Enterprises, LTD

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) with Fair Oaks Enterprises, Ltd., thereby authorizing an eleven-year tax exemption for 100 percent of the value of improvements made to real property located at 3005 Vandercar Way in the Oakley neighborhood of Cincinnati, in connection with the construction of a new hotel consisting of approximately 117 rooms, containing approximately 71,000 square feet of commercial space in aggregate, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$15,500,000.

BACKGROUND/CURRENT CONDITIONS

Fair Oak Enterprises, LTD, plans to develop the property located at 3005 Vandercar Street in the Oakley neighborhood of Cincinnati. Prior to the proposed development, the City assisted the development of Oakley Station by financing the demolition and environmental remediation of the former Milacron factory site, as well as construction of new public infrastructure through State grant funding and project tax increment financing. The total assistance amounted to \$17,540,645. The project currently places a hotel on a parcel that consists of vacant land and a parking lot.

DEVELOPER INFORMATION

Fair Oak Enterprises, LTD is owned by Allen W. Schmidthorse, Preston Stegman, Douglas Steinke, and Thomas and Sandra Shoemaker. These individuals collectively have over 100 years of hotel and/or real estate experience. Specifically, this includes 20 award winning hotels constructed by S & S Management, Inc., which was founded by Thomas Shoemaker and Douglas Steinke. A recent project from the Development Team included the adjacent 108-unit hotel (Homewood Suites by Hilton).

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. This is an Emergency Ordinance so construction financing can be closed, and construction commences at the earliest possible time.

Attachment: Project Outline

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

Project Outline

<u>Project Description Details</u>	<u>Explanation</u>
Project Name	Fairfield Inn TownePlace Suites by Marriott
Street Address	3005 Vandercar Way
Property Condition	Vacant 1.5 Acre Lot in Oakley Station Development.
Neighborhood	Oakley
Incentive Application Process	Commercial CRA – Neighborhood (LEED or LBC)
Recent or other projects by Developer	108-unit hotel (Homewood Suites by Hilton) located at 4605 Factory Colony Lane
Approval at planning commission/Neighborhood support	City Council and Planning Commission approved the Major Amendment to the Concept Plan and Development Program Statement in September 2022 (Ordinance No. 290-2022). Oakley Community Council is supportive of the project.
Plan Cincinnati Goals	Achieves the Compete Initiative Area Goal 2 (pages 114-120) and Sustain Initiative Area Goal 1 (pages 181-186) of Plan Cincinnati

Project Image



<u>Incentive Summary Category</u>	<u>Explanation</u>
Abatement Term and amount	11-year, net 52%
Construction Cost & Private investment committed	\$15,500,000 in hard construction costs, \$4,000,000 in acquisition and soft costs
Sq. Footage by Use	71,000 SQFT - Commercial
Number of units and rental ranges	No Residential Units
Jobs created/retained and payroll (living wage)	Projected to create 22 FTE positions at \$850,000 in annual payroll (avg. of \$ 38,636.36 annually per job). Projected to create 200 temporary construction positions at \$3,000,000 in total payroll.
“But For”	No Points were assigned for “But For.” The Developer will receive an acceptable Cash on Cash return in Year 5 of the abatement (8.90%). However, DCED utilized the established Neighborhood Scorecard to review this incentive request. Because the Developer was awarded 2 points from LEED Silver and 8 points for full 15% Neighborhood VTICA contribution, DCED recommends the 11-year tax abatement, per established City Council Policy.
Cash on Cash Return for developer (Market return between 8-12%, depends on investment risk)	Without Abatement: Year 5: 7.02% (stabilized) With Abatement: Year 5: 8.90% (stabilized)
LEED or other environmental build	LEED Silver
Neighborhood VTICA	Neighborhood VTICA – 15%
Total Public Benefit (Benefits Realized vs Taxes Forgone)	\$1.09 of new CPS/VTICA/Income taxes for each \$1 forgone
Projected Income Tax Revenue	\$249,300
MBE/WBE Goals	SBE Goal of 30%
Transit Access/Walkability	Located within ½ mile of Metro’s Oakley Transit Center (24-hour service to Routes 11 and 51)
Geography	Located within ½ mile of a neighborhood business district
Historic Preservation/Existing Building Renovation	Not Applicable
Public Infrastructure Improvements	Not Applicable

EMERGENCY

EVK

- 2023

APPROVING AND AUTHORIZING the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Fair Oaks Enterprises, Ltd., thereby authorizing an eleven-year tax exemption for 100 percent of the value of improvements made to real property located at 3005 Vandercar Way in the Oakley neighborhood of Cincinnati, in connection with the construction of a new hotel consisting of approximately 117 rooms, containing approximately 71,000 square feet of commercial space in aggregate, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$15,500,000.

WHEREAS, to encourage the development of real property and the acquisition of personal property, Council by Ordinance No. 274-2017 passed on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, Ordinance No. 275-2017 passed by Council on September 27, 2017, as amended by Ordinance No. 339-2018, passed by Council on October 31, 2018 (as amended, the “Commercial Policy Ordinance”), sets forth certain additional policies, conditions, and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area; and

WHEREAS, to encourage the development of real property in a more environmentally-friendly manner, the Commercial Policy Ordinance incentivizes: (i) construction and remodeling to Leadership in Energy and Environmental Design (“LEED”) standards (as defined by the U.S. Green Building Council); and (ii) construction and remodeling that obtains (a) Living Building Challenge Net Zero certification, (b) Living Building Challenge Full certification, or (c) solely in circumstances where the construction or remodeling complies with the requirements of the “Energy Petal” of the Living Building Challenge, Living Building Challenge Petal certification, in each case as defined by the International Living Future Institute and the Cascadia Green Building Council (collectively, “LBC” standards), all pursuant to the Statute; and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, Fair Oaks Enterprises, Ltd. (the “Company”) desires to construct a new hotel consisting of approximately 117 rooms, containing approximately 71,000 square feet of commercial space in aggregate on real property at 3005 Vandercar Way located within the

corporate boundaries of the City of Cincinnati, to LEED or LBC standards (the “Improvements”), provided that the appropriate development incentives are available to support the economic viability of the Improvements; and

WHEREAS, to provide an appropriate development incentive for the Improvements, the City Manager has recommended a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)*, in substantially the form of Attachment A to this ordinance, to authorize a real property tax exemption for the Improvements in accordance with the Statute; and

WHEREAS, the property is located within the Cincinnati City School District; and

WHEREAS, the Board of Education of the Cincinnati City School District (the “Board of Education”), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020 (as may be amended, the “Board of Education Agreement”), has approved exemptions of up to 100 percent of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 33 percent of the exempt real property taxes; and

WHEREAS, the City’s Department of Community and Economic Development estimates that the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately \$138,228; and

WHEREAS, the Company has represented that it has entered into (or will enter into) a voluntary tax incentive contribution agreement with a third-party organization for amounts equal to fifteen percent of the exempt real property taxes, which funds shall be committed by the third-party organization to facilitate permanent improvements and neighborhood services furthering redevelopment in the neighborhood of the Improvements and to support affordable housing on a City-wide basis; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company’s operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per R.C. Section 3735.673; now, therefore,

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

Section 1. That Council approves a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Fair Oaks Enterprises, Ltd. (the “Agreement”), thereby authorizing an eleven-year tax exemption for 100 percent of the assessed value of improvements to be made to real property located at 3005 Vandercar Way in

Cincinnati, as calculated by the Hamilton County Auditor, in connection with the construction of a new hotel consisting of approximately 117 rooms, containing approximately 71,000 square feet of commercial space in aggregate, to be constructed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards (as defined by the U.S. Green Building Council) or Living Building Challenge standards (as described in the Agreement and as determined by the International Living Future Institute and the Cascadia Green Building Council, as applicable) at a total construction cost of approximately \$15,500,000.

Section 2. That Council authorizes the City Manager:

- (i) to execute the Agreement on behalf of the City of Cincinnati (the “City”) in substantially the form of Attachment A to this ordinance; and
- (ii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Department of Development, in accordance with Ohio Revised Code Section 3735.672, and to the Board of Education of the Cincinnati City School District, as necessary; and
- (iii) to take all necessary and proper actions to fulfill the City’s obligations under the Agreement.

Section 3. 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 the immediate need to allow the construction described in this ordinance and the corresponding revitalization of the City of Cincinnati and the benefits to the City’s economic welfare to begin at the earliest possible time.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

Community Reinvestment Area Tax Exemption Agreement
(LEED or Living Building Challenge)

This Community Reinvestment Area Tax Exemption Agreement (this “Agreement”) is made and entered into as of the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation (the “City”), and FAIR OAKS ENTERPRISES, LTD., an Ohio limited liability company (the “Company”), an affiliate of Vandercar Holdings, LLC.

Recitals:

- A. The City, through the adoption of Ordinance No. 274-2017 on September 27, 2017, designated the entire City of Cincinnati as a Community Reinvestment Area to encourage the development of real property and the acquisition of personal property in that area, pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the “Statute”).
- B. In accordance with the Statute, the Ohio Director of Development has forwarded to the City the Director’s determination dated October 23, 2017, stating that the findings contained in Ordinance No. 274-2017 are valid and that the entire City is a Community Reinvestment Area under the Statute. By such determination, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute.
- C. The Council of the City of Cincinnati has also passed Ordinance No. 275-2017 as of September 27, 2017, as amended by Ordinance No. 339-2018, passed on October 31, 2018, Ordinance No. 370-2020, passed on November 12, 2020, and Ordinance No. 24-2022, passed on February 2, 2022 (as amended, the “Commercial Policy Ordinance”), which sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area.
- D. Pursuant to the Commercial Policy Ordinance, a project that is constructed or remodeled to (1) Leadership in Energy and Environmental Design (“LEED”) Silver, Gold or Platinum standards (as defined by the U.S. Green Building Council), or (2) receives a (a) Living Building Challenge Net Zero certification, (b) Living Building Challenge Full certification, or (c) solely in circumstances where the construction or remodeling complies with the requirements of the “Energy Petal” of the Living Building Challenge, Living Building Challenge Petal certification, in each case as defined by the International Living Future Institute and the Cascadia Green Building Council (such qualifying remodeling or construction is referred to, collectively, as “LBC” remodeling or construction), may qualify for a longer term and/or greater abatement.
- E. The Company is the sole owner of certain real property within the City, located at 3005 Vandercar Way, Cincinnati, Ohio 45209 (the “Property”), as further described in Exhibit A (Legal Description of Property) hereto. Notwithstanding the foregoing, the Property shall not include any residential condominiums being developed in connection with the Project (as defined below) (the “Excluded Property”), and the Company acknowledges and agrees that the City’s Community Reinvestment Area program entails separate applications by the owner of any residential condominium units included within the Project. For the avoidance of doubt, the Excluded Property shall not be exempt under this Agreement; however, this provision shall not be deemed to prohibit any owners from time to time of any Excluded Property from separately applying for a tax abatement in accordance with applicable law.
- F. The Company has proposed the construction of a building located on the Property to LEED Silver standards, as defined by the U.S. Green Building Council, within the boundaries of the City of Cincinnati, as more fully described in Section 1 herein (the “Project”); provided that the appropriate development incentives are available to support the economic viability of the Project.

- G. The Statute provides that if any part of a project is to be used for commercial or industrial purposes, including projects containing five or more dwelling units, in order to be eligible for tax exemption the City and the Company must enter into an agreement pursuant to Ohio Revised Code Section 3735.671 prior to commencement of construction or remodeling.
- H. The City, having appropriate authority under the Statute for this type of project, agrees (as provided herein and subject to all conditions herein) to provide the Company with the tax exemption incentives stated herein, available under the Statute, for development of the Project.
- I. The Company has submitted to the City an application for this tax exemption agreement (the "Application"), a copy of which is attached hereto as Exhibit B, has remitted with the Application the City application fee of One Thousand Two Hundred Fifty Dollars (\$1,250) made payable to the City.
- J. The Director of the City's Department of Community and Economic Development has recommended approval of the Application on the basis that the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City.
- K. The Board of Education of the Cincinnati City School District (the "Board of Education"), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020, has approved exemptions of up to one hundred percent (100%) of Community Reinvestment Area projects, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.
- L. The Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "Board of Education Agreement").
- M. The Company represents and warrants to the City that the Company and its major tenants, if any, do not intend to relocate part or all of their operations to the City from another county or municipal corporation in the State of Ohio (the "State").
- N. The Company represents that within the past three (3) years neither the Company, any related member of the Company, nor any entity to which the Company is a successor has discontinued operations at a project site in the State during the term of a property tax exemption agreement (under Ohio Revised Code Section 3735.671, 5709.62, 5709.63 or 5709.632) applicable to that site, and the Company acknowledges that misrepresentation hereunder will result in voiding of this Agreement.
- O. The Company represents and warrants to the City that the Company is not subject to an Enterprise Zone Agreement with the City of Cincinnati for the Property or the Project.
- P. The Company acknowledges that the Oakley neighborhood is a rising neighborhood in need of resources for development, neighborhood improvements, amenities, and organizations oriented towards neighborhood services. The Company anticipates that future development, improvements, amenities and organizations will contribute to the quality and vitality of the neighborhood, therefore increasing the value of the Property and directly and indirectly contributing to the Project's success. The Project's success, in turn, will benefit the neighborhood. Although this feedback effect will promote the revitalization and redevelopment of the City, it could also impact the affordability of property in the area. Therefore, in support of the Oakley neighborhood and with the intention of preserving and improving the availability of quality, reliable affordable housing on a City-wide basis, as a material inducement to the City to enter into this Agreement, the Company hereby represents to the City that it will enter into a voluntary tax incentive contribution agreement ("VTICA") with a City-designated third-party non-profit

administrative organization (the "Third-Party Administrator") to contribute to the Third-Party Administrator an amount equal to fifteen percent (15%) of the real property taxes that would have been payable on the abated property but for the City-authorized tax abatement (the "VTICA Contribution"). Half of such VTICA Contribution is to be committed by the Third-Party Administrator to facilitate permanent improvements and neighborhood services furthering urban redevelopment in the Oakley neighborhood and the other half of such VTICA Contribution is to be committed by the Third-Party Administrator in supporting quality affordable housing on a City-wide basis. The Company hereby represents and warrants that it will pay the VTICA Contribution for the full term of the abatement.

- Q. This Agreement has been authorized by Ordinance No. _____-2023, passed by Cincinnati City Council on _____, 2023.
- R. In determining to recommend and authorize this Agreement, the Department of Community and Economic Development and City Council, respectively, have acted in material reliance on the Company's representations in the Application and herein regarding the Project including, but not limited to, representations relating to the number of jobs to be created and/or retained by the Company, the Board of Education Agreement, the VTICA Contribution, and the Project's effect in promoting the general welfare of the people of Cincinnati by, for example, encouraging the development of real property located in the Community Reinvestment Area and thereby promoting economic growth and vitality in Cincinnati.

NOW, THEREFORE, pursuant to Ohio Revised Code Section 3735.67(A) and in conformity with the format required under Ohio Revised Code Section 3735.671, in consideration of the mutual covenants contained herein and the benefit to be derived by the parties from the execution hereof, the parties agree as follows:

Section 1. Project. Upon issuance of the necessary zoning and building approvals, the Company agrees to construct a new hotel on the Property, consisting of approximately 117 rooms, containing approximately 71,000 square feet of commercial space in aggregate (the "Improvements") at an estimated aggregate cost of \$15,500,000 to commence after the execution of this Agreement and to be completed no later than December 31, 2024; *provided*, however, that the Director of the Department of Community and Economic Development (the "Housing Officer") may, in his or her discretion, extend such deadline for a period of up to 12 months by written notice if, in the Director's judgment, the Company is proceeding in good faith towards completion. The construction shall be in compliance with applicable building code requirements and zoning regulations, as well as complying with LEED Silver standards. The Company hereby represents that it has registered with the U.S. Green Building Council with intent to certify compliance with LEED Silver. In addition to the foregoing, (A) the Project shall comply with the Americans with Disabilities Act, together with any and all regulations or other binding directives promulgated pursuant thereto (collectively, the "**ADA**"), and (B) if (i) any building(s) within the Project is subject to the accessibility requirements of the ADA (e.g., by constituting a "place of public accommodation" or another category of structure to which the ADA is applicable) and (ii) such building(s) is not already required to meet the Contractual Minimum Accessibility Requirements (as defined below) pursuant to the ADA, applicable building code requirements, or by any other legal requirement, then the Company shall cause such building(s) to comply with the Contractual Minimum Accessibility Requirements in addition to any requirements pursuant to the ADA and the applicable building code or legal requirement. As used herein, "**Contractual Minimum Accessibility Requirements**" means that a building shall, at a minimum, include (1) at least one point of entry (as used in the ADA), accessible from a public right of way, with respect to which all architectural barriers (as used in the ADA) to entry have been eliminated, and (2) if such accessible point of entry is not a building's primary point of entry, conspicuous signage directing persons to such accessible point of entry.

Section 2. Real Property Tax Exemption. Subject to the satisfaction of the conditions set forth in this Agreement, the City approves exemption from real property taxation, pursuant to and to the fullest extent authorized by the Statute, of 100% of the amount by which the Improvements increase the assessed value of the Property as determined by the Hamilton County Auditor, for a period of 11 years,

provided that the Company shall have entered into the Board of Education Agreement. Within 120 days after completion of the Project (unless otherwise extended in writing by the City's Housing Officer), the Company must file the appropriate application for tax exemption with the City's Housing Officer. The Company is solely responsible to take this action. Upon receipt of the application for tax exemption, the City will proceed with the exemption authorized by this Agreement. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of construction, (B) the cost of construction, (C) the facts asserted in the application for exemption, (D) compliance with LBC and/or LEED standards identified in Section 1, and (E) if a remodeled structure is a structure of historical or architectural significance as designated by the City, state or federal government, that the appropriateness of the construction has been certified in writing by the appropriate agency. If the required verification is made, the Housing Officer will forward the exemption application to the Hamilton County Auditor with the necessary certification by the Housing Officer. Subject to the conditions set forth in this Agreement, the exemption commences the first tax year for which the Improvements would first be taxable were the Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2025 nor extend beyond the earlier of (i) tax year 2035 or (ii) the end of the eleventh (11th) year of exemption.

Section 3. Use; Maintenance; Inspections. The Company shall use the Property solely for the purposes described in Section 1 hereof and shall properly maintain and repair the Property throughout the period of tax exemption authorized herein. The Company authorizes the Housing Officer, or the Housing Officer's designees, to enter upon the Property as reasonably required to perform property inspections in accordance with Ohio Revised Code Section 3735.68.

Section 4. Compliance with Board of Education Agreement. As a condition of the tax exemption authorized under this Agreement, the Company agrees to enter into and comply with its obligation under the Board of Education Agreement.

Section 5. Duty of Company to Pay Taxes. As required by Ohio Revised Code Section 3735.671(B)(3), the Company shall pay such real property taxes as are not exempted under this Agreement and are charged against the Property and shall file all tax reports and returns as required by law. If the Company fails to pay such taxes or file such returns and reports, exemptions from taxation granted or authorized under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and continuing thereafter.

Section 6. Company Certifications Regarding Non-Delinquency of Tax Obligations. As required by Ohio Revised Code Section 3735.671(B)(4), the Company certifies that at the time this Agreement is executed, the Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State, and does not owe delinquent taxes for which the Company is liable under Ohio Revised Code Chapters 5735, 5739, 5741, 5743, 5747 or 5753, or if such delinquent taxes are owed, the Company currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, has filed a petition in bankruptcy under 101, et seq., or such a petition has been filed against the Company. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

Section 7. Covenant of Satisfaction of Tax and Other Obligations. In accordance with Ohio Revised Code Section 9.66, (A) the Company affirmatively covenants that it does not owe: (i) any delinquent taxes to the State or to a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; or (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, regardless of whether the amounts owed are being contested in a court of law or not; (B) the Company authorizes the City and/or the State to inspect the personal financial statements of the Company, including tax records and other similar information not ordinarily open to public inspection; and (C) the Company authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and or other State departments in connection with the above statements.

As provided by statute, a knowingly false statement under this section may be prosecuted as a first degree misdemeanor under Ohio Revised Code Section 2921.13, may render the Company ineligible for any future economic development assistance from the State or any political subdivision of the State, and will result in the City requiring the Company's repayment of any assistance provided by the City in connection with the Project.

Section 8. City Cooperation. As required by Ohio Revised Code Section 3735.671(B), upon specific request from the Company, the City shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

Section 9. Continuation of Exemptions. As provided in Ohio Revised Code Section 3735.671(B), if for any reason the City revokes the designation of the City of Cincinnati as a Community Reinvestment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation authorized pursuant to this Agreement.

Section 10. City Not Liable. The Company acknowledges that the exemption authorized in this Agreement is subject to approval and implementation by the appropriate state and/or county taxing authorities. The Company acknowledges that the City does not give any guarantee or assurance that the exemption approved in this Agreement will be so approved, and the Company agrees that in no event shall the Company seek to hold the City liable in any way in the event such exemption is not granted or implemented.

Section 11. Small Business Enterprise Program.

A. Compliance with Small Business Enterprise Program. The policy of the City is that a fair share of contracts be awarded to Small Business Enterprises (as such term is defined in Cincinnati Municipal Code ("CMC") Section 323-1-S, "SBEs"). Pursuant to CMC Section 323-11, the City's annual goal for SBE participation shall be thirty percent (30%) of the City's total dollars spent for construction (as such term is defined in CMC Section 323-1-C4), supplies (as such term is defined in CMC Section 323-1-S5), services (as such term is defined in CMC Section 323-1-S) and professional services (as such term is defined in CMC Section 323-1-P2). Accordingly, the Company shall use its best efforts and take affirmative steps to achieve the City's goal of voluntarily meeting thirty percent (30%) SBE participation. A list of SBEs may be obtained from the City's Department of Economic Inclusion. The Company may refer interested firms to the City's Department of Economic Inclusion for review and possible certification as an SBE. The Company shall comply with the provisions of CMC Chapter 323, including without limitation taking at least the following affirmative steps:

(i) Including qualified SBEs on solicitation lists.

(ii) Assuring that SBEs are solicited whenever they are potential sources.

The Company must advertise, on at least two separate occasions, both in local minority publications and in other local newspapers of general circulation, invitations to SBEs to provide services, to supply materials, or to bid on construction contracts, as applicable.

(iii) When economically feasible, dividing total requirements into small tasks or quantities so as to permit maximum SBE participation.

(iv) If any subcontracts are to be let, the Company shall require the prime contractor (if different from the Company) to take the above affirmative steps.

(v) Prior to the commencement of work under any subcontracts, the Company shall provide to the City a list of such subcontractors, including information as to the dollar amount of the subcontracts and such other information as may be requested by the City. The Company shall update the report monthly.

(vi) The Company shall periodically document its best efforts and affirmative steps to meet the above SBE participation goals by submitting such information as may be requested from time to time by the City.

B. Remedies for Noncompliance with Small Business Enterprise Program. Failure of the Company or its contractors and subcontractors to take the affirmative steps specified above, to provide fair and equal opportunity to SBEs, or to provide technical assistance to SBEs as may be necessary to reach SBE participation as set out in CMC Chapter 323 may be construed by the City as failure of the Company to use its best efforts, and, in addition to other remedies under this Agreement, may be a cause for the City to file suit in Common Pleas Court to enforce specific performance of the terms of this Section. The provisions of CMC Section 323-99 are hereby incorporated by reference into this Agreement.

Section 12. Jobs. The Company represents that, as of the date of the execution of this Agreement, the Company has no existing employment at the Property or in the State.

Section 13. Job Creation and Retention.

A. Jobs to be Created by Company. The Company agrees to use its best efforts to create (i) 18 full-time permanent jobs, and (ii) 200 full-time temporary construction jobs at the Property in connection with the Project. In the case of the construction jobs, the job creation and retention period shall be concurrent with construction, and in the case of the other jobs described herein, the job creation period shall begin upon completion of construction and shall end three (3) years thereafter.

B. Company's Estimated Payroll Increase. The Company's increase in the number of employees will result in approximately (i) \$850,000 of additional annual payroll with respect to the full-time permanent jobs, and (ii) \$3,000,000 of additional annual payroll prior to the completion of the Project with respect to the full-time temporary construction jobs.

C. Community Reinvestment Area Employment. The Company shall (i) adopt hiring practices to ensure that at least twenty-five percent (25%) of the new employees shall be residents of the City of Cincinnati and (ii) give preference to residents of the City relative to residents of the State who do not reside in the City when hiring new employees under this Agreement.

D. Posting Available Employment Opportunities. To the extent allowable by law, the Company shall use its best efforts to post available employment opportunities within the Company's organization or the organization of any subcontractor working with the Company with the Ohio Means Jobs Center, 1916 Central Parkway, Cincinnati, Ohio 45214-2305, through its Employer Services Unit Manager at 513-746-7200.

Section 14. Equal Employment Opportunity. This Agreement is subject to the City's Equal Employment Opportunity Program contained in CMC Chapter 325. The Equal Employment Opportunity Clause in CMC Section 325-9 is incorporated by reference in this Agreement. The term "Company" is substituted for "Contractor" throughout CMC Section 325-9 in the context of this Agreement.

Section 15. Compliance with Immigration and Nationality Act. In the performance of its obligations under this Agreement, the Company agrees to comply with the provisions of the Immigration and Nationality Act codified at 8 U.S.C. §§ 1324a(a)(1)(A) and (a)(2). Any noncompliance with such provisions shall be solely determined by either the federal agencies authorized to enforce the Immigration and Nationality Act or the U.S. Attorney General, in accordance with Executive Order 12989 of the U.S. President dated February 13, 1996, and as amended by Executive Order 13465 of the U.S. President dated June 6, 2008.

Section 16. Default. As provided in Ohio Revised Code Section 3735.671(B), if the Company materially fails to fulfill its obligations under this Agreement, or if the City determines that the certification as to delinquent taxes required by this Agreement (Section 6 hereof) or the covenant of satisfaction of tax and other obligations (Section 7 hereof) is fraudulent, the City may terminate or modify the exemptions from taxation granted or authorized under this Agreement and may require the repayment by the Company of the amount of taxes that would have been payable had the Improvements not been exempted from taxation pursuant to this Agreement. A modification of exemption may be in the form of reduction in the number of years that eligible property is exempt and/or a reduction in the exemption percentage. The City shall provide written notice to the Company prior to finding the Company in default under this section. The notice shall provide the Company with not less than thirty (30) days to cure the default prior to City termination or modification of the exemptions under this Agreement. The City may extend the cure period as reasonably necessary under the circumstances. In the event of such termination or modification, the City is authorized to so notify the appropriate taxing authorities in order to effect the termination or modification. If repayment of previously exempt taxes is required by the City under this Section, such amount shall be paid as directed by the City within thirty (30) days of written demand. The City may secure repayment of such taxes by a lien on the Property in the amount required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property. Amounts due and not paid when due under this Section 16 shall bear interest at the rate specified in Ohio Revised Code Section 1343.03(A) (as in effect on the date of the City's payment demand).

Section 17. Annual Review and Report. As required by Ohio Revised Code Sections 3735.671(B)(5) and 5709.85, the Company shall provide to the City's Tax Incentive Review Council (or to the City Manager if so requested by the City) any information reasonably required by the Council or the City Manager to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02 if requested by the Council or City Manager. The performance of the Company's obligations stated in this Agreement shall be subject to annual review by the City's Tax Incentive Review Council (the "Annual Review and Report"). The Company shall submit information for the Annual Review and Report to the City no later than March 1 of each year.

Section 18. Revocation.

A. Generally. Pursuant to Ohio Revised Code Section 3735.68, the housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under Ohio Revised Code Section 3735.67. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the Company, the housing officer may revoke the exemption at any time after the first year of exemption. If the Company has materially failed to fulfill its obligations under this Agreement, or if the owner is determined to have violated division (E) of that section (see Section 18(B) of this Agreement), City Council, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or City Council shall notify the county auditor and the Company that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section 3735.69 or 5709.85 of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written agreement, or violation of division (C) of Ohio Revised Code Section 3735.671, and the reason for revoking the exemption.

B. Prior Statutory Violations. The Company represents and warrants to the City that it is not prohibited by Ohio Revised Code Section 3735.671(C) from entering into this Agreement. As required by Ohio Revised Code Section 3735.671(B)(7), exemptions from taxation granted or authorized under this Agreement shall be revoked if it is determined that the Company, any successor to the Company or any related member (as those terms are defined in division (C) of

Ohio Revised Code Section 3735.671. has violated the prohibition against entering into this Agreement under division (C) of Ohio Revised Code Section 3735.671 or under Ohio Revised Code Sections 5709.62, 5709.63, or 5709.632 prior to the time prescribed by that division or either of those sections.

Section 19. False Statements; Penalties; Material Representations.

A. Generally. As required in connection with Ohio Revised Code Section 9.66(C), the Company affirmatively covenants that it has made no false statements to the State or the City in the process of obtaining approval for this Agreement. If any representative of the Company has knowingly made a false statement to the State or the City to obtain approval for this Agreement, or if the Company fails to provide any information expressly required under the Application, the Company shall be required to immediately return all benefits received under this Agreement (by payment of the amount of taxes exempted hereunder, paid as directed by the City within thirty (30) days of written demand) and the Company shall be ineligible for any future economic development assistance from the State, any State agency or any political subdivision of the State pursuant to Ohio Revised Code Section 9.66(C)(1). Amounts due and not paid under this Section 19 shall bear interest at the rate of twelve percent (12%) per year. Any person who provides a false statement to secure economic development assistance (as defined in Ohio Revised Code Section 9.66) may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1), which is punishable by fine of not more than One Thousand Dollars (\$1,000) and/or a term of imprisonment of not more than six (6) months.

B. Material Representations – Board of Education Agreement and VTICA. The Parties acknowledge and agree that a material failure by the Company to comply with its representations concerning the Board of Education Agreement or VTICA Contribution shall constitute an event of default for purposes of Section 16 (Default) and the basis for revocation under Section 18 (Revocation). Subject to the terms of the VTICA, if the VTICA is unenforceable for reasons of infeasibility or otherwise, the Company shall enter into alternative arrangements providing for the economic equivalent of the VTICA Contribution. Such arrangements may include, but are not limited to, providing for the economic equivalent of the VTICA Contribution through formation of a special improvement district. For purposes of this Section 19.B, alternative arrangements must result in services substantially similar to those that would have been supported through the VTICA and at a value that is the economic equivalent of the VTICA Contribution, which value shall not be required to exceed the VTICA Contribution amount that would have been payable by the Company. Any determination of infeasibility or mechanism for providing alternative arrangements is subject to approval by the City at its sole discretion. Nothing in this Section 19.B shall operate to limit the City's enforcement authority under this Agreement including, without limitation, Section 16, Section 18, and Section 19.A.

Section 20. Conflict of Interest. The Company covenants that, to the Company's knowledge, no employee of the City has any personal interest, direct or indirect, in any matters pertaining to the Project, and the Company agrees to take appropriate steps to prevent any employee of the City from obtaining any such interest throughout the term of this Agreement.

Section 21. Annual Fee. The Company shall pay an annual fee of Five Hundred Dollars (\$500) or one percent (1%) of the annual taxes exempted under this Agreement, whichever is greater, but not to exceed Two Thousand, Five Hundred Dollars (\$2,500) per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

Section 22. Discontinued Operations. As provided in Ohio Revised Code Section 3735.671(C), if, prior to the expiration of the term of this Agreement, the Company discontinues operations at the Project so that the Property is no longer being used for the purposes described in Section 1 hereof, then the Company, its successors, and any related member shall not enter into an agreement under Ohio Revised Code Sections 3735.671, 5709.62, 5709.63 or 5709.632, and no

legislative authority shall enter into such an agreement with the Company, its successors or any related member prior to the expiration of three (3) years after the discontinuation of operations. As used in this Section 22, "successors" and "related member" shall have the meanings set forth in Ohio Revised Code Section 3735.671(C).

Section 23. Notices. Unless otherwise specified herein, each party shall address written notices, demands and communications in connection with this Agreement to the other party as follows (or to such other address as is communicated in accordance with this Section):

To the City:

City of Cincinnati
Attention: Director of the Department of Community and Economic Development
Centennial Plaza Two, Suite 700
805 Central Avenue
Cincinnati, Ohio 45202

To the Company:

Fair Oaks Enterprises, Ltd.
Attn: Douglas L. Steinke
550 Folkerth Avenue, Suite 100
Sidney, Ohio 45365

If the Company sends a notice to the City alleging that the City is in default under this Agreement, the Company shall simultaneously send a copy of such notice to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, Cincinnati, OH 45202.

Section 24. Acknowledgment of City Participation. The Company agrees to acknowledge the support of the City on construction signs, project and exhibition signage, and any publicity such as that appearing on the internet, television, cable television, radio, or in the press or any other printed media. In identifying the City as a Project partner, the Company shall use either the phrase "Project Assistance by the City of Cincinnati" or a City of Cincinnati logotype or other form of acknowledgement that has been approved in advance in writing by the City.

Section 25. Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the City and the Company with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto.

Section 26. Governing Law. This Agreement is entered into and is to be performed in the State. The City and the Company agree that the law of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

Section 27. Waiver. The City's waiver of any breach by the Company of any provision of this Agreement shall not constitute or operate as a waiver by the City of any other breach of such provision or of any other provisions, nor shall any failure or delay by the City to enforce any provision hereof operate as a waiver of such provision or of any other provision.

Section 28. Severability. This Agreement shall be severable; if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

Section 29. Amendment. This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

Section 30. Non-Assignment. As required by Ohio Revised Code Section 3735.671(B)(6), this Agreement is not transferable or assignable by the Company without the express written approval of the City Manager of the City. If the Company has entered into a Board of Education Agreement or VTICA in connection with the Property, the City shall not approve the assignment of this Agreement unless the assignee has assumed the Company's remaining obligations under the Board of Education Agreement and VTICA, as applicable. Failure to assign or otherwise perform the Company's obligations under the Board of Education Agreement or VTICA upon transfer of the Property during the term of the tax abatement authorized by this Agreement shall be basis for revocation of the tax exemption under Section 18.

Section 31. Recording. At its election, the City may record this Agreement at the City's expense in the Hamilton County Recorder's Office.

Section 32. Legislative Action Required. As provided in Ohio Revised Code Section 3735.671, the Company and the City acknowledge that this Agreement must be approved by formal action of the City Council of the City as a condition for this Agreement to take effect. Notwithstanding anything to the contrary herein, this Agreement shall take effect after the later of the date of such approval or the final date of execution of this Agreement by all parties.

Section 33. Additional Representations and Warranties of Company. The Company represents and warrants that (a) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder; (b) no notices to, or consents, authorizations or approvals of, any person are required (other than any already given or obtained) for its due execution, delivery and performance of this Agreement; and (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Company.

Section 34. Certification as to Non-Debarment. The Company represents that neither it nor any of its principals is presently debarred by any federal, state, or local government agency. In completing the Project, the Company shall not solicit bids from any contractors or subcontractors who are identified as being debarred by any federal, state, or local government agency. If the Company or any of its principals becomes debarred by any federal, state, or local government agency during the term of this Agreement, the company shall be considered in default under this Agreement.

Section 35. Appeals. Pursuant to Ohio Revised Code Section 3735.70, a person aggrieved under the Statute or this Agreement may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Section 36. Wage Enforcement.

(i) Applicability. Council passed Ordinance No. 22-2016 on February 3, 2016, which ordained Chapter 326 (Wage Enforcement) of the Cincinnati Municipal Code (the "Wage Enforcement Chapter"). The Wage Enforcement Chapter was then amended by Ordinance No. 96-2017, passed May 17, 2017. As amended, the Wage Enforcement Chapter imposes certain requirements upon persons entering into agreements with the City whereby the City provides an incentive or benefit that is projected to exceed \$25,000, as described more particularly in the Wage Enforcement Chapter. Cincinnati Municipal Code Section 326-5 requires that the language below be included in contracts subject to the Wage Enforcement Chapter.

(ii) Required Contractual Language. Capitalized terms used, but not defined, in this clause (ii) have the meanings ascribed thereto in the Wage Enforcement Chapter.

(a) This contract is or may be subject to the Wage Enforcement provisions of the Cincinnati Municipal Code. These provisions require that any Person who has an Agreement with

the city or with a Contractor or Subcontractor of that Person shall report all Complaints or Adverse Determinations of Wage Theft and Payroll Fraud (as each of those terms is defined in Chapter 326 of the Cincinnati Municipal Code) against the Contractor or Subcontractors to the Department of Economic Inclusion within 30 days of notification of the Complaint or Adverse Determination.

(b) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to include provisions in solicitations and contracts regarding a Development Site that all employers, Contractors or Subcontractors performing or proposing to perform work on a Development Site provide an initial sworn and notarized "Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee and, within 30 days of an Adverse Determination or Complaint of Wage Theft or Payroll Fraud, shall provide an "Amended Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee.

(c) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to authorize, and does hereby specifically authorize, any local, state or federal agency, court, administrative body or other entity investigating a complaint of Wage Theft or Payroll Fraud against the Person (collectively "investigative bodies") to release to the City's Department of Economic Inclusion any and all evidence, findings, complaints and determinations associated with the allegations of Wage Theft or Payroll Fraud upon the City's request and further authorizes such investigative bodies to keep the City advised regarding the status of the investigation and ultimate determination. If the investigative bodies require the Person to provide additional authorization on a prescribed form or in another manner, the Person shall be required to provide such additional authorization within 14 days of a request by the City.

(d) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall include in its contracts with all Contractors language that requires the Contractors to provide the authorizations set forth in subsection (c) above and that further requires each Contractor to include in its contracts with Subcontractors those same obligations for each Subcontractor and each lower tier subcontractor.

(e) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall post a conspicuous notice on the Development Site throughout the entire period work is being performed pursuant to the Agreement indicating that the work being performed is subject to Cincinnati Municipal Code Chapter 326, Wage Enforcement, as administered by the City of Cincinnati Department of Economic Inclusion. Such notice shall include contact information for the Department of Economic Inclusion as provided by the department.

(f) Under the Wage Enforcement provisions, the City shall have the authority, under appropriate circumstances, to terminate this contract or to reduce the incentives or subsidies to be provided under this contract and to seek other remedies, including debarment.

Section 37. Legal Requirements. In completing and operating the Project, the Company shall comply with all applicable statutes, ordinances, regulations, and rules of the government of the United States, State of Ohio, County of Hamilton, and City of Cincinnati.

Section 38. Counterparts and Electronic Signatures. This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by electronic signature; any original signatures that are initially delivered electronically shall be physically delivered as soon as reasonably possible.

Remainder of this page intentionally left blank. Signature page follows.

Executed by the parties on the dates indicated below, effective as of the later of such dates (the "Effective Date").

CITY OF CINCINNATI,
an Ohio municipal corporation

FAIR OAKS ENTERPRISES, LTD.,
an Ohio limited liability company

By: _____
Sheryl M. M. Long, City Manager

Date: _____, 2023

By: _____

Printed Name: _____

Title: _____

Date: _____, 2023

Authorized by resolution dated _____

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

Exhibit A to CRA Agreement

LEGAL DESCRIPTION OF PROPERTY

Property Address: 3005 Vandercar Way, Cincinnati, Ohio 45209

Auditor's Parcel No.: 051-0001-0113-00

Situate in the State of Ohio, County of Hamilton, City of Cincinnati, Section 28, Town 4, Fractional Range 2, Miami Purchase, being a 1.4981 acre parcel and part of Lot 3, Oakley Station, a plat of record in Plat Book 439, Page 94, and also being a part of the lands conveyed to USS Realty, LLC by deed recorded in Official Record 11973, Page 1921, all references herein being to the records located in the Hamilton County, Ohio Recorder's Office and being more particularly described as follows:

Beginning in an "X" Cut in Concrete Found in a southeasterly corner of a parcel conveyed to Net Lease Realty I, LLC by deed recorded in Official Record 12120, Page 1844 and also being in the northeasterly corner of said Lot 3 and also being in the westerly right of way line of Factory Colony Lane (71' R/W); thence In said westerly right of way line of Factory Colony Lane, South 05° 44' 30" West, 333.35 feet to a Magnail Found in the northeasterly corner of a parcel conveyed to Oakley Hotel Enterprises, Ltd. by deed recorded in Official Record 13125, Page 1719; thence Leaving said westerly right of way line of Factory Colony Lane and in the northerly line of said Oakley Hotel Enterprises, Ltd., North 84° 14' 39" West, 173.09 feet to a Magnail Set and being the **TRUE PLACE OF BEGINNING** of the parcel herein described; thence the following 6 courses:

1. In the line common to said Oakley Hotel Enterprises, Ltd., South 05° 44' 30" West, 160.14 feet to a Magnail Set; thence
2. Continuing in said common to said Oakley Hotel Enterprises, Ltd., North 84° 15' 30" West, 44.00 feet to a Magnail Set; thence
3. Continuing in said common to said Oakley Hotel Enterprises, Ltd., South 05° 44' 30" West, 62.00 feet to an Iron Pin Set in the northerly right of way line of Vandercar Way (RW=76'); thence
4. In said northerly right of way line of Vandercar Way, North 84° 15' 30" West, 262.00 feet to an Iron Pin Set; thence
5. Leaving said northerly right of way line of Vandercar Way, North 05° 44' 31" East, 222.22 feet to a Magnail Set; thence
6. South 84° 14' 39" East, 306.00 feet to the **TRUE PLACE OF BEGINNING** of the parcel herein described.

Containing 65,259 Square Feet or 1.4981 Acres.

iron Pins Set consist of a 5/8" x 30" rebar with a plastic cap inscribed "FINN S-7181 OH."

This description was prepared by Patrick Finn, IBI Group, Cincinnati, Ohio.

Exhibit B to CRA Agreement
APPLICATION FOR TAX EXEMPTION

TO BE ATTACHED

**APPLICATION FOR COMMERCIAL TAX ABATEMENT
CITY OF CINCINNATI COMMUNITY REINVESTMENT AREA**



COMMERCIAL, INDUSTRIAL, MIXED-USE, MULTI-UNIT (5+ UNITS)

*Note: After review and recommendation by the Department of Community & Economic Development, all applications must be reviewed and approved by the City of Cincinnati Council before commencing construction. Any projects that start construction before City Council approval will be **INELIGIBLE** for a Commercial CRA Tax Abatement.*

The City requires that the Applicant provide the following documentation with this application:

- o A detailed breakdown of all Sources and Uses of Funds for the project (templates are available upon request). A minimum of \$40,000 in costs must be documented.
- o Supporting documentation for ALL sources of funding for the project. For instance, if a bank loan will be obtained, a letter or term sheet from the bank specifying, among other things, the loan amount and term. A contact person must be identified for each funding source.
- o A post-construction operating pro forma for the building and cash flow analysis. NOTE: Please submit a copy of the pro forma used to apply for any bank financing as required and a contact person considering the application for bank financing.
- o A \$1,250 application fee in the form of check, money order, or cashier's check payable to "City of Cincinnati". Note the application fee is nonrefundable.
- o Corporate Resolution, Articles of Incorporation, and an Operating/Partnership Agreement for entity applying for abatement showing who is authorized to sign for the organization
- o Copy of the Deed or other Legal Description of the Property
- o A copy of the proposed construction plans/rendering/etc.
- o Estimated pre-construction, and post construction real estate taxes
- o If this project is seeking LEED or Living Building Challenge (Full, Net Zero, or Petal [must include "Energy Petal"]) Certification, provide confirmation of registration

SECTION I – Applicant/Project Information

Applicant Information:

Legal Name of Property Owner Applying for Abatement: Fair Oak Enterprises LTD

Form of business enterprise Corporation (corporation, partnership, proprietorship, LLC, non-profit, or other)

Is the Applicant affiliated with a larger developer or development entity? Yes No. If Yes, please provide the name of this developer or development entity: VanderCar Oakley Station

Legal Address of real property owner: 550 Folkerth Ave, Sidney, OH 45365

Federal Tax ID #(s): 8-4325694

Applicant Contact Person: Doug Steinke Title: Member

Phone: 937.726.1787 Main Contact email address: doug.steinke@yahoo.com

Address of subject property 3005 VanderCar Way, Cincinnati, OH Zip: 45209

Hamilton County Auditor Parcel ID#: 051 - 0001 - 0089 (attach a page listing all parcels and addresses if more than one parcel)

City of Cincinnati Neighborhood: Oakley Station

Is any other financial assistance being requested from the City of Cincinnati for this project? Yes No
If yes, please indicate the Development Analyst with whom you are working:

Space/Units to be constructed/renovated:

Construction Type: New Construction Renovation
What percentage of the existing structure is currently occupied: _____ %

Total sqft/units to be constructed/renovated:
Commercial: 71,000 (sqft) Office: _____ (sqft) Industrial: _____ (sqft)
Residential: _____ (sqft) Residential: _____ (# of units)

Project Type:

- Commercial (Retail, Office etc)
 - Industrial
 - Multi-Unit Residential (5 or more units)
 - Mixed-Use (Residential & Commercial)
- Describe the break down in use in SF below:

If approved for an abatement, does the Applicant intend to enter into a Voluntary Tax Incentive Contribution Agreement (VTICA)?

Yes 15 % No

(A VTICA is an agreement with a third-party non-profit designated by the City in which the Applicant would contribute a portion of the abated taxes to support neighborhood-based projects and services as well as City-wide affordable housing initiatives [note that VTICAs in the vicinity of the Streetcar are used to support streetcar operations]. As indicated the applicable City legislation & policies as this is a significant factor in determining the terms of the abatement.)

Please indicate if the project intends to meet Leadership in Energy and Environmental Design (LEED) levels as defined by the U.S. Green Building Council (www.usgbc.org).

- Project is not LEED-certified
- LEED Silver
- LEED Gold
- LEED Platinum

Please indicate if the project will be qualified under the Living Building Challenge program (<http://living-future.org/lbc>):

- Project is not LBC qualified
- LBC Full
- LBC Net Zero
- LBC Petal (requires "Energy Petal")

General Project Information:

Project Name (of Applicable): Marriott Fairfield Inn/TownPlace Suites

Description of the project:

117 Room Marriott Hotel

Please provide a brief description of the applicant's development experience:

Have developed 20 hotel over the last 27 years.

Please state why this project deserves a tax exemption from the City of Cincinnati and what benefits the project will bring to the neighborhood where it is located:

We will provide new tax revenue and new employment opportunity. Also, this location will attract new businesses to the area (such as restaurants and small entrepreneurs)>

If Commercial or Industrial, state the nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site: 1000/1000sq ft RAS Code 7011

Please detail the project's planned community engagement (link for community council boundaries):

Not
Call Oakley Community Council.

*already meet with Colleen Reynolds of
OAKLEY Community Council.*

SECTION II – Job Creation/Retention

Job Creation and Retention:

The Company will agree to use its best efforts to retain and/or create at least the following estimated number of employee positions at the Property in connection with the Project, in accordance with the specified schedule, and to maintain the minimum employment levels throughout the period of the incentive. The Job numbers below are to be listed in Full Time Equivalent (FTE) positions. FTEs are calculated by the number of total hours worked divided by the maximum number of compensable hours for a full-time work schedule (40hrs/week).

Existing positions at the site of the company to be retained:

Full-Time Equivalent _____ employees; total annual payroll \$ _____

Will the project involve relocation of positions from another company location in the State of Ohio to the City of Cincinnati? Yes No

Existing positions at other company locations in Ohio to be relocated:

Address of Other Location(s): N/A

Full-Time Equivalent _____ employees; total annual payroll \$ _____

Address of Other Location(s): _____

Full-Time Equivalent _____ employees; total annual payroll \$ _____

*Please attach additional sheets if other locations exceed spaces provided above.

Will the project involve relocation of positions from another company location outside of the State of Ohio to the City of Cincinnati? N/A

Existing positions at other company locations outside of the State of Ohio:

Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____
Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____
Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____

*Please attach additional sheets if other locations exceed spaces provided above.

Estimate the number of **new employees** the property owner will cause to be created at the facility that comprises the project site within three years. Job creation projection must be itemized by the name of the employer (add an additional page if more than one employer). FTEs are calculated by the number of total hours worked divided by the maximum number of compensable hours for a full-time work schedule (40hrs/week):

Full-Time Equivalent 18-22 employees (Total); total annual payroll \$850,000
During the first twelve months of the agreement: 3 positions
During the second twelve months of the agreement: 15 additional positions
During the third twelve months of the agreement: 3-4 additional positions

Temporary Construction 200 jobs; total annual payroll \$3,000,000
Length of Construction Period: 18 months

In addition to the Full Time Equivalent positions listed above, are there any part time jobs and associated payroll? If so, please provide, as well as a description of the positions:

Please provide a brief description of the Job Creation that is associated with this Project (types of jobs; e.g. fabrication, warehousing, sales, operations, management, technical, retail, etc.):

Hotel Management, Sales, Maintenance & Housekeepers

Note to Applicant: Ohio Revised Code Section 3735.673 requires the City formally to notify each county or corporation from which the company intends to relocate, and the Ohio Development, prior to approval of a tax exemption agreement. This notification must be sent prior to consideration of the exemption by Cincinnati City Council.

SECTION III – Project Investment

Real Estate Investment:

Indicate the estimated cost of the construction or remodeling: \$15,500,000

Estimated total cost of the project (including soft costs & acquisition): 19,500,000

Estimated Project start date: March 1, 2023 Estimated Project completion date: May 2024

Current Auditor's value of property (aggregate value of all parcels involved): _____

Estimated post-construction value of property: \$15,000,000 - \$15,500,000

(Please provide appraisal or other method for determining post-construction value of the property)

Other Investment

Investment in Machinery & Equipment (M&E) at the Property: \$ N/A

Investment in Furniture, Fixtures, and Equipment (FF&E) at the Property: \$ 2,000,000

Other Investment: \$ _____

Description of Other Investment: _____

SECTION IV – Applicant Certifications

Does the property owner owe:

1. Any delinquent taxes to the State of Ohio, the City of Cincinnati or another political subdivision of the State? YES NO
2. Any moneys to the State of a state agency for the administration or enforcement of any environmental laws of the State? YES NO
3. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not? YES NO

If the applicant responds yes to any of the three above questions, please provide details of each instance including but not limited to the location, amounts, and/or case identification numbers (please submit additional sheets for response).

The Applicant authorizes the City and/or the Ohio Department of Development to inspect the personal financial statements of the Applicant, including but not limited to tax records and other similar information not ordinarily open to public inspection; and authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and/or the Ohio Department of Development in connection with the above statements.

Note: The above statements as to taxes and other obligations, and authorization to inspect, are required by Ohio Revised Code Section 9.66 (C) (1), As provided by statute, a knowingly false statement under this paragraph may be prosecuted as a first degree misdemeanor under Ohio Revised Code 2921.13 (D) and may render the Applicant ineligible for any future economic development assistance from the state or any political subdivision.

Please initial that you have read the above. X DS

Project Completion:

Once the project is complete, the Applicant is required to submit a CRA Completion Application Form along with required documentation noted therein. It is the Applicant's responsibility to submit this completed form to the City of Cincinnati to ensure the tax abatement will be initiated by the Hamilton County Auditor.

Please initial that you have read the above statement and understand that the abatement will not be considered by the Hamilton County Auditor's Office until the CRA Completion Application Form is complete and submitted.

X DS

Additional Certifications by Applicant:

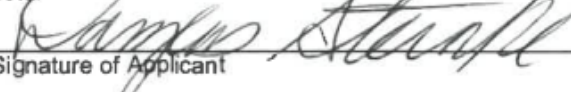
- o The Applicant acknowledges that the property is **Not Eligible** for tax exemption if construction activities are commenced prior to the execution of a Community Reinvestment Area Tax Exemption Agreement between the Applicant and the City. No agreement may be executed by the City without prior approval by Cincinnati City Council.
- o The Applicant acknowledges that if the application is approved by Cincinnati City Council, a \$750.00 application fee payable to "Treasurer, State of Ohio" will be due. Applicant must submit this fee to the City's Department of Community & Economic Development upon approval by Cincinnati City Council.
- o The Applicant acknowledges that a Payment In Lieu of Taxes (PILOT) agreement in the amount of 33% of the annual value of the exemption with Cincinnati Board of Education will be required. The form of this PILOT agreement is available upon request.
- o The Applicant acknowledges that if one of the City's considerations for granting a tax exemption is the applicant's representation that it will enter into a VTICA, then the failure by the Applicant to do so is considered grounds for the City of Cincinnati to terminate the tax exemption granted to the Applicant.
- o The Applicant acknowledges that all tax exemptions must submit an Annual Report on or before March 31 of each year. This report must be submitted for each year of the tax exemption agreement including during the construction period.
- o The Applicant acknowledges that all tax exemptions will be subject to an annual monitoring fee of 1% of the annual taxes exempted under the agreement or \$500, whichever is greater; no City annual fee will be greater than \$2,500 per year. This annual monitoring fee must be submitted with each Annual Report.
- o The Applicant acknowledges that to be eligible for tax exemption by the City of Cincinnati, the subject property must be located within the City of Cincinnati.
- o The Applicant acknowledges that exemption values are determined by the Hamilton County Auditor's Office.
- o The Applicant acknowledges that the City of Cincinnati may revoke the tax exemption any time after the first year if the property has building code violations or is delinquent on the property taxes.
- o The Applicant acknowledges that the City of Cincinnati Council may rescind or alter the Ordinance granting tax exemptions.
- o The Applicant agrees to supply additional information upon request.

Please initial that you have read the above. X DS

Prior Agreement. Applicant represents and warrants that neither Applicant, nor any "predecessor" or "related member" is a party to another agreement granting tax exemption relating to a structure in this state at which the Applicant (or the predecessor or related member) has discontinued or intends to discontinue operations prior to the expiration of the term of that agreement. (Note: This information is required by Ohio Revised Code 3735.671 (E). As used herein "predecessor" means a person or entity that has transferred assets or equity to Applicant, which transfer resulted in the full or partial non-recognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the Ohio Tax Commissioner; and "related member" has the same meaning as defined in Ohio Revised Code 5733.042 without regard to division (B) of that section.)

Please initial that you have read the above. X DS

I declare under the penalties of falsification that this application, including all enclosed documents and statements, has been examined by me, and to the best of my knowledge and belief is true, correct, and complete.

	<u>12-29-22</u>
Signature of Applicant	Date
Douglas L. Steinke	Member
Printed Name	Title (if signed as officer)

Please complete this application in its entirety and submit to the Department of Community & Economic Development along with required supporting documentation. Please make and retain a copy of this application for your records. Please allow 4 weeks for the Department of Community & Economic Development to review and follow-up on this application.

Send Completed Application to:

City of Cincinnati
Department of Community & Economic Development
805 Central Avenue, Suite 710
Cincinnati, Ohio 45202
Attention: Commercial Tax Abatement Application

STREETCAR VTICA AREA

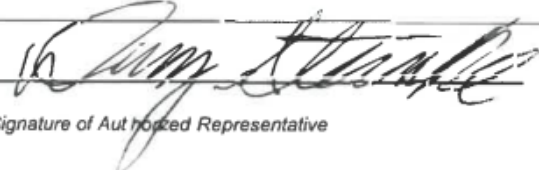


Small Business Enterprise (SBE) Utilization Plan

Please indicate which methods you plan to use to achieve the City's aspirational goal of 30% Small Business Enterprise (SBE) utilization for construction contracts. Return the form to the Department of Community & Economic Development with your tax abatement application. If you have questions about this form, please contact the analyst reviewing your application.

Project Name: Marriott Oakley

Action	YES	NO	Expected Date/Comments
1. Hold a Meet & Confer (required)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Use the City's SBE Directory to solicit bids from certified SBEs –available here: http://www.cincinnati-oh.gov/purchasing/resources-directories/sbe-directory/	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. Identify sufficient subcontracting work to meet 30% SBE utilization goal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4. Divide the total requirements into small tasks or quantities to permit maximum SBE participation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5. Written Notice to Subcontractors of opportunity to bid and follow-up to initial solicitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6. Advertise opportunity to bid in local minority publications and in other local newspapers of general circulation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Assistance with subcontractors' bonds, credit lines, and insurance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8. Provide interested subcontractors with access to plans, specifications and requirements for subject project	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Require subcontractors to demonstrate the affirmative steps #2-8 to utilize SBEs in their subcontracts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10. Other:	<input type="checkbox"/>	<input type="checkbox"/>	


 Signature of Authorized Representative

12-29-22
 Date

Community & Economic Development Approval

Date

May 10, 2023

To: Mayor and Members of City Council

202301359

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing CRA Tax Exemption Agreement with Lot 3 Local Oakley, LLC

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) with Lot 3 Local Oakley, LLC, thereby authorizing an eleven-year tax exemption for 100 percent of the value of improvements made to real property located at 2910 Disney Street in the Oakley neighborhood of Cincinnati, in connection with the construction of a new hotel, consisting of approximately 116 rooms, containing approximately 73,621 square feet of commercial space in aggregate, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$11,400,000.

BACKGROUND/CURRENT CONDITIONS

Lot 3 Local Oakley, LLC, an affiliate of Keystone Management Group, plans to develop the property located at 2910 Disney Street in the Oakley neighborhood of Cincinnati. Prior to the proposed development, City Council established a 5709.40(B) TIF (Ordinance No. 363-2020) for public infrastructure improvements to the former 28-acre Cast-Fab industrial site. Other developments in the Cast-Fab subdivision include Arcadia, a 124 market-rate townhome development, Graphite Oakley, a 316-unit market-rate apartment complex, a cell tower, and a self-storage facility.

DEVELOPER INFORMATION

Founded in 2000, Keystone Management Group is a hotel investment, development, and management firm headquartered in Greater Cincinnati (Symmes Township). Subhas Patel serves as Director of the Group and has applied for the requested incentive. Since its inception, Keystone Management Group has developed 14 hotels, 9 of which it currently operates in Northern Kentucky, Central and Southwestern Ohio. A recent local project included the construction of a 110-unit downtown hotel (TownePlace Suites by Marriott) located at 106 W. 7th Street.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. This is an Emergency Ordinance so construction financing can be closed, and construction commences at the earliest possible time.

Attachment: Project Outline

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

Project Outline

<u>Project Description Details</u>	<u>Explanation</u>
Project Name	Home 2 Suites by Hilton
Street Address	2910 Disney Street
Property Condition	Vacant 2 Acre Lot in Local Oakley Development, Developer acquired lot from Local Oakley, LLC in 2022.
Neighborhood	Oakley
Incentive Application Process	Commercial CRA – Neighborhood (LEED or LBC)
Recent or other projects by Developer	Existing portfolio of 9 hotels, including the TownePlace Suites by Marriott Downtown
Approval at planning commission/Neighborhood support	Planning Commission approved the Development Plan and Subdivision Improvement Plan in July 2019. Oakley Community Council has provided a letter of support for the project.
Plan Cincinnati Goals	Achieves the Compete Initiative Area Goal 2 (pages 114-120) and Sustain Initiative Area Goal 1 (pages 181-186) of Plan Cincinnati

Project Image



<u>Incentive Summary Category</u>	<u>Explanation</u>
Abatement Term and amount	11-year, net 52%
Construction Cost & Private investment committed	\$11,400,000 in hard construction costs, \$5,900,000 in acquisition and soft costs
Sq. Footage by Use	73,621 SQFT - Commercial
Number of units and rental ranges	No Residential Units
Jobs created/retained and payroll (living wage)	Projected to create 20 FTE positions at \$600,000 in annual payroll (avg. of \$30,000.00 annually per job). Projected to create 70 temporary construction positions at \$4,800,000 in total payroll. Developer has committed to making all jobs created by the project compliant with the City's living wage policy.
"But For"	No Points were assigned for "But For." The Developer will receive an acceptable Cash on Cash return in Year 6 of the abatement (8.30%). However, DCED utilized the established Neighborhood Scorecard to review this incentive request. Because the Developer was awarded 2 points from LEED Silver and 8 points for full 15% Neighborhood VTICA contribution, DCED recommends the 11-year tax abatement, per established City Council Policy.
Cash on Cash Return for developer (Market return between 8-12%, depends on investment risk)	Without Abatement: Year 5: 5.01% (stabilized) With Abatement: Year 5: 7.66% (stabilized)
LEED or other environmental build	LEED Silver
Neighborhood VTICA	Neighborhood VTICA – 15%
Total Public Benefit (Benefits Realized vs Taxes Forgone)	\$1.13 of new CPS/VTICA/Income taxes for each \$1 forgone
Projected Income Tax Revenue	\$226,800
MBE/WBE Goals	SBE Goal of 30% Voluntary MBE Goal of 17% Voluntary WBE Goal of 10%
Transit Access/Walkability	Located within ½ mile of Metro's Oakley Transit Center (24-hour service to Routes 11 and 51)
Geography	Located within ½ mile of a neighborhood business district
Historic Preservation/Existing Building Renovation	Not Applicable
Public Infrastructure Improvements	Not Applicable

EMERGENCY

EVK

- 2023

APPROVING, AND AUTHORIZING the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Lot 3 Local Oakley, LLC, thereby authorizing an eleven-year tax exemption for 100 percent of the value of improvements made to real property located at 2910 Disney Street in the Oakley neighborhood of Cincinnati, in connection with the construction of a new hotel, consisting of approximately 116 rooms, containing approximately 73,621 square feet of commercial space in aggregate, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$11,400,000.

WHEREAS, to encourage the development of real property and the acquisition of personal property, Council by Ordinance No. 274-2017 passed on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, Ordinance No. 275-2017 passed by Council on September 27, 2017, as amended by Ordinance No. 339-2018, passed by Council on October 31, 2018 (as amended, the “Commercial Policy Ordinance”), sets forth certain additional policies, conditions, and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area; and

WHEREAS, to encourage the development of real property in a more environmentally-friendly manner, the Commercial Policy Ordinance incentivizes: (i) construction and remodeling to Leadership in Energy and Environmental Design (“LEED”) standards (as defined by the U.S. Green Building Council); and (ii) construction and remodeling that obtains (a) Living Building Challenge Net Zero certification, (b) Living Building Challenge Full certification, or (c) solely in circumstances where the construction or remodeling complies with the requirements of the “Energy Petal” of the Living Building Challenge, Living Building Challenge Petal certification, in each case as defined by the International Living Future Institute and the Cascadia Green Building Council (collectively, “LBC” standards), all pursuant to the Statute; and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, Lot 3 Local Oakley, LLC (the “Company”) desires to construct a new hotel, consisting of approximately 116 rooms, containing approximately 73,621 square feet of commercial space in aggregate on real property at 2910 Disney Street located within the

corporate boundaries of the City of Cincinnati, to LEED or LBC standards (the “Improvements”), provided that the appropriate development incentives are available to support the economic viability of the Improvements; and

WHEREAS, to provide an appropriate development incentive for the Improvements, the City Manager has recommended a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)*, in substantially the form of Attachment A to this ordinance, to authorize a real property tax exemption for the Improvements in accordance with the Statute; and

WHEREAS, the property is located within the Cincinnati City School District; and

WHEREAS, the Board of Education of the Cincinnati City School District (the “Board of Education”), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020 (as may be amended, the “Board of Education Agreement”), has approved exemptions of up to 100 percent of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 33 percent of the exempt real property taxes; and

WHEREAS, the City’s Department of Community and Economic Development estimates that the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately \$101,665; and

WHEREAS, the Company has represented that it has entered into (or will enter into) a voluntary tax incentive contribution agreement with a third-party organization for amounts equal to fifteen percent of the exempt real property taxes, which funds shall be committed by the third-party organization to facilitate permanent improvements and neighborhood services furthering redevelopment in the neighborhood of the Improvements and to support affordable housing on a City-wide basis; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company’s operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per R.C. Section 3735.673; now, therefore,

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

Section 1. That Council approves a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Lot 3 Local Oakley, LLC (the “Agreement”), thereby authorizing an eleven-year tax exemption for 100 percent of the assessed value of improvements to be made to real property located at 2910 Disney Street in Cincinnati,

as calculated by the Hamilton County Auditor, in connection with the construction of a new hotel, consisting of approximately 116 rooms, containing approximately 73,621 square feet of commercial space in aggregate, to be constructed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards (as defined by the U.S. Green Building Council) or Living Building Challenge standards (as described in the Agreement and as determined by the International Living Future Institute and the Cascadia Green Building Council, as applicable) at a total construction cost of approximately \$11,400,000.

Section 2. That Council authorizes the City Manager:

- (i) to execute the Agreement on behalf of the City of Cincinnati (the “City”) in substantially the form of Attachment A to this ordinance; and
- (ii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Department of Development, in accordance with Ohio Revised Code Section 3735.672, and to the Board of Education of the Cincinnati City School District, as necessary; and
- (iii) to take all necessary and proper actions to fulfill the City’s obligations under the Agreement.

Section 3. 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 the immediate need to allow the construction described in this ordinance and the corresponding revitalization of the City of Cincinnati and the benefits to the City's economic welfare to begin at the earliest possible time.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

Community Reinvestment Area Tax Exemption Agreement
(LEED or Living Building Challenge)

This Community Reinvestment Area Tax Exemption Agreement (this "Agreement") is made and entered into as of the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation (the "City"), and LOT 3 LOCAL OAKLEY, LLC, an Ohio limited liability corporation (the "Company"), an affiliate of Keystone Management Group, LLP.

Recitals:

- A. The City, through the adoption of Ordinance No. 274-2017 on September 27, 2017, designated the entire City of Cincinnati as a Community Reinvestment Area to encourage the development of real property and the acquisition of personal property in that area, pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the "Statute").
- B. In accordance with the Statute, the Ohio Director of Development has forwarded to the City the Director's determination dated October 23, 2017, stating that the findings contained in Ordinance No. 274-2017 are valid and that the entire City is a Community Reinvestment Area under the Statute. By such determination, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute.
- C. The Council of the City of Cincinnati has also passed Ordinance No. 275-2017 as of September 27, 2017, as amended by Ordinance No. 339-2018, passed on October 31, 2018, Ordinance No. 370-2020, passed on November 12, 2020, and Ordinance No. 24-2022, passed on February 2, 2022 (as amended, the "Commercial Policy Ordinance"), which sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area.
- D. Pursuant to the Commercial Policy Ordinance, a project that is constructed or remodeled to (1) Leadership in Energy and Environmental Design ("LEED") Silver, Gold or Platinum standards (as defined by the U.S. Green Building Council), or (2) receives a (a) Living Building Challenge Net Zero certification, (b) Living Building Challenge Full certification, or (c) solely in circumstances where the construction or remodeling complies with the requirements of the "Energy Petal" of the Living Building Challenge, Living Building Challenge Petal certification, in each case as defined by the International Living Future Institute and the Cascadia Green Building Council (such qualifying remodeling or construction is referred to, collectively, as "LBC" remodeling or construction), may qualify for a longer term and/or greater abatement.
- E. The Company is the sole owner of certain real property within the City, located at 2910 Disney Street, Cincinnati, Ohio 45209 (the "Property"), as further described in Exhibit A (Legal Description of Property) hereto. Notwithstanding the foregoing, the Property shall not include any residential condominiums being developed in connection with the Project (as defined below) (the "Excluded Property"), and the Company acknowledges and agrees that the City's Community Reinvestment Area program entails separate applications by the owner of any residential condominium units included within the Project. For the avoidance of doubt, the Excluded Property shall not be exempt under this Agreement; however, this provision shall not be deemed to prohibit any owners from time to time of any Excluded Property from separately applying for a tax abatement in accordance with applicable law.
- F. The Company has proposed the construction of a building located on the Property to LEED Silver standards, as defined by the U.S. Green Building Council, within the boundaries of the City of Cincinnati, as more fully described in Section 1 herein (the "Project"); provided that the appropriate development incentives are available to support the economic viability of the Project.

- G. The Statute provides that if any part of a project is to be used for commercial or industrial purposes, including projects containing five or more dwelling units, in order to be eligible for tax exemption the City and the Company must enter into an agreement pursuant to Ohio Revised Code Section 3735.671 prior to commencement of construction or remodeling.
- H. The City, having appropriate authority under the Statute for this type of project, agrees (as provided herein and subject to all conditions herein) to provide the Company with the tax exemption incentives stated herein, available under the Statute, for development of the Project.
- I. The Company has submitted to the City an application for this tax exemption agreement (the "Application"), a copy of which is attached hereto as Exhibit B, has remitted with the Application the City application fee of One Thousand Two Hundred Fifty Dollars (\$1,250) made payable to the City.
- J. The Director of the City's Department of Community and Economic Development has recommended approval of the Application on the basis that the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City.
- K. The Board of Education of the Cincinnati City School District (the "Board of Education"), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020, has approved exemptions of up to one hundred percent (100%) of Community Reinvestment Area projects, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.
- L. The Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "Board of Education Agreement").
- M. The Company represents and warrants to the City that the Company and its major tenants, if any, do not intend to relocate part or all of their operations to the City from another county or municipal corporation in the State of Ohio (the "State").
- N. The Company represents that within the past three (3) years neither the Company, any related member of the Company, nor any entity to which the Company is a successor has discontinued operations at a project site in the State during the term of a property tax exemption agreement (under Ohio Revised Code Section 3735.671, 5709.62, 5709.63 or 5709.632) applicable to that site, and the Company acknowledges that misrepresentation hereunder will result in voiding of this Agreement.
- O. The Company represents and warrants to the City that the Company is not subject to an Enterprise Zone Agreement with the City of Cincinnati for the Property or the Project.
- P. The Company acknowledges that the Oakley neighborhood is a rising neighborhood in need of resources for development, neighborhood improvements, amenities, and organizations oriented towards neighborhood services. The Company anticipates that future development, improvements, amenities and organizations will contribute to the quality and vitality of the neighborhood, therefore increasing the value of the Property and directly and indirectly contributing to the Project's success. The Project's success, in turn, will benefit the neighborhood. Although this feedback effect will promote the revitalization and redevelopment of the City, it could also impact the affordability of property in the area. Therefore, in support of the Oakley neighborhood and with the intention of preserving and improving the availability of quality, reliable affordable housing on a City-wide basis, as a material inducement to the City to enter into this Agreement, the Company hereby represents to the City that it will enter into a voluntary tax incentive contribution agreement ("VTICA") with a City-designated third-party non-profit

administrative organization (the “Third-Party Administrator”) to contribute to the Third-Party Administrator an amount equal to fifteen percent (15%) of the real property taxes that would have been payable on the abated property but for the City-authorized tax abatement (the “VTICA Contribution”). Half of such VTICA Contribution is to be committed by the Third-Party Administrator to facilitate permanent improvements and neighborhood services furthering urban redevelopment in the Oakley neighborhood and the other half of such VTICA Contribution is to be committed by the Third-Party Administrator in supporting quality affordable housing on a City-wide basis. The Company hereby represents and warrants that it will pay the VTICA Contribution for the full term of the abatement.

- Q. This Agreement has been authorized by Ordinance No. _____-2023, passed by Cincinnati City Council on _____, 2023.
- R. In determining to recommend and authorize this Agreement, the Department of Community and Economic Development and City Council, respectively, have acted in material reliance on the Company’s representations in the Application and herein regarding the Project including, but not limited to, representations relating to the number of jobs to be created and/or retained by the Company, the Board of Education Agreement, the VTICA Contribution, and the Project’s effect in promoting the general welfare of the people of Cincinnati by, for example, encouraging the development of real property located in the Community Reinvestment Area and thereby promoting economic growth and vitality in Cincinnati.

NOW, THEREFORE, pursuant to Ohio Revised Code Section 3735.67(A) and in conformity with the format required under Ohio Revised Code Section 3735.671, in consideration of the mutual covenants contained herein and the benefit to be derived by the parties from the execution hereof, the parties agree as follows:

Section 1. Project. Upon issuance of the necessary zoning and building approvals, the Company agrees to construct a new hotel on the Property, consisting of approximately 116 rooms, containing approximately 73,621 square feet of commercial space in aggregate (the “Improvements”) at an estimated aggregate cost of \$11,400,000 to commence after the execution of this Agreement and to be completed no later than June 30, 2025; *provided*, however, that the Director of the Department of Community and Economic Development (the “Housing Officer”) may, in his or her discretion, extend such deadline for a period of up to 12 months by written notice if, in the Director’s judgment, the Company is proceeding in good faith towards completion. The construction shall be in compliance with applicable building code requirements and zoning regulations, as well as complying with LEED Silver standards. The Company hereby represents that it has registered with the U.S. Green Building Council with intent to certify compliance with LEED Silver. In addition to the foregoing, (A) the Project shall comply with the Americans with Disabilities Act, together with any and all regulations or other binding directives promulgated pursuant thereto (collectively, the “**ADA**”), and (B) if (i) any building(s) within the Project is subject to the accessibility requirements of the ADA (e.g., by constituting a “place of public accommodation” or another category of structure to which the ADA is applicable) and (ii) such building(s) is not already required to meet the Contractual Minimum Accessibility Requirements (as defined below) pursuant to the ADA, applicable building code requirements, or by any other legal requirement, then the Company shall cause such building(s) to comply with the Contractual Minimum Accessibility Requirements in addition to any requirements pursuant to the ADA and the applicable building code or legal requirement. As used herein, “**Contractual Minimum Accessibility Requirements**” means that a building shall, at a minimum, include (1) at least one point of entry (as used in the ADA), accessible from a public right of way, with respect to which all architectural barriers (as used in the ADA) to entry have been eliminated, and (2) if such accessible point of entry is not a building’s primary point of entry, conspicuous signage directing persons to such accessible point of entry.

Section 2. Real Property Tax Exemption. Subject to the satisfaction of the conditions set forth in this Agreement, the City approves exemption from real property taxation, pursuant to and to the fullest extent authorized by the Statute, of 100% of the amount by which the Improvements increase the assessed value of the Property as determined by the Hamilton County Auditor, for a period of 11 years,

provided that the Company shall have entered into the Board of Education Agreement. Within 120 days after completion of the Project (unless otherwise extended in writing by the City's Housing Officer), the Company must file the appropriate application for tax exemption with the City's Housing Officer. The Company is solely responsible to take this action. Upon receipt of the application for tax exemption, the City will proceed with the exemption authorized by this Agreement. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of construction, (B) the cost of construction, (C) the facts asserted in the application for exemption, (D) compliance with LBC and/or LEED standards identified in Section 1, and (E) if a remodeled structure is a structure of historical or architectural significance as designated by the City, state or federal government, that the appropriateness of the construction has been certified in writing by the appropriate agency. If the required verification is made, the Housing Officer will forward the exemption application to the Hamilton County Auditor with the necessary certification by the Housing Officer. Subject to the conditions set forth in this Agreement, the exemption commences the first tax year for which the Improvements would first be taxable were the Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2026 nor extend beyond the earlier of (i) tax year 2036 or (ii) the end of the eleventh (11th) year of exemption.

Section 3. Use; Maintenance; Inspections. The Company shall use the Property solely for the purposes described in Section 1 hereof and shall properly maintain and repair the Property throughout the period of tax exemption authorized herein. The Company authorizes the Housing Officer, or the Housing Officer's designees, to enter upon the Property as reasonably required to perform property inspections in accordance with Ohio Revised Code Section 3735.68.

Section 4. Compliance with Board of Education Agreement. As a condition of the tax exemption authorized under this Agreement, the Company agrees to enter into and comply with its obligation under the Board of Education Agreement.

Section 5. Duty of Company to Pay Taxes. As required by Ohio Revised Code Section 3735.671(B)(3), the Company shall pay such real property taxes as are not exempted under this Agreement and are charged against the Property and shall file all tax reports and returns as required by law. If the Company fails to pay such taxes or file such returns and reports, exemptions from taxation granted or authorized under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and continuing thereafter.

Section 6. Company Certifications Regarding Non-Delinquency of Tax Obligations. As required by Ohio Revised Code Section 3735.671(B)(4), the Company certifies that at the time this Agreement is executed, the Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State, and does not owe delinquent taxes for which the Company is liable under Ohio Revised Code Chapters 5735, 5739, 5741, 5743, 5747 or 5753, or if such delinquent taxes are owed, the Company currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, has filed a petition in bankruptcy under 101, et seq., or such a petition has been filed against the Company. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

Section 7. Covenant of Satisfaction of Tax and Other Obligations. In accordance with Ohio Revised Code Section 9.66, (A) the Company affirmatively covenants that it does not owe: (i) any delinquent taxes to the State or to a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; or (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, regardless of whether the amounts owed are being contested in a court of law or not; (B) the Company authorizes the City and/or the State to inspect the personal financial statements of the Company, including tax records and other similar information not ordinarily open to public inspection; and (C) the Company authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and or other State departments in connection with the above statements.

As provided by statute, a knowingly false statement under this section may be prosecuted as a first degree misdemeanor under Ohio Revised Code Section 2921.13, may render the Company ineligible for any future economic development assistance from the State or any political subdivision of the State, and will result in the City requiring the Company's repayment of any assistance provided by the City in connection with the Project.

Section 8. City Cooperation. As required by Ohio Revised Code Section 3735.671(B), upon specific request from the Company, the City shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

Section 9. Continuation of Exemptions. As provided in Ohio Revised Code Section 3735.671(B), if for any reason the City revokes the designation of the City of Cincinnati as a Community Reinvestment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation authorized pursuant to this Agreement.

Section 10. City Not Liable. The Company acknowledges that the exemption authorized in this Agreement is subject to approval and implementation by the appropriate state and/or county taxing authorities. The Company acknowledges that the City does not give any guarantee or assurance that the exemption approved in this Agreement will be so approved, and the Company agrees that in no event shall the Company seek to hold the City liable in any way in the event such exemption is not granted or implemented.

Section 11. Business Enterprise Program.

A. Compliance with Business Enterprise Program. The policy of the City is that a fair share of contracts be awarded to Small Business Enterprises (as such term is defined in Cincinnati Municipal Code ("CMC") Section 323-1-S, "SBEs"), which includes SBEs owned by minorities and women ("MBEs" and "WBEs", respectively, as used within CMC Chapter 324, and collectively with SBEs, "Certified Firms"). Pursuant to CMC Section 323-11, the City's annual goal for SBE participation shall be thirty percent (30%) of the City's total dollars spent for construction (as such term is defined in CMC Section 323-1-C4), supplies (as such term is defined in CMC Section 323-1-S5), services (as such term is defined in CMC Section 323-1-S) and professional services (as such term is defined in CMC Section 323-1-P2). Accordingly, the Company shall use its best efforts and take affirmative steps to achieve (i) the City's goal of voluntarily meeting thirty percent (30%) SBE participation, and (ii) a sub-goal, being the Company's Project-specific voluntary commitment, of meeting the City's economic inclusion program goals to achieve a standard of no less than: seventeen percent (17%) MBE participation; and 10% WBE participation. A list of SBEs, MBEs, and WBEs may be obtained from the City's Department of Economic Inclusion. The Company may refer interested firms to the City's Department of Economic Inclusion for review and possible certification as an SBE, MBE, or WBE. The Company shall comply with the provisions of CMC Chapters 323 and 324, including without limitation taking at least the following affirmative steps:

- (i) Including qualified Certified Firms on solicitation lists.
- (ii) Assuring that Certified Firms are solicited whenever they are potential sources. The Company must advertise, on at least two separate occasions, both in local minority publications and in other local newspapers of general circulation, invitations to Certified Firms to provide services, to supply materials, or to bid on construction contracts, as applicable.
- (iii) When economically feasible, dividing total requirements into small tasks or quantities so as to permit maximum Certified Firm participation.
- (iv) If any subcontracts are to be let, the Company shall require the prime contractor (if different from the Company) to take the above affirmative steps.

(v) Prior to the commencement of work under any subcontracts, the Company shall provide to the City a list of such subcontractors, including information as to the dollar amount of the subcontracts and such other information as may be requested by the City. The Company shall update the report monthly.

(vi) The Company shall periodically document its best efforts and affirmative steps to meet the above Certified Firm participation goals by submitting such information as may be requested from time to time by the City.

B. Remedies for Noncompliance with Business Enterprise Program. Failure of the Company or its contractors and subcontractors to take the affirmative steps specified above, to provide fair and equal opportunity to Certified Firms, or to provide technical assistance to Certified Firm as may be necessary to reach Certified Firm participation as set out in CMC Chapters 323 and 324 may be construed by the City as failure of the Company to use its best efforts, and, in addition to other remedies under this Agreement, may be a cause for the City to file suit in Common Pleas Court to enforce specific performance of the terms of this Section. The provisions of CMC Sections 323-99 and 324-99 are hereby incorporated by reference into this Agreement.

Section 12. Jobs. The Company represents that, as of the date of the execution of this Agreement, the Company has no existing employment at the Property or in the State.

Section 13. Job Creation and Retention.

A. Jobs to be Created by Company. The Company agrees to use its best efforts to create (i) 20 full-time permanent jobs, and (ii) 70 full-time temporary construction jobs at the Property in connection with the Project. In the case of the construction jobs, the job creation and retention period shall be concurrent with construction, and in the case of the other jobs described herein, the job creation period shall begin upon completion of construction and shall end three (3) years thereafter.

B. Company's Estimated Payroll Increase. The Company's increase in the number of employees will result in approximately (i) \$600,000 of additional annual payroll with respect to the full-time permanent jobs, and (ii) \$4,800,000 of additional annual payroll prior to the completion of the Project with respect to the full-time temporary construction jobs. Notwithstanding the foregoing, all jobs created by the Project (during construction and after) will comply with the City's living wage policy as reflected in CMC Chapter 317, which rates shall be adjusted annually in accordance with such chapter.

C. Community Reinvestment Area Employment. The Company shall (i) adopt hiring practices to ensure that at least twenty-five percent (25%) of the new employees shall be residents of the City of Cincinnati and (ii) give preference to residents of the City relative to residents of the State who do not reside in the City when hiring new employees under this Agreement.

D. Posting Available Employment Opportunities. To the extent allowable by law, the Company shall use its best efforts to post available employment opportunities within the Company's organization or the organization of any subcontractor working with the Company with the Ohio Means Jobs Center, 1916 Central Parkway, Cincinnati, Ohio 45214-2305, through its Employer Services Unit Manager at 513-746-7200.

Section 14. Equal Employment Opportunity. This Agreement is subject to the City's Equal Employment Opportunity Program contained in CMC Chapter 325. The Equal Employment Opportunity Clause in CMC Section 325-9 is incorporated by reference in this Agreement. The term "Company" is substituted for "Contractor" throughout CMC Section 325-9 in the context of this Agreement.

Section 15. Compliance with Immigration and Nationality Act. In the performance of its obligations under this Agreement, the Company agrees to comply with the provisions of the Immigration and Nationality Act codified at 8 U.S.C. §§ 1324a(a)(1)(A) and (a)(2). Any noncompliance with such provisions shall be solely determined by either the federal agencies authorized to enforce the Immigration and Nationality Act or the U.S. Attorney General, in accordance with Executive Order 12989 of the U.S. President dated February 13, 1996, and as amended by Executive Order 13465 of the U.S. President dated June 6, 2008.

Section 16. Default. As provided in Ohio Revised Code Section 3735.671(B), if the Company materially fails to fulfill its obligations under this Agreement, or if the City determines that the certification as to delinquent taxes required by this Agreement (Section 6 hereof) or the covenant of satisfaction of tax and other obligations (Section 7 hereof) is fraudulent, the City may terminate or modify the exemptions from taxation granted or authorized under this Agreement and may require the repayment by the Company of the amount of taxes that would have been payable had the Improvements not been exempted from taxation pursuant to this Agreement. A modification of exemption may be in the form of reduction in the number of years that eligible property is exempt and/or a reduction in the exemption percentage. The City shall provide written notice to the Company prior to finding the Company in default under this section. The notice shall provide the Company with not less than thirty (30) days to cure the default prior to City termination or modification of the exemptions under this Agreement. The City may extend the cure period as reasonably necessary under the circumstances. In the event of such termination or modification, the City is authorized to so notify the appropriate taxing authorities in order to effect the termination or modification. If repayment of previously exempt taxes is required by the City under this Section, such amount shall be paid as directed by the City within thirty (30) days of written demand. The City may secure repayment of such taxes by a lien on the Property in the amount required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property. Amounts due and not paid when due under this Section 16 shall bear interest at the rate specified in Ohio Revised Code Section 1343.03(A) (as in effect on the date of the City's payment demand).

Section 17. Annual Review and Report. As required by Ohio Revised Code Sections 3735.671(B)(5) and 5709.85, the Company shall provide to the City's Tax Incentive Review Council (or to the City Manager if so requested by the City) any information reasonably required by the Council or the City Manager to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02 if requested by the Council or City Manager. The performance of the Company's obligations stated in this Agreement shall be subject to annual review by the City's Tax Incentive Review Council (the "Annual Review and Report"). The Company shall submit information for the Annual Review and Report to the City no later than March 1 of each year.

Section 18. Revocation.

A. Generally. Pursuant to Ohio Revised Code Section 3735.68, the housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under Ohio Revised Code Section 3735.67. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the Company, the housing officer may revoke the exemption at any time after the first year of exemption. If the Company has materially failed to fulfill its obligations under this Agreement, or if the owner is determined to have violated division (E) of that section (see Section 18(B) of this Agreement), City Council, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or City Council shall notify the county auditor and the Company that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section 3735.69 or 5709.85 of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written

agreement, or violation of division (C) of Ohio Revised Code Section 3735.671, and the reason for revoking the exemption.

B. Prior Statutory Violations. The Company represents and warrants to the City that it is not prohibited by Ohio Revised Code Section 3735.671(C) from entering into this Agreement. As required by Ohio Revised Code Section 3735.671(B)(7), exemptions from taxation granted or authorized under this Agreement shall be revoked if it is determined that the Company, any successor to the Company or any related member (as those terms are defined in division (C) of Ohio Revised Code Section 3735.671. has violated the prohibition against entering into this Agreement under division (C) of Ohio Revised Code Section 3735.671 or under Ohio Revised Code Sections 5709.62, 5709.63, or 5709.632 prior to the time prescribed by that division or either of those sections.

Section 19. False Statements; Penalties; Material Representations.

A. Generally. As required in connection with Ohio Revised Code Section 9.66(C), the Company affirmatively covenants that it has made no false statements to the State or the City in the process of obtaining approval for this Agreement. If any representative of the Company has knowingly made a false statement to the State or the City to obtain approval for this Agreement, or if the Company fails to provide any information expressly required under the Application, the Company shall be required to immediately return all benefits received under this Agreement (by payment of the amount of taxes exempted hereunder, paid as directed by the City within thirty (30) days of written demand) and the Company shall be ineligible for any future economic development assistance from the State, any State agency or any political subdivision of the State pursuant to Ohio Revised Code Section 9.66(C)(1). Amounts due and not paid under this Section 19 shall bear interest at the rate of twelve percent (12%) per year. Any person who provides a false statement to secure economic development assistance (as defined in Ohio Revised Code Section 9.66) may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1), which is punishable by fine of not more than One Thousand Dollars (\$1,000) and/or a term of imprisonment of not more than six (6) months.

B. Material Representations – Board of Education Agreement and VTICA. The Parties acknowledge and agree that a material failure by the Company to comply with its representations concerning the Board of Education Agreement or VTICA Contribution shall constitute an event of default for purposes of Section 16 (Default) and the basis for revocation under Section 18 (Revocation). Subject to the terms of the VTICA, if the VTICA is unenforceable for reasons of infeasibility or otherwise, the Company shall enter into alternative arrangements providing for the economic equivalent of the VTICA Contribution. Such arrangements may include, but are not limited to, providing for the economic equivalent of the VTICA Contribution through formation of a special improvement district. For purposes of this Section 19.B, alternative arrangements must result in services substantially similar to those that would have been supported through the VTICA and at a value that is the economic equivalent of the VTICA Contribution, which value shall not be required to exceed the VTICA Contribution amount that would have been payable by the Company. Any determination of infeasibility or mechanism for providing alternative arrangements is subject to approval by the City at its sole discretion. Nothing in this Section 19.B shall operate to limit the City's enforcement authority under this Agreement including, without limitation, Section 16, Section 18, and Section 19.A.

Section 20. Conflict of Interest. The Company covenants that, to the Company's knowledge, no employee of the City has any personal interest, direct or indirect, in any matters pertaining to the Project, and the Company agrees to take appropriate steps to prevent any employee of the City from obtaining any such interest throughout the term of this Agreement.

Section 21. Annual Fee. The Company shall pay an annual fee of Five Hundred Dollars (\$500) or one percent (1%) of the annual taxes exempted under this Agreement, whichever is greater, but

not to exceed Two Thousand, Five Hundred Dollars (\$2,500) per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

Section 22. Discontinued Operations. As provided in Ohio Revised Code Section 3735.671(C), if, prior to the expiration of the term of this Agreement, the Company discontinues operations at the Project so that the Property is no longer being used for the purposes described in Section 1 hereof, then the Company, its successors, and any related member shall not enter into an agreement under Ohio Revised Code Sections 3735.671, 5709.62, 5709.63 or 5709.632, and no legislative authority shall enter into such an agreement with the Company, its successors or any related member prior to the expiration of three (3) years after the discontinuation of operations. As used in this Section 22, "successors" and "related member" shall have the meanings set forth in Ohio Revised Code Section 3735.671(C).

Section 23. Notices. Unless otherwise specified herein, each party shall address written notices, demands and communications in connection with this Agreement to the other party as follows (or to such other address as is communicated in accordance with this Section):

To the City:

City of Cincinnati
Attention: Director of the Department of Community and Economic Development
Centennial Plaza Two, Suite 700
805 Central Avenue
Cincinnati, Ohio 45202

To the Company:

Lot 3 Local Oakley, LLC
Attention: Subhas Patel, Director
8825 Chapel Square Lane, Suite A
Cincinnati, Ohio 45249

If the Company sends a notice to the City alleging that the City is in default under this Agreement, the Company shall simultaneously send a copy of such notice to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, Cincinnati, OH 45202.

Section 24. Acknowledgment of City Participation. The Company agrees to acknowledge the support of the City on construction signs, project and exhibition signage, and any publicity such as that appearing on the internet, television, cable television, radio, or in the press or any other printed media. In identifying the City as a Project partner, the Company shall use either the phrase "Project Assistance by the City of Cincinnati" or a City of Cincinnati logotype or other form of acknowledgement that has been approved in advance in writing by the City.

Section 25. Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the City and the Company with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto.

Section 26. Governing Law. This Agreement is entered into and is to be performed in the State. The City and the Company agree that the law of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

Section 27. Waiver. The City's waiver of any breach by the Company of any provision of this Agreement shall not constitute or operate as a waiver by the City of any other breach of such provision or of any other provisions, nor shall any failure or delay by the City to enforce any provision hereof operate as a waiver of such provision or of any other provision.

Section 28. Severability. This Agreement shall be severable; if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

Section 29. Amendment. This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

Section 30. Non-Assignment. As required by Ohio Revised Code Section 3735.671(B)(6), this Agreement is not transferable or assignable by the Company without the express written approval of the City Manager of the City. If the Company has entered into a Board of Education Agreement or VTICA in connection with the Property, the City shall not approve the assignment of this Agreement unless the assignee has assumed the Company's remaining obligations under the Board of Education Agreement and VTICA, as applicable. Failure to assign or otherwise perform the Company's obligations under the Board of Education Agreement or VTICA upon transfer of the Property during the term of the tax abatement authorized by this Agreement shall be basis for revocation of the tax exemption under Section 18.

Section 31. Recording. At its election, the City may record this Agreement at the City's expense in the Hamilton County Recorder's Office.

Section 32. Legislative Action Required. As provided in Ohio Revised Code Section 3735.671, the Company and the City acknowledge that this Agreement must be approved by formal action of the City Council of the City as a condition for this Agreement to take effect. Notwithstanding anything to the contrary herein, this Agreement shall take effect after the later of the date of such approval or the final date of execution of this Agreement by all parties.

Section 33. Additional Representations and Warranties of Company. The Company represents and warrants that (a) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder; (b) no notices to, or consents, authorizations or approvals of, any person are required (other than any already given or obtained) for its due execution, delivery and performance of this Agreement; and (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Company.

Section 34. Certification as to Non-Debarment. The Company represents that neither it nor any of its principals is presently debarred by any federal, state, or local government agency. In completing the Project, the Company shall not solicit bids from any contractors or subcontractors who are identified as being debarred by any federal, state, or local government agency. If the Company or any of its principals becomes debarred by any federal, state, or local government agency during the term of this Agreement, the company shall be considered in default under this Agreement.

Section 35. Appeals. Pursuant to Ohio Revised Code Section 3735.70, a person aggrieved under the Statute or this Agreement may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Section 36. Wage Enforcement.

(i) Applicability. Council passed Ordinance No. 22-2016 on February 3, 2016, which ordained Chapter 326 (Wage Enforcement) of the Cincinnati Municipal Code (the "Wage Enforcement Chapter"). The Wage Enforcement Chapter was then amended by Ordinance No. 96-2017, passed May 17, 2017. As amended, the Wage Enforcement Chapter imposes certain requirements upon persons entering into agreements with the City whereby the City provides an incentive or benefit that is projected to exceed \$25,000, as described more particularly in the Wage Enforcement Chapter. Cincinnati

Municipal Code Section 326-5 requires that the language below be included in contracts subject to the Wage Enforcement Chapter.

(ii) Required Contractual Language. Capitalized terms used, but not defined, in this clause (ii) have the meanings ascribed thereto in the Wage Enforcement Chapter.

(a) This contract is or may be subject to the Wage Enforcement provisions of the Cincinnati Municipal Code. These provisions require that any Person who has an Agreement with the city or with a Contractor or Subcontractor of that Person shall report all Complaints or Adverse Determinations of Wage Theft and Payroll Fraud (as each of those terms is defined in Chapter 326 of the Cincinnati Municipal Code) against the Contractor or Subcontractors to the Department of Economic Inclusion within 30 days of notification of the Complaint or Adverse Determination.

(b) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to include provisions in solicitations and contracts regarding a Development Site that all employers, Contractors or Subcontractors performing or proposing to perform work on a Development Site provide an initial sworn and notarized "Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee and, within 30 days of an Adverse Determination or Complaint of Wage Theft or Payroll Fraud, shall provide an "Amended Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee.

(c) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to authorize, and does hereby specifically authorize, any local, state or federal agency, court, administrative body or other entity investigating a complaint of Wage Theft or Payroll Fraud against the Person (collectively "investigative bodies") to release to the City's Department of Economic Inclusion any and all evidence, findings, complaints and determinations associated with the allegations of Wage Theft or Payroll Fraud upon the City's request and further authorizes such investigative bodies to keep the City advised regarding the status of the investigation and ultimate determination. If the investigative bodies require the Person to provide additional authorization on a prescribed form or in another manner, the Person shall be required to provide such additional authorization within 14 days of a request by the City.

(d) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall include in its contracts with all Contractors language that requires the Contractors to provide the authorizations set forth in subsection (c) above and that further requires each Contractor to include in its contracts with Subcontractors those same obligations for each Subcontractor and each lower tier subcontractor.

(e) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall post a conspicuous notice on the Development Site throughout the entire period work is being performed pursuant to the Agreement indicating that the work being performed is subject to Cincinnati Municipal Code Chapter 326, Wage Enforcement, as administered by the City of Cincinnati Department of Economic Inclusion. Such notice shall include contact information for the Department of Economic Inclusion as provided by the department.

(f) Under the Wage Enforcement provisions, the City shall have the authority, under appropriate circumstances, to terminate this contract or to reduce the incentives or subsidies to be provided under this contract and to seek other remedies, including debarment.

Section 37. Legal Requirements. In completing and operating the Project, the Company shall comply with all applicable statutes, ordinances, regulations, and rules of the government of the United States, State of Ohio, County of Hamilton, and City of Cincinnati.

Section 38. Counterparts and Electronic Signatures. This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by electronic signature; any original signatures that are initially delivered electronically shall be physically delivered as soon as reasonably possible.

Remainder of this page intentionally left blank. Signature page follows.

Executed by the parties on the dates indicated below, effective as of the later of such dates (the "Effective Date").

CITY OF CINCINNATI,
an Ohio municipal corporation

LOT 3 LOCAL OAKLEY, LLC,
an Ohio limited liability corporation

By: _____
Sheryl M. M. Long, City Manager

By: _____

Date: _____, 2023

Printed Name: _____

Title: _____

Date: _____, 2023

Authorized by resolution dated _____

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

Exhibit A to CRA Agreement

LEGAL DESCRIPTION OF PROPERTY

Property Address: 2910 Disney Street, Cincinnati, Ohio 45209

Auditor's Parcel No.: 052-0001-0024-00

Situated in Section 28, Town 4, Fractional Range 2, Columbia Township, Miami Purchase, City of Cincinnati, Hamilton County, Ohio and being all of Lot 3 of Cast Fab Subdivision, as recorded in Plat Book 473, Pages 49 and 50, of the Recorder's Office, Hamilton County, Ohio.

Exhibit B to CRA Agreement
APPLICATION FOR TAX EXEMPTION

TO BE ATTACHED

May 10, 2023

To: Mayor and Members of City Council

202301360

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing a Community Reinvestment Area Tax Exemption Agreement with Pleasant CAKE LLC

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Pleasant Cake LLC, thereby authorizing a fifteen-year tax exemption for one hundred percent of the value of improvements made to real property located at 1527-1531 Pleasant Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the construction of a mixed-use building consisting of approximately 959 square feet of commercial office space and approximately 7,208 square feet of residential space, comprised of approximately five residential rental units, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$3,158,393.

BACKGROUND/CURRENT CONDITIONS

In January 2023, Pleasant CAKE LLC submitted a Commercial CRA Application for a new construction of a 4-story, five-unit LEED Gold building at the property located at 1527-1531 Pleasant Street in the Over-the-Rhine neighborhood. Pleasant CAKE LLC purchased the 1531 Pleasant Street property in May 2022 for \$223,665. 1527 Pleasant Street was subdivided from the parcel at 1526 Elm Street and consolidated with 1531 Pleasant Street in February 2023. The project will have an owner-occupied rental unit with two of the owners occupying that unit, also considered to be the penthouse. The other four units will be traditional rental units. There will also be a small leasing office on the first floor as well as seven dedicated parking spots on site for the owners and tenants.

DEVELOPER INFORMATION

Pleasant CAKE LLC is owned by Eileen Zell, Alexandre Regina, Kristen Myers, and Christopher Heckman. The members have backgrounds in law, industrial design, and accounting and finance. This project is Pleasant CAKE LLC's first, though Kristen Myers and Christopher Heckman have completed multiple rehabilitation projects in Over-the-Rhine, Mt. Auburn, the West End, and Covington over the past 15 years.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

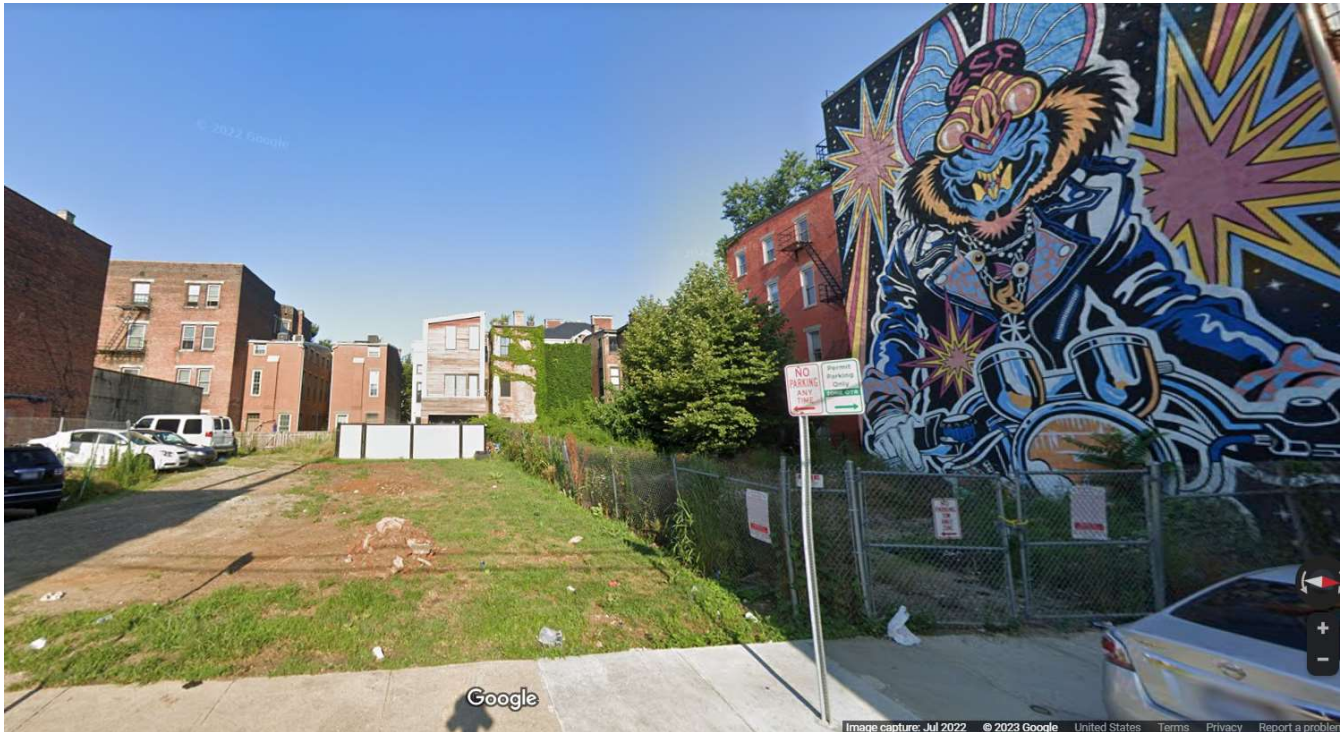
Attachment: Project Outline

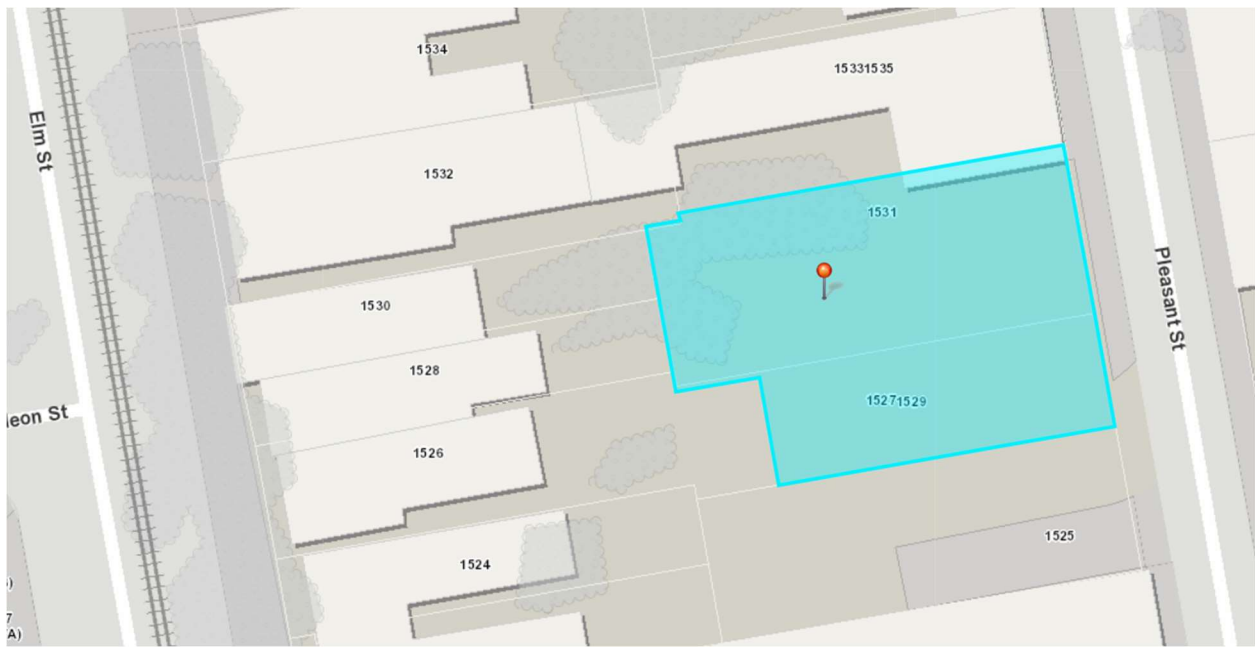
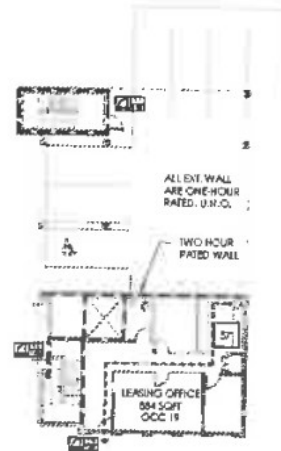
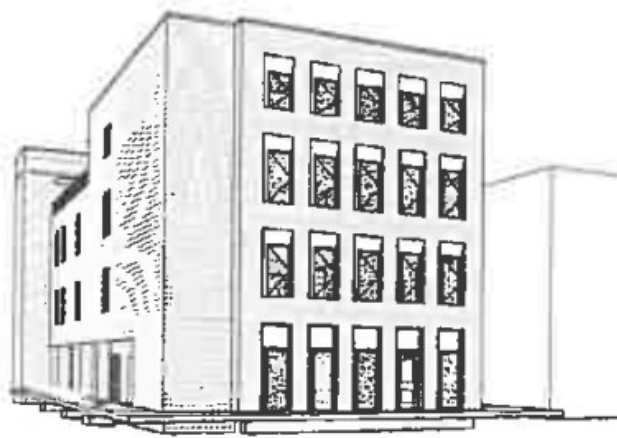
Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Project Outline

<u>Project Description Details</u>	<u>Explanation</u>
Project Name	1527-1531 Pleasant
Street Address	1527-1531 Pleasant Street
Property Condition	The property is currently vacant land
Neighborhood	Over-the-Rhine
Incentive Application Process	Commercial CRA – Downtown Streetcar Area (LEED)
Recent or other projects by Developer	None
Approval at planning commission/Neighborhood support	Planning Commission N/A; Developer received a letter of support from the Over-the-Rhine Community Council
Plan Cincinnati Goals	Achieves the Compete Initiative Area Goal 2 (pages 114-120) and Live Initiative Area Goal 3 (pages 164-177) of <i>Plan Cincinnati</i> (2012)

Project Images and Site Map





<u>Incentive Summary Category</u>	<u>Explanation</u>
Abatement Term and amount	15-year, net 52%
Construction Cost & Private investment committed	Approximately \$3,158,393 in hard construction costs, \$224,000 in acquisition costs, and \$260,584 in soft costs The construction costs at nearly \$400 per sq ft can be attributed to the inclusion of parking structure and other finishes the owner-occupants wanted. Developer will utilize a combination of private financing in the amount of \$2,163,665 and \$1,479,312 in developer equity.

	The developer equity is high, just over 40% of the total project cost.
Sq. Footage by Use	959 sf – office, 7,208 sf – residential
Number of units and rental ranges	5 (4 2-BR, 1 Penthouse), \$2,100-\$5,000, one small leasing office (rent to be determined)
Jobs created/retained and payroll (living wage)	Projected to create 2 FTE positions at \$130,000 in annual payroll (avg. of \$65,000 annually per job)
“But For”	There is no return for the developer based underwriting and developer is investing 41% of its own cash in the project. The CRA would help minimize an already less than healthy return for the developer while helping to reactivate a blighted, vacant space that ½ of the ownership group will call home.
Cash on Cash Return for developer (Market return between 8-12%, depends on investment risk)	The owners do not consider this an investment property as much as they do their own personal residence since 50% of the ownership group will be living there. The traditional cash on cash rate of return calculation is not the driving factor for the investment.
LEED or other environmental build	LEED Gold
Neighborhood VTICA	Streetcar VTICA – 15%
Total Public Benefit (Benefits Realized vs Taxes Forgone)	\$1.11 of new CPS/VTICA/Income taxes for each \$1 forgone
Projected Income Tax Revenue	\$77,760
MBE/WBE Goals	SBE Goal of 30%
Transit Access/Walkability	Sits within walking distance of the 6, 16, 17, 19, 20, 21, 24, 46, 49, 64, 67, 78 and Metro Plus bus routes and Streetcar route; located within walking distance of Findlay Market, Washington Park, the OTR Vine Street Business District, and the OTR Main Street Business District; 96 Walk Score
Geography	Located in an Opportunity Zone
Historic Preservation/Existing Building Renovation	N/A
Public Infrastructure Improvements	N/A

Rent	Affordable to Salary	City Jobs (Min Salary exceeds affordable salary)
\$2,100.00	\$84,000.00	Asst Neighborhood Services Director, Asst Buildings & Inspections Director, Director of Public Services, Director of Recreation, Director of Transportation & Engineering
\$5,500.00	\$220,000.00	City Manager

AMI	1	2	3	4	5	6	7	8
30%	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$49,910	\$46,360
50%	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$49,250	\$63,050
60%	\$40,140	\$45,840	\$51,600	\$57,300	\$61,920	\$66,480	\$59,100	\$75,660
80%	\$53,520	\$61,120	\$68,800	\$76,400	\$82,560	\$88,640	\$78,800	\$100,880

EMERGENCY

SSB

- 2023

APPROVING AND AUTHORIZING the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Pleasant Cake LLC, thereby authorizing a fifteen-year tax exemption for one hundred percent of the value of improvements made to real property located at 1527-1531 Pleasant Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the construction of a mixed-use building consisting of approximately 959 square feet of commercial office space and approximately 7,208 square feet of residential space, comprised of approximately five residential rental units, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$3,158,393.

WHEREAS, to encourage the development of real property and the acquisition of personal property, Council by Ordinance No. 274-2017 passed on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, Ordinance No. 275-2017 passed by Council on September 27, 2017, as amended by Ordinance No. 339-2018, passed by Council on October 31, 2018 (as amended, the “Commercial Policy Ordinance”), sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area; and

WHEREAS, to encourage the development of real property in a more environmentally-friendly manner, the Commercial Policy Ordinance incentivizes: (i) construction and remodeling to Leadership in Energy and Environmental Design (“LEED”) standards (as defined by the U.S. Green Building Council); and (ii) construction and remodeling that obtains (a) Living Building Challenge Net Zero certification, (b) Living Building Challenge Full certification, or (c) solely in circumstances where the construction or remodeling complies with the requirements of the “Energy Petal” of the Living Building Challenge, Living Building Challenge Petal certification, in each case as defined by the International Living Future Institute and the Cascadia Green Building Council (collectively, “LBC” standards), all pursuant to the Statute; and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, Pleasant Cake LLC (the “Company”) desires to construct a mixed-use building consisting of approximately 959 square feet of commercial office space and approximately 7,208 square feet of residential space, comprised of approximately five residential rental units on real property at 1527-1531 Pleasant Street located within the corporate boundaries of the City of Cincinnati, to LEED or LBC standards (the “Improvements”), provided that the

appropriate development incentives are available to support the economic viability of the Improvements; and

WHEREAS, to provide an appropriate development incentive for the Improvements, the City Manager has recommended a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)*, in substantially the form of Attachment A to this ordinance, to authorize a real property tax exemption for the Improvements in accordance with the Statute; and

WHEREAS, the property is located within the Cincinnati City School District; and

WHEREAS, the Board of Education of the Cincinnati City School District (the “Board of Education”), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020 (as may be amended, the “Board of Education Agreement”), has approved exemptions of up to one hundred percent of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent of the exempt real property taxes; and

WHEREAS, the City’s Department of Community and Economic Development estimates that the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately \$28,166; and

WHEREAS, the Company has represented that it has entered into (or will enter into) a voluntary tax incentive contribution agreement with a third-party organization for amounts equal to fifteen percent of the exempt real property taxes, which funds shall be committed by the third-party organization to support the streetcar that specially benefits the property; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company’s operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per R.C. Section 3735.673; now, therefore,

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

Section 1. That Council approves a *Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge)* with Pleasant Cake LLC (the “Agreement”), thereby authorizing a fifteen-year tax exemption for one hundred percent of the assessed value of improvements to be made to real property located at 1527-1531 Pleasant Street in Cincinnati, as calculated by the Hamilton County Auditor, in connection with the construction of a mixed-use

building consisting of approximately 959 square feet of commercial office space and approximately 7,208 square feet of residential space, comprised of approximately five residential rental units, to be constructed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards (as defined by the U.S. Green Building Council) or Living Building Challenge standards (as described in the Agreement and as determined by the International Living Future Institute and the Cascadia Green Building Council, as applicable) at a total construction cost of approximately \$3,158,393.

Section 2. That Council authorizes the City Manager:

- (i) to execute the Agreement on behalf of the City of Cincinnati (the “City”) in substantially the form of Attachment A to this ordinance; and
- (ii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Department of Development, in accordance with Ohio Revised Code Section 3735.672, and to the Board of Education of the Cincinnati City School District, as necessary; and
- (iii) to take all necessary and proper actions to fulfill the City’s obligations under the Agreement.

Section 3. 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 the immediate need to allow the construction described in this ordinance and the corresponding revitalization of the City of Cincinnati and the benefits to the City’s economic welfare to begin at the earliest possible time.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

Community Reinvestment Area Tax Exemption Agreement
(LEED or Living Building Challenge)

This Community Reinvestment Area Tax Exemption Agreement (this "Agreement") is made and entered into as of the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation (the "City"), and PLEASANT CAKE LLC, an Ohio limited liability company (the "Company").

Recitals:

- A. The City, through the adoption of Ordinance No. 274-2017 on September 27, 2017, designated the entire City of Cincinnati as a Community Reinvestment Area to encourage the development of real property and the acquisition of personal property in that area, pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the "Statute").
- B. In accordance with the Statute, the Ohio Director of Development has forwarded to the City the Director's determination dated October 23, 2017, stating that the findings contained in Ordinance No. 274-2017 are valid and that the entire City is a Community Reinvestment Area under the Statute. By such determination, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute.
- C. The Council of the City of Cincinnati has also passed Ordinance No. 275-2017 as of September 27, 2017, as amended by Ordinance No. 339-2018, passed on October 31, 2018, Ordinance No. 370-2020, passed on November 12, 2020, and Ordinance No. 24-2022, passed on February 2, 2022 (as amended, the "Commercial Policy Ordinance"), which sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area.
- D. Pursuant to the Commercial Policy Ordinance, a project that is constructed or remodeled to (1) Leadership in Energy and Environmental Design ("LEED") Silver, Gold or Platinum standards (as defined by the U.S. Green Building Council), or (2) receives a (a) Living Building Challenge Net Zero certification, (b) Living Building Challenge Full certification, or (c) solely in circumstances where the construction or remodeling complies with the requirements of the "Energy Petal" of the Living Building Challenge, Living Building Challenge Petal certification, in each case as defined by the International Living Future Institute and the Cascadia Green Building Council (such qualifying remodeling or construction is referred to, collectively, as "LBC" remodeling or construction), may qualify for a longer term and/or greater abatement.
- E. The Company is the sole owner of certain real property within the City, located at 1527-1531 Pleasant Street, Cincinnati, Ohio 45202 (the "Property"), as further described in Exhibit A (Legal Description of Property) hereto. Notwithstanding the foregoing, the Property shall not include any residential condominiums being developed in connection with the Project (as defined below) (the "Excluded Property"), and the Company acknowledges and agrees that the City's Community Reinvestment Area program entails separate applications by the owner of any residential condominium units included within the Project. For the avoidance of doubt, the Excluded Property shall not be exempt under this Agreement; however, this provision shall not be deemed to prohibit any owners from time to time of any Excluded Property from separately applying for a tax abatement in accordance with applicable law.
- F. The Company has proposed the construction of one new building located on the Property to LEED Gold standards, as defined by the U.S. Green Building Council, within the boundaries of the City of Cincinnati, as more fully described in Section 1 herein (the "Project"); provided that the appropriate development incentives are available to support the economic viability of the Project.

- G. The Statute provides that if any part of a project is to be used for commercial or industrial purposes, including projects containing five or more dwelling units, in order to be eligible for tax exemption the City and the Company must enter into an agreement pursuant to Ohio Revised Code Section 3735.671 prior to commencement of construction or remodeling.
- H. The City, having appropriate authority under the Statute for this type of project, agrees (as provided herein and subject to all conditions herein) to provide the Company with the tax exemption incentives stated herein, available under the Statute, for development of the Project.
- I. The Company has submitted to the City an application for this tax exemption agreement (the "Application"), a copy of which is attached hereto as Exhibit B, and has remitted with the Application the City application fee of One Thousand Two Hundred Fifty Dollars (\$1,250) made payable to the City.
- J. The Director of the City's Department of Community and Economic Development has recommended approval of the Application on the basis that the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City.
- K. The Board of Education of the Cincinnati City School District (the "Board of Education"), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020, has approved exemptions of up to one hundred percent (100%) of Community Reinvestment Area projects, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.
- L. The Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "Board of Education Agreement").
- M. The Company represents and warrants to the City that the Company and its major tenants, if any, do not intend to relocate part or all of their operations to the City from another county or municipal corporation in the State of Ohio (the "State").
- N. The Company represents that within the past three (3) years neither the Company, any related member of the Company, nor any entity to which the Company is a successor has discontinued operations at a project site in the State during the term of a property tax exemption agreement (under Ohio Revised Code Section 3735.671, 5709.62, 5709.63 or 5709.632) applicable to that site, and the Company acknowledges that misrepresentation hereunder will result in voiding of this Agreement.
- O. The Company represents and warrants to the City that the Company is not subject to an Enterprise Zone Agreement with the City of Cincinnati for the Property or the Project.
- P. City Council passed (i) Motion No. 201401368 on November 19, 2014, establishing a tax incentive policy that incentivizes each applicant for a real property tax abatement in the neighborhoods of Downtown and OTR to enter into a voluntary tax incentive contribution agreement with a third-party organization ("VTICA") for an amount equal to a percentage of the real property taxes that would have been payable on the abated property but for the City-authorized tax abatement (the "VTICA Contribution"), which funds shall be committed by a third-party organization to support the streetcar that specially benefits the abated property, and (ii) Motion No. 201501592 on December 16, 2015, which established that the VTICA Contribution to be recognized by the Director of the Department of Community and Economic Development is 15% of the real property taxes that would have been payable on the abated property but for the City-authorized tax abatement. The Commercial Policy Ordinance confirmed that such motions have not been superseded and remain the will of Council.

- Q. The Company acknowledges that the Streetcar will specially benefit the Project due to (a) the Streetcar's enhancement of public transit options in such neighborhoods and (b) the anticipated increase in property values attributable to public investment in Streetcar infrastructure.
- R. The Company represents and warrants to the City that the Company has entered or will enter into a VTICA and shall pay the VTICA Contribution each year for the full term of the abatement.
- S. This Agreement has been authorized by Ordinance No. _____-2023, passed by Cincinnati City Council on _____, 2023.
- T. In determining to recommend and authorize this Agreement, the Department of Community and Economic Development and City Council, respectively, have acted in material reliance on the Company's representations in the Application and herein regarding the Project including, but not limited to, representations relating to the number of jobs to be created and/or retained by the Company, the Board of Education Agreement, the VTICA Contribution, and the Project's effect in promoting the general welfare of the people of Cincinnati by, for example, encouraging the development of real property located in the Community Reinvestment Area and thereby promoting economic growth and vitality in Cincinnati.

NOW, THEREFORE, pursuant to Ohio Revised Code Section 3735.67(A) and in conformity with the format required under Ohio Revised Code Section 3735.671, in consideration of the mutual covenants contained herein and the benefit to be derived by the parties from the execution hereof, the parties agree as follows:

Section 1. Project. Upon issuance of the necessary zoning and building approvals, the Company agrees to construct a new building on the Property to create approximately 959 square feet of office space and approximately 7,208 square feet of residential space consisting of approximately 5 residential rental units (the "Improvements") at an estimated aggregate cost of \$3,158,393 to commence after the execution of this Agreement and to be completed no later than December 31, 2024; *provided*, however, that the Director of the Department of Community and Economic Development (the "Housing Officer") may, in his or her discretion, extend such deadline for a period of up to 12 months by written notice if, in the Director's judgment, the Company is proceeding in good faith towards completion. The construction shall be in compliance with applicable building code and zoning regulations, as well as complying with LEED Gold standards, as defined by the U.S. Green Building Council. The Company hereby represents that it has registered with the U.S. Green Building Council with intent to certify compliance with LEED Gold standards. In addition to the foregoing, (A) the Project shall comply with the Americans with Disabilities Act, together with any and all regulations or other binding directives promulgated pursuant thereto (collectively, the "**ADA**"), and (B) if (i) any building(s) within the Project is subject to the accessibility requirements of the ADA (e.g., by constituting a "place of public accommodation" or another category of structure to which the ADA is applicable) and (ii) such building(s) is not already required to meet the Contractual Minimum Accessibility Requirements (as defined below) pursuant to the ADA, applicable building code requirements, or by any other legal requirement, then the Company shall cause such building(s) to comply with the Contractual Minimum Accessibility Requirements in addition to any requirements pursuant to the ADA and the applicable building code or legal requirement. As used herein, "**Contractual Minimum Accessibility Requirements**" means that a building shall, at a minimum, include (1) at least one point of entry (as used in the ADA), accessible from a public right of way, with respect to which all architectural barriers (as used in the ADA) to entry have been eliminated, and (2) if such accessible point of entry is not a building's primary point of entry, conspicuous signage directing persons to such accessible point of entry.

Section 2. Real Property Tax Exemption. Subject to the satisfaction of the conditions set forth in this Agreement, the City approves exemption from real property taxation, pursuant to and to the fullest extent authorized by the Statute, of 100% of the amount by which the Improvements increase the assessed value of the Property as determined by the Hamilton County Auditor, for a period of 15 years, provided that the Company shall have entered into the Board of Education Agreement. Within 120 days

after completion of the Project (unless otherwise extended in writing by the City's Housing Officer), the Company must file the appropriate application for tax exemption with the City's Housing Officer. The Company is solely responsible to take this action. Upon receipt of the application for tax exemption, the City will proceed with the exemption authorized by this Agreement. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of construction, (B) the cost of construction, (C) the facts asserted in the application for exemption, (D) compliance with LEED Gold standards, as defined by the U.S. Green Building Council, and (E) if a remodeled structure is a structure of historical or architectural significance as designated by the City, state or federal government, that the appropriateness of the remodeling has been certified in writing by the appropriate agency. If the required verification is made, the Housing Officer will forward the exemption application to the Hamilton County Auditor with the necessary certification by the Housing Officer. Subject to the conditions set forth in this Agreement, the exemption commences the first tax year for which the Improvements would first be taxable were the Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2025 nor extend beyond the earlier of (i) tax year 2039 or (ii) the end of the fifteenth (15th) year of exemption.

Section 3. Use; Maintenance; Inspections. The Company shall use the Property solely for the purposes described in Section 1 hereof and shall properly maintain and repair the Property throughout the period of tax exemption authorized herein. The Company authorizes the Housing Officer, or the Housing Officer's designees, to enter upon the Property as reasonably required to perform property inspections in accordance with Ohio Revised Code Section 3735.68.

Section 4. Compliance with Board of Education Agreement. As a condition of the tax exemption authorized under this Agreement, the Company agrees to enter into and comply with its obligation under the Board of Education Agreement.

Section 5. Duty of Company to Pay Taxes. As required by Ohio Revised Code Section 3735.671(B)(3), the Company shall pay such real property taxes as are not exempted under this Agreement and are charged against the Property and shall file all tax reports and returns as required by law. If the Company fails to pay such taxes or file such returns and reports, exemptions from taxation granted or authorized under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and continuing thereafter.

Section 6. Company Certifications Regarding Non-Delinquency of Tax Obligations. As required by Ohio Revised Code Section 3735.671(B)(4), the Company certifies that at the time this Agreement is executed, the Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State, and does not owe delinquent taxes for which the Company is liable under Ohio Revised Code Chapters 5735, 5739, 5741, 5743, 5747 or 5753, or if such delinquent taxes are owed, the Company currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, has filed a petition in bankruptcy under 101, et seq., or such a petition has been filed against the Company. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

Section 7. Covenant of Satisfaction of Tax and Other Obligations. In accordance with Ohio Revised Code Section 9.66, (A) the Company affirmatively covenants that it does not owe: (i) any delinquent taxes to the State or to a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; or (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, regardless of whether the amounts owed are being contested in a court of law or not; (B) the Company authorizes the City and/or the State to inspect the personal financial statements of the Company, including tax records and other similar information not ordinarily open to public inspection; and (C) the Company authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and or other State departments in connection with the above statements. As provided by statute, a knowingly false statement under this section may be prosecuted as a first

degree misdemeanor under Ohio Revised Code Section 2921.13, may render the Company ineligible for any future economic development assistance from the State or any political subdivision of the State, and will result in the City requiring the Company's repayment of any assistance provided by the City in connection with the Project.

Section 8. City Cooperation. As required by Ohio Revised Code Section 3735.671(B), upon specific request from the Company, the City shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

Section 9. Continuation of Exemptions. As provided in Ohio Revised Code Section 3735.671(B), if for any reason the City revokes the designation of the City of Cincinnati as a Community Reinvestment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation authorized pursuant to this Agreement.

Section 10. City Not Liable. The Company acknowledges that the exemption authorized in this Agreement is subject to approval and implementation by the appropriate state and/or county taxing authorities. The Company acknowledges that the City does not give any guarantee or assurance that the exemption approved in this Agreement will be so approved, and the Company agrees that in no event shall the Company seek to hold the City liable in any way in the event such exemption is not granted or implemented.

Section 11. Small Business Enterprise Program.¹

A. Compliance with Small Business Enterprise Program. The policy of the City is that a fair share of contracts be awarded to Small Business Enterprises (as such term is defined in Cincinnati Municipal Code ("CMC") Section 323-1-S, "SBEs"). Pursuant to CMC Section 323-11, the City's annual goal for SBE participation shall be thirty percent (30%) of the City's total dollars spent for construction (as such term is defined in CMC Section 323-1-C4), supplies (as such term is defined in CMC Section 323-1-S5), services (as such term is defined in CMC Section 323-1-S) and professional services (as such term is defined in CMC Section 323-1-P2). Accordingly, the Company shall use its best efforts and take affirmative steps to achieve the City's goal of voluntarily meeting thirty percent (30%) SBE participation. A list of SBEs may be obtained from the City's Department of Economic Inclusion. The Company may refer interested firms to the City's Department of Economic Inclusion for review and possible certification as an SBE. The Company shall comply with the provisions of CMC Chapter 323, including without limitation taking at least the following affirmative steps:

- (i) Including qualified SBEs on solicitation lists.
- (ii) Assuring that SBEs are solicited whenever they are potential sources. The Company must advertise, on at least two separate occasions, both in local minority publications and in other local newspapers of general circulation, invitations to SBEs to provide services, to supply materials, or to bid on construction contracts, as applicable.
- (iii) When economically feasible, dividing total requirements into small tasks or quantities so as to permit maximum SBE participation.
- (iv) If any subcontracts are to be let, the Company shall require the prime contractor (if different from the Company) to take the above affirmative steps.
- (v) Prior to the commencement of work under any subcontracts, the Company shall provide to the City a list of such subcontractors, including information as to the dollar amount of the subcontracts and such other information as may be requested by the City. The Company shall update the report monthly.

¹ Note: this section will be revised prior to execution due to programmatic changes being implemented by the Department of Community and Economic Development as a result of recent legislation passed by City Council.

(vi) The Company shall periodically document its best efforts and affirmative steps to meet the above SBE participation goals by submitting such information as may be requested from time to time by the City.

B. Remedies for Noncompliance with Small Business Enterprise Program. Failure of the Company or its contractors and subcontractors to take the affirmative steps specified above, to provide fair and equal opportunity to SBEs, or to provide technical assistance to SBEs as may be necessary to reach SBE participation as set out in CMC Chapter 323 may be construed by the City as failure of the Company to use its best efforts, and, in addition to other remedies under this Agreement, may be a cause for the City to file suit in Common Pleas Court to enforce specific performance of the terms of this Section. The provisions of CMC Section 323-99 are hereby incorporated by reference into this Agreement.

Section 12. Jobs. The Company represents that, as of the date of the execution of this Agreement, the Company has no existing employment at the Property or in the State.

Section 13. Job Creation and Retention.

A. Jobs to be Created by Company. The Company agrees to use its best efforts to create, or cause to be created, (i) 2 full-time permanent jobs, and (ii) 40 full-time temporary construction jobs at the Property in connection with the Project. In the case of the construction jobs, the job creation and retention period shall be concurrent with construction, and in the case of the other jobs described herein, the job creation period shall begin upon completion of construction and shall end three (3) years thereafter.

B. Company's Estimated Payroll Increase. The Company's increase in the number of employees will result in approximately (i) \$130,000 of additional annual payroll with respect to the full-time permanent jobs, and (ii) \$1,580,000 of additional annual payroll prior to the completion of the Project with respect to the full-time temporary construction jobs.

C. Community Reinvestment Area Employment. The Company shall (i) adopt hiring practices to ensure that at least twenty-five percent (25%) of the new employees shall be residents of the City of Cincinnati and (ii) give preference to residents of the City relative to residents of the State who do not reside in the City when hiring new employees under this Agreement.

D. Posting Available Employment Opportunities. To the extent allowable by law, the Company shall use its best efforts to post available employment opportunities within the Company's organization or the organization of any subcontractor working with the Company with the Ohio Means Jobs Center, 1916 Central Parkway, Cincinnati, Ohio 45214-2305, through its Employer Services Unit Manager at 513-746-7200.

Section 14. Equal Employment Opportunity. This Agreement is subject to the City's Equal Employment Opportunity Program contained in CMC Chapter 325. The Equal Employment Opportunity Clause in CMC Section 325-9 is incorporated by reference in this Agreement. The term "Company" is substituted for "Contractor" throughout CMC Section 325-9 in the context of this Agreement.

Section 15. Compliance with Immigration and Nationality Act. In the performance of its obligations under this Agreement, the Company agrees to comply with the provisions of the Immigration and Nationality Act codified at 8 U.S.C. §§ 1324a(a)(1)(A) and (a)(2). Any noncompliance with such provisions shall be solely determined by either the federal agencies authorized to enforce the Immigration and Nationality Act or the U.S. Attorney General, in accordance with Executive Order 12989 of the U.S. President dated February 13, 1996, and as amended by Executive Order 13465 of the U.S. President dated June 6, 2008.

Section 16. Default. As provided in Ohio Revised Code Section 3735.671(B), if the Company materially fails to fulfill its obligations under this Agreement, or if the City determines that the certification as to delinquent taxes required by this Agreement (Section 6 hereof) or the covenant of satisfaction of tax and other obligations (Section 7 hereof) is fraudulent, the City may terminate or modify the exemptions from taxation granted or authorized under this Agreement and may require the repayment by the Company of the amount of taxes that would have been payable had the Improvements not been exempted from taxation pursuant to this Agreement. A modification of exemption may be in the form of reduction in the number of years that eligible property is exempt and/or a reduction in the exemption percentage. The City shall provide written notice to the Company prior to finding the Company in default under this section. The notice shall provide the Company with not less than thirty (30) days to cure the default prior to City termination or modification of the exemptions under this Agreement. The City may extend the cure period as reasonably necessary under the circumstances. In the event of such termination or modification, the City is authorized to so notify the appropriate taxing authorities in order to effect the termination or modification. If repayment of previously exempt taxes is required by the City under this Section, such amount shall be paid as directed by the City within thirty (30) days of written demand. The City may secure repayment of such taxes by a lien on the Property in the amount required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property. Amounts due and not paid when due under this Section 16 shall bear interest at the rate specified in Ohio Revised Code Section 1343.03(A) (as in effect on the date of the City's payment demand).

Section 17. Annual Review and Report. As required by Ohio Revised Code Sections 3735.671(B)(5) and 5709.85, the Company shall provide to the City's Tax Incentive Review Council (or to the City Manager if so requested by the City) any information reasonably required by the Council or the City Manager to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02 if requested by the Council or City Manager. The performance of the Company's obligations stated in this Agreement shall be subject to annual review by the City's Tax Incentive Review Council (the "Annual Review and Report"). The Company shall submit information for the Annual Review and Report to the City no later than March 1 of each year.

Section 18. Revocation.

A. Generally. Pursuant to Ohio Revised Code Section 3735.68, the housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under Ohio Revised Code Section 3735.67. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the Company, the housing officer may revoke the exemption at any time after the first year of exemption. If the Company has materially failed to fulfill its obligations under this Agreement, or if the owner is determined to have violated division (E) of that section (see Section 18(B) of this Agreement), City Council, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or City Council shall notify the county auditor and the Company that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section 3735.69 or 5709.85 of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written agreement, or violation of division (C) of Ohio Revised Code Section 3735.671, and the reason for revoking the exemption.

B. Prior Statutory Violations. The Company represents and warrants to the City that it is not prohibited by Ohio Revised Code Section 3735.671(C) from entering into this Agreement. As required by Ohio Revised Code Section 3735.671(B)(7), exemptions from taxation granted or authorized under this Agreement shall be revoked if it is determined that the Company, any successor to the Company or any related member (as those terms are defined in division (C) of

Ohio Revised Code Section 3735.671) has violated the prohibition against entering into this Agreement under division (C) of Ohio Revised Code Section 3735.671 or under Ohio Revised Code Sections 5709.62, 5709.63, or 5709.632 prior to the time prescribed by that division or either of those sections.

Section 19. False Statements; Penalties; Material Representations.

A. Generally. As required in connection with Ohio Revised Code Section 9.66(C), the Company affirmatively covenants that it has made no false statements to the State or the City in the process of obtaining approval for this Agreement. If any representative of the Company has knowingly made a false statement to the State or the City to obtain approval for this Agreement, or if the Company fails to provide any information expressly required under the Application, the Company shall be required to immediately return all benefits received under this Agreement (by payment of the amount of taxes exempted hereunder, paid as directed by the City within thirty (30) days of written demand) and the Company shall be ineligible for any future economic development assistance from the State, any State agency or any political subdivision of the State pursuant to Ohio Revised Code Section 9.66(C)(1). Amounts due and not paid under this Section 19 shall bear interest at the rate of twelve percent (12%) per year. Any person who provides a false statement to secure economic development assistance (as defined in Ohio Revised Code Section 9.66) may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1), which is punishable by fine of not more than One Thousand Dollars (\$1,000) and/or a term of imprisonment of not more than six (6) months.

B. Material Representations – Board of Education Agreement and VTICA. The Parties acknowledge and agree that a material failure by the Company to comply with its representations concerning the Board of Education Agreement or VTICA Contribution shall constitute an event of default for purposes of Section 16 (Default) and the basis for revocation under Section 18 (Revocation). Subject to the terms of the VTICA, if the VTICA is unenforceable for reasons of infeasibility or otherwise, the Company shall enter into alternative arrangements providing for the economic equivalent of the VTICA Contribution in order to support the streetcar. Such arrangements may include, but are not limited to, providing for the economic equivalent of the VTICA Contribution through formation of a special improvement district. For purposes of this Section 19.B, alternative arrangements must result in services substantially similar to those that would have been supported through the VTICA and at a value that is the economic equivalent of the VTICA Contribution, which value shall not be required to exceed the VTICA Contribution amount that would have been payable by the Company. Any determination of infeasibility or mechanism for providing alternative arrangements is subject to approval by the City at its sole discretion. Nothing in this Section 19.B shall operate to limit the City's enforcement authority under this Agreement including, without limitation, Section 16, Section 18, and Section 19.A.

Section 20. Conflict of Interest. The Company covenants that, to the Company's knowledge, no employee of the City has any personal interest, direct or indirect, in any matters pertaining to the Project, and the Company agrees to take appropriate steps to prevent any employee of the City from obtaining any such interest throughout the term of this Agreement.

Section 21. Annual Fee. The Company shall pay an annual fee of Five Hundred Dollars (\$500) or one percent (1%) of the annual taxes exempted under this Agreement, whichever is greater, but not to exceed Two Thousand, Five Hundred Dollars (\$2,500) per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

Section 22. Discontinued Operations. As provided in Ohio Revised Code Section 3735.671(C), if, prior to the expiration of the term of this Agreement, the Company discontinues operations at the Project so that the Property is no longer being used for the purposes described in Section 1 hereof, then the Company, its successors, and any related member shall not enter into an agreement under Ohio Revised Code Sections 3735.671, 5709.62, 5709.63, or 5709.632, and no legislative authority shall enter into such an agreement with the Company, its successors or any related

member prior to the expiration of three (3) years after the discontinuation of operations. As used in this Section 22, "successors" and "related member" shall have the meanings set forth in Ohio Revised Code Section 3735.671(C).

Section 23. Notices. Unless otherwise specified herein, each party shall address written notices, demands and communications in connection with this Agreement to the other party as follows (or to such other address as is communicated in accordance with this Section):

To the City:

City of Cincinnati
Attention: Director of the Department of Community and Economic Development
Centennial Plaza Two, Suite 700
805 Central Avenue
Cincinnati, Ohio 45202

To the Company:

Pleasant CAKE LLC
1526 Elm Street
Cincinnati, OH 45202
Attn: Eileen Zell

If the Company sends a notice to the City alleging that the City is in default under this Agreement, the Company shall simultaneously send a copy of such notice to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, Cincinnati, OH 45202.

Section 24. Acknowledgment of City Participation. The Company agrees to acknowledge the support of the City on construction signs, project and exhibition signage, and any publicity such as that appearing on the internet, television, cable television, radio, or in the press or any other printed media. In identifying the City as a Project partner, the Company shall use either the phrase "Project Assistance by the City of Cincinnati" or a City of Cincinnati logotype or other form of acknowledgement that has been approved in advance in writing by the City.

Section 25. Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the City and the Company with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto.

Section 26. Governing Law. This Agreement is entered into and is to be performed in the State. The City and the Company agree that the law of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

Section 27. Waiver. The City's waiver of any breach by the Company of any provision of this Agreement shall not constitute or operate as a waiver by the City of any other breach of such provision or of any other provisions, nor shall any failure or delay by the City to enforce any provision hereof operate as a waiver of such provision or of any other provision.

Section 28. Severability. This Agreement shall be severable; if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

Section 29. Amendment. This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

Section 30. Non-Assignment. As required by Ohio Revised Code Section 3735.671(B)(6), this Agreement is not transferable or assignable by the Company without the express written approval of the City Manager of the City. If the Company has entered into a Board of Education Agreement or VTICA in connection with the Property, the City shall not approve the assignment of this Agreement unless the assignee has assumed the Company's remaining obligations under the Board of Education Agreement and VTICA, as applicable. Failure to assign or otherwise perform the Company's obligations under the Board of Education Agreement or VTICA upon transfer of the Property during the term of the tax abatement authorized by this Agreement shall be basis for revocation of the tax exemption under Section 18.

Section 31. Recording. At its election, the City may record this Agreement at the City's expense in the Hamilton County Recorder's Office.

Section 32. Legislative Action Required. As provided in Ohio Revised Code Section 3735.671, the Company and the City acknowledge that this Agreement must be approved by formal action of the City Council of the City as a condition for this Agreement to take effect. Notwithstanding anything to the contrary herein, this Agreement shall take effect after the later of the date of such approval or the final date of execution of this Agreement by all parties.

Section 33. Additional Representations and Warranties of Company. The Company represents and warrants that (a) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder; (b) no notices to, or consents, authorizations or approvals of, any person are required (other than any already given or obtained) for its due execution, delivery and performance of this Agreement; and (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Company.

Section 34. Certification as to Non-Debarment. The Company represents that neither it nor any of its principals is presently debarred by any federal, state, or local government agency. In completing the Project, the Company shall not solicit bids from any contractors or subcontractors who are identified as being debarred by any federal, state, or local government agency. If the Company or any of its principals becomes debarred by any federal, state, or local government agency during the term of this Agreement, the company shall be considered in default under this Agreement.

Section 35. Appeals. Pursuant to Ohio Revised Code Section 3735.70, a person aggrieved under the Statute or this Agreement may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Section 36. Wage Enforcement.

(i) Applicability. Council passed Ordinance No. 22-2016 on February 3, 2016, which ordained Chapter 326 (Wage Enforcement) of the Cincinnati Municipal Code (the "Wage Enforcement Chapter"). The Wage Enforcement Chapter was then amended by Ordinance No. 96-2017, passed May 17, 2017. As amended, the Wage Enforcement Chapter imposes certain requirements upon persons entering into agreements with the City whereby the City provides an incentive or benefit that is projected to exceed \$25,000, as described more particularly in the Wage Enforcement Chapter. Cincinnati Municipal Code Section 326-5 requires that the language below be included in contracts subject to the Wage Enforcement Chapter.

(ii) Required Contractual Language. Capitalized terms used, but not defined, in this clause (ii) have the meanings ascribed thereto in the Wage Enforcement Chapter.

(a) This contract is or may be subject to the Wage Enforcement provisions of the Cincinnati Municipal Code. These provisions require that any Person who has an Agreement with

the city or with a Contractor or Subcontractor of that Person shall report all Complaints or Adverse Determinations of Wage Theft and Payroll Fraud (as each of those terms is defined in Chapter 326 of the Cincinnati Municipal Code) against the Contractor or Subcontractors to the Department of Economic Inclusion within 30 days of notification of the Complaint or Adverse Determination.

(b) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to include provisions in solicitations and contracts regarding a Development Site that all employers, Contractors or Subcontractors performing or proposing to perform work on a Development Site provide an initial sworn and notarized "Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee and, within 30 days of an Adverse Determination or Complaint of Wage Theft or Payroll Fraud, shall provide an "Amended Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee.

(c) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to authorize, and does hereby specifically authorize, any local, state or federal agency, court, administrative body or other entity investigating a complaint of Wage Theft or Payroll Fraud against the Person (collectively "investigative bodies") to release to the City's Department of Economic Inclusion any and all evidence, findings, complaints and determinations associated with the allegations of Wage Theft or Payroll Fraud upon the City's request and further authorizes such investigative bodies to keep the City advised regarding the status of the investigation and ultimate determination. If the investigative bodies require the Person to provide additional authorization on a prescribed form or in another manner, the Person shall be required to provide such additional authorization within 14 days of a request by the City.

(d) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall include in its contracts with all Contractors language that requires the Contractors to provide the authorizations set forth in subsection (c) above and that further requires each Contractor to include in its contracts with Subcontractors those same obligations for each Subcontractor and each lower tier subcontractor.

(e) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall post a conspicuous notice on the Development Site throughout the entire period work is being performed pursuant to the Agreement indicating that the work being performed is subject to Cincinnati Municipal Code Chapter 326, Wage Enforcement, as administered by the City of Cincinnati Department of Economic Inclusion. Such notice shall include contact information for the Department of Economic Inclusion as provided by the department.

(f) Under the Wage Enforcement provisions, the City shall have the authority, under appropriate circumstances, to terminate this contract or to reduce the incentives or subsidies to be provided under this contract and to seek other remedies, including debarment.

Section 37. Legal Requirements. In completing and operating the Project, the Company shall comply with all applicable statutes, ordinances, regulations, and rules of the government of the United States, State of Ohio, County of Hamilton, and City of Cincinnati.

Section 38. Counterparts and Electronic Signatures. This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by electronic signature; any original signatures that are initially delivered electronically shall be physically delivered as soon as reasonably possible.

Remainder of this page intentionally left blank. Signature page follows.

Executed by the parties on the dates indicated below, effective as of the later of such dates (the "Effective Date").

CITY OF CINCINNATI,
an Ohio municipal corporation

PLEASANT CAKE LLC,
an Ohio limited liability company

By: _____
Sheryl M. M. Long, City Manager

By: _____

Date: _____, 2023

Printed Name: _____

Title: _____

Date: _____, 2023

Authorized by resolution dated _____

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

Exhibit A to CRA Agreement

LEGAL DESCRIPTION OF PROPERTY

Address: 1527-1531 Pleasant Street, Cincinnati, Ohio 45202
Parcel ID No.: 081-0002-0619-00

SITUATE IN SECTION 18, TOWN 4, FRACTIONAL RANGE 1, CITY OF CINCINNATI, HAMILTON COUNTY, OHIO BEING PART OF OUTLOT 49 AS SHOWN ON THE PLAN OF SAID CITY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY OF FIFTEEN STREET WITH THE WESTERLY LINE OF PLEASANT STREET; THENCE ALONG THE WESTERLY RIGHT OF WAY OF PLEASANT STREET, NORTH 16°30'00" WEST, 220.50 FEET TO THE NORTHEAST CORNER OF THE PROPERTY AS CONVEYED TO THE SYCAMORE HAMMOND REALTY CORP IN DEED BOOK 5996, PAGE 1358 OF THE HAMILTON COUNTY, OHIO RECORDS AND THE REAL PLACE OF BEGINNING OF THE HEREIN DESCRIBED TRACT, BEING WITNESSED BY A SET CROSS NOTCH, WHICH BEARS NORTH 73°54'00" EAST, 5.00 FEET; THENCE LEAVING THE WESTERLY RIGHT OF WAY OF PLEASANT STREET, ALONG THE NORTHERLY LINE OF SAID SYCAMORE HAMMOND REALTY CORP TRACT, THE FOLLOWING THREE COURSES AND DISTANCES, SOUTH 73°54'00" WEST, 20.00 FEET TO A POINT; THENCE NORTH 16°30'00" WEST, 0.08 FEET TO A POINT AND THENCE SOUTH 73°54'00" WEST, 54.19 FEET TO A SET 5/8" IRON PIN AND CAP (#7862); THENCE LEAVING THE NORTHERLY LINE OF SAID SYCAMORE HAMMOND REALTY CORP TRACT, NORTH 16°30'00" WEST, 23.84 FEET TO A SET 5/8" IRON PIN AND CAP (#7862); THENCE SOUTH 73°30'00" WEST, 18.31 FEET TO A SET 5/8" IRON PIN AND CAP (#7862); THENCE NORTH 16°30'00" WEST, 36.51 FEET TO A SET 5/8" IRON PIN AND CAP (#7862) IN THE SOUTHERLY LINE OF THE PROPERTY AS CONVEYED TO RACE STREET TENANT ORGANIZATION IN DEED BOOK 4330, PAGE 1737 OF THE HAMILTON COUNTY, OHIO RECORDS; THENCE ALONG THE SOUTHERLY LINE OF RACE STREET TENANT ORGANIZATION TRACT, NORTH 73°42'00" EAST, 7.50 FEET TO THE SOUTHEAST CORNER OF SAID RACE STREET TENANT ORGANIZATION TRACT; THENCE ALONG THE EASTERLY LINE OF SAID RACE STREET TENANT ORGANIZATION TRACT,

NORTH 16°30'00" WEST, 1.75 FEET TO THE SOUTHWEST CORNER OF THE PROPERTY AS CONVEYED TO OTR HOUSING GROUP, LLC IN OFFICIAL RECORD 13489, PAGE 2538 OF THE HAMILTON COUNTY, OHIO RECORDS; THENCE LEAVING THE EASTERLY LINE OF SAID RACE STREET TENANT ORGANIZATION TRACT, ALONG THE SOUTHERLY LINE OF SAID OTR HOUSING GROUP TRACT, NORTH 73°54'00" EAST, 85.00 FEET TO THE SOUTHEAST CORNER OF SAID OTR HOUSING GROUP TRACT, BEING IN THE WESTERLY RIGHT OF WAY OF PLEASANT STREET AND BEING WITNESSED BY A SET CROSS NOTCH WHICH BEARS NORTH 73°54'00" EAST, 5.00 FEET; THENCE LEAVING THE SOUTHERLY LINE OF SAID OTR HOUSING GROUP TRACT, ALONG THE WESTERLY RIGHT OF WAY OF PLEASANT AVENUE, SOUTH 16°30'00" EAST, 62.08 FEET TO THE PLACE OF BEGINNING.

THUS CONTAINING 0.1214 ACRES OF LAND AND BEING SUBJECT TO ALL EASEMENTS AND RESTRICTIONS OF RECORD.

BEARINGS USED IN THIS LEGAL DESCRIPTION ARE RELATIVE TO REGISTERED LAND CERTIFICATE 240007 OF THE HAMILTON COUNTY, OHIO REGISTERED LAND RECORDS.

Exhibit B to CRA Agreement
APPLICATION FOR TAX EXEMPTION

TO BE ATTACHED

May 17, 2023

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager

202301431

Subject: Ordinance – DOTE: MRF and OPWC Round 38 Grant Applications

Attached is an Ordinance captioned:

AUTHORIZING the City Manager to apply for grants, loans, and loan assistance awarded by Hamilton County from the Municipal Road Fund Program and the Ohio Public Works Commission State Capital Improvement Program, the Local Transportation Improvement Program, and the Revolving Loan Program (Funding Round 38) to ensure the timely completion of various road, bridge, and pedestrian construction projects throughout the City.

Approval of this Ordinance authorizes the City Manager to apply for grants, loans, and loan assistance awarded by Hamilton County from the Municipal Road Fund (MRF) Program and the Ohio Public Works Commission (OPWC) State Capital Improvement Program (SCIP), the Local Transportation Improvement Program (LTIP), and the Revolving Loan Program (Funding Round 38) for the purpose of ensuring the timely completion of various road, bridge, and pedestrian construction projects throughout the City.

DOTe identified a list of potential projects for grant funding, which is attached. However, the list is subject to change, and DOTe may apply for resources to support projects not included in the attachment. Anticipated sources of local match funds would come from existing and future capital improvement program project accounts. No new FTEs are required.

DOTe will prepare all applications as requests for grant funding, but there may be opportunities to obtain additional zero percent interest loans for these projects once the District Integrating Committee allocation of grant monies is exhausted. If the City is awarded any grants, loans, or loan assistance under these programs, DOTe will request authorization from the City Council to accept and appropriate such resources.

The implementation of various road, bridge, and pedestrian construction projects is in accordance with the “Connect” goal to “[d]evelop an efficient multi-modal transportation system that supports neighborhood livability,” as described on pages 129-138 of Plan Cincinnati (2012).

The Administration recommends passage of this Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director

Attachment



AUTHORIZING the City Manager to apply for grants, loans, and loan assistance awarded by Hamilton County from the Municipal Road Fund Program and the Ohio Public Works Commission State Capital Improvement Program, the Local Transportation Improvement Program, and the Revolving Loan Program (Funding Round 38) to ensure the timely completion of various road, bridge, and pedestrian construction projects throughout the City.

WHEREAS, the Department of Transportation and Engineering (“DOTE”) has applied for grants, loans, and loan assistance awarded by Hamilton County from the Municipal Road Fund Program and the Ohio Public Works Commission State Capital Improvement Program, the Local Transportation Improvement Program, and the Revolving Loan Program (Funding Round 38) for funding year 2024 and 2025, to ensure the timely completion of projects identified by DOTE as high priorities; and

WHEREAS, DOTE identified the attached list of potential projects as high priorities for which it may apply for assistance, although the list is subject to change and DOTE may apply for resources for projects not included in Attachment A; and

WHEREAS, depending on the terms of the grant award for each project, local match funds may be required for assistance; and

WHEREAS, anticipated sources of local match funds, which would come from existing and future capital improvement program project accounts, are identified for each of the projects in Attachment A; and

WHEREAS, DOTE will prepare all applications as requests for grant funding, but there may be opportunities to obtain additional zero percent interest loans for these projects once the District Integrating Committee allocation of grant monies is exhausted; and

WHEREAS, if the City is awarded any grants, loans, or loan assistance under these programs, no grant funds will be accepted without approval by Council; and

WHEREAS, no additional FTEs/full time equivalents are associated with these applications for grants, loans, and loan assistance; and

WHEREAS, the implementation of various road, bridge, and pedestrian construction projects is in accordance with the “Connect” goal to “[d]evelop an efficient multi-modal transportation system that supports neighborhood livability,” as described on pages 129-138 of Plan Cincinnati (2012); now, therefore,

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

Section 1. That the City Manager is hereby authorized to apply for grants, loans, and loan assistance awarded by Hamilton County from the Municipal Road Fund Program and the Ohio Public Works Commission State Capital Improvement Program, the Local Transportation Improvement Program, and the Revolving Loan Program (Funding Round 38) to ensure the timely completion of various road, bridge, and pedestrian construction projects throughout the City.

Section 2. That the proper City officials are hereby authorized to do all things necessary and proper to carry out the terms of Section 1.

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

Attachment A
Potential Project List for Ohio Public Works Commission and Municipal Road Fund

Projects	Matching Funds
Gilbert Avenue Improvements	Future City Capital and ODOT Urban Paving Funds
Harrison Avenue Safety Improvements	Future City Capital and ODOT Safety Funds
Edwards Road Rehabilitation	Future City Capital and ODOT Urban Paving Funds
Brighton Bridge Replacement	Future City Capital, OPWC Funds, Municipal Bridge Funds
Riverside Drive Landslide at Rookwood	Future City Capital
East 6th Street Rehabilitation	Future City Capital
Evanston Traffic Calming Improvements	Future City Capital
Columbia Parkway Landslide South of Beechmont	Future City Capital
2nd & 3rd Streets Crosswalks	Future City Capital
Warsaw Avenue Improvements	Future City Capital and Transit Infrastructure Fund Grant
Warner Streets Steps	Future City Capital
Riverside Drive Wall at Friendship Park	Future City Capital
Whetsel Avenue Rehabilitation	Future City Capital
Hillside Avenue Improvements	Future City Capital
Lighting Signal Corridor Project	Future City Capital
Reading & Summit Improvements	Future City Capital

May 17, 2023

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager

202301432

Subject: Emergency Ordinance – DOTE: Apply for SORTA Transit Infrastructure Fund (Round 3) Grants

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to apply for grants awarded by the Southwest Ohio Regional Transit Authority Transit Infrastructure Fund to ensure the timely completion of various road, bridge, wall, and pedestrian safety construction projects throughout the City.

Approval of this Emergency Ordinance authorizes the City Manager to apply for grants awarded by the Southwest Ohio Regional Transit Authority (SORTA) Transit Infrastructure Fund for the purpose of ensuring the timely completion of various road, bridge, wall, and pedestrian safety construction projects throughout the City.

The Department of Transportation and Engineering (DOTE) intends to apply for grants awarded by the SORTA Transit Infrastructure Fund for Fiscal Year 2024 and Fiscal Year 2025 capital improvement program projects, to ensure the timely completion of various public infrastructure projects identified as high priorities. DOTE identified a list of potential projects for grant funding, which is attached. However, the list is subject to change, and DOTE may apply for resources to support projects not included in the attachment. Anticipated sources of local match funds would come from existing and future capital improvement program projects. No new FTEs are required.

The implementation of various public infrastructure projects is in accordance with the “Connect” goal to “[d]evelop an efficient multi-modal transportation system that supports neighborhood livability,” as described on pages 129-138 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need for the Department of Transportation and Engineering to receive Council authorization to apply for the SORTA Transit Infrastructure Fund grants by May 31, 2023.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director



Attachment

EMERGENCY

IMD

- 2023

AUTHORIZING the City Manager to apply for grants awarded by the Southwest Ohio Regional Transit Authority Transit Infrastructure Fund to ensure the timely completion of various road, bridge, wall, and pedestrian safety construction projects throughout the City.

WHEREAS, the Department of Transportation and Engineering (“DOTe”) intends to apply for grants awarded by the Southwest Ohio Regional Transit Authority (“SORTA”) Transit Infrastructure Fund by May 31, 2023, for fiscal year 2024 and fiscal year 2025 capital improvement projects, to ensure the timely completion of various public infrastructure projects DOTe identifies as high priorities; and

WHEREAS, DOTe identified the attached list of potential projects as high priorities for which it intends to apply for assistance, although the list is subject to change and DOTe may apply for resources for projects not included in Attachment A; and

WHEREAS, depending on the terms of the grant award for each project, local matching funds may be required for acceptance; and

WHEREAS, anticipated sources of local matching funds, which would come from existing and future capital improvement program project accounts, are identified for each of the projects in Attachment A; and

WHEREAS, if the City is awarded grants from the SORTA Transit Infrastructure Fund, no grant funds will be accepted without approval by Council; and

WHEREAS, no additional FTEs/full time equivalents are associated with these applications for grant funding; and

WHEREAS, the implementation of various public infrastructure projects is in accordance with the “Connect” goal to “[d]evelop an efficient multi-modal transportation system that supports neighborhood livability,” as described on pages 129-138 of Plan Cincinnati (2012); now, therefore,

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

Section 1. That the City Manager is hereby authorized to apply for grants awarded by the Southwest Ohio Regional Transit Authority (“SORTA”) Transit Infrastructure Fund for the

purpose of ensuring the timely completion of various road, bridge, wall, and pedestrian safety construction projects throughout the City.

Section 2. That the proper City officials are hereby authorized to do all things necessary and proper to carry out the terms of Section 1.

Section 3. 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 the immediate need for the Department of Transportation and Engineering to receive Council authorization to apply for the SORTA Transit Infrastructure Fund grants by May 31, 2023.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

Attachment A
Potential Project List for Transit Infrastructure Fund Grant

Projects	Matching Funds
Gilbert Avenue Improvements	Future City Capital and ODOT Urban Paving Funds
Harrison Avenue Safety Improvements	Future City Capital and ODOT Safety Funds
Edwards Road Rehabilitation	Future City Capital and ODOT Urban Paving Funds
Brighton Bridge Replacment	Future City Capital, OPWC Funds, Municipal Bridge Funds
Riverside Drive Landslide at Rookwood	Future City Capital
East 6th Street Rehabilitation	Future City Capital
Evanston Traffic Calming Improvements	Future City Capital
Columbia Parkway Landslide South of Beechmont	Future City Capital
2nd & 3rd Streets Crosswalks	Future City Capital

May 17, 2023

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager

202301433

Subject: Emergency Ordinance – CMO: Community Development Block Grant (CDBG) Program Reconciliation

Attached is an Emergency Ordinance captioned:

AUTHORIZING the transfer and return to source Fund 304, “Community Development Block Grant,” of \$1,598,789 to close out or decrease existing project accounts according to Section A of the attached Schedule of Appropriation; and **AUTHORIZING** the transfer and appropriation of \$1,598,789 from the unappropriated surplus of Fund 304, “Community Development Block Grant,” to various project accounts, as set forth in Section B of the attached Schedule of Appropriation, to provide funding that will be spent in a timely manner to support vital City programs.

Approval of this Emergency Ordinance authorizes the transfer and return to source Fund 304, “Community Development Block Grant,” of \$1,598,789 to close out or decrease existing project accounts according to Section A of the attached Schedule of Appropriation. This Emergency Ordinance also authorizes the transfer and appropriation of \$1,598,789 from the unappropriated surplus of Fund 304, “Community Development Block Grant,” to various project accounts, as set forth in Section B of the attached Schedule of Appropriation, to provide funding that will be spent in a timely manner to support vital City programs.

The transfer and appropriation of these CDBG resources is in accordance with the “Live” strategy to “[s]upport and stabilize our neighborhoods,” as described on pages 160-163, and the “Compete” initiative to “[b]e the pivotal economic force in the region,” as described on pages 101-102 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to provide funding for the continuation of vital City programs.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director

Attachment



EMERGENCY

MSS

- 2023

AUTHORIZING the transfer and return to source Fund 304, “Community Development Block Grant,” of \$1,598,789 to close out or decrease existing project accounts according to Section A of the attached Schedule of Appropriation; and **AUTHORIZING** the transfer and appropriation of \$1,598,789 from the unappropriated surplus of Fund 304, “Community Development Block Grant,” to various project accounts, as set forth in Section B of the attached Schedule of Appropriation, to provide funding that will be spent in a timely manner to support vital City programs.

WHEREAS, the Community Development Block Grant (“CDBG”) Program began in 1974 and is one of the longest continuously run programs at the U.S. Department of Housing and Urban Development (“HUD”), through which HUD provides annual grants to local communities to address a wide range of unique community development needs; and

WHEREAS, CDBG resources in existing project accounts need to be realigned as set forth in the attached Schedule of Appropriation so that they may be deployed in a timely manner to support vital City programs; and

WHEREAS, the transfer and appropriation of these CDBG resources is in accordance with the “Live” strategy to “[s]upport and stabilize our neighborhoods,” as described on pages 160-163, and the “Compete” initiative to “[b]e the pivotal economic force in the region,” as described on pages 101-102 of Plan Cincinnati (2012); now, therefore,

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

Section 1. That the transfer and return to source Fund 304, “Community Development Block Grant,” of \$1,598,789 in accordance with Section A of the Schedule of Appropriation, attached hereto and made a part hereof, is authorized to close out or decrease existing project accounts.

Section 2. That the transfer and appropriation of \$1,598,789 from the unappropriated surplus of Fund 304, “Community Development Block Grant,” to various project accounts in accordance with Section B of the attached Schedule of Appropriation is authorized to provide funding that will be spent in a timely manner to support vital City programs.

Section 3. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Sections 1 and 2.

Section 4. 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 the immediate need to provide funding for the continuation of vital City programs.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

APPROPRIATION SCHEDULE

DECREASE OF EXISTING COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPROPRIATIONS

Section A

Grant Program	Fund	Agency	Project Account No.	Project Title	Original Authorization	Amount to be Decreased	Revised Authorization
CDBG	304	162	30422123	Emergency Mortgage Assistance '22	\$215,000.00	\$45,000.00	\$170,000.00
CDBG	304	162	30423123	Emergency Mortgage Assistance '23	\$275,000.00	\$275,000.00	\$0.00
CDBG	304	161	30422141	Family Re-Housing Assistance	\$130,000.00	\$119,778.00	\$10,222.00
CDBG	304	162	30422124	Hand Up Initiative '22	\$1,256,000.00	\$110,504.00	\$1,145,496.00
CDBG	304	164	30422221	NBD Improvement Program '22	\$1,094,967.00	\$635,507.00	\$459,460.00
CDBG	304	164	30418201	Small Business Services '18	\$100,000.00	\$38,000.00	\$62,000.00
CDBG	304	164	30419201	Small Business Services '19	\$100,000.00	\$100,000.00	\$0.00
CDBG	304	162	30423121	Tenant Representation '23	\$275,000.00	\$275,000.00	\$0.00
TOTAL						\$1,598,789.00	

INCREASE OF EXISTING COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPROPRIATIONS

Section B

Grant Program	Fund	Agency	Project Account No.	Project Title	Original Authorization	Amount to be Increased	Revised Authorization
CDBG	304	162	30423120	Emergency Mortgage Assistance & Tenant Representation '23	\$0.00	\$550,000.00	\$550,000.00
CDBG	304	161	30422137	Historic Stabilization of Structures '22	\$200,000.00	\$619,778.00	\$819,778.00
CDBG	304	162	30418244	Operating Support for CDCs '18	\$350,418.95	\$38,000.00	\$388,418.95
CDBG	304	162	30419244	Operating Support for CDCs '19	\$980,000.00	\$100,000.00	\$1,080,000.00
CDBG	304	162	30422244	Operating Support for CDCs '22	\$300,000.00	\$246,011.00	\$546,011.00
CDBG	304	162	30422121	Tenant Representation '22	\$255,000.00	\$45,000.00	\$300,000.00

TOTAL **\$1,598,789.00**

May 17, 2023

To: Mayor and Members of City Council

202301430

From: Sheryl M. M. Long, City Manager

**Subject: Emergency Ordinance – Cincinnati Recreation Commission:
Recreation Center Part-Time Staff Bonus Plan**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to establish a Recreation Center Part-Time Staff Bonus Plan to recruit and retain qualified employees within the Cincinnati Recreation Commission’s Recreation Centers, according to the attached Schedule.

Approval of this Emergency Ordinance authorizes the Cincinnati Recreation Commission (CRC) to establish a Recreation Center Part-Time Staff Bonus Plan to recruit and retain qualified employees within CRC Recreation Centers, according to the attached Schedule.

Sufficient resources are available in the existing Cincinnati Recreation Commission (CRC) Recreation Special Activities Fund personnel operating budget for the bonuses. The bonus plan is a one-time commitment for summer 2023, with one installment paid in Fiscal Year 2023 and one installment paid in Fiscal Year 2024 for a total estimated cost of \$250,500.

The Part-Time Staff Bonus Plan provides an opportunity for CRC to remain competitive in the current job market and incentivize employees to return to work with the CRC. Approximately 491 part-time positions will be eligible, with 76 part-time Municipal Worker positions being represented by the American Federation of State, County, and Municipal Employees (AFSCME) Local 250.

The Recreation Center Part-Time Staff Bonus Plan is in accordance with the “Live” initiative area to “[s]trengthen our magnetic city with energized people” as described on page 147 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to establish the bonus plan in order to recruit and retain qualified employees.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director



Attachment

EMERGENCY

CNS

- 2023

AUTHORIZING the City Manager to establish a Recreation Center Part-Time Staff Bonus Plan to recruit and retain qualified employees within the Cincinnati Recreation Commission’s Recreation Centers, according to the attached Schedule.

WHEREAS, in order to recruit and retain quality employees and to better serve Cincinnati residents, the Cincinnati Recreation Commission (“CRC”) has determined the creation of a bonus plan is necessary; and

WHEREAS, the Recreation Center Part-Time Staff Bonus Plan is necessary for CRC to remain competitive in the current labor market and attract and retain staff within CRC’s Recreation Centers; and

WHEREAS, the Recreation Center Part-Time Staff Bonus Plan provides opportunities to increase operational efficiencies while maintaining a standard of excellence and a clear pathway for continued growth for affected employees; and

WHEREAS, funding for the Recreation Center Part-Time Staff Bonus Plan, which is expected to cost \$250,500, will be paid from the CRC’s existing Recreation Special Activities Fund 323 personnel operating budget, with \$127,750 being paid from FY23 funds and \$122,750 being paid from FY24 funds; and

WHEREAS, employee bonuses will be disbursed in two installments between July and September 2023; and

WHEREAS, the Recreation Center Part-Time Staff Bonus Plan is in accordance with the “Live” initiative area to “[s]trengthen our magnetic city with energized people” as described on page 147 of Plan Cincinnati (2012); now, therefore,

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

Section 1. That a Recreation Center Part-Time Staff Bonus Plan is authorized, with bonus amounts to be set by the Recreation Commission in accordance with the attached Schedule, for the purpose of recruiting, hiring, and retaining qualified employees within the Cincinnati Recreation Commission Recreation Centers.

Section 2. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Section 1.

Section 3. 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 the immediate need to establish the bonus plan in order to recruit and retain qualified employees.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk

Cincinnati Recreation Commission Recreation Center Part-Time Staff Bonus Plan Schedule

Bonuses will be paid in two installments of \$250 each, for a total bonus payment of up to \$500.*

The first installment of \$250 will be paid to eligible employees through payroll for calendar year pay period fourteen. To be eligible for the first installment, an employee must be hired and start work in one of the eligible positions by the end of pay period fourteen (June 24, 2023). Eligible part-time positions include:

- Front Desk Staff
- Gymnasium Attendants
- Summer Day Camp Group Leaders and Floaters
- Therapeutic Recreation Staff*
- Athletics Part-Time Employees
- Municipal Workers

**Due to the increased level of training required and additional duties of Therapeutic Recreation part-time staff, eligible employees will receive \$350 for the first bonus payment installment.*

The second bonus installment of \$250 is contingent upon hours worked and a length of time requirement and will be paid to eligible employees through payroll for calendar year pay period nineteen. Eligibility parameters for second installment include:

- Being employed in an eligible part-time position as of July 28, 2023
- Working a minimum of 100 hours between the dates of May 28, 2023, and August 5, 2023.