

November 29, 2021

To: Mayor and Members of City Council **202103149**

From: Paula Boggs Muething, City Manager

Subject: Emergency Ordinance – Authorizing Property Sale and Development Agreement with CH Keymark LLC

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with KeyMark QALICB LLC, an affiliate of College Hill Community Urban Redevelopment Corporation and 8K Construction Company, LLC, for the sale of City-owned real property located at 1537 Marlowe Avenue in the College Hill neighborhood of Cincinnati, for the construction of certain improvements to the public parking lot located thereon.

BACKGROUND/CURRENT CONDITIONS

The subject ordinance would authorize a Property Sale and Development Agreement (“PSDA”) with CH Keymark LLC (“Developer”) contemplating that the City would sell a .11 acre land parcel behind 5920 Hamilton Ave (“Property”) to Developer for \$0.

The Property is a small, landlocked parcel acquired by the City in 2005 from tax foreclosure in order to protect that portion of the large business district parking lot, known as the Cedar Lot, located behind the properties then comprising the House of Joy church. The Cedar Lot is in poor condition and in need of repaving and other renovations.

In 2017, using a combination of City funding and its own funding, College Hill Community Urban Redevelopment Corporation (CHCURC) was successfully able to acquire the rest of the Cedar Lot as well as several mixed-use buildings on Hamilton Avenue in front of the Cedar Lot. Since that time, CHCURC has partnered with 8K Construction Company, LLC to create the Developer entity with the intention of renovating most of that block of underutilized buildings and the Cedar Lot.

The Developer has already begun renovation of 5920 Hamilton Avenue into restaurant space, and the Developer intends to close on its financing in December 2021 to begin renovation of the rest of this block of buildings and the Cedar Lot. As a closing condition to secure financing, the Developer is required to secure ownership of the Property.

In recent years, CHCURC has been successfully operating and maintaining public parking lots in other parts of the College Hill Business District, demonstrating its capacity to be a responsible steward of the Property, meaning that it no longer needs to be owned by the City in order to be protected as public parking.

DEVELOPER INFORMATION

The Developer, CH Keymark LLC, has acquired control over many of the surrounding buildings, as well as the surrounding parking lot parcels, with the intention of renovating those buildings and the parking lot. The Developer is an affiliate of both the College Hill Community Urban Redevelopment Corporation (CHCURC) and well as 8K Construction Company, LLC (8K), with CHCURC holding the majority ownership. CHCURC has long been a strategic partner in the City's in efforts to revitalize the College Hill Business District, while 8K has successfully done mixed-use renovation projects in Cincinnati.

DESCRIPTION OF PROPOSED SALE

The City determined that the Property has a fair market value of approximately \$9,600. However, the City is agreeable to sell the Property to the Developer for \$0 because the City will receive benefits from the sale that equal or exceed the fair market value. The property will be restricted for public parking for no less than 20 years, the City will be relieved of ownership costs, and the Developer will be able to complete a major renovation of the parking lot to support a multimillion dollar renovation of several mixed-use buildings in the College Hill Business District.

Under the terms of the PSDA, as consideration for the sale below fair market value, the Developer will be required to place a public parking use restriction over the Property for 20 years. The Developer will also be required to complete an approximately \$440,000 renovation of the Cedar Lot.

The proposed sale was approved by the City Planning Commission at its meeting on November 5, 2021.

The proposed sale is consistent with several areas of Plan Cincinnati, including "encourage shared parking in consolidated lots" (p.10), as well as "assemble vacant and underutilized properties within existing centers of activity and target them for reinvestment" (p.116).

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The reason for the emergency is that the Developer is required to secure ownership of the Property in order to secure major renovation financing in December 2021.

Attachment: A. Property location and photographs

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Attachment A: Property Location and Photographs

