

February 22, 2024

**To:** Mayor and Members of City Council

**From:** Sheryl M.M. Long, City Manager *SL*

202400566

**Subject: Emergency Ordinance – Property Sale Agreement - 646 Crown Street**

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Attached is an Emergency Ordinance captioned:

**AUTHORIZING** the City Manager to execute a Property Sale Agreement with OE May Square, LLC, pursuant to which the City will sell certain real property located at 646 Crown Street in the Walnut Hills neighborhood of Cincinnati.

### STATEMENT

**HOUSING:** The project facilitates the construction of 39 townhomes/rowhomes ranging from 1,380 – 2,100 SF. The additional housing units from this project will help alleviate Cincinnati’s strained housing market, which is currently experiencing increasing affordability issues due to the lack of supply.

### BACKGROUND/CURRENT CONDITIONS

The Department of Community and Economic Development (DCED) and Real Estate Department purchased a vacant parcel located at 646 Crown Street from the Ohio Department of Transportation (ODOT) in the fall of 2023. In accordance with section 5501.45 of the Ohio Revised Code, the property was acquired by the State as highway right of way and was no longer needed for state highway or recreation purposes. The City was able to acquire the property at the request of the Developer through the Financial Assistance Application process since ODOT was not able to do a direct land sale to the Developer. The City determined the fair market value of the parcel was \$8,000. The City will recoup the funding expended on the acquisition by conveying the parcel for the same amount to the Developer.

The sale of the City owned parcel will allow the Developer to complete a \$17,000,000 townhome/rowhome project in the Walnut Hills neighborhood. The project will include the construction of 39 townhomes/rowhomes ranging from 1,380 – 2,100 square feet on the adjacent parcels, 640-664 Crown Street, 2514-2527 Dix Street, and 2511-2519 May Street. The City has waived competitive bidding due to the limited utility of the property to other users, sale price of fair market value and the developer’s proposed housing development.

**DEVELOPER INFORMATION**

OE May Square, LLC, an affiliate of Onyx and East, LLC, is a development company based out of Indianapolis, IN. In their home market, they have developed, constructed, and sold multiple major subdivision projects of similar scale and appearance to the proposed development. The May square housing development project represents the second Onyx and East project in Cincinnati, where as they are currently completing the Everly on Woodburn Avenue and DeSales Lane in the Evanston neighborhood.

**RECOMMENDATION**

The Administration recommends approval of this Emergency Ordinance.

Attachment: Project Outline and Proposed Incentive

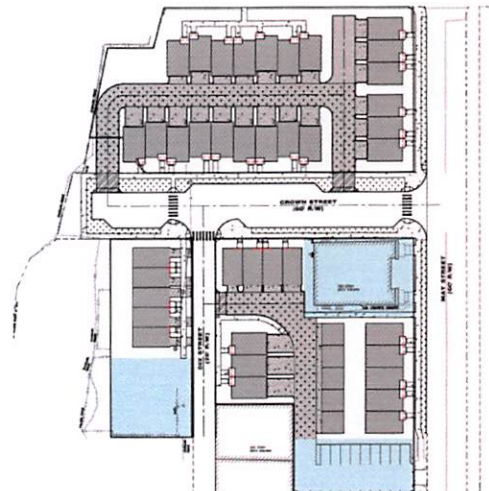
Copy: Markiea L. Carter, Director, Department of Community & Economic Development

**Project Outline**

Project Name	May Square
Street Address	City Owned Parcel: 646 Crown Street Project Area: 640-664 Crown Street, 2514-2527 Dix Street, and 2511-2519 May Street
Neighborhood	Walnut Hills
Property Condition	Vacant Land
Project Type	New Construction
Project Cost	Hard Construction Costs: \$12,000,000 Acquisition Costs: \$4,458,000 Soft Costs: \$542,000 Total Project Cost: \$17,000,000
Private Investment	Private Financing & Developer Equity: \$17,000,000
Sq. Footage by Use	Residential: 78,219 SF
Number of Units	39 Townhomes
Median 1-BD Rent Affordable To	N/A
Jobs and Payroll	Created FTE Positions: 2 Total Payroll for Created FTE Positions: \$150,000 Average Salary for Created FTE Positions: \$75,000 Construction FTE Positions: 80 Total Payroll for Construction FTE Positions: \$4,000,000
Location and Transit	Located near the Walnut Hills Business District Transit Score: 54
Community Engagement	Presented at Community Council (CC) throughout 2022-2023 Project is below the \$50,000 threshold for a Community Engagement Meeting.
Plan Cincinnati Goals	Compete Initiative Area Goal 2 (p. 114-120), Sustain Initiative Area Goal 2 (p.193-198)

\*Note that the above are provided for informational purposes only and are not required by the property sale agreement.

**Project Image and Site Map**



**Proposed Incentive**

<b>Property Transaction Types</b>	<b>Property Sale – Noncompetitive</b>
<b>Fair Market Value</b>	<b>\$8,000</b>
<b>Purchase Price</b>	<b>\$8,000</b>
<b>“But For”</b>	Developer has ownership of the adjacent parcels. Property sale is set at fair market value based on the City’s appraisal.
<b>SBE/MBE/WBE Goals</b>	<b>N/A</b>
<b>Planning Commission Approval</b>	<b>Land sale approved on 2/16/2024</b>
<b>Other Incentives &amp; Approvals</b>	Zone Change approved on February 17, 2023 by CPC, March 14, 2023 by City Council Major Subdivision approved on July 21, 2023 by CPC