

An Ordinance No. 74

- 2025

AUTHORIZING the City Manager to enter into (i) a Funding and Development Agreement with Cincinnati Center City Development Corporation ("3CDC"), OTR Holdings, Inc. (an affiliate of 3CDC), and Findlay Community Center LLC (an affiliate of 3CDC) relating to the redevelopment of certain real property generally bounded by Goose Alley, Findlay Street, Vine Street, and Bardes Alley (the "Project Site") in the Over-the-Rhine neighborhood of Cincinnati into (a) an approximately 59,700 square foot community center and approximately 7,900 square foot public outdoor play area, and (b) an approximately 8,400 square foot early learning childcare center and approximately 4,900 square foot childcare center playground (collectively, the "Project"); (ii) a Ground Lease to Findlay Community Center LLC of the Project Site for a term of 75 years for the construction of the Project; (iii) a Findlay Community Center Sublease back from Findlay Community Center LLC; and (iv) related agreements; **ESTABLISHING** new capital improvement program project account no. 980x164x251633, "Findlay Community Center," to provide resources for the Project; **AUTHORIZING** the transfer and appropriation of \$24,250,000 from the unappropriated surplus of Urban Development Bond Fund 862 to newly established capital improvement program project account no. 980x164x251633, "Findlay Community Center," to provide resources for the Project; and further **DECLARING** expenditures from newly established capital improvement program project account no. 980x164x251633, "Findlay Community Center," to serve a public purpose because they will facilitate the Project for the benefit of the citizens of Cincinnati and, in particular, the residents of Over-the-Rhine.

WHEREAS, the City of Cincinnati (the "City") owns certain real property generally bounded by Goose Alley, Findlay Street, Vine Street, and Bardes Alley in the Over-the-Rhine neighborhood of Cincinnati (the "City Parcels"); and

WHEREAS, the City intends to vacate via separate ordinance that portion of Republic Street right-of-way between 1826 Republic Street and Bardes Alley (the "Former City ROW"); and

WHEREAS, OTR Holdings, Inc. ("OTR Holdings"), an affiliate of Cincinnati Center City Development Corporation ("3CDC") owns certain real property located at 1829 Vine Street in the Over-the-Rhine neighborhood of Cincinnati (the "Developer Parcel"); and

WHEREAS, the City desires to purchase the Developer Parcel, and 3CDC desires to convey the Developer Parcel to the City for \$286,000, on substantially the terms and conditions contained in the draft Funding and Development Agreement attached as Attachment A hereto (the "Agreement"); and

WHEREAS, following its acquisition of the Developer Parcel and vacation of the Former City ROW, the City intends to consolidate such properties with the City Parcels (collectively, the "Project Site"); and

WHEREAS, the City, upon the recommendation of the Department of Community and Economic Development, desires to enter into the Agreement in substantially the form attached hereto, pursuant to which:

- (i) The City and Findlay Community Center LLC (“Project Owner”) will enter into a ground lease agreement substantially in the form attached to the Agreement, pursuant to which (a) the City will lease the Project Site to Project Owner for \$1.00/year for a term of 75 years (the “Ground Lease”); (b) Project Owner will complete the construction, improvement, and redevelopment of the Project Site into (1) an approximately 59,700 square foot community center and approximately 7,900 square foot public outdoor play area (collectively, the “Findlay Community Center”), and (2) an approximately 8,400 square foot early learning childcare center and approximately 4,900 square foot childcare center playground (collectively, the “Early Learning Childcare Center”; and together, with the Findlay Community Center, the “Project”), at an estimated total project cost of approximately \$46,100,631; and (c) following completion thereof, Project Owner will (1) sublease the Early Learning Childcare Center to a third party to manage and operate, and (2) sublease the Findlay Community Center to the City in accordance with terms acceptable to the City Manager;
- (ii) The City and Findlay Community Center Manager, LLC (or another affiliate of 3CDC acceptable to the City, “Findlay Operator”) will enter into a professional services management agreement substantially in the form attached to the Agreement, pursuant to Findlay Operator will operate and manage the Findlay Community Center on behalf of the City;
- (iii) The City will engage an affiliate of 3CDC acceptable to the City to operate and manage the portion of Republic Street right-of-way located between Findlay Street and 1826 Republic Street in support of the Findlay Community Center; and
- (iv) The City will provide a grant in an amount not to exceed \$24,250,000, on the terms and conditions contained in the Agreement, which the parties currently anticipate will be used to finance a portion of the Project and attract and facilitate additional Project financing through the federal new markets tax credit program; and

WHEREAS, 3CDC, OTR Holdings, and Project Owner (collectively, the “Developer Parties”) anticipate that the design and construction of the Project will create approximately 263 temporary construction jobs, and that the operation of the Project will create approximately 58 permanent jobs; and

WHEREAS, the Developer Parties anticipate that construction of the Project will be substantially completed on or about July 1, 2026; 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 sell, lease, exchange, or otherwise dispose of property within the State of Ohio for industry, commerce, distribution, and research; and

WHEREAS, the City believes that the Project is in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements; and

WHEREAS, the estimated fair market rental value, as determined by appraisal by the City's Real Estate Services Division of the Project Site is \$130,500/year; however, the City desires to lease the Project Site for less than the fair market rental value (namely, for \$1.00, each) because the City has determined that the economic and noneconomic benefits the City will receive from the lease equal or exceed the fair market rental value from the lease, including due to Project Owner's construction of the Project, which will significantly enhance the use of the Project Site for community recreation and childcare purposes; and

WHEREAS, the City has determined that (i) eliminating competitive bidding in connection with the City's lease of the Project Site is in the best interest of the City because of the economic development, financial, and societal benefits that the City will achieve from the Project for the benefit of the residents of Cincinnati; and (ii) the Project Site is not needed for other municipal purposes during the terms of the proposed lease thereof; and

WHEREAS, City Planning Commission, having the authority to approve the change in use of City-owned property, approved the City's lease of the Project Site at its meeting on January 17, 2025; 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 Funding and Development Agreement with Cincinnati Center City Development Corporation ("3CDC"), OTR Holdings, Inc. ("OTR Holdings"), and Findlay Community Center LLC ("Project Owner"; and, together with 3CDC and OTR Holdings, the "Developer Parties"), substantially in the form attached hereto as Attachment A (the "Agreement"), pertaining to the redevelopment of certain real property generally bound by Goose Alley, Findlay Street, Vine Street, and Bardes Alley (the "Project Site") into (a) an approximately 59,700 square foot community center and approximately 7,900 square foot public outdoor play area (collectively, the "Findlay Community Center"), and (b) an approximately 8,400 square foot early learning childcare center and approximately 4,900 square foot childcare center playground (collectively, the "Early Learning Childcare Center"; and together, with the Findlay Community Center, the "Project"), at a total project cost of over \$45,000,000, and pursuant to which (i) the City will (x) lease the Project Site

to Project Owner, and (y) grant funds in an amount not to exceed \$24,250,000 to fund a portion of the Project and to attract and facilitate additional Project financing through the federal new markets tax credit program; and (ii) the Developer Parties will construct the Project and Project Owner will lease the Findlay Community Center back to the City, all as more particularly described in the Agreement.

Section 2. That the estimated fair market rental value, as determined by appraisal by the City's Real Estate Services Division, of the Project Site is \$130,500/year, and that leasing the Project Site to Project Owner for less than their fair market rental value (namely, \$1.00/year each) is in the best interest of the City because the economic development, financial, and societal benefits that the City will achieve from the Project equal or exceed the fair market rental value thereof.

Section 3. That (a) it is in the best interest of the City to eliminate competitive bidding in connection with the City's lease of the Project Site to Project Owner because the conveyance of such interest is necessary to facilitate the Project, and (b) the Project Site is not needed for other municipal purposes during the terms of the proposed lease thereof.

Section 4. That the Director of Finance is hereby authorized to establish new capital improvement program project account no. 980x164x251633, "Findlay Community Center," to provide resources for the Project.

Section 5. That the Director of Finance is hereby authorized to transfer and appropriate \$24,250,000 from the unappropriated surplus of Urban Development Bond Fund 862 to newly established capital improvement program project account no. 980x164x251633, "Findlay Community Center," to provide resources for the Project.

Section 6. That expenditures from newly established capital improvement program project account no. 980x164x251633, "Findlay Community Center," are hereby declared to serve a public purpose because they will facilitate the construction of a new community recreation center and a

childcare center for the benefit of the citizens of Cincinnati and, in particular, the residents of Over-the-Rhine.

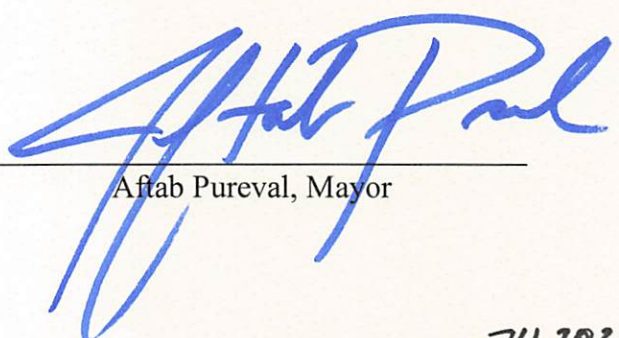
Section 7. That Council authorizes the proper City officials to take all necessary and proper actions to fulfill the terms of this ordinance, including, without limitation, executing the Agreement and all agreements ancillary thereto, including deeds, leases, easements, conveyance documents, plats, amendments, and other documents to effectuate the terms thereof and facilitate the Project, including granting easements for less than fair market value if deemed appropriate.

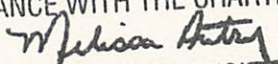
Section 8. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need for the City to enter into the Agreement to meet the financial closing deadline and facilitate commencement of construction of the Project, thereby creating jobs and completing the development of the public health center for the benefit of the Over-the-Rhine neighborhood and the general public at the earliest possible date.

Passed: April 2, 2025

Attest: _____

Clerk


Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 74-2025
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 4/15/2025

CLERK OF COUNCIL