


November 12, 2019

FOR YOUR INFORMATION MEMO

TO: Mayor & Members of City Council

FROM: Patrick A. Duhaney, City Manager 

SUBJECT: **Ordinance Amending the Cooperation Agreement between the City of Cincinnati and the Board of County Commissioners of Hamilton County in regards to the Banks Project**

The administration has transmitted an ordinance to Council that will amend the Cooperation Agreement between the City and County in order to facilitate the construction of a music venue on Lot 27 of The Banks, an extension of Smale Riverfront Park on Lot 23, the construction of garage infrastructure on Lot 28, and ultimately the rest of The Banks project. This amendment memorializes two agreements between the City and County that will allow the Banks project to move forward. The first is the “Outline of Terms and Conditions Between the City of Cincinnati and Hamilton County” approved by City Council on April 17, 2019 and by the Board of County Commissioners on April 11, 2019, which set forth a new shared cost structure for public infrastructure improvements. The second is the recent agreement, following a meeting of Commissioner Portune, Mayor Cranley, County Administrator Jeff Aluotto, and myself, captured in the attached “Broad Outlines of City/County agreement to move forward with Banks Development as discussed on 11/2” (Attachment A).

This amendment is necessary to advance the music venue project on Lot 27 in a timely manner, as well as the park on Lot 23, because it establishes the updated legal framework for the spending of public dollars on the public infrastructure that will support both the music venue and the park. In addition to this necessary First Amendment to the Cooperation Agreement, the administration has worked with CSO/MEMI and the County to advance the legislative zoning approvals required for the music venue to proceed. The Planning Department held a staff conference on a Major Amendment to Planned Development 43 and a Final Development Plan for Lots, 23, 27, and 28 on October 30th. These items will be heard by the Planning Commission on November 15th and a special meeting of the Economic Growth & Zoning Committee has been noticed for November 20th to give Council the opportunity to approve these zoning changes later that day in the regular meeting of City Council. Importantly, the Major Amendment to be heard by the Planning Commission will include the residential use on Lot 24, per the “Broad Outlines of City/County agreement to move forward with Banks Development as discussed on 11/2.” The administration will also bring forward, in advance of the November 20th City Council meeting, ordinances approving a Music Venue Development Agreement and an appropriation for the Lot 23 park.

These items, together with this First Amendment to the Cooperation Agreement, will provide all the legislative approvals necessary for the music venue to proceed.

This ordinance asks Council to authorize the administration to execute a First Amendment to the Cooperation Agreement substantially in the form of the agreement attached to the ordinance. This allows the administration to continue to negotiate with the County on refinements and clarifications to the language in the agreement without unnecessarily slowing down the music venue approvals by requiring subsequent legislative action. As indicated, this amendment reflects the above-referenced agreements that have been reached between the City and County. The April "Outline of Terms and Conditions Between the City of Cincinnati and Hamilton County" authorized the County to proceed with financing the approximately \$8.79MM public infrastructure funding gap for Phase IIIB of the Banks project, as well as committing the County to advance the City's portion of any deficits on existing debt supported by the Banks TIF District up to \$4MM. These changes are reflected in sections 2 and 15 of the First Amendment. The cost-sharing included in that Outline of Terms is also reflected more specifically in regards to the park lots in Sections 11 and 12.

The "Broad Outlines of City/County agreement to move forward with Banks Development as discussed on 11/2" describe the following terms, in brief and with reference to the section of the First Amendment they are addressed in (also found in Attachment A):

- The City will allow the County to utilize the City's Crosset Lot to meet the County's surface parking lot commitments to the Bengals through 2026 (Section 8)
- The City abandons its proposal to exclude residential use on Lot 24 (found in the PD-43 Major Amendment)
- The County will give the City independent, exclusive development rights on the City-owned Lots 1 and 13 to guarantee those lots will be exempt from the surface parking requirements in the Bengals MOUs (Section 3)
- The City will give the County independent, exclusive development rights on the County-owned Lots 24 and 25 (Section 3)
- The County agrees that any new height and design guidelines that emerge from the Urban Planning Review referenced in the Bengals MOUs will not be more restrictive than current height and design guidelines (Section 5)
- The City agrees to explore with the County options for the placement and development of decks over Fort Washington Way (Section 6)
- The City and County agree to work together over the next 2-3 months to create a revenue-sharing agreement related to the Skystar lease on Lot 18, with the City portion of any revenue share dedicated to the ongoing maintenance and operations of Smale Riverfront Park (Section 7)
- The City agrees that any TIF revenues from development on Lots 1 and 13 will be allocated in the following priority order (Section 14):
 - o To repay the Phase IIIB financing advanced by the County
 - o To repay any TIF District deficit financing advanced by the County
 - o To fund public infrastructure on Lots 1 and 13
 - o Split 50/50 between the City and County for any eligible use

Certain additional changes are necessitated in the First Amendment in order to integrate the above terms into the existing agreement. First, the City has agreed to allow the County to own and operate any garages that are built on the City-owned Lots 1 and 13 (Section 4), consistent with the existing

Banks Documents. Second, the document creates a mechanism for either the City or County to advance funds to proceed with the construction of public infrastructure on their respective lots (Section 15), which is made necessary by the independent development control each is given on those lots. Finally, in order to allow the City and County to independently develop their lots, the amendment commits the parties to formally terminate the Master Development Agreement that has been rendered inoperative on the remaining lots since the departure of Carter as Master Developer (Section 1). There are also several necessary clarifications regarding the funding of DOTE services (Section 10) and the Banks Project Executive (Section 9).