

EMERGENCY

City of Cincinnati

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An Ordinance No. _____

- 2021

AUTHORIZING the City Manager to execute a *Development Agreement* with OH-UC Holdings II LLC and OH-UC Holdings III LLC, affiliates of Trinitas Development LLC and Crawford Hoying Development Partners, LLC, pertaining to the redevelopment of property located along Straight Street between Clifton Avenue and University Court in the Clifton Heights neighborhood of Cincinnati, pursuant to which the City will assign service payments in lieu of taxes received by the City of Cincinnati to the Port of Greater Cincinnati Development Authority to facilitate the mixed-use redevelopment project.

WHEREAS, OH-UC Holdings II LLC and OH-UC Holdings III LLC (jointly, “Developer”), affiliates of Trinitas Development LLC and Crawford Hoying Development Partners, LLC, and the City of Cincinnati desire to enter into a *Development Agreement*, substantially in the form of Attachment A hereto (the “Development Agreement”), pertaining to Developer’s redevelopment of property located along Straight Street between Clifton Avenue on the east and University Court on the west in Cincinnati (the “Project” and the “Project Site”, as applicable); and

WHEREAS, Developer currently anticipates completing the Project in two phases, with the first phase consisting of the following two sub-phases:

- (i) Phase IA Project: Developer’s design and construction of a 351 residential rental unit, 1,029 bed student housing project known as “The Deacon”, and renovation of an existing 800-space private parking garage (the “Phase IA Private Improvements”), which Developer has already completed; and
- (ii) Phase IB Project: The design and construction of (a) approximately 380 residential rental units of student housing, approximately 24,300 square feet of commercial space, an approximately 160-key hotel, and a new 17-bedroom sorority house for the Zeta House Corporation of Delta Delta Delta (“Tri Delta”) (the “Phase IB Private Improvements”; and jointly with the Phase IA Private Improvements, the “Phase I Private Improvements”); and (b) an approximately 169-space public parking garage and other eligible public infrastructure improvements, including acquisition of the existing Tri Delta sorority house (the “Phase IB Public Infrastructure Improvements”; and jointly with the Phase IB Private Improvements, the “Phase IB Project”); and

WHEREAS, Developer currently anticipates that the second phase of the Project (the “Phase II Project”) will consist of (i) approximately 45,000 square feet of commercial space, approximately 350 residential rental units, approximately 170 multifamily housing units, and an approximately 170-space private parking garage (the “Phase II Private Improvements”; and jointly with the Phase I Private Improvements, the “Private Improvements”); and (ii) an

approximately 400-space public parking garage to service the Private Improvements and other eligible public infrastructure improvements necessary for the completion thereof (the "Phase II Public Infrastructure Improvements"; and jointly with the Phase IB Public Infrastructure Improvements, the "Public Infrastructure Improvements"); and

WHEREAS, the total estimated cost (including, without limitation, hard construction costs, soft costs, and acquisition costs) of (i) the Private Improvements is approximately \$395,310,000, and (ii) the Public Infrastructure Improvements is \$62,540,000; and

WHEREAS, the Phase IB Project and the Phase II Project are expected to result in the creation of approximately (i) 750 full-time equivalent temporary jobs at the Project Site at an annual payroll, during the construction period, of approximately \$40,300,000; and (ii) 700 full-time equivalent permanent jobs at the Project Site at an annual payroll of approximately \$15,700,000 following completion of construction; and

WHEREAS, on November 14, 2019, this Council passed Ordinance No. 445-2019 (the "TIF Ordinance"), pursuant to which the City declared that the Improvement (as defined in Ohio Revised Code ("ORC") Section 5709.40(A)(4)) to the Project Site constitutes a public purpose and exempted 100% of the Improvement from real property taxation for a period of 30 years pursuant to ORC Section 5709.40(B) (the "TIF Exemption"); and

WHEREAS, pursuant to the TIF Ordinance, the parties intend to execute one or more service agreement(s), in substantially the form attached as an exhibit to the Development Agreement, pursuant to which Developer will make semiannual service payments in lieu of real property taxes ("Service Payments"); and

WHEREAS, the City anticipates that the Service Payments will be used: (i) to pay certain administrative fees to the Hamilton County, Ohio Auditor and the City; (ii) to make payments to the Board of Education of the Cincinnati School District under the City's Agreement with the School Board dated July 2, 1999, as amended; (iii) to facilitate a bond issuance by the Port of Greater Cincinnati Development Authority to finance a portion of the Public Infrastructure Improvements; and (iv) to be retained by the City and used for any lawful purpose, in each case in the manner set forth in the Development Agreement; and

WHEREAS, the Project Site is located in the TIF District known as "District 8-Clifton Heights-University Heights-Fairview (CUF) District Incentive District" (the "District"), established by Ordinance No. 418-2002, passed by Council on December 18, 2002; and

WHEREAS, the City anticipates that it will keep the Project Site within the District and, by separate ordinance, layer the TIF Exemption over the exemption provided by the District, stating that the TIF Exemption will have priority over the District exemption; 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 lend aid or credit 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 by providing or assisting in providing housing; and

WHEREAS, the City believes that the Project will promote urban redevelopment in the Clifton Heights neighborhood of Cincinnati, is in the vital and best interests of the City and the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements; 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 *Development Agreement* with OH-UC Holdings II LLC and OH-UC Holdings III LLC (jointly, “Developer”), in substantially the form attached as Attachment A to this ordinance (the “Development Agreement”), pertaining to a mixed-use redevelopment project located along Straight Street between Clifton Avenue and University Court in Cincinnati, as more particularly described in the Development Agreement (the “Project” and the “Project Site”, as applicable).

Section 2. That the proper City officials are hereby authorized to take all necessary and proper actions to fulfill the terms of this ordinance, the Development Agreement, any and all Project-related documents described in or contemplated by the Development Agreement (including, without limitation, one or more service agreements and a cooperative agreement, as more particularly described therein), and any and all ancillary agreements, amendments, and other documents related to the Project and/or the Project Site, all as deemed necessary or appropriate by the City Manager.

Section 3. 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 the immediate need to enable the parties to execute the Development Agreement as

soon as possible so that Developer can promptly move forward with the Project, thereby creating additional housing, jobs, and other significant economic benefits to the City at the earliest possible time.

Passed: _____, 2021

John Cranley, Mayor

Attest: _____
Clerk