

Project Hope

2250 East Seymour Avenue

Net 67%, 15-year CRA

Lester & Montgomery Apartments

5984-5988 Lester Road and

6006-6026 Montgomery Road

Net 52%, 15-year CRA

The Annie

210-218 W. Twelfth Street

Net 52% 15-year CRA

Markiea Carter

Project Hope

2250 East Seymour Avenue

Net 67%, 15-year CRA

Project Hope

2250 E. Seymour Ave.
Net 67%, 15-year CRA

Developer

- Cary Capital, LLC

Neighborhood

- Bond Hill

Current Condition

- This property is a vacant lot, once the site of Cincinnati Gardens.
- This project will consist of the new construction of 50,000 sq. ft. of a manufacturing facility in compliance with LEED design standards.

Construction Cost

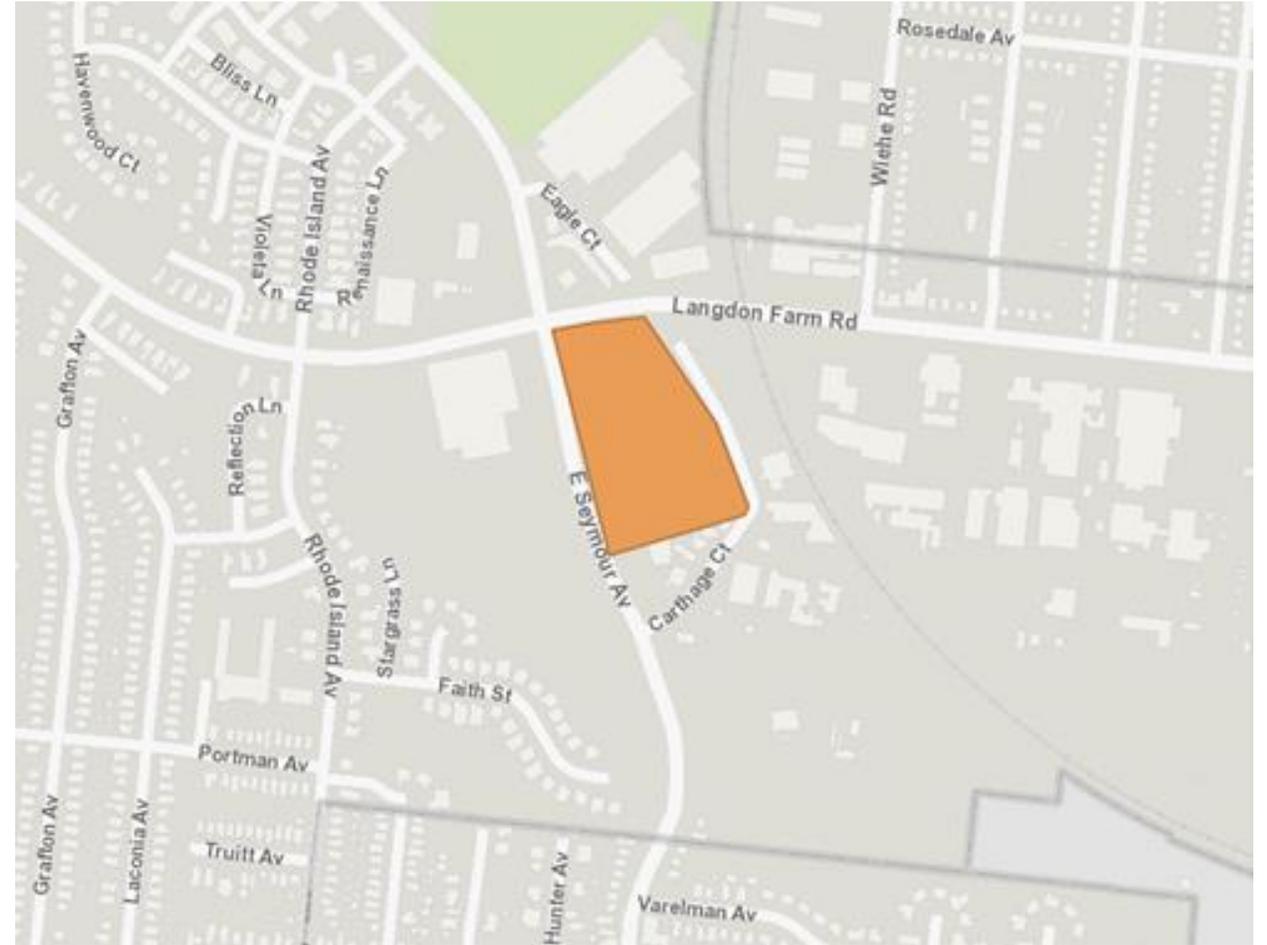
- Approximately \$10,200,000



Project Hope - 2250 E. Seymour Ave. Net 67%, 15-year CRA

Project Summary

- This project is the proposed construction of 50,000 sq. ft. of light manufacturing in compliance with LEED standards
- Creation of 100 full-time equivalent jobs
- Total annual payroll of \$6,000,000
- 36 full-time temporary construction jobs with annual payroll of \$350,000



Project Hope - 2250 E. Seymour Ave.

Net 67%, 15-year CRA

Recommendation

- The project merits a 15-year, net 67% CRA tax exemption and is recommended by DCED based on the following criteria:
 - Including benefit, the project compensation average is expected to be \$60,000/year per employee.
 - 30% SBE goal, 17% MBE and 10% WBE participation.
 - Without an abatement, projected return on equity is below 7% for the first 15 years, which is not a reasonable return.
 - This project falls within the “Undercapitalized Projects” category of the CRA Policy as the project would not attract the equity needed to complete the project with a shorter term and percentage.
 - The Developers commitment that jobs created by the project will comply with the Living Wage Policy as reflected in CMC Chapter 317.
- This is an Emergency Ordinance so construction financing pricing can hold stable.

Lester & Montgomery Apartments

5984-5988 Lester Road and

6006-6026 Montgomery Road

Net 59.5%, 15-year CRA

Lester & Montgomery Apartments

5984-5988 Lester Rd and 6006-6026 Montgomery Rd
Net 59.5%, 15-year CRA

Developer

- Lester and Montgomery Apartments, LLC – an affiliate of Towne Properties

Neighborhood

- Pleasant Ridge

Current Condition

- These properties are vacant and blighted. Work continues to remediate existing underground storage tanks and auto repair garages.
- New construction of 82 new residential units.
- 6,013 sq. ft. of commercial space for retail/restaurant.

Construction Cost

- Approximately \$23,000,000



Lester and Montgomery Apartments

5984-5988 Lester Road and 6006-6026 Montgomery Road

Net 59.5%, 15-year CRA

Project Summary

- This \$23 million LEED-silver project will bring 82 new apartment units.
- Ground floor retail and restaurant space, 96 parking spaces, a fitness center, club room, and rooftop deck.
- The project plan will replace vacant and blighted parcels with a mixed-use development within the neighborhood business district.
- 30% SBE goal, 17% MBE and 10% WBE participation.



Lester and Montgomery Apartments

5984-5988 Lester Road and 6006-6026 Montgomery Road

Net 59.5%, 15-year CRA

Rent Ranges

82 market-rate residential units. Over 90% are affordable to those earning 100-120% AMI.

- 3 studio units for \$1,447/month
- 62 one-bedroom units for \$1,563-\$1,718/month
- 17 two-bedroom units for \$2,171-\$2,427/month

Rent	Affordable to Salary	City Jobs (Min Salary exceeds affordable salary)
\$1,447.00	\$57,080.00	Turf Manager, Electronics Technician 2, Supervising Traffic Aids Worker, Fire Captain Paramedic 2, Sanitarian-in-Training
\$2,427.00	\$97,080.00	Director, Assistant Director, Deputy Director

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

Lester and Montgomery Apartments

5984-5988 Lester Road and 6006-6026 Montgomery Road
Net 59.5%, 15-year CRA

Project Need

PROFORMA WITHOUT ABATEMENT (YEARS 1-15)	
Revenue	\$ 3,024,106
Operating Expenses and Reserves	\$ 1,335,154
Net Operating Income	\$ 1,688,952
Debt Service	\$ 1,279,245
Cash Flow After Debt Service	\$ 409,708
Cash on Cash Return	5.92%

PROFORMA WITH ABATEMENT (YEARS 1-15)	
Revenue	\$ 3,024,106
Operating Expenses and Reserves	\$ 980,155
Net Operating Income	\$ 2,043,951
Debt Service	\$1,279,245
Cash Flow After Debt Service	\$ 764,706
Cash on Cash Return	7.84%

- Without this abatement, the projected return on equity is below 6% for the first 15 years, which is not a reasonable investment for this project.
- This project is undercapitalized.

Lester and Montgomery Apartments

5984-5988 Lester Road and 6006-6026 Montgomery Road
Net 59.5%, 15-year CRA

Recommendation

- The project merits a 15-year, net 59.5% CRA tax exemption and is recommended by DCED based on the following criteria:
 - 33% CPS Pilot, 7.5% VTICA contribution to be used for citywide affordable housing initiatives.
 - Without the abatement, the projected return on equity is below 6% for the first 15 years following construction, which is not a reasonable investment for this project.
 - DCED has determined that this project falls under the ‘Undercapitalized Projects’ category of the Policy as the project would not attract the equity needed to complete the project with a shorter term and percentage. Furthermore, significant investment is made in community enhancement and blight elimination.
 - The Developers commitment that jobs created by the project will comply with the Living Wage Policy as reflected in CMC Chapter 317.
- Administration recommends approval of this Emergency Ordinance so construction pricing can hold stable.

The Annie

210-218 W. Twelfth St.

Net 52%, 15-year CRA

The Annie

210-218 W. 12th St
Net 52%, 15-year CRA

Developer

- OTR Holdings, Inc. – an affiliate of 3CDC

Neighborhood

- Over-the-Rhine

Current Condition

- These 4 historic properties are currently vacant
- Will be renovated into 29 residential units
- Includes 2600 sq.ft. of commercial space

Construction Cost

- Approximately \$ 6,864,654

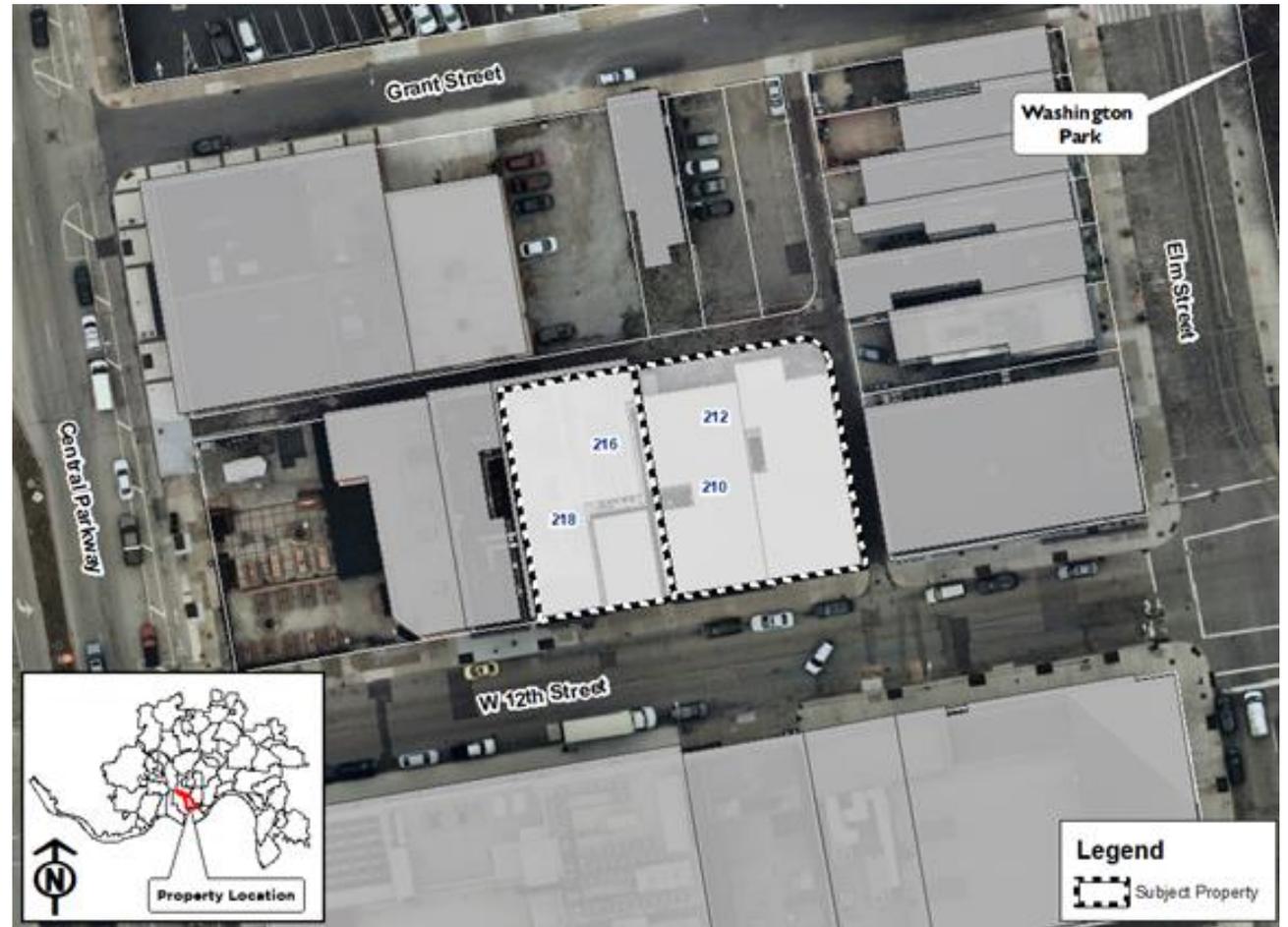


The Annie

210-218 W. 12th St
Net 52%, 15-year CRA

Project Summary

- Developer plans to renovate the four historic buildings into 29 residential units.
- 9 will be affordable
 - 6 units to 80% AMI
 - 3 units affordable to 60% AMI



The Annie

210-218 W. 12th St
 Net 52%, 15-year CRA

Rent Ranges

- 29 residential units of which 9 units would be affordable
- 6 units affordable to 80% AMI
- 3 units affordable to 60% AMI
- 6 studio units \$564 - \$1,140
- 15 one-bedroom units \$851 - \$1,491
- 8 two-bedroom \$1,491 - \$2,089

Rent	Affordable to Salary	City Jobs (Min Salary exceeds affordable salary)
\$564.00	\$22,560.00	Law Clerk, Council Assistant, Municipal Worker, Custodian, Health Technician, Recycling Operations Tech
\$2,089.00	\$83,560.00	Assistant Neighborhood Services Director, Fire Specialist, Police Specialist, Real Estate Manager, Parking Superintendent, Principal Engineer

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

The Annie
210-218 W. 12th St
Net 52%, 15-year CRA

Project Need

PROFORMA WITHOUT ABATEMENT (YEARS 1-15)	
Revenue	\$475,596
Operating Expenses and Reserves	\$308,554
Net Operating Income	\$167,053
Debt Service	\$216,001
Cash Flow After Debt Service	-\$48,949
Cash on Cash Return	-2%

PROFORMA WITH ABATEMENT (YEARS 1-15)	
Revenue	\$475,596
Operating Expenses and Reserves	\$242,383
Net Operating Income	\$233,213
Debt Service	\$216,001
Cash Flow After Debt Service	\$17,212
Cash on Cash Return	1%

- Without this abatement, the projected return on equity is below 0% for the first 15 years, which is not a reasonable investment for this project.
- With the proposed incentives, the Developer's return on equity rises to 2% over the first 15 years following construction. While this is not a sufficient return, it is consistent with Developer's nonprofit status and the City's desire to support non-profits working to revitalize vacant buildings in its neighborhoods.

The Annie
210-218 W. 12th St
Net 52%, 15-year CRA

Recommendation

- DCED recommends a 15-year, Net 52% CRA tax exemption.
- DCED also recommends \$2,000,000 in funding from the Downtown/OTR West TIF District based on the following factors:
 - Will help meet the City's need for quality affordable housing by creating 9 new affordable units, while activating and repurposing existing vacant, historic buildings.
 - Developer is seeking to fill commercial space with minority or women-owned businesses.
 - Administration recommends approval of this Emergency Ordinance so the project can commence construction in December, to provide housing to residents as soon as possible.

Thank you!

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