

October 27, 2025

To: Members of the Budget and Finance Committee 202501920

From: Sheryl M.M. Long, City Manager

Subject: **Emergency Ordinance – Fourth Amendment to Master Lease and Management Agreement with 3CDC Master Parking, LLC**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute an amendment to the Master Lease and Management Agreement with 3CDC Master Parking LLC, executed on December 18, 2019, to incorporate the parking garages owned by the City and located on the northeast corner of Court St., in the Central Business District of Cincinnati, and at 407 Race St., in the Central Business District of Cincinnati, along with garages to be acquired by the City located at 5 Mercer St., in the Over-the-Rhine neighborhood, and 50 W Fifth St., in the Central Business District of the City of Cincinnati, into the Master Lease structure established therein; and to execute other real estate documents relating to the acquisition and lease of such parking garages.

BACKGROUND & SUMMARY

For decades, the City of Cincinnati (“the City”) has maintained multiple operational oversight and management leases with the Cincinnati Center City Development Corporation (“3CDC”) and its parking subsidiaries for City-owned public parking garages in the Central Business District and Over-the-Rhine.

On November 14, 2019, City Council passed Ordinance No. 438-2019, which amended, restated, and consolidated several existing garage management agreements into a single Master Lease and Management Agreement (“the Lease”) with 3CDC Master Parking, LLC to streamline contracts and administration. The Lease included the incorporation of contracts for Washington Park Garage and Eighth and Sycamore Garage, which were promptly executed by the Department of Community and Economic Development (“DCED”).

Ordinance No. 438-2019 also authorized the City Manager to administratively execute future amendments to the Lease to incorporate additional City-owned garages. Since then, three amendments have been approved:

- First Amendment (2020): Added Fifth & Race Garage
- Second Amendment (2023): Added Ziegler Park Garage
- Third Amendment (2024): Added Fountain Square North Garage

The City seeks to execute a Fourth Amendment to the Master Lease and Management Agreement (“Fourth Amendment”). This action continues the City’s efforts to improve operational efficiency, consolidate and modernize its garage portfolio, strengthen its partnership with 3CDC, and create the conditions for a more favorable bond rating.

PROJECT INFORMATION

The Fourth Amendment adds two 3CDC-owned garages and two City-owned garages into the Lease, while also amending terms to support refinancing of existing garage debt through a public bond issuance, and connectivity between the Lease and Master Indenture.

Added Garages, Transfer of 3CDC Garages, City Transfer Rights, 3CDC Surrender

The four garages to be incorporated are:

- Court and Walnut Garage
- Fourth and Race Garage
- Mercer Garage
- Foundry Garage

3CDC currently owns the Mercer and Foundry Garages and will transfer title of both to the City for \$1 each to include in the Lease. The City will agree to not sell or otherwise transfer its interest in any of the leased garages during the term of the Master Indenture until all garage debt is repaid.

On or after the termination date, 3CDC will have an option to repurchase the Mercer and Foundry Garages for \$100 each. The City will retain ownership of all other garages. At the end of the term, 3CDC must transfer any remaining balances in operating, capital reserve, or sinking fund accounts—not required for debt repayment—back to the City.

Lease Termination Dates

To align with projected debt service schedules for the proposed bond issuance and other efficiencies, the Fourth Amendment will apply the following termination dates:

- December 31, 2065: Eighth and Sycamore Garage, Fifth and Race Garage, Fountain Square North Garage, Court and Walnut Garage, Fourth and Race
- December 1, 2100: Mercer Garage, Foundry Garage

Each facility will have two optional successive 10-year renewal periods, whereby 3CDC is required to provide written notice at least 12 months, but no more than 18 months, before the end of the current term (either the initial term or first renewal).

City Parking Rate Approval

Pursuant to the Lease, 3CDC may establish commercially reasonable parking rates, subject to City approval, so long as a) the Debt Service Coverage Ratio for the prior calendar year was at least 1.40x, and b) the current calendar year's is projected to be at least 1.40x. Prior to the start of each calendar year during the term of the Lease, 3CDC must provide written notice of proposed parking rates to the City Manager.

Flow of Funds and Financial Structure

The Fourth Amendment updates the flow of funds to:

- Prioritize payment of subordinated loans
- Amend "Permitted Sinking Fund Contributions" to maintain adequate reserves and improve bond rating outcomes, and
- Establish a "Parking Program Fund" to replace the existing Capital Improvement Fund and support operating costs or debt service shortfalls.

DEVELOPER INFORMATION

3CDC Master Parking, LLC, is a wholly owned subsidiary of 3CDC. 3CDC is a private, non-profit 501(c)(3) corporation with a mission to strengthen the core assets of downtown by revitalizing and connecting the Central Business District and Over-the-Rhine.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance to authorize execution of the Fourth Amendment. The emergency designation is necessary to enable timely execution of documents required to meet financial closing deadlines.

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