

EMERGENCY

City of Cincinnati

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An Ordinance No. 517

- 2021

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with Auburn Land Holdings LLC, an affiliate of Uptown Rental Properties LLC and North American Properties LLC, for the sale of City property located at 2429 Macauley Street, 2434 Vine Street, and 13 E. McMillan Street, in the Mt. Auburn neighborhood of Cincinnati, in connection with the construction of (i) a four-story apartment building consisting of 270 market-rate residential rental units on top of a three-story podium parking garage, and (ii) 5 three-story market-rate townhomes.

WHEREAS, the City owns certain real property located at 2429 Macauley Street, 2434 Vine Street, and 13 E. McMillan Street in Cincinnati, as more particularly described and depicted in the *Property Sale and Development Agreement* (the “Development Agreement”) attached to this ordinance as Attachment A (the “City Property”), which is under the control of the City’s Park Board of Commissioners; and

WHEREAS, Auburn Land Holdings LLC (“Developer”), or an affiliate of Developer, owns or has a purchase contract to acquire land abutting the City Property, as depicted in the Development Agreement (“Developer Property”; and together with the City Property, the “Property”); and

WHEREAS, Developer submitted a development proposal to the City pursuant to an RFP issued by the City, pursuant to which Developer desires to purchase the City Property to consolidate with the Developer Property, and thereafter construct on the consolidated Property a new four-story apartment building consisting of 270 market-rate residential rental units atop a three-story podium parking garage, and 5 new three-story market-rate townhomes, at an estimated total project cost of approximately \$60,000,000 (the “Project”); and

WHEREAS, the City desires that the City Property be put to its highest and best use; and

WHEREAS, the City’s Real Estate Services Division has determined, by appraisal, that the fair market value of the City Property is approximately \$1,520,000, which Developer has agreed to pay; and

WHEREAS, in addition to the purchase price, Developer has agreed to pay the City (i) at closing on the sale of the City Property to Developer, a lump sum compensatory payment of \$259,000 for the value of the trees Developer plans to remove from the City Property as a result of the Project; and (ii) commencing upon the issuance of a certificate of occupancy for the Project, an annual payment of \$30,000 for the purpose of partially funding operational costs and capital improvements for parks in the Mt. Auburn neighborhood; and

WHEREAS, Section 13 of Article VIII of the Ohio Constitution provides that, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people

of the State, it is a public interest and proper public purpose for the State or its political subdivisions to sell, lease, exchange, or otherwise dispose of property within the State of Ohio for industry, commerce, distribution and research; 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 of Cincinnati by providing or assisting in providing housing; and

WHEREAS, the City has determined that: (i) the City Property is not needed for municipal purposes; (ii) the Project is in the vital and best interests of the City and the health, safety, and welfare of its residents; and (iii) the City's sale of the City Property to Developer to construct the Project will create, among other things, additional housing in Cincinnati, and is consistent with the City's objective of creating good quality housing options within the Mt. Auburn neighborhood, thereby contributing to the social and economic viability and stability of the neighborhood; and

WHEREAS, City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the City's sale of the City Property at its meeting on November 5, 2021; and

WHEREAS, the City's Park Board of Commissioners approved of the sale of the City Property by resolution at its meeting on December 8, 2021; 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 *Property Sale and Development Agreement*, in substantially the form attached to this ordinance as Attachment A (the "Development Agreement"), pursuant to which the City will sell to Auburn Land Holdings LLC ("Developer") certain real property located at 2429 Macauley Street, 2434 Vine Street, and 13 E. McMillan Street in Cincinnati (the "City Property"), for Developer to (a) consolidate with adjacent property Developer owns or controls (together with the City Property, the "Project Site"), and (b) construct a new four-story apartment building consisting of 270 market-rate residential rental units atop a three-story podium parking garage, and 5 new three-story market-rate townhomes on the Project Site, at an estimated total project cost of approximately \$60,000,000 (the "Project").

Section 2. That the City Property is not needed for municipal purposes.

Section 3. That the City solicited and reviewed development proposals for development

of the City Property through an open and public process and determined and selected Developer's development proposal as being the most suitable and advantageous to the City.

Section 4. That the fair market value of the City Property, as determined by appraisal by the City's Real Estate Services Division, is approximately \$1,520,000, which Developer has agreed to pay.

Section 5. That the proceeds from the sale of the City Property shall be deposited into Property Management Fund 209 to pay the fees for services provided by the City's Real Estate Services Division in connection with the sale, and that the City's Finance Director is hereby authorized to deposit amounts in excess thereof into Park Board Permanent Improvement Fund 752.

Section 6. That Developer has additionally agreed to pay to the City: (a) at closing on the sale of the City Property to Developer, a lump sum compensatory payment of \$259,000 for the value of the trees Developer plans to remove from the City Property as a result of the Project (the "Parks Lump Sum Payment"); and (ii) commencing upon the issuance of a certificate of occupancy for the Project, an annual payment of \$30,000 for the purpose of partially funding operational costs and capital improvements for parks in the Mt. Auburn neighborhood (the "Parks Annual Payments").

Section 7. That the Parks Lump Sum Payment shall be deposited into the Urban Forestry Fund 428 to pay the City's Parks Department the replacement value of the trees removed by Developer as a result of the Project.

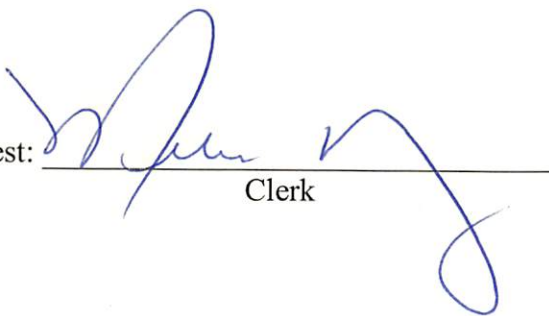
Section 8. That the Parks Annual Payments shall be deposited into the Parks Donation Special Activity Fund 326 to partially fund operational costs and capital improvements for parks within the Mt. Auburn neighborhood.

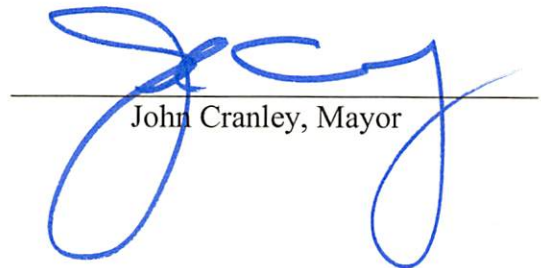
Section 9. That the City Manager and other City officials are authorized to take all

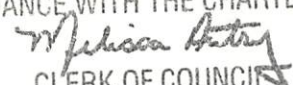
necessary and proper actions to carry out the provisions of this ordinance and the Development Agreement, including, without limitation, executing any and all ancillary agreements, amendments, deeds, plats, covenants, terminations, releases, and other documents.

Section 10. 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 the City's sale of the City Property to occur as soon as possible to enable Developer to promptly move forward with the Project without delay, which will result in the stimulation of economic growth and additional housing units in the Mt. Auburn neighborhood, and enabling the City Property to be put to its highest and best use, all for the economic benefit of the City, at the earliest possible time.

Passed: December 15, 2021

Attest: 
Clerk


John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 517-2021
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 12-28-2021

CLERK OF COUNCIL