

May 27, 2025

To: Members of the Budget and Finance Committee

From: Sheryl M.M. Long, City Manager

202501084

Subject: Emergency Ordinance – Approving and Authorizing CRA Tax Exemption Agreement with KAM Investing, LLC and O'Rourke Wrecking Company

Attached is an Emergency Ordinance captioned:

APPROVING, AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Kam Investing, LLC and O'Rourke Wrecking Company, thereby authorizing a fifteen-year tax exemption for 100 percent of the value of improvements made to real property located at 660 Lunken Park Drive in the Linwood neighborhood of Cincinnati, in connection with the remodeling and expansion of an existing building into approximately 22,178 square feet of commercial space, consisting of a new headquarters building for O'Rourke Wrecking Company, at a total construction cost of approximately \$4,274,000.

STATEMENT

OFFICE/COMMERCIAL: The addition of this office space will help contribute to Cincinnati's economic stability by opening up more potential for future job opportunities through company expansion.

BACKGROUND/CURRENT CONDITIONS

660 Lunken Park Drive is currently home to the headquarters of the O'Rourke Wrecking Company. The company has operated out of this property for several decades, and their administrative staff are currently working out of a functionally obsolete office building. To help streamline and expand company operations, modernize their office space, and attract new talent, O'Rourke is looking to renovate and expand their existing office building.

The company originally sought to undertake this expansion in mid-2024. However, because their property is located in a FEMA Special Flood Hazard Area, the expansion project is subject to more stringent building code requirements. Adjusting building plans to ensure compliance with the code and obtaining proper building plan approvals has added both time and cost to this project.

Because of added time and cost, O'Rourke has also been considering this office project at other locations outside of Cincinnati. By providing a tax abatement, the City can secure O'Rourke's investment and will ensure that the company continues to grow in Cincinnati.

DEVELOPER INFORMATION

O'Rourke Wrecking Company is a family-owned business that has been in operation for over 60 years in the City of Cincinnati. They specialize in demolition and environmental services for clients throughout North America and are heavily involved in projects throughout the Greater Cincinnati region. KAM Investing, LLC is a property holding entity that is owned and controlled by the ownership of O'Rourke Wrecking Company. KAM Investing, LLC leases the 660 Lunken Park Drive property to O'Rourke Wrecking Company.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	O'Rourke Wrecking Co. Expansion
Street Address	660 Lunken Park Drive
Neighborhood	Linwood
Property Condition	Occupied Office Building
Project Type	Renovation and New Construction
Project Cost	Hard Construction Costs: \$4,274,000 Soft Costs: \$349,000 Total Project Cost: \$4,623,000
Private Investment	Developer Equity: \$4,623,000
Sq. Footage by Use	Commercial: 7,950 SF Office: 14,228 SF
Jobs and Payroll	Created FTE Positions: 5 Total Payroll for Created FTE Positions: \$500,000 Average Salary for Created FTE Positions: \$100,000 Retained FTE Positions: 22 Total Payroll for Retained FTE Positions: \$2,917,750 Construction FTE Positions: 20 Total Payroll for Construction FTE Positions: \$1,600,000
Community Engagement	Planned engagement regarding the project with the Columbia Tusculum Community Council
Plan Cincinnati Goals	Compete Initiative Area Goal 1 (p. 103-113), Compete Initiative Area Goal 2 (p.114-120)

Project Image and Site Map



Proposed Incentive

Incentive Terms	15-year, net 59.5%
Incentive Application Process	Commercial CRA – Neighborhood (Non-LEED, Undercapitalized)
Environmental Building Certification	LEED-Certified
VTICA	Neighborhood VTICA – 7.5%
SBE/MBE/WBE Goals	SBE Goal of 30%

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$40,282
Total Term Incentive to Developer	\$604,224
City's Portion of Property Taxes Forgone (Term)	\$142,710
City's TIF District Revenue Forgone (Term)	\$0

Public Benefit		Value
CPS PILOT	Annual	\$22,341
	Total Term	\$335,116
VTICA	Annual	\$5,078
	Total Term	\$76,163
Income Tax Total Term (Maximum)		\$939,593
Total Public Benefit (CPS PILOT, VTICA , Income Tax)		\$1,350,871

Total Public Benefit ROI*	\$2.24
City's ROI**	\$6.58

*This figure represents the total dollars generated for public purposes (City/Schools/Other) over total property taxes forgone.

**This figure represents the total income tax generated for the City over the City's property taxes forgone.