

June 5, 2024

To: Mayor and Members City Council

From: Sheryl M.M. Long, City Manager

202401507

Subject: Emergency Ordinance – Tax Increment Financing Exemption for 616 Race Redevelopment

Attached is an Emergency Ordinance captioned:

DECLARING improvements to certain real property located at 614-616 Race Street in the Central Business District of Cincinnati, to be constructed pursuant to a Development Agreement between the City of Cincinnati and 616 Race LLC, to be a public purpose and exempt from real property taxation for a period of thirty years pursuant to Ohio Revised Code Section 5709.41; and **AMENDING** Ordinance No. 413-2002, passed on December 18, 2002, as amended, to remove such real property from the operation of that ordinance.

BACKGROUND/CURRENT CONDITIONS

Ordinance No. 130-2024 authorized the City Manager to execute a Development Agreement with 616 Race LLC, pertaining to the redevelopment of 614-616 Race Street in the Central Business District. The redevelopment will result in approximately 84,281 square feet of commercial space, consisting of approximately 109 hotel rooms (the “Project”). The Agreement provides for City assistance to the Project in the form of a 30-year property tax increment financing (TIF) exemption for improvements pursuant to Ohio Revised Code Section 5709.41, subject to passage by Council of this separate ordinance authorizing the tax exemption.

The City Administration has completed the property conveyance – reconveyance required prior to passage of the TIF exemption ordinance and the developer has met the necessary due diligence requirements to be ready to commence construction.

DEVELOPER INFORMATION

616 Race, LLC is owned by Keystone Management Group. Founded in 2000, Keystone Management Group is a hotel investment, development, and management firm headquartered in Greater Cincinnati (Symmes Township). Keystone Management Group manages eight hotels in the Greater Cincinnati area and is currently constructing two additional hotels. Recent projects located within the City include the completed 110-unit TownePlace Suites by Marriott located at 106 W. 7th Street as well as the 116-unit Home2Suites by Hilton under construction in Oakley.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The emergency clause is necessary to confirm City support prior to financial closing and so that construction can commence at the earliest possible time.

Copy: Markiea L. Carter, Director, Department of Community & Economic Development