

April 2, 2025

To: Members of the Budget and Finance Committee

From: Sheryl M.M. Long, City Manager



2025006181

Subject: Emergency Ordinance – Community Center FADA and Ground Lease (North OTR)

Attached is an Emergency Ordinance captioned:

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.

STATEMENT

COMMUNITY ASSETS: This collection of projects will help create several new community facilities that offer residents access to affordable, quality healthcare, opportunities for recreation and leisure, critical services like childcare and after school programming, and public parking. Collectively, these projects will contribute significantly to the revitalization of Over-the-Rhine north of Liberty Street.

BACKGROUND/CURRENT CONDITIONS

In late 2020, the City of Cincinnati, in partnership with the Cincinnati Recreation Commission, engaged the Cincinnati Center City Development Corporation (“3CDC”) to serve as the development manager for the revitalization of several key City-controlled sites in the northern part of Over-the-Rhine, including the current Over-the-Rhine Recreation Center, Grant Park, the Elm Street Playground, and Findlay Playground.

The City entered into a professional services contract with 3CDC related to the revitalization of these sites in 2021. The first phase of community engagement around the sites was initiated in the summer of 2021. Multiple workshops and small group sessions were held with neighborhood residents and business owners, along with a survey that generated over 300 responses. Additional rounds of engagement were conducted in the fall of 2021 and in 2022.

Based on feedback from these sessions, 3CDC provided a recommendation to relocate the existing Over-the-Rhine Recreation Center, located at 1715 Republic Street, to the current Findlay Playground, creating a new state-of-the-art recreation facility known as the Findlay Community Center. The existing Over-the-Rhine Recreation Center would be partially demolished and redeveloped into a new expanded facility for Crossroad Community Health Center, a non-profit healthcare provider currently located 5 E. Liberty Street that primarily serves low-income patients. The remainder of the site at 1715 Republic Street would become a public parking lot designed to serve Findlay Community Center, the new Crossroad facility, and North Over-the-Rhine.

The City currently owns the majority of the Findlay Community Center project site and intends to acquire 1829 Vine Street from OTR Holdings, Inc. The 0.1341-acre portion of Republic Street between 1826 Republic Street and Bardes Alley will be vacated by the City and consolidated into a single parcel along with the other parcels that make up the project site. The consolidated parcel will be owned by the City. The City intends to enter into a long-term ground lease with a 3CDC controlled entity, who will complete rehabilitation, renovation, improvement, and development of the site into the Findlay Community Center and an Early Learning Childcare Center. The 3CDC controlled entity will then lease back the new community center to the City, and the City will engage 3CDC to manage the community center and the portion of Republic Street between Findlay Street and 1826 Republic Street. In coordination with 3CDC and the Cincinnati Recreation Commission, an RFP will be released at a later date to identify and contract with a third-party manager that will oversee day-to-day operations of the facility. 3CDC will also sublease the Early Learning Childcare Center to a third party to manage and operate.

DEVELOPER INFORMATION

3CDC is a highly experienced non-profit development corporation created in 2004 to revitalize the Over-the-Rhine and Downtown neighborhoods. Since its creation, 3CDC has invested over \$2 billion into these two neighborhoods and has led projects that have restored over 210 buildings, created 1,245 market-rate apartments, 460 below-market rate apartments, and 2.18 million square feet commercial space. 3CDC has developed 49

new construction buildings, 17 acres of civic space, 598 condos and townhomes, 156 hotel rooms, and 5,918 parking spaces.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

Attachments:

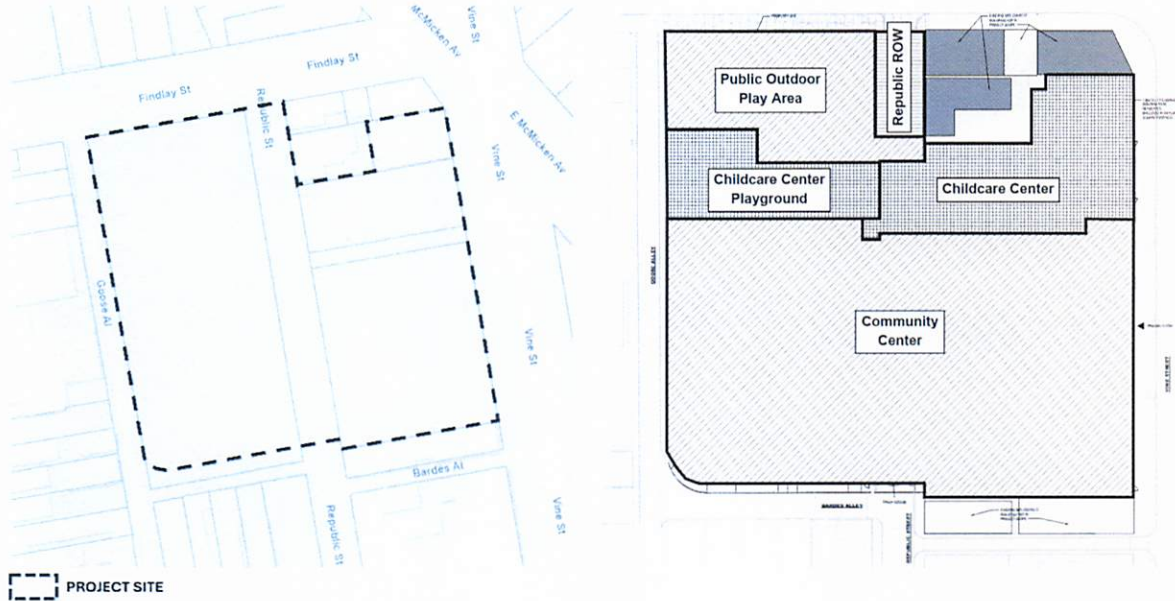
- (i) Project Outline
- (ii) Project Location & Site Plan
- (iii) Proposed Incentives & Other City Contributions

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

Project Outline

Project Name	Findlay Community Center
Street Address	1811 Vine Street
Neighborhood	Over-the-Rhine
Property Condition	Existing Findlay Playground
Project Type	New Construction
Project Cost	Hard Construction Costs: \$33,431,236 Acquisition Costs: \$416,000 <u>Soft Costs: \$12,253,395</u> Total Project Cost: \$46,100,631
Other Sources of Financing	New Markets Tax Credit Equity: \$4,446,000 Federal Grant: \$4,500,000 State Capital Grant: \$1,350,000 Fundraising: \$10,000,000 City Predevelopment Grant: \$1,554,631
Sq. Footage by Use	<u>Findlay Community Center</u> Community Center: 59,700 SF Public Outdoor Play Area: 7,900 SF <u>Early Learning Childcare Center</u> Early Learning Childcare Center: 8,400 SF Childcare Center Playground: 4,900 SF
Jobs and Payroll	Created FTE Positions: 58 Total Payroll for Created FTE Positions: \$2,720,000 Average Salary for Created FTE Positions: \$46,897 Construction FTE Positions: 263 Total Payroll for Construction FTE Positions: \$14,468,128
Location and Transit	Located within the OTR Historic District Transit Score: 69
Community Engagement	Community engagement ongoing since 2021, including steering committee meetings, surveys, open house events, and other components. OTRCC has provided letter of support. Community Engagement Meeting held on 12/10/2024.
Planning Commission Approval	1/17/2025
Other City Approvals	11/4/2024: Historic Conservation Board Approval
SBE/MBE/WBE Goals	SBE Goal of 30% (20% MBE and 10% WBE)
Plan Cincinnati Goals	Sustain Initiative Area Goal 2 (p.193-198)

Project Location & Site Plan



Proposed Incentives & Other City Contributions

Proposed Incentives

Findlay Community Center Project Grant

- Amount: \$24,250,000

Below Fair Market Value Ground Lease

- Annual Rent: \$1.00
- Term: 75 years
- Fair Market Value: \$130,500 per year

Other City Contributions

City Annual Operating Contribution

- \$400,000 per year (subject to appropriation by City Council each calendar year)

50% Share of Excess Operating Expenses (Operating Losses)