

City of Cincinnati

CHM

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An Ordinance No. 234 - 2022

AUTHORIZING the City Manager to execute a *Lease Agreement* with Fountain Place, LLC, pursuant to which the City will lease a portion of Convention Way west of Vine Street in the Central Business District for a term of up to thirty years.

WHEREAS, the City of Cincinnati owns certain real property, designated as right of way, commonly known as Convention Way in the Central Business District, which property is generally located north of Fifth Street and west of Vine Street (the "Property") and is under the management of the Department of Transportation and Engineering ("DOT"); and

WHEREAS, Fountain Place, LLC, an Ohio limited liability company ("Lessee"), holds title to certain real property abutting the Property located at 505 Vine Street in the Central Business District, which property contains the Foundry building, formerly known as the Macy's-anchored Fountain Place building, and has requested to lease from the City a portion of the Property as more particularly depicted in the *Lease Agreement* incorporated herein as Attachment A (the "Lease Area"); and

WHEREAS, the City Manager, in consultation with DOT, has determined that (i) the Lease Area, above grade, is not needed for any municipal purpose for the duration of the lease; (ii) leasing the Lease Area to Lessee is not adverse to the City's retained interest in the Lease Area and the Property; and (iii) leasing the Lease Area to Lessee will not have an adverse effect on the usability or accessibility of any existing facilities in the public right-of-way; and

WHEREAS, the City's Real Estate Services Division has determined by appraisal that the fair market rental value of the Lease Area is approximately \$9,500 per year; however, the City has agreed to lease the Lease Area to Lessee for \$1.00 per year because the City will receive benefits that equal or exceed the fair market value of the lease through avoiding the cost and expense of directly performing the management, maintenance, and repair of the Lease Area and through the stimulation of economic activity and growth in the vicinity of the Lease Area; and

WHEREAS, pursuant to Section 331-5 of the Cincinnati Municipal Code, Council may authorize the lease of City-owned property without competitive bidding in those cases in which it determines that it is in the best interest of the City, and the City Manager has determined that the City's lease of the Lease Area is in the best interest of the City because, as a practical matter, no one other than Lessee, an abutting property owner, would have any interest in leasing the Lease Area and assuming responsibility for the maintenance and repair thereof; and

WHEREAS, the City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the lease of the Lease Area at its meeting on July 15, 2022; 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 *Lease Agreement* with Fountain Place, LLC, an Ohio limited liability company (“Lessee”), in substantially the form attached as Attachment A to this ordinance and incorporated herein by reference, pursuant to which the City of Cincinnati will lease a portion of Convention Way west of Vine Street, as more particularly depicted in the *Lease Agreement* (the “Lease Area”) for a term of up to 30 years.

Section 2. That the Lease Area above grade is not needed for any municipal purpose for the duration of the lease.

Section 3. That leasing the Lease Area to Lessee is not adverse to the City’s retained interest in the Lease Area, and leasing the Lease Area to Lessee will not have an adverse effect on the usability or accessibility of any existing facilities in the public right-of-way.

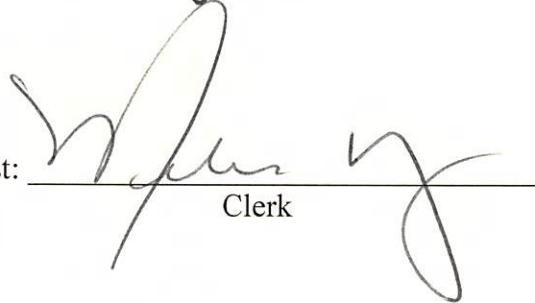
Section 4. That eliminating competitive bidding in connection with the City’s lease of the Lease Area is in the best interest of the City because, as a practical matter, no one other than Lessee, an abutting property owner, would have any interest in leasing the Lease Area and assuming responsibility for the maintenance and repair thereof.

Section 5. That the fair market value of the lease, as determined by an appraisal by the City’s Real Estate Services Division, is \$9,500 per year; however, the City has agreed to lease the Lease Area to Lessee for \$1.00 per year because the City will receive benefits that equal or exceed the fair market value of the lease through avoiding the cost and expense of directly performing the management, maintenance, and repair of the Lease Area and through the stimulation of economic activity and growth in the vicinity of the Lease Area.

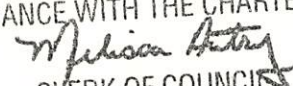
Section 6. That the proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions of this ordinance and to fulfill the terms of the *Lease Agreement*, including executing any and all ancillary documents associated with the lease, such as amendments or supplements to the lease deemed by the City Manager to be in the vital and best interests of the City.

Section 7. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: August 3, 2022

Attest: 
Clerk


Attab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO. 236-2022
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 8-16-2022

CLERK OF COUNCIL