

An Ordinance No. 88 - 2023

EESW

**APPROVING AND AUTHORIZING** the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement* with 8K Development Company, LLC, thereby authorizing a 15-year tax exemption for 100% of the value of improvements made to real property located at 129-131 W. Elder Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of the upper floors of 2 buildings into approximately 4,680 square feet of residential space, consisting of approximately 10 residential rental units, at a total construction cost of approximately \$880,600.

WHEREAS, to encourage the development of real property and the acquisition of personal property, the Council of the City of Cincinnati by Ordinance No. 274-2017 passed on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code (“ORC”) Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, Ordinance No. 275-2017 passed by this Council on September 27, 2017, as amended by Ordinance No. 339-2018, passed by this Council on October 31, 2018, sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area; and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, 8K Development Company, LLC (the “Company”) desires to remodel the upper floors of 2 buildings into approximately 4,680 square feet of residential space, consisting of approximately 10 residential rental units, on real property at 129-131 W. Elder Street located within the corporate boundaries of the City of Cincinnati (the “Improvements” and the “Property,” as applicable), provided that the appropriate development incentives are available to support the economic viability of the Improvements; and

WHEREAS, to provide an appropriate development incentive for the Improvements, the City Manager has recommended a *Community Reinvestment Area Tax Exemption Agreement*, in substantially the form of Attachment A to this ordinance, to authorize a real property tax exemption for the Improvements in accordance with the Statute; and

WHEREAS, the property is located within the Cincinnati City School District; and

WHEREAS, the Board of Education of the Cincinnati City School District (the “Board of Education”), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020 (as may be amended, the “Board of Education Agreement”), has approved exemptions of up to 100% of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 33% of the exempt real property taxes; and

WHEREAS, pursuant to a separate ordinance passed by this Council on or around the date of this Ordinance, the City and the Company will enter into a separate Property Sale and Development Agreement (the “PSDA”), pursuant to which the City will sell the Property to the Company; and

WHEREAS, the City’s Real Estate Services Division determined that the fair market value of the Property is approximately \$100,000; however, subject to the terms and conditions of the PSDA, the City will sell the property for less than fair market value, namely, for \$1.00; and

WHEREAS, the City’s Department of Community and Economic Development estimates that the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately \$10,118; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company’s operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per ORC Section 3735.673; now, therefore,

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

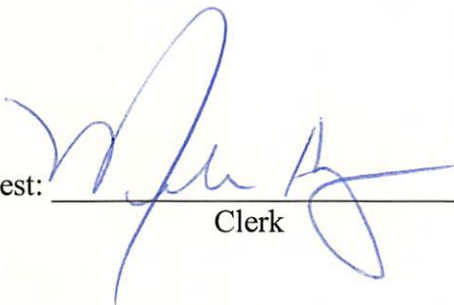
Section 1. That Council approves a *Community Reinvestment Area Tax Exemption Agreement* with 8K Development Company, LLC (the “Agreement”), thereby authorizing a 15-year tax exemption for 100% of the assessed value of improvements to be made to real property located at 129-131 W. Elder Street in Cincinnati, as calculated by the Hamilton County Auditor, in connection with the remodeling of the upper floors of 2 buildings into approximately 4,680 square feet of residential space, consisting of approximately 10 residential rental units, to be completed at a total construction cost of approximately \$880,600.

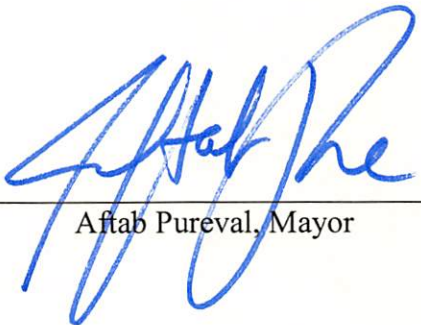
Section 2. That Council authorizes the City Manager:

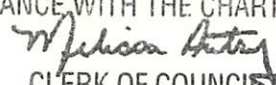
- (i) to execute the Agreement on behalf of the City in substantially the form of Attachment A to this ordinance; and
- (ii) to forward on behalf of Council a copy of the Agreement, within fifteen (15) days after execution, to the Director of the Ohio Development Services Agency in accordance with Ohio Revised Code Section 3735.671(F); and
- (iii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Development Services Agency and to the Board of Education of the Cincinnati City School District, in accordance with Ohio Revised Code Section 3735.672; and
- (iv) to take all necessary and proper actions to fulfill the City's obligations under the Agreement.

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: March 20, 2023

Attest:   
Clerk

  
Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 88:2023  
WAS PUBLISHED IN THE CITY BULLETIN  
IN ACCORDANCE WITH THE CHARTER ON 4/4/2023  
  
CLERK OF COUNCIL