

December 16, 2024

To: Members of the Budget and Finance Committee

202402575

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing a Funding and Development Agreement with Grammers Place, LLC.

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute a Funding and Development Agreement with Grammers Place, LLC or another affiliate of Urban Sites acceptable to the City Manager, to facilitate renovation and construction of a mixed-use development on the real property located at 1422-1450 Walnut Street in the Over-the-Rhine neighborhood of Cincinnati; **AUTHORIZING** the transfer and appropriation of \$2,900,000 from the unappropriated surplus of Downtown/OTR East Equivalent Fund 483 (Downtown/OTR East TIF District) to the Department of Community and Economic Development non-personnel operating budget account no. 483x164x7200 to provide resources for the renovation and construction activities of the residential component of the mixed-use development project at 1422-1450 Walnut Street in the Over-the-Rhine neighborhood of Cincinnati; and further **DECLARING** expenditures from such project account related to the renovation and construction activities associated with the residential component of the mixed-use development project at 1422-1450 Walnut Street in the Over-the-Rhine neighborhood to be a public purpose and constitute a “Housing Renovation” (as defined in Ohio Revised Code Section 5709.40(A)(3)) that is located within the District 4 – Downtown-OTR East District Incentive District, subject to compliance with Ohio Revised Code Sections 5709.40 through 5709.43.

STATEMENT

HOUSING: The additional 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.

COMMERCIAL: The redevelopment of these commercial spaces will help contribute to Cincinnati’s economic stability by opening more potential for future job opportunities by increasing space for new tenants.

BACKGROUND/CURRENT CONDITIONS

Grammers Place, LLC will be developing a mixed-use residential and commercial project, which will result in the renovation of the vacant buildings and development of the vacant land located at 1422-1450 Walnut Street in the Over-the-Rhine neighborhood of

Cincinnati. This project will transform the underutilized site into 116 apartment units (103,931 square feet of residential space) and 4,522 square feet of commercial space.

DEVELOPER INFORMATION

Grammers Place, LLC is affiliated with Urban Sites, who is a development, property management, and construction services company with a focus on revitalizing historic assets in the urban core. Urban Sites has over 25 years of development experience and is best known for its catalytic work in Over-the-Rhine, as well as the historic Woodburn Corridor in East Walnut Hills.

Triversity Construction is codeveloping this project with Urban Sites. Triversity is a commercial construction company with a portfolio that includes work in the Central Business District and Over-the-Rhine.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance to allow construction to commence at the earliest possible time.

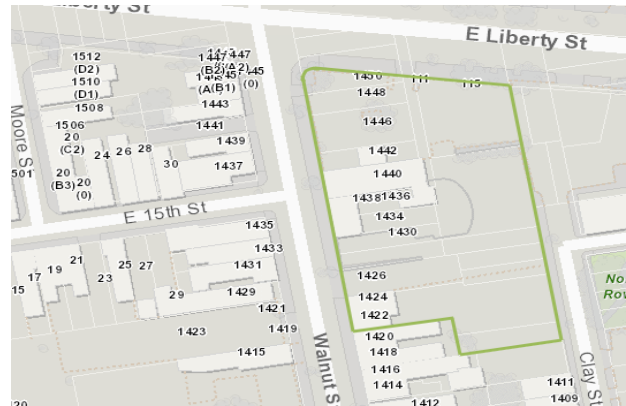
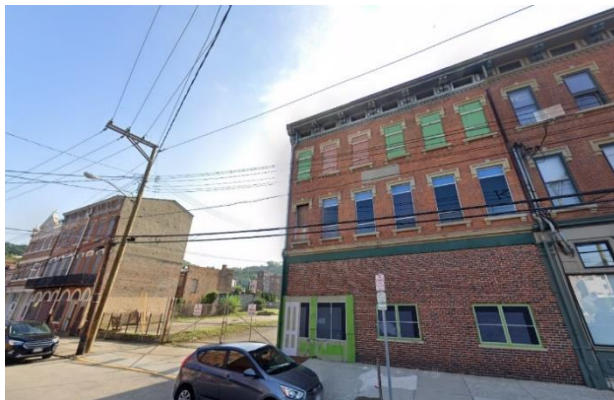
Attachment: Project Outline

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

Project Outline

Project Name	The Lockhart
Street Address	1422-1450 Walnut Street
Neighborhood	Over-the-Rhine
Property Condition	Vacant Land and Vacant Buildings
Project Type	Rehabilitation and New Construction
Project Cost	Hard Construction Costs: \$26,000,000 Acquisition Costs: \$1,500,000 Soft Costs: \$5,900,000 Total Project Cost: \$33,400,000
Private Investment	Private Financing: \$17,000,000 Developer Equity: \$13,248,296
Sq. Footage by Use	Residential: 103,931 SF Commercial: 4,522 SF
Number of Units and Rent Ranges	24 Studio Units; Rent Range \$1,241-\$1,504 84 1-BR Units; Rent Range \$1,666-\$2,181 9 2-BR Units; Rent Range \$2,482-\$2,557 116 Total Units
Median 1-BD Rent Affordable To	Salary: \$73,400 City Job Classification: Carpenter, Police Officer, Surveyor, Physician Assistant
Jobs and Payroll	Created FTE Positions: 14 Total Payroll for Created FTE Positions: \$650,000 Average Salary for Created FTE Positions: \$46,429 Construction FTE Positions: 275 Total Payroll for Construction FTE Positions: \$12.5MM
Location and Transit	Located within the OTR Historic District Transit Score: 73
Community Engagement	Presented at Community Council (CC) on 11/25/24. Community Engagement Meeting held on 11/5/24. CC has voted in support.
Plan Cincinnati Goals	Compete Initiative Area Goal 2 (p. 114-120), Sustain Initiative Area Goal 2 (p.193-198)

Project Image and Site Map



Proposed Incentive

Incentive Terms	\$2,900,000 forgivable loan for the construction of the residential components of the project.
“But For”	Project would not proceed without forgivable loan.
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	N/A
Other Incentives & Approvals	City Administration is also proposing a 15 year CRA property tax incentive.

For Reference: 2024 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$22,050	\$25,200	\$28,350	\$31,450	\$34,000	\$36,500	\$39,000	\$41,550
50%	\$36,700	\$41,950	\$47,200	\$52,400	\$56,600	\$60,800	\$65,000	\$69,200
60%	\$44,040	\$50,340	\$56,640	\$62,880	\$67,920	\$72,960	\$78,000	\$83,040
80%	\$58,700	\$67,100	\$75,500	\$83,850	\$90,600	\$97,300	\$104,00	\$110,700