

May 17, 2021

To: Members of the Budget & Finance Committee 202101882

From: Paula Boggs Muething, City Manager

Subject: **DEVELOPMENT AGREEMENT FOR THE DISTRICT AT
CLIFTON HEIGHTS**

Attached is an Emergency Ordinance captioned as follows:

AUTHORIZING the City Manager to execute a *Development Agreement* with OH-UC Holdings II LLC and OH-UC Holdings III LLC, affiliates of Trinitas Development LLC and Crawford Hoying Development Partners, LLC, pertaining to the redevelopment of property located along Straight Street between Clifton Avenue and University Court in the Clifton Heights neighborhood of Cincinnati, pursuant to which the City will assign service payments in lieu of taxes received by the City of Cincinnati to the Port of Greater Cincinnati Development Authority to facilitate the mixed-use redevelopment project.

BACKGROUND/CURRENT CONDITIONS

The Developer, an affiliate of Trinitas Development, LLC and Crawford Hoying Development Partners, LLC, is proposing to redevelop the former Deaconess Hospital site in Clifton Heights into a mixed-use phased development that will include approximately 748 student housing units, 520 multifamily units, 69,300 square feet of commercial space, a 160-key hotel, 970 private parking spaces, 569 public parking spaces and other necessary public infrastructure improvements. Total project cost is expected to be \$458 million. Previously, pursuant to Council Ordinance 445-2019, effective November 14, 2019, the City established a project-based tax increment financing exemption on the Project Site pursuant to Ohio Revised Code 5709.40(B).

DEVELOPER INFORMATION

The Developer, OH-UC Holdings II, LLC and OH-UC Holdings III, LLC, is an affiliate of Trinitas Development LLC of Lafayette, Indiana and Crawford Hoying Development Partners LLC of Dublin, Ohio. Since 2002, Trinitas has been an owner, developer, builder and manager of commercial real estate focused exclusively on student housing, including the Deacon, a 350-unit student housing development along Straight Street in Clifton Heights. Crawford Hoying has developed over \$1

billion in real estate, including the transformative Bridge Park in Dublin, Ohio and Water Street District in Dayton, Ohio, over the last five years.

PROJECT DESCRIPTION

Developer will redevelop the former Deaconess Hospital site in two phases. The first phase will consist of (1) the Developer's design and construction of a 351 residential rental unit student housing project known as the Deacon and renovation of an existing 800-space private parking garage; and (2) the design and construction of approximately 380 residential rental units of student housing and approximately 2,300 square feet of commercial space, an approximately 160-key hotel with approximately 22,000 square feet of commercial space, and a new 17-bedroom sorority house for the Zeta House Corporation of Delta Delta Delta. The first phase will also include the design and construction of an approximately 169-space public parking garage and other public infrastructure improvements to support the overall development. The first phase is expected to cost \$297,680,000 and expected to be completed by October 2024.

The second phase of the project will consist of approximately 45,000 square feet of commercial space, 350 residential rental units, 170 multifamily housing units, and an approximately 170-space private parking garage; and an approximately 400-space public parking garage and other eligible public infrastructure improvements need to support the overall development. The second phase of the District at Clifton Heights is expected to cost \$160,170,000 and expected to be completed by January 2025.

The Developer estimates that the project will support the creation of 750 full-time equivalent temporary jobs with an annual payroll of approximately \$40,300,000; and 700 full-time equivalents at an annual payroll of approximately \$15,700,000 following completion of construction.

The development is supported by the Clifton-University-Fairview (CUF) Neighborhood Association and is also consistent with the Plan Cincinnati's Compete Initiative Area, particularly within the Goal to "Focus development on the existing centers of activity by developing compact walkable mixed-use districts and better connect them to residential areas" (Plan Cincinnati, page 116).

City Planning and the Developer conducted a public engagement meeting with Clifton Heights Stakeholders following the City Manager's Community Engagement Policy on Thursday, April 22nd at 4pm. A written summary of the engagement session can be found here: <https://www.cincinnati-oh.gov/planning/community-engagement-meetings/>

PROPOSED INCENTIVE

The City and the Developer anticipate that the public parking garages and other eligible public infrastructure improvements will be financed by the Port Authority. The Port will issue bonds in a principal amount not to exceed \$39,850,000 and

\$41,150,000 for the first and second phases of the project, respectively. Net proceeds from the bonds will be made available to the Developer to pay for construction of the public improvements associated with the project. The City will use the project TIF revenue it receives from the Hamilton County Treasurer to (a) first, pay any fees charged by the Auditor or any other government entity, (b) second, satisfy the City's obligation to the School Board, (c) third, pay any City monitoring and service fees associated with this incentive, and (d) fourth to make payments to the Port Authority in the amount necessary to pay down the bond debt over the 30-year term of the TIF exemption.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The emergency clause is needed so that the project can meet its construction commencement deadlines.

Attachment: A. Property location and photographs

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

Attachment A: Location and Concept Plan

Property Location & Concept Plan



Straight Street – Elevation

