city of CINCINNATI
Interdepartment Correspondence Sheet

August 4, 2026

To: Mayor and Members of City Council

From: Sheryl M.M. Long, City Manager

202602523

Subject: **Emergency Ordinance – AUTHORIZING A COMMUNITY REINVESTMENT AREA TAX EXEMPTION AGREEMENT WITH ALMS & DOEPKE BUILDING, LLC.**

Attached is an Emergency Ordinance captioned:

> **APPROVING, AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) with Alms & Doepke Building, LLC, an affiliate of Stough Development Corporation, thereby authorizing a fifteen-year tax exemption for 100 percent of the value of improvements made to real property located at 222 E. Central Parkway in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 7,600 square feet of commercial space and approximately 252,400 square feet of residential space, consisting of approximately 142 residential rental units, at a total remodeling cost of approximately $41,774,076.

STATEMENT

HOUSING: The new housing units this project will provide will go toward helping to alleviate Cincinnati's strained housing market, which is currently experiencing increasing affordability issues due to lack of supply.

BACKGROUND/CURRENT CONDITIONS

222 Central Parkway is a notable historic building (Property) located in the Over-the-Rhine neighborhood. The building was originally constructed in 1878, designed by notable architect Samuel Hannaford to serve as the Alms & Doepke Dry Goods Company, a major department store that operated until the mid-1950s. The Property also includes a major addition designed by Daniel Burnham, completed in 1906. The building later served as Hamilton County's Job and Family Services offices for many years until 2025, when these offices were relocated to Bond Hill.

In 2025, after making the Property available for sale, Hamilton County announced its decision to sell the building to a partnership comprised of Stough Development Corporation and Chavez Properties, for the purpose of adaptive reuse as mixed-use apartments. Since that time, the developers have recently secured $5,000,000 in competitive Ohio historic rehabilitation tax credits. The combination of state and federal historic tax credits significantly help to enable a transformation of the Property, allowing a vacant office building to be utilized for a new highest and best use, while also ensuring that it will be renovated to state and federal historic preservation standards.

DEVELOPER INFORMATION

The Project will be developed, owned, and operated by Alms & Doepke Building, LLC, which is affiliated with Stough Development Corporation and Chavez Properties (Developer). Stough Development Corporation is the lead developer of the Project.

Stough Development Corporation is a family-owned, multi-generational developer based in Over-the-Rhine, with a history of renovating and adaptively reusing buildings in the Main Street area. Examples include the Hanke Building and a former Woolworth store now operating as Pins Mechanical, both of which are also former department stores. Chavez Properties is also a family-owned, multi-generational real estate company. Chavez has significant property holdings and expertise in the parking industry, including a significant presence in downtown Cincinnati.

PROJECT DESCRIPTION

The Developer will renovate the Property to consist of 142 market-rate residential apartments and approximately 7,600 square feet of commercial space, to include a storefront on the Main Street side of the building.

The residential units will consist of spacious 1-bedroom and 2-bedroom apartments averaging a unit size of about 1,150 square feet, to be leased at an average rent of approx. $3,000 per month. The most common unit types in the building will be 1-bedroom units renting for about $2,300 or $2,800 per month, depending on unit size.

PROPOSED INCENTIVE

The Office of Strategic Growth recommends a 15-year, net 67% Commercial Tax Abatement. The recommendation is based on the project committing to achieving LEED Silver certification as well as the determination, based on underwriting, that the project needs a significant abatement in order to be economically feasible without any additional City subsidy.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The reason for the emergency is that the developer must lock secure construction pricing and financing in late summer or early fall of 2026 in order to commence construction on schedule.

Project Outline

Project Name	Alms & Doepke Building Renovation
Street Address	222 Central Parkway
Neighborhood	Over-the-Rhine
Property Condition	Vacant office building
Project Type	Rehabilitation
Project Cost	Hard Construction Costs: $41,774,076 Acquisition Costs: $12,131,951 Design and Soft Costs: $13,720,879 Total Project Cost: $67,626,906
Private Investment	Private Financing: $43,281,220 Developer Equity: $12,072,535 Historic Tax Credit Equity: $12,273,151
Sq. Footage by Use	Residential: 252,400 SF Commercial: 7,600
Number of Units and Rent Ranges	142 total apartments; 1-bed and 2-bed units mostly ranging from $2,300 to $4,000 (avg of approx. $3,000)
Typical 1-BD Rent Affordable To	Household income: $92,000 to $112,000 (2026 median family income is $109,900 for Cincinnati metro area)
Jobs and Payroll	Estimated Permanent Job Creation: 19 FTE positions Total Payroll for Construction FTE Positions: $1,076,187 Estimated Construction FTE Positions: 147 Total Payroll for Construction FTE Positions: $21,350,000
Location and Transit	Located in Over-the-Rhine Walk Score: 98 (out of 100) Transit Score: 78 (out of 100)
Community Engagement	Notification to OTR Community Council and Downtown Residents Council
Plan Cincinnati Goals	"Offer housing options of varied sizes and types for residents at all stages of life" (pp. 164 – 178); "Sustain our natural and built environment" (pp. 193-198).

Proposed Incentive

Incentive Terms	15-year, net 67%
Incentive Application Process	Commercial CRA – LEED-CRA within Streetcar VTICA area
"But For"	Incentive based on LEED Silver certification and the "but for" analysis
Environmental Building Certification	LEED Silver
VTICA	N/A
SBE/MBE/WBE Goals	SBE Goal of 30%

Potential Taxes Forgone & Public Benefit

Taxes Forgone	**Value**
Annual Net Incentive to Developer	$446,895
Total Term Incentive to Developer	$6,703,425
City's Portion of Property Taxes Forgone (Term)	$1,642,539
City's TIF District Revenue Forgone (Term)	$0

Public Benefit		**Value**
CPS PILOT	Annual	$220,112
	Total Term	$3,301,687
VTICA	Annual	$0
	Total Term	$0
Income Tax Total Term (Maximum)		$674,870
Total Public Benefit (CPS PILOT, VTICA, Income Tax)		$3,976,558

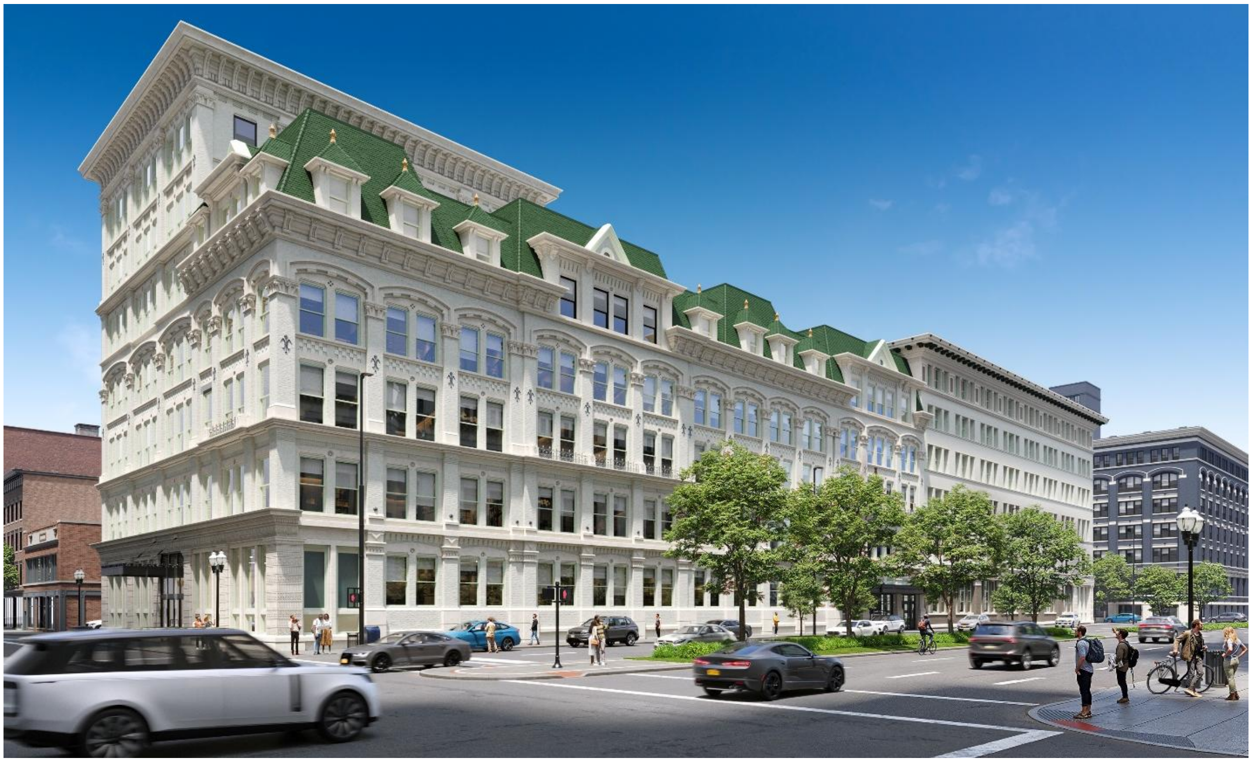
Total Public Benefit ROI*	$0.59
City's ROI**	$0.41

* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.
**This figure represents the total dollars returned for City/ over the City's property taxes forgone.

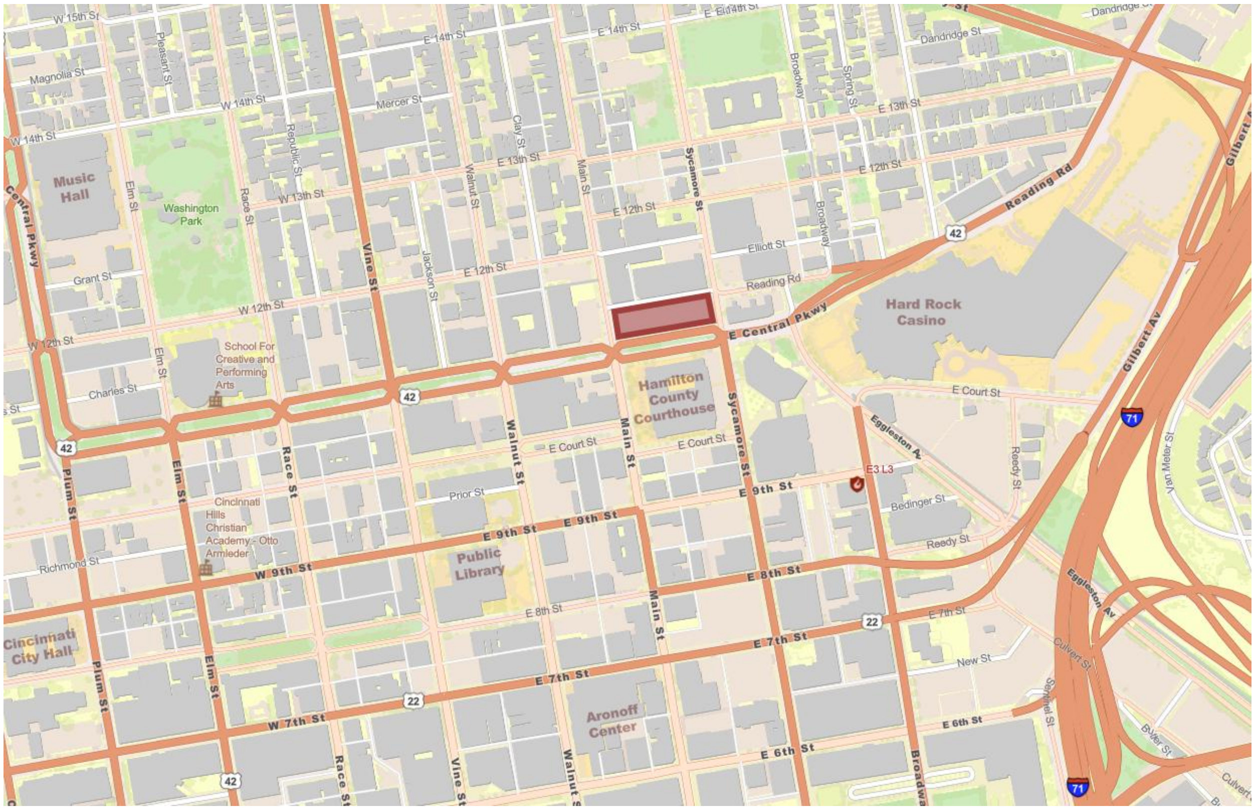
For Reference: 2026 Cincinnati MSA Area Median Income Limits

AMI	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
30%	$23,100	$26,400	$29,700	$33,000	$38,680	$44,360	$50,040	$55,720
50%	$38,500	$44,000	$49,500	$54,950	$59,350	$63,750	$68,150	$72,550
60%	$46,200	$52,800	$59,400	$65,940	$71,220	$76,500	$81,780	$87,060
80%	$61,550	$70,350	$79,150	$87,900	$94,950	$102,000	$109,000	$116,050

<u>**Project Image and Site Map**</u>



Project location shown in red:



cc: Brandon Rudd, Deputy Director, Office of Strategic Growth