

EMERGENCY

City of Cincinnati

AKS

EESW/EEF

An Ordinance No. 368

- 2024

AUTHORIZING the transfer of \$7,037,174 from the General Fund unappropriated surplus to General Fund balance sheet reserve account no. 050x3422, "Deferred Appropriations," to preserve resources the City received from Bon Secours Mercy Health, Inc. pursuant to a Property Investment Reimbursement Agreement repayment to be used to support projects benefitting neighborhoods affected by the closure of the Bon Secours Mercy Health facility in the Bond Hill neighborhood.

WHEREAS, Council passed Ordinance No. 170-2014, which authorized the City to enter into a Property Investment Reimbursement Agreement (PIRA) with Mercy Health (f/k/a Catholic Health Partners) ("Mercy") pursuant to which Mercy committed to constructing a new office building at 1788 Tennessee Avenue (the "Property") and to creating and retaining new jobs within the City, and in exchange, the City committed to provide Mercy with up to \$19,500,000 in funding over a fifteen year period, with such annual payments limited to 65 percent of the annual income tax revenue generated by such jobs; and

WHEREAS, Council passed Ordinance No. 171-2014, which authorized the execution of a development agreement with Mercy to redevelop the former Showcase Cinemas site in the Bond Hill neighborhood to serve as Mercy's new headquarters; and

WHEREAS, Council passed Ordinance No. 321-2014, which declared improvements to the Property, pursuant to a development agreement with Mercy authorized by Ordinance No. 171-2014 to be for a public purpose and exempt from real property taxation for a period of time; and

WHEREAS, Council passed Ordinance No. 171-2015, which approved and adopted a Capital Improvement Program and Budget for FY 2016 that included funding of \$1,000,000 to provide funding for public infrastructure improvements per the development agreement authorized by Ordinance No. 171-2014; and

WHEREAS, Council passed Ordinance No. 320-2019, which authorized a First Amendment to the Property Investment Reimbursement Agreement (as amended, the "PIRA") with Bon Secours Mercy Health, Inc. ("BSMH"), the parent company that acquired Mercy, and the First Amendment increased BSMH's obligation to invest in the City by creating 700 additional new jobs, increasing annual payroll by an additional \$90,000,000, and constructing a new \$10,000,000 private parking garage at the Property with the City providing a refundable job creation tax credit equal to 65 percent of the income tax revenues generated from the project in lieu of direct property investment reimbursement payments; and

WHEREAS, BSMH defaulted under the terms of the PIRA by failing to create and retain the requisite number of jobs and payroll, and the City sent BSMH a demand notice on June 20, 2024, demanding \$7,037,174 as repayment to the City for all City Property Investment Reimbursement Payments received by BSMH for BSMH's non-compliance with the PIRA; and

WHEREAS, on August 15, 2024, BSMH responded to the City's demand by delivering \$7,037,174 as repayment to the City; and

WHEREAS, the \$7,037,174 repayment received by the City from BSMH is now available, and Council wishes to set those funds aside until a determination is made as to which projects will be funded with the repayment; now, therefore,

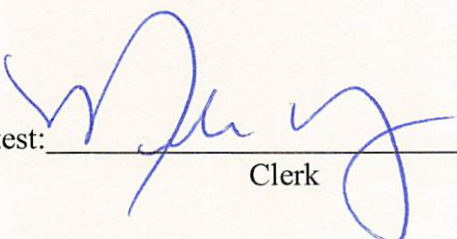
BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That \$7,037,174 is transferred from the unappropriated surplus of the General Fund to balance sheet reserve account no. 050x3422, "Deferred Appropriations," to preserve resources the City received as repayment from Bon Secours Mercy Health, Inc. pursuant to a Property Reimbursement Investment Agreement, to be used to support projects benefitting neighborhoods affected by the closure of the Bon Secours Mercy Health facility in the Bond Hill neighborhood.

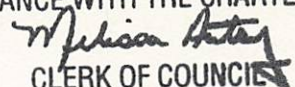
Section 2. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Section 1.

Section 3. 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 preserve resources to be used for future projects benefitting neighborhoods affected by the closure of the Bon Secours Mercy Health facility.

Passed: November 6, 2024

Attest: 
Clerk


Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO. 368-2024
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 11/12/2024

CLERK OF COUNCIL