

EMERGENCY

KMG

- 2024

DECLARING improvements to certain real property located at 614-616 Race Street in the Central Business District of Cincinnati, to be constructed pursuant to a Development Agreement between the City of Cincinnati and 616 Race LLC, to be a public purpose and exempt from real property taxation for a period of thirty years pursuant to Ohio Revised Code Section 5709.41; and **AMENDING** Ordinance No. 413-2002, passed on December 18, 2002, as amended, to remove such real property from the operation of that ordinance.

WHEREAS, as authorized by Ordinance No. 130-2024, passed by Council on April 24, 2024, the City and 616 Race LLC, an entity wholly owned by Shihasi Starwind Airport, LLC (“Developer”), entered into that certain Development Agreement dated April 24, 2024 (the “Development Agreement”), pertaining to the redevelopment of certain real property located at 614-616 Race Street in the Central Business District of Cincinnati, which property is more particularly described on Attachment A to this ordinance (the “Property”); and

WHEREAS, the City executed the Development Agreement in order to create or preserve jobs and improve the economic welfare of the people of the City, consistent with Section 13 of Article VIII of the Ohio Constitution; and

WHEREAS, the City executed the Development Agreement in furtherance of a program of redevelopment the City undertook pursuant to Article XVIII, Section 3 of the Ohio Constitution, the Charter and ordinances of the City, and Plan Cincinnati (2012); and

WHEREAS, pursuant to the Development Agreement, (i) the City acquired fee title to the Property; and (ii) the City subsequently re-conveyed the Property to Developer, to enable Developer to undertake its redevelopment obligations under the Development Agreement; and

WHEREAS, the Property is located within the boundaries of the District 3-Downtown/OTR West District Incentive District, which was created by Ordinance No. 413-2002, passed by Council on December 18, 2002, as subsequently amended (the “TIF District Ordinance”); and

WHEREAS, in order to effectuate the transactions described in these recitals and in accordance with Ohio Revised Code (“R.C.”) Section 5709.916(E), the City desires to amend the TIF District Ordinance to exclude the Property and to provide for an exemption for the Property in accordance with the Development Agreement pursuant to R.C. Section 5709.41; and

WHEREAS, R.C. Sections 5709.41, 5709.42, and 5709.43 provide that Council may, in furtherance of its redevelopment activities: (i) declare by ordinance to be a public purpose any Improvement (as defined in R.C. Section 5709.41) to a parcel of real property and thereby authorize the exemption of such Improvement from real property taxation for a period of

time if (a) the City held fee title to the parcel at any time prior to the adoption of the ordinance, and (b) the parcel is leased, or the fee of the parcel is conveyed, to any person either before or after the adoption of the ordinance; (ii) require the payment of service payments in lieu of taxes by the owner or owners of the parcel; and (iii) establish an urban redevelopment tax increment equivalent fund for the deposit of those service payments; and

WHEREAS, the City's Department of Community and Economic Development estimates that the real property tax exemption for the Improvement to the Property will provide an annual net benefit to Developer in the amount of approximately \$161,451; and

WHEREAS, the City has determined that it is necessary and appropriate, in furtherance of the City's redevelopment activities, and in the best interests of the City, to (i) provide for exemption of the Improvement to the Property from real property taxation, and for the payment of semiannual service payments in lieu of taxes with respect to the Property ("Service Payments"), pursuant to R.C. Sections 5709.41 through 5709.43; and (ii) enter into a Service Agreement with Developer, in substantially the form attached to the Development Agreement, to establish certain terms and conditions regarding the payment of the Service Payments as further described therein; now, therefore,

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

Section 1. That, pursuant to and in accordance with the provisions of Ohio Revised Code ("R.C.") Section 5709.41, Council hereby declares that 100 percent of the increase in the assessed value of the Improvement (as defined in R.C. Section 5709.41) to the real property located at 614-616 Race Street in Cincinnati, which property is more particularly described on Attachment A to this ordinance (the "Property"), is a public purpose and exempt from real property taxation commencing on the first day of the tax year in which an Improvement of at least \$1,000,000 resulting from the redevelopment activities on the Property first appears on the tax duplicate of real and public utility property, and ending after the Improvement has been exempted from real property taxation for thirty years, or on the date on which the City can no longer require service payments to be paid on the Improvement, all in accordance with the requirements of R.C. Sections 5709.41 through 5709.43.

Section 2. That Council hereby confirms, pursuant to and in accordance with the provisions of R.C. Section 5709.42, that the owners from time to time of all or any portion of

the Property shall be required to pay service payments in lieu of taxes (“Service Payments”), with respect to the Improvement, subject to the specific terms and conditions provided for in the Service Agreement to be entered into with respect to the Property, in substantially the form attached to the Development Agreement between the City and 616 Race LLC (“Developer”), pertaining to the redevelopment of the Property (the “Service Agreement,” and the “Development Agreement,” respectively).

Section 3. That any and all Service Payments received by the City shall be deposited into Fund No. 763, Urban Redevelopment Tax Increment Equivalent Fund II, established by Ordinance No. 217-2015 (the “Fund Ordinance”).

Section 4. That Council hereby confirms, pursuant to and in accordance with the provisions of R.C. Section 5709.43, that the Service Payments shall be applied in accordance with the Development Agreement and the Service Agreement and shall be used in accordance with the Fund Ordinance.

Section 5. That, to facilitate the redevelopment project, Council hereby authorizes the City Manager, upon request of and in consultation with Developer, to prepare (or cooperate in the preparation of) and file an application for the real property tax exemption granted in Section 1 of this ordinance.

Section 6. That Council confirms its approval in all respects of the Development Agreement and the Service Agreement, which provide for, among other things, (i) covenants running with the land of the owner(s), from time to time, of the Property, including covenants relating to the obligation to pay Service Payments; and (ii) compensation to the Board of Education of the Cincinnati City School District pursuant to its Tax Incentive Agreement with the City effective as of April 28, 2020.

Section 7. That Ordinance No. 413-2002, passed on December 18, 2002, as subsequently amended (the “TIF District Ordinance”), is hereby amended to remove the Property from the property tax exemption area created thereby.

Section 8. That the TIF District Ordinance, except as amended herein, shall remain in full force and effect.

Section 9. That the proper City officials are hereby authorized to take all necessary and appropriate actions to fulfill the terms of this ordinance, the Development Agreement, and the Service Agreement, including, without limitation, executing any and all ancillary agreements and other documents.

Section 10. That, pursuant to R.C. Section 5709.41(E), the Clerk of Council is hereby directed to deliver a copy of this ordinance to the Director of the State of Ohio Department of Development (“ODOD”), 77 South High Street, 29th Floor, Columbus, Ohio 43215, within fifteen days after its passage, and that, on or before March 31 of each year that the exemption set forth in Section 1 hereof remains in effect, the City Manager is authorized to prepare and submit to the Director of ODOD the status report required under R.C. Section 5709.41(E).

Section 11. That it is hereby found and determined that all formal actions of Council concerning and relating to the passage of this ordinance were taken in an open meeting of Council, and that all deliberations of Council and of any of its committees that resulted in such formal action were taken in meetings open to the public, in compliance with all legal requirements, including R.C. Section 121.22.

Section 12. 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 enable the construction of the improvements to the Property described in the Development Agreement to commence at the earliest possible time, for the economic welfare of the citizens of Cincinnati.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk