

EMERGENCY

City of Cincinnati

JRS AG

An Ordinance No. 489

- 2021

**AUTHORIZING** the City to enter into a *Lease Agreement* with vR Hospitality LLC or other affiliated organization acceptable to the City Administration, pursuant to which the City will grant a leasehold interest in certain City-owned property at Lunken Airport in the Linwood neighborhood known as Lease Area 52 for a term of up to 40 years to facilitate the company's establishment and operation of a fixed-base operator business involving the sale of fuel and the storage and servicing of aircraft.

WHEREAS, the City owns Lunken Airport ("Airport"), which is under the management of the City's Department of Transportation and Engineering ("DOT"); and

WHEREAS, vR Hospitality LLC or other affiliated organization acceptable to the City Administration (the "Company") desires to establish a fixed-based operator business ("FBO") at the Airport and, therefore, desires to lease from the City certain City-owned property at the Airport in the Linwood neighborhood known as Lease Area 52, as more particularly described in the *Lease Agreement* attached as Attachment A to this ordinance (the "Property"), for a term of up to 40 years (the "Lease"); and

WHEREAS, the City Administration, including DOT, has determined that (i) the Property is not needed for any municipal purpose during the term of the Lease, and (ii) leasing the Property to the Company is not adverse to the City's retained interest in the Property or the Airport; and

WHEREAS, pursuant to Cincinnati Municipal Code Section 331-5, Council may authorize the lease of City-owned property without competitive bidding in those cases in which it determines that it is in the best interest of the City; and

WHEREAS, the City had determined that eliminating competitive bidding in connection with the Lease of the Property to the Company is in the best interest of the City and the public because the Company's fixed-base operator business will complement the mixed-use hotel, restaurant, and commercial event space the Company will construct and operate on the adjacent property, will create new employment opportunities at the Airport, broaden the services available to the other users of the Airport, and enhance the overall viability of the Airport; and

WHEREAS, the City's Real Estate Services Division, in consultation with the City's Airport Manager and after considering airport industry standards and FAA requirements, has determined by appraisal that the fair market rental value of the Property is approximately \$19,144.50 per annum, which the Company has agreed to pay (with rent to be adjusted as described in the Lease); 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 Administration, including DOTE, has determined that the Lease constitutes a proper public purpose because the Lease of the Property will enhance the economic viability of the Airport, help the Airport operations achieve self-sustainability, and stimulate economic activity in and around the Linwood neighborhood; and

WHEREAS, the City Planning Commission, having the authority to approve the change in use of City-owned property, approved the Lease of the Property to the Company at its meeting on December 3, 2021; now, therefore,

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

Section 1. That the City is hereby authorized to enter into a *Lease Agreement* with vR Hospitality LLC or other affiliated organization acceptable to the City Administration (“Company”), in substantially the form attached as Attachment A to this ordinance, pursuant to which the City of Cincinnati will lease to the Company certain City-owned property at Lunken Airport in the Linwood neighborhood known as Lease Area 52 for a term of up to 40 years to facilitate the Company’s establishment and operation of a fixed-base operator business involving the sale of fuel and the storage and servicing of aircraft.

Section 2. That the Property is not needed for a municipal purpose for the duration of the *Lease Agreement*.

Section 3. That the rent set forth in the *Lease Agreement* reflects the fair market rental value of the leased premises, as determined by appraisal by the City’s Real Estate Services Division in consultation with the City’s Airport Manager and after considering airport industry standards.

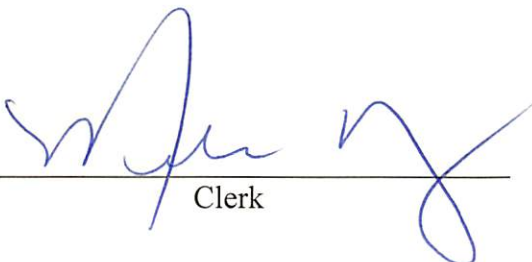
Section 4. That eliminating competitive bidding in connection with the City’s lease of the Property is in the best interest of the City because the City has not received any other acceptable proposals from other interested parties and because the Company’s fixed-base operator business

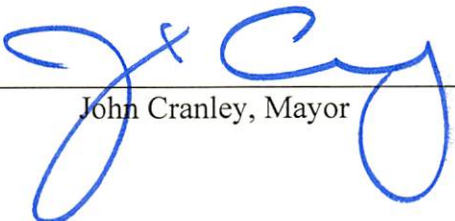
will complement the mixed-use hotel, restaurant, and commercial event space the Company's affiliate will construct and operate on the adjacent property, will create new employment opportunities at Lunken Airport, broaden the services available to the other users of Lunken Airport, and enhance the overall viability of Lunken Airport.

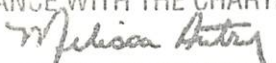
Section 5. That the proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions and intent of this ordinance and the *Lease Agreement*, including, without limitation, executing any and all ancillary documents associated with those agreements, including plats, deeds, easement agreements, and other documents, and further including executing amendments or supplements thereto to incorporate any and all additional or revised terms and conditions as the City Administration determines to be in the City's vital and best interests.

Section 6. 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 *Lease Agreement* so construction of the new facility can begin as soon as possible to enable the City to receive the benefit of the work to be performed by the Company at the earliest possible time.

Passed: December 15, 2021

Attest:   
Clerk

  
John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO. 489-2021  
WAS PUBLISHED IN THE CITY BULLETIN  
IN ACCORDANCE WITH THE CHARTER ON 12-28-2021  
  
CLERK OF COUNCIL