

EMERGENCY

City of Cincinnati

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An Ordinance No. 329

- 2020

AUTHORIZING the City Manager to execute a *Funding Agreement* with Fountain Place, LLC, a subsidiary of Cincinnati Center City Development Corporation (3CDC), providing for a forgivable loan of \$2,929,750 to fund redevelopment of 505 Vine Street (formerly known as Fountain Place) and proximate public infrastructure, located in the Central Business District of Cincinnati; **ESTABLISHING** new capital improvement program project account no. 980x164x211636, "Fountain Place Redevelopment - TIF" to provide resources for the redevelopment of 505 Vine Street and proximate public infrastructure; **AUTHORIZING** the transfer and appropriation of the sum of \$2,093,071.13 from the unappropriated surplus of Downtown/OTR West Equivalent Fund 482 (Downtown/OTR West TIF District) to the newly-established capital improvement program project account no. 980x164x211636, "Fountain Place Redevelopment - TIF," to provide resources for the redevelopment of 505 Vine Street and proximate public infrastructure; **AUTHORIZING** the transfer and appropriation of the sum of \$836,678.87 from the unappropriated surplus of Fountain Square West Trust Fund 156 to the newly-established capital improvement program project account no. 980x164x211636, "Fountain Place Redevelopment - TIF," to provide resources for the redevelopment of 505 Vine Street and proximate public infrastructure; and further **DECLARING** expenditures from such project account serve a public purpose.

WHEREAS, Fountain Place, LLC (the "Developer"), a subsidiary of Cincinnati Center City Development Corporation (3CDC), and the City entered into a certain *Property Sale and Development Agreement*, dated December 23, 2019 (the "Sale Agreement"), which provided for the sale of the City's interest in 505 Vine Street, formerly known as Fountain Place (the "Property"), to Developer and redevelopment by Developer of the existing structure on the site into an office building, retail and commercial space, and rehabilitation of an existing 165-space parking garage (the "Redevelopment Project"); and

WHEREAS, the City seeks to further support the Redevelopment Project by undertaking a rehabilitation of the streetscape proximate to the Property and removal of the existing skywalk bridge that is attached to the Property (the "Public Infrastructure Project"); and

WHEREAS, under the proposed *Funding Agreement*, a copy of which is attached to this ordinance as Attachment A (the "Funding Agreement"), the City will provide a \$2,929,750 forgivable loan to Developer to fund the Public Infrastructure Project and, in-part, the Redevelopment Project; and

WHEREAS, this Council, by Ordinance No. 413-2002 passed on December 18, 2002, created the District 3-Downtown/OTR West TIF District Incentive District (the "TIF District") to, in part, fund "Public Infrastructure Improvement[s]" (as defined in Section 5709.40 of the Ohio Revised Code) that benefit or serve the TIF District, including demolition on private property when determined to be necessary for economic development purposes; and

WHEREAS, the Property and the Public Infrastructure Project are located within the boundaries of the TIF District; and

WHEREAS, this Council, by Ordinance No. 153-1994 passed on May 11, 1994, exempted all "Improvement" (as defined in Section 5709.41 of the Ohio Revised Code) to the Property, from real property taxation for a period of thirty years (the "Project TIF") and under Ordinance No. 315-1995 passed on September 27, 1995, established an urban redevelopment tax increment equivalent fund, establishing the permitted uses of any service payments collected pursuant to the Project TIF; and

WHEREAS, the proposed expenditures set forth in the Funding Agreement are valid public improvements as they will serve the public purpose of creating jobs and other beneficial economic impacts, supporting the redevelopment of the City's central business district; and

WHEREAS, Section 13 of Article VIII of the Ohio Constitution provides that, in order to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people of the state, it is in the public interest and a proper public purpose for the state or its political subdivisions, or not-for-profit corporations designated by them, to acquire, construct, enlarge, improve, or equip; and to sell, lease, exchange, or otherwise dispose of, property, structures, equipment, and facilities for industry commerce, distribution, and research; and to make loans and to provide moneys for the acquisition, construction, enlargement, improvement, or equipment of such property, structures, equipment, and facilities; and

WHEREAS, the City believes that the economic benefits of the Project will benefit or serve the TIF District; is in the vital and best interests of the City and health, safety, and welfare of its residents; and is in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements; 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 *Funding Agreement* with Fountain Place, LLC, a subsidiary of Cincinnati Center City Development Corporation (3CDC) ("Developer"), in substantially the form attached to this ordinance as Attachment A (the "Agreement"), pursuant to which: (a) Developer will complete a redevelopment of 505 Vine Street (the "Property") in accordance with the *Property Sale and Development Agreement*, dated December 23, 2019, between the parties and will also complete a rehabilitation of the proximate streetscape and removal of the existing skywalk bridge that is attached to the Property (the "Project"), and (b) the City will make a \$2,929,750 forgivable loan to support the Project.

Section 2. That the Director of Finance is authorized to establish new capital improvement program project account no. 980x164x211636, "Fountain Place Redevelopment - TIF," for the purpose of providing resources for the redevelopment of 505 Vine Street and proximate public infrastructure associated with the Project.

Section 3. That the Director of Finance is hereby authorized to transfer and appropriate the sum of \$2,093,071.13 from the unappropriated surplus of Downtown/OTR West Equivalent Fund 482 to newly-established capital improvement program project account no. 980x164x211636, "Fountain Place Redevelopment - TIF," to provide resources for the redevelopment of 505 Vine Street and proximate public infrastructure, as allowable by Ohio law and as further described in Exhibit C of the Agreement (the "Public Infrastructure Improvements").

Section 4. That Council hereby declares that the Public Infrastructure Improvements 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 3-Downtown/OTR West TIF District Incentive District, subject to compliance with ORC Sections 5709.40 through 5709.43.

Section 5. That the Public Infrastructure Improvements are hereby declared to serve a public purpose.

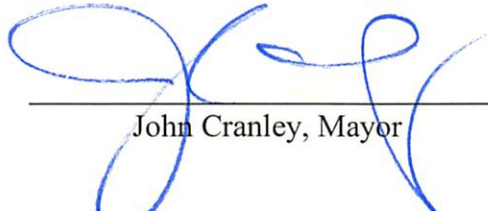
Section 6. That the Director of Finance is hereby authorized to transfer and appropriate the sum of \$836,678.87 from the unappropriated surplus of Fountain Square West Trust Fund 156 to newly-established capital improvement program project account no. 980x164x211636, "Fountain Place Redevelopment - TIF," to provide resources for the redevelopment of 505 Vine Street and proximate public infrastructure, as allowable by Ohio law and as further described in Exhibit C of the Agreement (the "Public Improvements").

Section 7. That Council hereby declares that the Public Improvements constitute a "Public Improvement" (as described in Ordinance No. 315-1995 passed by this Council on September 27, 1995) and serve a valid public purpose, as the Public Improvements will create jobs and economic benefits for the City's central business district.

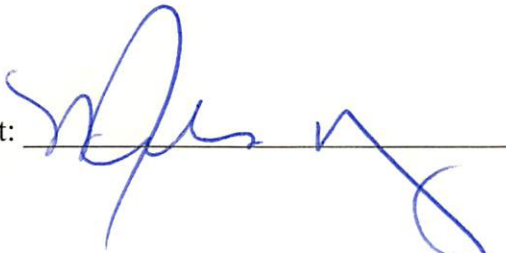
Section 8. That Council authorizes the appropriate City officials to take all necessary and proper actions as they deem necessary or appropriate to fulfill the terms of this ordinance and the Agreement, including, without limitation, executing any and all plats, deeds, leases, closing documents, agreements, amendments, and other instruments pertaining to the Project, and including granting and accepting any and all associated easements.

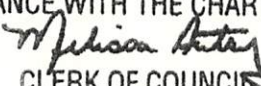
Section 9. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is to enable Developer to move forward with the Project as soon as possible and finalize all necessary financing, which will result in the creation of jobs and the stimulation of economic growth in the Central Business District of Cincinnati at the earliest possible date.

Passed: September 30, 2020



John Cranley, Mayor

Attest: 

I HEREBY CERTIFY THAT ORDINANCE NO 324-2020
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 10-13-2020

CLERK OF COUNCIL