

EMERGENCY

City of Cincinnati

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An Ordinance No. 282

- 2020

AUTHORIZING the City Manager to execute a *Funding Agreement* with WHRF Holdings III, LLC and Nassau Avenue Investments, LLC, providing for a forgivable loan of \$1,000,000 to support acquisition, demolition, and development of the former Kroger Site in the neighborhood of Walnut Hills; **ESTABLISHING** new capital improvement program project account no. 980x164x211635, "Walnut Hills Former Kroger Site," for the purpose of providing resources to facilitate the acquisition, demolition, and development of the former Kroger Site in the neighborhood of Walnut Hills; **AUTHORIZING** the transfer and return to source Capital Funds 757 and 858 of the sum of \$2,000,000 from various capital improvement program project accounts for the purpose of decreasing certain existing capital improvement program project accounts, according to Section 1 of the attached Schedule of Transfer; **AUTHORIZING** the transfer and appropriation of the sum of \$2,000,000 from the unappropriated surplus of Capital Funds 757 and 858 to new or existing capital improvement program project accounts for the purpose of providing resources for certain capital improvement program project accounts, according to Section 2 of the attached Schedule of Transfer; and further **DECLARING** certain herein described projects to be for a public purpose.

WHEREAS, 954 E. McMillan Street located in the Walnut Hills neighborhood of Cincinnati (the "Property") is the site of a former and now vacant Kroger grocery store; and

WHEREAS, under a certain long-term ground lease the Walnut Hills Redevelopment Foundation (the "WHRF") owns or controls the improvements on the Property, including but not limited to the former grocery store structure, but it does not own the land underlying the improvements; and

WHEREAS, in partnership with The Model Group, Inc., the WHRF seeks to acquire ownership of the land underlying the improvements on the Property, repay the debt associated with the existing ground lease, terminate said ground lease, and demolish the existing improvements on the Property so that the site can be fully redeveloped (the "Project"); and

WHEREAS, the redevelopment of the Property will consist of multiple phases; will include development of both commercial and residential space, including affordable housing; and will include an investment of approximately \$75,000,000 to \$100,000,000; and

WHEREAS, in the interim, prior to the full redevelopment, the site or portions of the site will be utilized as a temporary parking lot to support the Walnut Hills Business District; and

WHEREAS, in order to support the feasibility of the Project, the City's Department of Community and Economic Development has recommended that the City provide to the WHRF (or an affiliate thereof) a forgivable loan totaling \$1,000,000, which will be used to in part finance the costs of the acquisition of the Property; 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 by providing or assisting in providing housing; and

WHEREAS, Section 13 of Article VIII of the Ohio Constitution provides that, in order to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people of the state, it is in the public interest and a proper public purpose for the state or its political subdivisions, or not-for-profit corporations designated by them, to acquire, construct, enlarge, improve or equip, and to sell, lease, exchange or otherwise dispose of, property, structures, equipment and facilities for industry, commerce, distribution and research, and to make loans and to provide moneys for the acquisition, construction, enlargement, improvement or equipment of such property, structures, equipment, and facilities; and

WHEREAS, the City believes that the Project is in the vital and best interests of the City and health, safety, and welfare of its residents; and is in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements; 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 *Funding Agreement* with WHRF Holdings III, LLC and Nassau Avenue Investments, LLC (collectively, “Developer”), in substantially the form attached to this ordinance as Attachment A (the “Agreement”), pursuant to which: (i) the City will make a \$1,000,000 forgivable loan to be used for acquisition of certain property located at 954 E. McMillan Street, Cincinnati, Ohio 45206, which is the former Kroger site in the neighborhood of Walnut Hills (the “Property”); and (ii) Developer will demolish the existing structure on the Property and create a temporary parking lot to support the Walnut Hills Business District, which will be replaced upon full redevelopment of the Property (the “Project”).

Section 2. That the Director of Finance is authorized to establish new capital improvement program project account no. 980x164x211635, “Walnut Hills Former Kroger Site,” for the purpose of providing resources to facilitate the acquisition, demolition, and development of the Property.

Section 3. That the transfer and return to source Capital Funds 757 and 858 of the sum of \$2,000,000 from various capital improvement program project accounts is hereby authorized for the purpose of decreasing certain existing capital improvement program project accounts, according to Section 1 of the attached Schedule of Transfer.

Section 4. That the transfer and appropriation of the sum of \$2,000,000 from the unappropriated surplus of Capital Funds 757 and 858 to new or existing capital improvement program project accounts is hereby authorized for the purpose of providing resources for certain capital improvement program project accounts, according to Section 2 of the attached Schedule of Transfer.

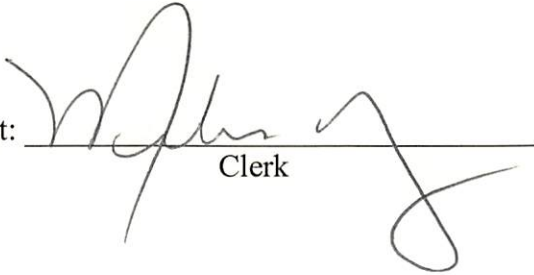
Section 5. That Council hereby declares that the “Walnut Hills Former Kroger Site” capital improvement program project as herein described serves a public purpose because the project will foster local improvements and investment, increase neighborhood vitality, and because each project has an estimated life or period of usefulness of five years or more.

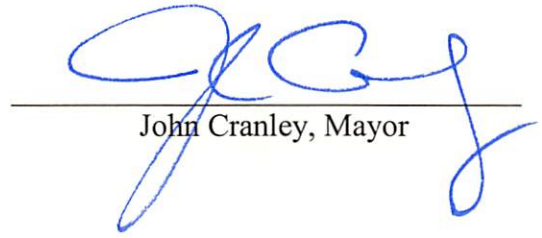
Section 6. That Council authorizes the appropriate City officials to take all necessary and proper actions as they deem necessary or appropriate to fulfill the terms of this ordinance and the Agreement, including without limitation executing any and all plats, deeds, leases, closing documents, agreements, releases, amendments, and other instruments pertaining to the Project, and including granting and accepting any and all associated easements.

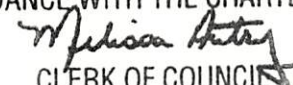
Section 7. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is to enable Developer to move forward with the Project as soon as possible and finalize all necessary

financing, which will result in the creation of jobs and the stimulation of economic growth in the Walnut Hills neighborhood of Cincinnati at the earliest possible date.

Passed: September 2, 2020

Attest: 
Clerk


John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 292-2020
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 9-15-2020

CLERK OF COUNCIL

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