

An Ordinance No. 75

- 2025

AUTHORIZING the City Manager to enter into (i) a Funding and Development Agreement with Christian Community Health Services ("Crossroad") and Cincinnati Center City Development Corporation ("3CDC") relating to the redevelopment of the existing Over-the-Rhine Recreation Center building and adjacent real property into a public health center and corresponding parking facilities, (ii) a Ground Lease to Crossroad of the health center property for a term of 55 years for the construction and operation of the health center, (iii) a Parking Project Ground Lease to Crossroad for a term of 55 years for the construction and operation of the parking facilities, and (iv) related agreements; **ESTABLISHING** new capital improvement program project account no. 980x164x251626, "North OTR Public Parking Improvements," to provide resources for the redevelopment of the existing Over-the-Rhine Recreation Center building and adjacent real property into a public health center and corresponding parking facilities; **AUTHORIZING** the transfer and appropriation of \$3,167,464 from the unappropriated surplus of Urban Development Bond Fund 862 to newly established capital improvement program project account no. 980x164x251626, "North OTR Public Parking Improvements," to provide resources for the redevelopment of the existing Over-the-Rhine Recreation Center building and adjacent real property into a public health center and corresponding parking facilities; and further **DECLARING** expenditures from newly established capital improvement program project account no. 980x164x251626, "North OTR Public Parking Improvements," to serve a public purpose because they will facilitate the redevelopment of the existing Over-the-Rhine Recreation Center building and adjacent real property into a public health center and corresponding parking facilities for the benefit of the citizens of Cincinnati and, in particular, the residents of Over-the-Rhine.

WHEREAS, the City of Cincinnati (the "City") owns certain real property located at 1715 Republic Street and 1708, 1710, and 1712 Race Street in the Over-the-Rhine neighborhood of Cincinnati (the "City Parcels"), on which the existing Over-the-Rhine Recreation Center is currently located (the "Rec Center"); and

WHEREAS, the City intends to vacate via separate ordinance that portion of Goose Alley right-of-way between West Elder Street and Green Street (the "Former City ROW"); and

WHEREAS, OTR Holdings, Inc., an affiliate of Cincinnati Center City Development Corporation ("3CDC") owns certain real property located at 34 Green Street in the Over-the-Rhine neighborhood of Cincinnati (the "Developer Parcel"); and

WHEREAS, the City desires to purchase the Developer Parcel, and 3CDC desires to cause the Developer Parcel to be conveyed first from OTR Holdings, Inc. to Christian Community Health Services ("Crossroad"), and immediately thereafter Crossroad will convey the Developer Parcel to the City for \$1.00, on substantially the terms and conditions contained in the draft Funding and Development Agreement attached as Attachment A hereto (the "Agreement"); and

WHEREAS, following its acquisition of the Developer Parcel and vacation of the Former City ROW, the City intends to consolidate such properties with the City Parcels (collectively, the "Project Site"), and thereafter subdivide the Project Site into (i) approximately 0.3411 acres of real property (the "Health Center Site"); and (ii) approximately 1.1422 acres of real property (the "Parking Site"); and

WHEREAS, the City, upon the recommendation of the Department of Community and Economic Development, desires to enter into the Agreement in substantially the form attached hereto, pursuant to which:

- (i) The City and Crossroad will enter into a ground lease agreement substantially in the form attached to the Agreement, pursuant to which (a) the City will lease the Health Center Site to Crossroad for \$1.00/year for a term of 55 years (the "Health Center Ground Lease"); (b) Crossroad will cause the rehabilitation, renovation, improvement, and development of the Health Center Site, and the portion of the Rec Center located thereon, into an approximately 21,000 square foot public health center, which, upon completion of said redevelopment, will provide primary care, dental care, and pharmacy services, at an estimated project cost of approximately \$11,928,352 (the "Health Center Project"); and (c) following completion thereof, Crossroad will operate the Health Center Project in accordance with the terms of such ground lease;
- (ii) The City and Crossroad will enter into a ground lease agreement substantially in the form attached to the Agreement, pursuant to which (a) the City will lease the Parking Site to Crossroad for \$1.00/year for a term of 55 years; (b) Crossroad will cause (1) the demolition of the existing improvements located on the Parking Site, and (2) the improvement and development of surface parking facilities consisting of drive aisles and approximately 109 parking spaces, at an estimated project cost of \$3,167,464 (the "Parking Project"; and together with the Health Center Project, the "Project"); and (c) following completion thereof, Crossroad will sublease the Parking Site to 3CDC (or an affiliate thereof) in accordance with terms to be approved by the City;
- (iii) The City will provide a grant in an amount not to exceed \$3,167,464, on the terms and conditions contained in the Agreement, which the parties currently anticipate will be used to finance a portion of the Project and attract and facilitate additional Project financing through the federal new markets tax credit program; and

WHEREAS, 3CDC and Crossroad anticipate that the design and construction of the Project will create approximately 85 temporary construction jobs, and that the operation of the Project will create approximately 8 full-time permanent jobs and retain 40 full-time permanent jobs; and

WHEREAS, 3CDC and Crossroad anticipate that construction of the Project will be substantially completed on or about June 1, 2026; and

WHEREAS, Section 13 of Article VIII of the Ohio Constitution provides that, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, it is a public interest and proper public purpose for the State or its political subdivisions

to sell, lease, exchange, or otherwise dispose of property within the State of Ohio for industry, commerce, distribution, and research; and

WHEREAS, the City believes that the Project is in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements; and

WHEREAS, after the seventh year of the term of the Health Center Ground Lease, and pursuant to the terms thereof, the City will grant to Crossroad an option to purchase the Health Center Site for \$1.00 (the "Purchase Option"); and

WHEREAS, in the event Crossroad exercises the Purchase Option and acquires the Health Center Site from the City, the City will maintain an ongoing right to re-purchase the Health Center Site on the terms and conditions contained in the Health Center Ground Lease; and

WHEREAS, the estimated fair market rental value, as determined by appraisal by the City's Real Estate Services Division of the Health Center Site is \$85,000/year and of the Parking Site is \$159,850/year; however, the City desires to lease the Health Center Site and the Parking Site for less than the fair market rental value (namely, for \$1.00, each) because the City has determined that the economic and noneconomic benefits the City will receive from such leases equal or exceed the fair market rental value from such leases, including due to Crossroad's construction of the Health Center Project and the Parking Project and operation thereof, which will significantly enhance the use of the Health Center Site and the Parking Site for community health purposes; and

WHEREAS, the City has determined that (i) eliminating competitive bidding in connection with the City's lease of the Health Center Site and the Parking Site is in the best interest of the City because of the economic development, financial, and societal benefits that the City will achieve from the Project for the benefit of the residents of Cincinnati; and (ii) the Health Center Site and the Parking Site are not needed for other municipal purposes during the terms of the proposed leases thereof; and

WHEREAS, City Planning Commission, having the authority to approve the change in use of City-owned property, approved the City's lease of the Health Center Site and the Parking Site at its meeting on January 17, 2025; now, therefore,

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

Section 1. That the City Manager is hereby authorized to execute a Funding and Development Agreement with Christian Community Health Services ("Crossroad") and Cincinnati Center City Development Corporation ("3CDC"; and, together with Crossroad, the "Developer Parties"), substantially in the form attached hereto as Attachment A (the "Agreement"), pertaining to the redevelopment of certain real property generally bound by

Vine Street, Bardes Alley, Goose Alley, and Findlay Street (the “Project Site”) into an approximately 21,000 square foot public health center (the “Health Center Project”) and parking facilities consisting of drive aisles and approximately 109 parking spaces (the “Parking Project”; and, together with the Health Center Project, the “Project”), at a total project cost of over \$15,000,000, and pursuant to which (a) the City will (i) lease the portion of the Project Site on which the Health Center Project is to be located (the “Health Center Site”) to Crossroad, (ii) lease the portion of the Project Site on which the Parking Project is to be located (the “Parking Site”) to Crossroad, and (iii) grant funds in an amount not to exceed \$3,167,464 to fund a portion of the Project and to attract and facilitate additional Project financing through the federal new markets tax credit program; and (b) the Developer Parties will construct the Health Center Project and the Parking Project, all as more particularly described in the Agreement.

Section 2. That the estimated fair market rental value, as determined by appraisal by the City’s Real Estate Services Division, of the Health Center Site is \$85,000/year and of the Parking Site is \$159,850/year, and that leasing the Health Center Site and the Parking Site to Crossroad for less than their fair market rental value (namely, \$1.00/year each) is in the best interest of the City because the economic development, financial, and societal benefits that the City will achieve from the Project equal or exceed the fair market rental value thereof.

Section 3. That (a) it is in the best interest of the City to eliminate competitive bidding in connection with the City’s lease of the Health Center Site and the Parking Site to Crossroad because the conveyance of such interests is necessary to facilitate the Project, and (b) the Health Center Site and the Parking Site are not needed for other municipal purposes during the terms of the proposed leases thereof.

Section 4. That the Director of Finance is hereby authorized to establish new capital improvement program project account no. 980x164x251626, "North OTR Public Parking Improvements," to provide resources for the Project.

Section 5. That the Director of Finance is hereby authorized to transfer and appropriate \$3,167,464 from the unappropriated surplus of Urban Development Bond Fund 862 to newly established capital improvement program project account no. 980x164x251626, "North OTR Public Parking Improvements," to provide resources for the Project.

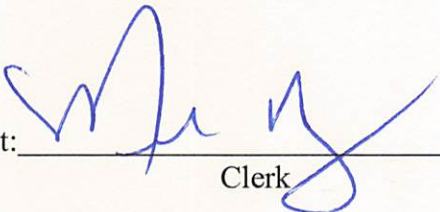
Section 6. That expenditures from newly established capital improvement program project account no. 980x164x251626, "North OTR Public Parking Improvements," are hereby declared to serve a public purpose because they will facilitate the construction of a new public health center and needed supplementary parking facilities for the benefit of the citizens of Cincinnati and, in particular, the residents of Over-the-Rhine.

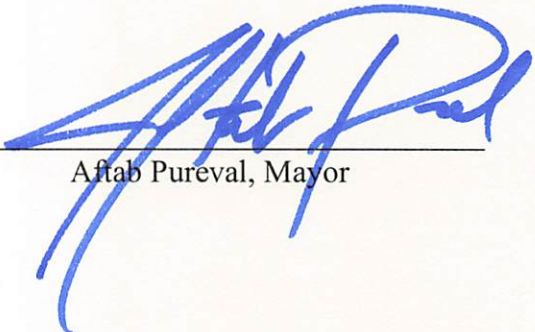
Section 7. That Council authorizes the proper City officials to take all necessary and proper actions to fulfill the terms of this ordinance, including, without limitation, executing the Agreement and all agreements ancillary thereto, including deeds, leases, easements, conveyance documents, plats, amendments, and other documents to effectuate the terms thereof and facilitate the Project, including granting easements for less than fair market value if deemed appropriate.

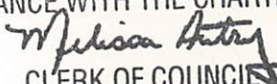
Section 8. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need for the City to enter into the Agreement to meet the financial closing deadline and facilitate commencement of construction of the Project, thereby creating jobs and completing

the development of the public health center for the benefit of the Over-the-Rhine neighborhood and the general public at the earliest possible date.

Passed: April 2, 2025

Attest: 
Clerk


Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 75-2025
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 4/15/2025

CLERK OF COUNCIL