

EMERGENCY

LES

-2023

AUTHORIZING the establishment of new capital improvement program project account no. 980x164x231637, “Saks Acquisition – TIF,” for the purpose of providing resources for the acquisition of the improvements located at 101 W. Fifth Street, commonly known as the Saks Fifth Avenue building; **AUTHORIZING** the transfer and appropriation of the sum of \$3,000,000 from the unappropriated surplus of Downtown South/Riverfront Equivalent Fund 481 to newly established capital improvement program project account no. 980x164x231637, “Saks Acquisition – TIF”; and **DECLARING** that expenditures from newly created capital improvement program project account no. 980x164x231637, “Saks Acquisition – TIF,” to be a public purpose and constitute a “Public Infrastructure Improvement” (as defined in Section 5709.40(A)(8) of the Ohio Revised Code), that will benefit and/or serve the District 2-Downtown South/Riverfront District Incentive District, subject to compliance with Ohio Revised Code Sections 5709.40 through 5709.43.

WHEREAS, on June 17, 2022, Saks Fifth Avenue (“Saks”) provided the City with a notice of its intent to discontinue operations at the 101 W. Fifth Street location in Cincinnati’s Central Business District; and

WHEREAS, under the terms of the ground lease between Saks and the City, Saks’ notice of its intent to discontinue operations provides the City with the right to terminate the lease and purchase the improvements located on the property; and

WHEREAS, in order to terminate the lease and transfer ownership in the improvements, the ground lease requires that Saks and the City agree on the fair market value of the improvements, or, if they are unable to do so, enter into binding arbitration to determine such value; and

WHEREAS, the City’s Real Estate Services Division has determined by appraisal that the fair market value of the improvements is approximately \$2,595,000; and

WHEREAS, pursuant to an arms-length negotiation, and in the interest of forgoing the arbitration process outlined in the ground lease, the City and Saks have agreed upon a purchase price of \$3,000,000; and

WHEREAS, investing in the acquisition of the improvements to the property held by Saks is in accordance with the “Compete” goal to “[f]oster a climate conducive to growth, investment, stability, and opportunity,” as described on pages 103-113 of Plan Cincinnati (2012); now, therefore,

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

Section 1. That new capital improvement program project account no. 980x164x231637, “Saks Acquisition – TIF,” is hereby established for the purpose of providing resources for the acquisition of the improvements located at 101 W. Fifth Street, commonly known as the Saks Fifth Avenue building.

Section 2. That the transfer and appropriation of the sum of \$3,000,000 from the unappropriated surplus of Downtown South/Riverfront Equivalent Fund 481 to newly established capital improvement program project account no. 980x164x231637, “Saks Acquisition – TIF,” is hereby authorized for the purpose of providing resources for the acquisition of the improvements located at 101 W. Fifth Street, commonly known as the Saks Fifth Avenue building.

Section 3. That Council hereby declares that the “Saks Acquisition – TIF” capital improvement program project constitutes a Public Infrastructure Improvement (as defined in Section 5709.40(A)(8) of the Ohio Revised Code) that will benefit and/or serve the District 2-Downtown South/Riverfront District Incentive District, subject to compliance with Ohio Revised Code Sections 5709.40 through 5709.43.

Section 4. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Sections 1 through 3 hereof.

Section 5. 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 need to enable the parties to close on the City's purchase of the improvements and termination of the lease pursuant to the City's notice of lease termination.

Passed: _____, 2023

Aftab Pureval, Mayor

Attest: _____
Clerk