

EMERGENCY  
**City of Cincinnati**

TJL

**An Ordinance No. 368**

- 2021

*AWB*

**AUTHORIZING** the City Manager to execute a *Property Sale and Development Agreement* with Nassau Avenue Investments, LLC, an affiliate of The Model Group, Inc., for the sale of City-owned property located at 114-116 W. Elder Street in the Over-the-Rhine neighborhood of Cincinnati, for a mixed-use development consisting of first floor commercial space and approximately 16 residential units.

WHEREAS, the City owns certain real property located at 114-116 W. Elder Street in Cincinnati, as described and depicted in the *Property Sale and Development Agreement* attached to this ordinance as Attachment A (the "Property"), which is under the management and control of the City's Department of Community and Economic Development; and

WHEREAS, the City currently leases the Property, together with other properties, to the Corporation For Findlay Market of Cincinnati, which manages the properties for the City; and

WHEREAS, Nassau Avenue Investments, LLC ("Developer") submitted a development proposal to the City pursuant to an RFP issued by the City, pursuant to which Developer desires to purchase the Property from the City and renovate the existing building located thereon into a mixed-use development consisting of a first floor commercial space and approximately 16 residential units at an estimated project cost of \$4,628,162 (the "Project"); and

WHEREAS, Developer estimates that the Project will create approximately (i) 57 full-time temporary construction jobs during the construction period with an approximate annual payroll of \$1,300,000; and (ii) approximately 14 full-time equivalent permanent jobs following completion of construction of the Project with an approximate annual payroll of \$495,000; and

WHEREAS, the City desires that the Property be put to its highest and best use; and

WHEREAS, the City's Real Estate Services Division has determined, by appraisal, that the fair market value of the Property is approximately \$150,000; however, facilitate the Project and promote its economic feasibility, the City desires to sell the Property to Developer for less than fair market value; namely, for \$1.00, because the Project will create additional affordable housing in Over-the-Rhine and stimulate other economic development in the area, for the benefit of the City; 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, Section 16 of Article VIII of the Ohio Constitution provides that it is in the public interest and a proper public purpose for the City to enhance the availability of adequate housing and to improve the economic and general well-being of the people of the City of Cincinnati by providing or assisting in providing housing; and

WHEREAS, the City has determined that: (i) the Property is not needed for municipal purposes; (ii) the Project is in the vital and best interests of the City and the health, safety, and welfare of its residents; and (iii) the City's sale of the Property to Developer to construct the Project will create, among other things, additional affordable housing in Cincinnati and is consistent with the City's objective of creating good quality housing options within the Over-the-Rhine neighborhood, thereby contributing to the social and economic viability and stability of the neighborhood; and

WHEREAS, City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the City's sale of the Property at its meeting on September 17, 2021; 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 *Property Sale and Development Agreement*, in substantially the form attached to this ordinance as Attachment A (the "Agreement"), pursuant to which the City will sell to Nassau Avenue Investments, LLC ("Developer") certain real property located at 114-116 W. Elder Street in Cincinnati (the "Property"), for Developer to renovate the existing building located thereon into a mixed-use development consisting of first floor commercial space and approximately 16 residential units (the "Project").

Section 2. That the Property is not needed for municipal purposes.

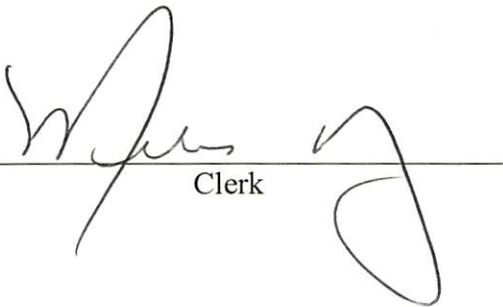
Section 3. That the fair market value of the Property, as determined by appraisal by the City's Real Estate Services Division, is approximately \$150,000; however, the City is justified in selling the Property to Developer for less than fair market value; namely, for \$1.00, because the City will receive economic and non-economic benefits that equal or exceed the fair market value of the Property because the Project will create additional housing and stimulate other economic development in the area, for the benefit of the City.

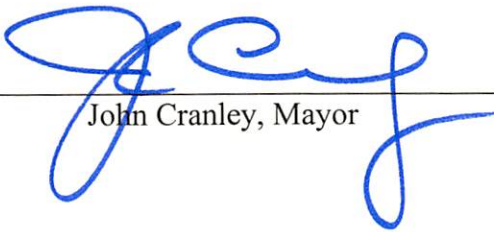
Section 4. That proceeds from the sale of the Property shall be deposited into Property Management Fund 209 to pay the fees for services provided by the City's Real Estate Services Division in connection with the sale, and that the City's Finance Director is hereby authorized to deposit amounts in excess thereof into Miscellaneous Permanent Improvement Fund 757.

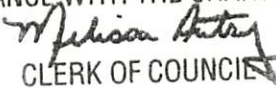
Section 5. That the City Manager and other City officials are authorized to take all necessary and proper actions to carry out the provisions of this ordinance and the Agreement, including, without limitation, executing any and all ancillary agreements, amendments, deeds, plats, terminations, releases, and other documents.

Section 6. 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 to expedite the City's execution of the Agreement, so that Developer can move forward with the Project without delay, thereby creating jobs and additional housing in Cincinnati, stimulating economic growth in the area and enabling the Property to be put to its highest and best use, all for the economic benefit of the City, at the earliest possible time.

Passed: September 22, 2021

Attest:   
Clerk

  
John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 368-2021  
WAS PUBLISHED IN THE CITY BULLETIN  
IN ACCORDANCE WITH THE CHARTER ON 10-5-2021  
  
CLERK OF COUNCIL