

September 4, 2025

To: Mayor and Members of City Council

202501615

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing a CRA Tax Exemption Agreement with OTR Historical Development, LLC

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with OTR Historical Development, LLC, thereby authorizing a twelve-year tax exemption for 100 percent of the value of improvements made to real property located at 43 E. Clifton Avenue in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of existing buildings into approximately 10,933 square feet of residential space, consisting of 16 residential units, at a total construction cost of approximately \$1,700,000.

STATEMENT

HOUSING: The additional housing units this project will provide will go toward helping to alleviate Cincinnati's strained housing market, which is currently experiencing increasing affordability issues due to lack of supply.

BACKGROUND/CURRENT CONDITIONS

The project involves the renovation of 43-45 East Clifton Avenue in Over-the-Rhine. The site includes two three-story buildings that will be combined into one building as a result of the project. The two buildings have been vacant for over 20 years, are in a significant state of disrepair, and have had various code enforcement orders issued against them during that time. OTR Historical Development, LLC, an affiliate of Alliance Equity Partners LLC, submitted a Commercial Community Reinvestment Area (CRA) application seeking City incentives to support the renovation of the building.

DEVELOPER INFORMATION

Alliance Equity Partners, LLC is a development partnership managed by a team of developers and engineers that is partly based locally but also in cities outside of Cincinnati. The partnership has experience renovating other buildings in Ohio, primarily single-family homes. The management team members have experience with larger development projects workings as individuals for separate companies.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

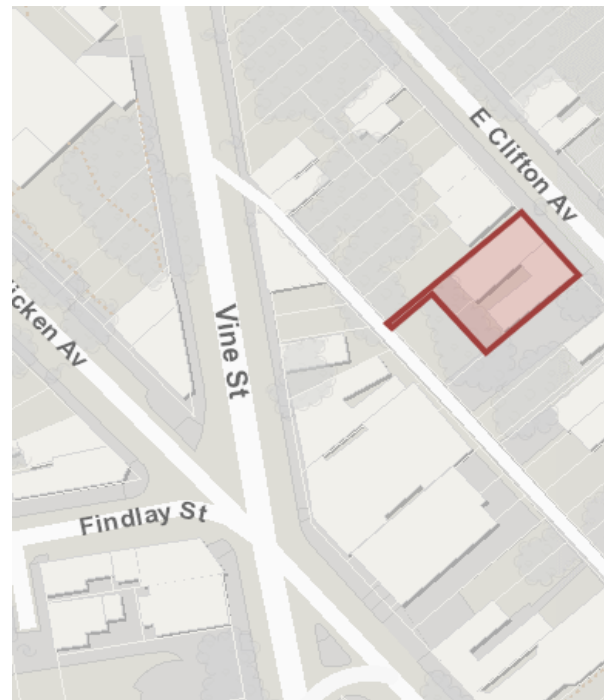
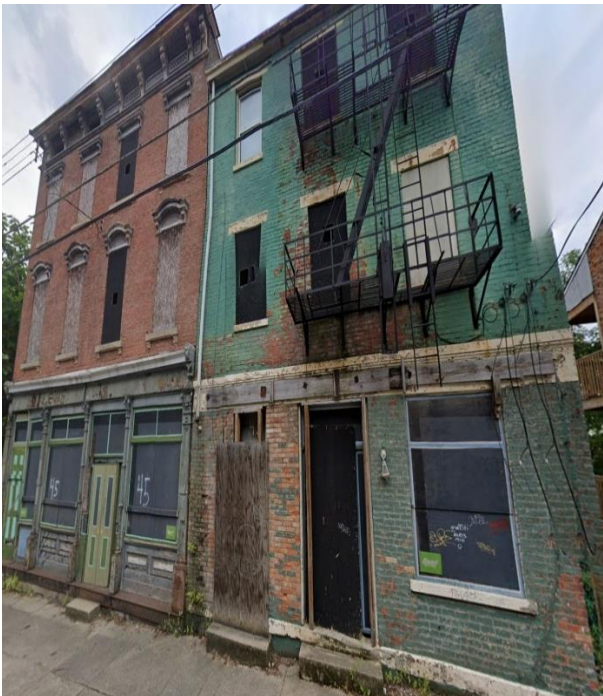
Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	43 E. Clifton CRA
Street Address	43 E. Clifton Avenue
Neighborhood	Over-the-Rhine
Property Condition	Vacant Building
Project Type	Renovation
Project Cost	Hard Construction Costs: \$1.7MM Acquisition Costs: \$450K Soft Costs: \$56K Total Project Cost: \$2.2MM
Private Investment	Private Financing: \$0 Developer Equity: \$2.2MM
Sq. Footage by Use	Residential: 10,933 SF
Rent Ranges	16 1 BDRM Units: \$1,100
1 BDRM Affordable To	Salary: \$44,000 City Job Classification: Diesel Mechanic, Community Center Director, Paramedic 1
Jobs and Payroll	Created FTE Positions: 0.5 Total Payroll for Created FTE Positions: \$30,000 Construction FTE Positions: 15 Total Payroll for Construction FTE Positions: \$600K
Location and Transit	Located within the Over-the-Rhine Historic District Transit Score: 65
Community Engagement	None reported.
Plan Cincinnati Goals	Compete Initiative Area Goal 2 (p. 114-120), Live Initiative Area Goal 2 (p.156-163)

Project Image and Site Map



Proposed Incentive

Incentive Terms	12-year, net 52%
Incentive Application Process	Commercial CRA – Downtown Streetcar Area (Non-LEED)
“But For”	Without Abatement: 4% return (avg. over term) With Abatement: 5% return (avg. over term) Project would not proceed without an abatement.
Environmental Building Certification	Non-LEED
VTICA	Streetcar VTICA – 15%
SBE/MBE/WBE Goals	SBE Goal of 30%
Other Incentives & Approvals	None

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$14,040
Total Term Incentive to Developer	\$168,486
City's Portion of Property Taxes Forgone (Term)	\$53,690
City's TIF District Revenue Forgone (Term)	\$236,528

Public Benefit		Value
CPS PILOT	Annual	\$8,910
	Total Term	\$106,924
VTICA	Annual	\$4,050
	Total Term	\$48,602
Income Tax Total Term (Maximum)		\$17,280
Total Public Benefit (CPS PILOT, VTICA , Income Tax)		\$172,805

Total Public Benefit ROI*	\$1.03
City's ROI**	\$0.06

* 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.