

EMERGENCY

EVK

- 2025

APPROVING AND AUTHORIZING the City Manager to execute a Second Amendment to Community Reinvestment Area Tax Exemption Agreement with Traction Partners, LLC, amending an agreement previously authorized by Council for a 100 percent tax exemption of the value of improvements made to real property located at 432 Walnut Street in the Central Business District of Cincinnati, removing the obligation for the company to obtain certification of compliance with LEED standards.

WHEREAS, pursuant to Ordinance No. 459-2019, passed by Council on December 4, 2019, the City entered into a certain Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) dated July 28, 2020, as amended by that certain First Amendment to Community Reinvestment Area Tax Exemption Agreement, dated January 4, 2025 (as amended, the “Agreement”), with Traction Partners, LLC (the “Company”), which provides for a 100 percent real property tax exemption for the value of improvements to real property located at 432 Walnut Street in the Central Business District of Cincinnati, for fifteen years, relating to the Company’s remodeling of a historic 15-story office building into a hotel and restaurant (the “Project”), all as more particularly described in the Agreement; and

WHEREAS, the Company has represented to the City that the Company has been working towards completing the Project with the intent to certify compliance of the remodeling to LEED standards, but the U.S. Green Building Council’s LEED standards have changed since the Company and the City first executed the Agreement, and the Company will not obtain a LEED certification for the Project as currently required under the Agreement; and

WHEREAS, the Company has requested that the City agree to amend the Agreement to remove the requirement that the Company obtain certification of the remodeling’s compliance with LEED Silver, Gold, or Platinum standards; and

WHEREAS, the City’s Department of Community and Economic Development (“DCED”) estimates that the real property tax exemption for the improvements will provide an annual net benefit to the Company in the amount of approximately \$562,888; and

WHEREAS, the City, upon the recommendation of DCED, is willing to amend the Agreement to remove the language requiring the Company to obtain certification that the remodeling complied with the applicable LEED standards in the Agreement; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Council authorizes the City Manager:

- (a) to execute an amendment to a certain Community Reinvestment Area Tax Exemption Agreement (LEED or Living Building Challenge) dated July 28, 2020, as amended by that certain First Amendment to Community Reinvestment Area

Tax Exemption Agreement, dated January 4, 2025 (as amended, the “Agreement”), between the City of Cincinnati (the “City”), and Traction Partners, LLC (the “Company”), relating to real property located at 432 Walnut Street in the Central Business District of Cincinnati, which amendment shall be in substantially the form of Attachment A to this ordinance (the “Amendment”), and which will authorize removing the Company’s obligation to obtain certification that the remodeling complied with the applicable LEED standards, provided the Company satisfies certain conditions as described in the Agreement, as amended by the Amendment, including compliance with all statutory requirements; and

- (b) to take all necessary and proper actions to fulfill the City’s obligations under the Agreement, as amended by the Amendment.

Section 2. 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 execute the Amendment to allow the Project and the corresponding revitalization of the City of Cincinnati and the benefits to the City’s economic welfare to begin at the earliest possible time.

Passed: _____, 2025

Aftab Pureval, Mayor

Attest: _____
Clerk