

EESW

An Ordinance No. 149

- 2024

DECLARING improvements to certain parcels of real property located near the intersection of Red Bank Expressway and Madison Road in the Madisonville neighborhood of Cincinnati, which improvements are to be constructed pursuant to a Funding and Development Agreement between the City of Cincinnati and RBM Development Company, LLC, to be a public purpose and exempt from real property taxation for a period of thirty years pursuant to Ohio Revised Code Section 5709.40(B); and **AMENDING** Ordinance No. 414-2005, passed on November 2, 2005, as amended, to remove such real property from the operation of that ordinance.

WHEREAS, RBM Development Company, LLC (“Developer”) has, through its affiliate entities, undertaken a multi-phase redevelopment of certain real property located near the intersection of Red Bank Expressway and Madison Road in the Madisonville neighborhood of Cincinnati (the “Medpace Site”), which redevelopment has consisted of:

- (i) Phase 1, consisting primarily of the construction of several office buildings currently used by the medical research company, Medpace, Inc. (“Medpace”) as its operational headquarters;
- (ii) Phase 2A, consisting primarily of the construction of a 239-room hotel and various public infrastructure improvements; and
- (iii) Phase 2B, consisting primarily of the construction of a new building containing office and retail space and various public infrastructure improvements; and

WHEREAS, Developer is now moving forward with Phase 3 of the redevelopment, which will consist of redeveloping a portion of the Medpace Site, which property is more particularly described in Attachment A to this ordinance (the “Property”), including the construction of (i) a new approximately 75,000 square foot commercial facility; and (ii) a new approximately 579,000 square foot, seven-story office building with integrated parking garage (collectively, the “Private Project”); and

WHEREAS, to facilitate the Private Project, Developer will make certain public infrastructure improvements that will directly benefit the Property and the Private Project, including, without limitation, an off-street parking facility; and

WHEREAS, pursuant to Ohio Revised Code (“R.C.”) Sections 5709.40, et seq., Council may (i) declare any “Improvement” (as defined in R.C. Section 5709.40(A)(4)) to one or more parcels of real property located in the City of Cincinnati to be a public purpose, thereby exempting such Improvement from real property taxation for up to thirty years; (ii) designate public infrastructure improvements that directly benefit the parcels for which such Improvement is declared to be a public purpose; (iii) require the payment of service payments in lieu of real property taxes by the owner(s) of such parcel(s); and (iv) provide for the distribution of the applicable portion of those service payments to the overlapping city, local, or exempted village school district; and

WHEREAS, Council desires to declare the Improvement to the Property to be a public purpose and exempt 100 percent of such Improvement from real property taxation for a period of thirty years, all pursuant to R.C. Section 5709.40(B); and

WHEREAS, the Board of Education of the Cincinnati City School District (the “School Board”), pursuant to an agreement with the City entered into on April 28, 2020 (the “School Board Agreement”), has approved real property tax exemptions of up to 100 percent for periods not to exceed thirty years, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, the City has determined that it is necessary and appropriate, and in the best interest of the City, to (i) exempt the Improvement to the Property from real property taxation under R.C. Sections 5709.40, et seq.; (ii) require the payment of semiannual service payments in lieu of real property taxes with respect to the Property under R.C. Section 5709.42 (“Service Payments”); and (iii) enter into a Service Agreement with the owner or owners of the Property to establish certain terms and conditions regarding the payment of the Service Payments as further described therein; and

WHEREAS, R.C. Section 5709.43 requires that the city council of a city that receives service payments in lieu of real property taxes under R.C. Section 5709.40, et seq., establish a municipal public improvement tax increment equivalent fund into which shall be deposited such service payments; and

WHEREAS, the City’s Department of Community and Economic Development estimates that the real property tax exemption for the Improvement to the Property will provide an annual net benefit to Developer in the amount of approximately \$3,471,233; and

WHEREAS, the Property is located within the boundaries of the District 19 – Madisonville Incentive District, which was created by Ordinance No. 414-2005, passed by Council on November 2, 2005, as subsequently amended (the “TIF District Ordinance”); and

WHEREAS, in order to effectuate the transactions described in these recitals and in accordance with R.C. Section 5709.916(E), the City desires to amend the TIF District Ordinance to exclude the Property therefrom, and to provide for an exemption for the Property pursuant to R.C. Section 5709.40(B); now, therefore,

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

Section 1. That pursuant to and in accordance with Section 5709.40(B) of the Ohio Revised Code (“R.C.”), Council hereby finds and declares the Improvement (as defined in R.C. Section 5709.40(A)(4)) to the real property located near the southeast quadrant of the intersection of Red Bank Expressway and Madison Road, which property is more particularly described in Attachment A to this ordinance (the “Property”), and is located in the incorporated area of the City

of Cincinnati, to be a public purpose and exempt from real property taxation for the time and in the amount set forth in Section 4 below.

Section 2. That Council hereby finds and determines that (a) additional public infrastructure, including construction and maintenance of street improvements, water improvements, sewer improvements, parking facilities, and/or related improvements, is necessary as a result of and for the further development of the Property for creating jobs, increasing property values, providing adequate public services and to preserve the health, safety, and welfare of the citizens of Cincinnati; (b) the project(s) being, or to be, undertaken that will place additional demand on the public infrastructure improvements designated in this ordinance include a mixed-use development being undertaken by RBM Development Company, LLC (including any affiliates thereof, "Developer"); and (c) the proposed use of the Property includes office and other commercial uses.

Section 3. That pursuant to and in accordance with the provisions of R.C. Section 5709.40(B), Council hereby declares any Improvement made to the Property will place direct additional demand on the public infrastructure improvements described herein when such public infrastructure improvements are completed; therefore, such public infrastructure improvements will directly benefit the Property.

Section 4. That Council finds and determines that 100 percent of the Improvement to each parcel subsequent to the effective date of this ordinance is hereby declared to be a public purpose, and shall be exempt from real property taxes commencing, as to each parcel, on the first day of the tax year in which an Improvement of at least \$350,000.00 resulting from construction on that parcel, which is the result of redevelopment activities with respect to the parcel, first appears on the tax duplicate of real and public utility property and ending on the earlier to occur

of (a) thirty years after such date; or (b) the date on which the City can no longer require service payments in lieu of real property taxes to be paid with respect to the Improvement in accordance with R.C. Section 5709.40, et seq.

Section 5. That Council hereby designates the public infrastructure improvements identified in Attachment B to this ordinance as the “public infrastructure improvements” made (or to be made) that directly benefit the Property pursuant to R.C. Section 5709.40(B) (the “Public Infrastructure Improvements”).

Section 6. That Council hereby expresses its intention for the City, and authorizes the City Manager, to enter into such agreements as may be necessary or appropriate to construct such Public Infrastructure Improvements (including, without limitation, (a) service agreement(s) between the City and Developer or its successor(s)-in-interest as to the Property (the “Owner”), and (b) a cooperative agreement among the City, the Owner, and the Port of Greater Cincinnati Development Authority (the “Port”), and further hereby requires the Owner to make semiannual service payments in lieu of real property taxes (the “Service Payments”) to the Hamilton County Treasurer on or before the final dates for payment of real property taxes. Such requirements, along with such other provisions as are deemed appropriate by the City and as are agreed to by the owners of the Property, may be included in service agreements which may (but are not required to) be entered into between the City and the respective owners of the Property. To the extent necessary to secure such obligations, Council hereby pledges such Service Payments to secure any obligations of the City or the Port issued to finance the public infrastructure improvements described in Sections 2 and 5 hereof. As provided for in R.C. Section 5709.42, the Service Payments shall be paid to the Hamilton County Treasurer, for payment by the Hamilton County Treasurer to the City.

Section 7. That the City has established the Municipal Public Improvement Tax Increment Equivalent Fund (the “Fund”), into which Fund all Service Payments made by the Owner that the City receives pursuant to this ordinance shall be deposited.

Section 8. That moneys deposited in the Fund shall be used only for the purposes set forth in R.C. Section 5709.43, with respect to the Public Infrastructure Improvements, and for making compensation payments to the affected school districts as provided in R.C. Section 5709.40, et seq., and in the Tax Incentive Agreement between the City and the Board of Education of the Cincinnati City School District effective as of April 28, 2020.

Section 9. That the proper City officials are hereby authorized to do all things necessary and proper to carry out the actions contemplated herein, including, without limitation, the preparation (or cooperation in the preparation of), and filing of any required applications for tax exemption with the Hamilton County Auditor and State Tax Commissioner.

Section 10. That Ordinance No. 414-2005, passed on November 2, 2005, as subsequently amended (the “TIF District Ordinance”), is hereby amended to remove the Property from the property tax exemption area created thereby.

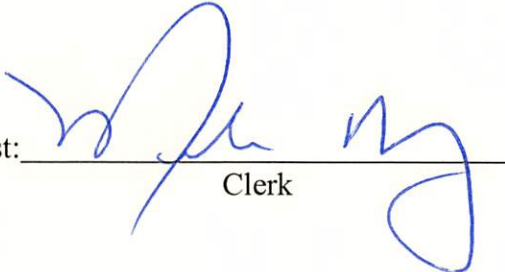
Section 11. That the TIF District Ordinance, except as amended herein, shall remain in full force and effect.

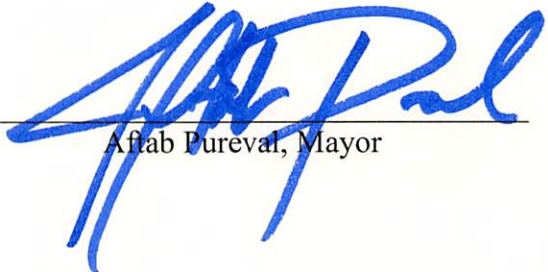
Section 12. That, pursuant to R.C. Section 5709.40(I), the Clerk of Council is hereby directed to deliver a copy of this ordinance to the Director of the State of Ohio Department of Development (“ODOD”), 77 South High Street, 29th Floor, Columbus, Ohio 43215, within fifteen days after its passage, and that, on or before March 31 of each year that the exemption set forth herein remains in effect, the Clerk of Council or other authorized officer of this City shall prepare and submit to the Director of ODOD the status report required under R.C. Section 5709.40(I).

Section 13. That it is hereby found and determined that all formal actions of Council concerning and relating to the passage of this ordinance were taken in an open meeting of Council, and that all deliberations of Council and of any of its committees that resulted in such formal action were taken in meetings open to the public, in compliance with all legal requirements, including R.C. Section 121.22.

Section 14. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is to enable construction of the improvements described herein to commence at the earliest possible time in order to advance development of the Property in a timely and financially efficient manner, for the economic welfare of the people of the City.

Passed: May 13, 2024

Attest: 
Clerk


Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 149-2024
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 5/21/2024
Melissa Antley
CLERK OF COUNCIL