

March 13, 2023

To: Mayor and Members of Budget and Finance

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

202300857

Subject: Emergency Ordinance – Whex Garage Acquisition – Convention District Redevelopment

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to enter into a Funding Agreement with Whex Garage LLC, a wholly owned subsidiary of Cincinnati Center City Development Corporation (3CDC), and take such other steps as may be necessary in order to facilitate the company’s financing to acquire certain real property located at 212 W. Fourth Street in the Central Business District of Cincinnati, upon which is located a 780-space parking garage commonly known as the Whex Garage; **AUTHORIZING** the transfer and appropriation of \$275,000 from the unappropriated surplus of Downtown South/Riverfront Equivalent Fund 481 to the Department of Finance non-personnel operating budget account no. 481x133x7200 for the purpose of providing resources to facilitate Whex Garage LLC’s financing to acquire certain real property located 212 W. Fourth Street in the Central Business District of Cincinnati, upon which is located a 780-space parking garage commonly known as the Whex Garage; and **DECLARING** that expenditures from the Department of Finance non-personnel operating budget account no. 481x133x7200 are for a public purpose and constitute a “Public Infrastructure Improvement” (as defined in Section 5709.40(A)(8) of the Ohio Revised Code), that will benefit and/or serve the District 2-Downtown South/Riverfront District Incentive District, subject to compliance with Ohio Revised Code Sections 5709.40 through 5709.43.

Background

Approval of this Emergency Ordinance will authorize transfer and appropriation of the sum of \$275,000 from the unappropriated surplus of Downtown South/Riverfront Equivalent Fund 481 for the purpose of providing resources for the acquisition of an existing parking garage at 212 W. Fourth Street as part of the Convention District redevelopment undertaken by Cincinnati Center City Development Corporation (3CDC). 3CDC has been selected by the City and Hamilton County for planning and management services related to the Convention District (City Council Resolution No. 6-2022). Furthermore, this Emergency Ordinance authorizes the appropriation of \$275,000 within the unappropriated surplus of Downtown South/Riverfront Equivalent Fund 481 for the purpose of funding a debt service reserve fund. This debt service reserve fund will be utilized to support loans taken out by 3CDC from the Ohio Department of Development and the Cincinnati Equity Fund III for the acquisition of 212 W. Fourth Street. Hamilton County will also be providing an equal amount of funding towards a debt service reserve fund to similarly support the repayment of these loans. It is anticipated that the funds will be held in the debt service reserve and only drawn upon (i) if the garage revenues are insufficient to pay the debt service on the loans, (ii) the loans are refinanced and the debt service reserve

is used to pay down the principal balance of the loan, or (iii) to pay off any remaining principal balance of the loans at the end of the seven-year term of the loans.

Additionally, 3CDC has requested an annual appropriation to this debt service reserve to be made each fiscal year for the next six fiscal years for a total debt service reserve allocation of \$1,925,000 over the seven year term. Following this appropriation, Council would be asked each fiscal year to make the additional six appropriations to the Debt Service Reserve. However, the additional appropriations are still subject to future action by City Council.

Providing resources for the acquisition of an existing parking garage as part of the Convention District redevelopment is in accordance with the “Compete” goals to “[c]ultivate our position as the most vibrant and healthiest part of our region” and to “[b]ecome nationally and internationally recognized as a vibrant and unique city,” as described on pages 114-125 of Plan Cincinnati (2012). The Downtown Residents Council has provided a letter of support for the funding appropriation. The City Administration hosted a Community Engagement Meeting on February 22, 2023, details of which can be found here: <https://www.cincinnati-oh.gov/planning/community-engagement-meetings1/upcoming-community-engagement-meetings/community-engagement-meeting-for-proposed-tif-dollars-for-whex-garage-in-downtown/>

Summary

The reason for the emergency is the need to close on the acquisition financing by the end of March 2023 in furtherance of the overall Convention District redevelopment efforts.

The Administration recommends passage of this Emergency Ordinance.

cc: Markiea Carter, Director of Community & Economic Development