

May 12, 2026

**To:** Members of the Housing and Growth Committee

202601560

**From:** Sheryl M.M. Long, City Manager

**Subject: Emergency Ordinance – Approving and Authorizing a CRA Tax Abatement with AAA Club Alliance, Inc.**

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Attached is an Emergency Ordinance captioned:

**APPROVING AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with AAA Club Alliance Inc., or an affiliate of the company acceptable to the City Manager, thereby authorizing a fifteen-year exemption for 100 percent of the value of improvements made to real property located at 15 W. Central Parkway in Downtown Cincinnati, in connection with the remodeling of an existing building into approximately 55,000 square feet of commercial office space and approximately 4,000 square feet of commercial retail space, at a total construction cost of approximately \$24,000,000.

### **STATEMENT**

**COMMERCIAL:** The redevelopment of these commercial spaces will help contribute to Cincinnati's economic stability by opening more potential for future job opportunities by increasing space for new tenants.

### **BACKGROUND/CURRENT CONDITIONS**

AAA Club Alliance, Inc. will be developing a commercial project, which will result in the renovation of the building located at 15 W. Central Parkway in the Central Business District neighborhood of Cincinnati. This project will result in the renovation of the existing office building, modernizing 55,000 square feet of office space and 4,000 square feet of retail space, allowing for the return to office of 30 work-from-home employees and the creation of 135 new full-time equivalent positions.

### **DEVELOPER INFORMATION**

AAA Club Alliance, Inc. is affiliated with the American Automobile Association (AAA), who provides more than 65 million members with automotive, travel, insurance and financial services across North America. Established in 1902, AAA is a leader in advocacy for motorists and road safety by working with local and federal governments to change and enact laws.

**RECOMMENDATION**

The Administration recommends approval of this Emergency Ordinance.

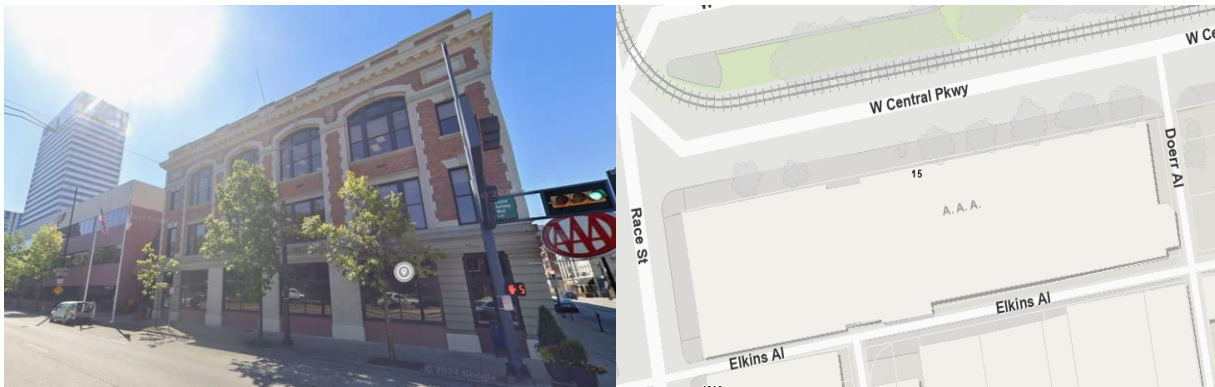
Attachment: Project Outline

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

### Project Outline

Project Name	Project Mileage
Street Address	15 Central Parkway
Neighborhood	Central Business District
Property Condition	Existing Office Building
Project Type	Rehabilitation
Project Cost	Hard Construction Costs: \$24,000,000 Machinery & Equipment: \$638,000 Furniture, Fixtures and Equipment: \$4,000,000 Total Project Cost: \$28,638,000
Private Investment	Developer Equity: \$28,638,000
Sq. Footage by Use	Office: 55,000 SF Retail: 4,000 SF Total: 59,000 SF
Jobs and Payroll	Existing FTE Positions: 60 Total Payroll for Existing FTE Positions: \$5,700,000 Created FTE Positions: 135 Total Payroll for Created FTE Positions: \$10,250,000 Average Salary for Created FTE Positions: \$75,000 Construction FTE Positions: 100 Total Payroll for Construction FTE Positions: \$5MM
Location and Transit	Located within the Central Business District Transit Score: 78
Community Engagement	N/A
Plan Cincinnati Goals	Compete Initiative Area Goal 2 (p. 114-120), Sustain Initiative Area Goal 2 (p.193-198)

### Project Image and Site Map



### Proposed Incentive

Incentive Terms	15-year, net 52%
Incentive Application Process	Commercial CRA – Downtown Streetcar Area (Non-LEED)
Environmental Building Certification	Non-LEED
VTICA	Streetcar VTICA – 15%
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	N/A

Other Incentives & Approvals	City Administration is also proposing a Job Creation Tax Credit Incentive with a 45% tax credit of gross income taxes generated by the new FTEs, with a credit term of 7 years and an additional 7-year retention period.
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### **Potential Taxes Forgone & Public Benefit**

<b>Taxes Forgone</b>	<b>Value</b>
Annual Net Incentive to Developer	\$197,175
Total Term Incentive to Developer	\$2,957,623
City's Portion of Property Taxes Forgone (Term)	\$942,479
City's TIF District Revenue Forgone (Term)	\$0

<b>Public Benefit</b>		<b>Value</b>
CPS PILOT	Annual	\$125,130
	Total Term	\$1,876,953
VTICA	Annual	\$56,877
	Total Term	\$853,161
Income Tax Total Term (Maximum)		\$4,362,750
Total Public Benefit (CPS PILOT, VTICA , Income Tax)		\$7,092,864

Total Public Benefit ROI*	\$2.40
City's ROI**	\$4.63

\* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.

\*\*This figure represents the total dollars returned for City/ over the City's property taxes forgone.