

EMERGENCY

City of Cincinnati

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An Ordinance No. 321

- 2021

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with 6121-23 Madison Rd. Opportunity Fund, LLC, for the sale of City-owned real property located at 6007 Madison Road in the Madisonville neighborhood of Cincinnati, to be consolidated with the purchaser's own property and redeveloped as a mixed-use development; **ESTABLISHING** new capital improvement program project account no. 980x162x221641, "DCED Property Improvements," for the purpose of providing resources for permanent improvements to vacant buildings and properties controlled or previously controlled by the Department of Community and Economic Development; and further, **DECLARING** expenditures from capital improvement program project account no. 980x162x221641, "DCED Property Improvements," to be for a public purpose.

WHEREAS, the City owns certain real property located at 6007 Madison Road in Cincinnati, as more particularly described in the *Property Sale and Development Agreement* attached to this ordinance as Attachment A, which is under the management and control of the City's Department of Community and Economic Development (the "Property"); and

WHEREAS, 6121-23 Madison Rd. Opportunity Fund, LLC ("Developer") owns the adjoining property located at 6011 Madison Road in Cincinnati and desires to purchase the Property from the City, for consolidation with Developer's adjoining property to facilitate the renovation and expansion of an existing building into a mixed-use development consisting of approximately 3,793 square feet of commercial space, approximately 7,707 square feet of residential space comprised of 7-8 apartments, and 12 surface parking spaces, at an estimated project cost of \$1,921,900 (the "Project"); and

WHEREAS, Developer estimates that the Project will create approximately (i) 15 full-time temporary construction jobs during the construction period with an approximate annual payroll of \$600,000; and (ii) 25 full-time equivalent permanent jobs following completion of construction of the Project with an approximate annual payroll of \$1,000,000; and

WHEREAS, the City desires that the Property be put to its highest and best use; and

WHEREAS, the City's Real Estate Services Division has determined, by appraisal, that the fair market value of the Property is approximately \$39,500; however, the City desires to sell the Property to Developer for less than fair market value; namely, for \$28,442, because Developer has agreed to incur expenses totaling \$15,000 to assist the Civic Garden Center of Greater Cincinnati with relocation of a community garden located at the Property; 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, 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 of Cincinnati by providing or assisting in providing housing; and

WHEREAS, the City has determined that: (i) the Property is not needed for municipal purposes; (ii) the Property poses a financial liability to the City because the City must continue to incur expenses in maintaining it; and (iii) it is in the best interest of the City to eliminate competitive bidding in connection with the City's sale of the Property because Developer owns the adjoining property and consolidation of the Property will put the Property to the highest and best use; and

WHEREAS, City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the City's sale of the Property at its meeting on May 7, 2021; 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 *Property Sale and Development Agreement* with 6121-23 Madison Rd. Opportunity Fund, LLC ("Developer"), in substantially the form attached to this ordinance as Attachment A (the "Agreement"), pursuant to which the City will sell to Developer certain real property located at 6007 Madison Road in Cincinnati (the "Property"), for consolidation with Developer's adjoining property to facilitate the renovation and expansion of an existing building into a mixed-use development consisting of approximately 3,793 square feet of commercial space, approximately 7,707 square feet of residential space comprised of 7-8 apartments, and 12 surface parking spaces (the "Project").

Section 2. That the Property is not needed for municipal purposes.

Section 3. That the fair market value of the Property, as determined by professional appraisal by the City's Real Estate Services Division, is approximately \$39,500; however, the City desires to sell the Property to Developer for less than fair market value; namely, for

\$28,442, because Developer has agreed to incur expenses totaling \$15,000 to assist with relocating a community garden located at the Property.

Section 4. That eliminating competitive bidding in connection with the City's sale of the Property is in the best interest of the City because Developer owns the adjoining property and consolidation and redevelopment of the Property with Developer's parcel will put the Property to the highest and best use.

Section 5. That the City's Finance Director is hereby authorized to establish new capital improvement program project account no. 980x162x221641, "DCED Property Improvements" for the purpose of providing resources for permanent improvements to vacant buildings and properties controlled or previously controlled by the Department of Community and Economic Development.

Section 6. That the proceeds from the sale of the Property shall be deposited into Property Management Fund 209 to pay the fees for services provided by the City's Real Estate Services Division in connection with the sale, and that the City's Finance Director is hereby authorized to deposit amounts in excess thereof into Miscellaneous Permanent Improvement Fund 757.

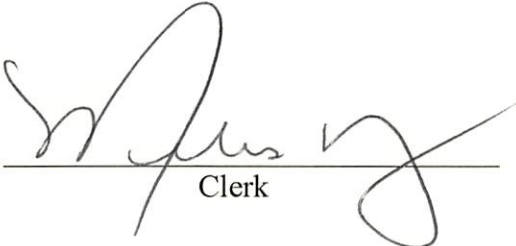
Section 7. That the City's Finance Director is authorized to transfer and appropriate such excess funds from the unappropriated surplus of Miscellaneous Permanent Improvement Fund 757 to capital improvement program project account no. 980x162x221641, "DCED Property Improvements."

Section 8. That expenditures from capital improvement program project account no. 980x162x221641, "DCED Property Improvements," are hereby declared to be for a public purpose because it will provide local improvements and increase neighborhood vitality.

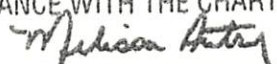
Section 9. That the City Manager and other City officials are authorized to take all necessary and proper actions to carry out the provisions of this ordinance and the Agreement, including, without limitation, executing any and all ancillary agreements, amendments, plats, deeds, terminations, releases, and other documents.

Section 10. 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 to expedite the City's execution of the Agreement, so that Developer can move forward with the Project without delay, thereby creating jobs, stimulating economic growth in the area and enabling the Property to be put to its highest and best use, all for the economic benefit of the City, at the earliest possible time.

Passed: August 4, 2021

Attest: 
Clerk


John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO. 321-2021
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 8-17-2021

CLERK OF COUNCIL