

May 7, 2025

To: Mayor and Members of City Council

202500939

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Rhinegeist Properties, LLC CRA Extension

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a First Amendment to Community Reinvestment Area Tax Exemption Agreement with Rhinegeist Properties, LLC, authorizing a five-year extension to an existing tax exemption previously authorized by Council for 100 percent of the value of improvements made to real property located at 1910 Elm Street, in the Over-the-Rhine neighborhood of Cincinnati.

STATEMENT

OFFICE/COMMERCIAL: The extension of this existing tax abatement term will help facilitate the retention of 265 jobs, the restoration of a historic building, and will help Rhinegeist continue to thrive in the Over-the-Rhine location for years to come.

BACKGROUND/CURRENT CONDITIONS

In January of 2015, the City and Rhinegeist, LLC (the “Company”) executed a 10-year, net 67.5% CRA agreement for the renovation of an existing historic building located at 1910 Elm Street in Over-the-Rhine. The Company went on to invest \$2,200,000 into the property to convert it into what is now their primary brewing facility and public tap room. Since completing the project, Rhinegeist has grown to become one of the largest craft brewers in the State of Ohio and is recognized across the country as a leader in the craft brewing industry. The tax abatement associated with this project is currently set to roll off in Tax Year 2025.

On a business retention and expansion visit with the Company in February of 2024, Rhinegeist alerted DCED to several significant and unexpected repairs that would need to be made to their Elm Street facility. The rising cost of these repairs, combined with recent changes in the craft brewing industry posed a threat to the Company’s continued growth trajectory. Since that visit, DCED has worked with Rhinegeist to identify opportunities for the City to help offset the cost of these repairs and allow the Company to continue on their path of steady growth. DCED quickly identified extending the Company’s 2015 CRA agreement by an additional 5 years as an opportunity to offset cost and make the repairs easier to absorb.

DEVELOPER INFORMATION

Founded in 2013, Rhinegeist is the largest craft brewery in Ohio and is the 16th largest craft brewery in the United States, per the latest annual production report from the Brewer's Association. They are the 27th largest brewing company overall. They have been continuously operating out of their 1910 Elm Street facility since their founding and added a storage and distribution facility at 3209 Spring Grove Avenue in the Camp Washington neighborhood in 2018.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

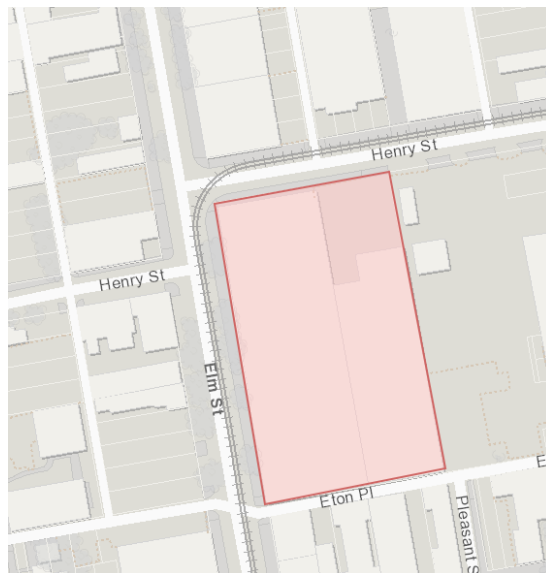
Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	Rhinegeist
Street Address	1910 Elm Street
Neighborhood	Over-the-Rhine
Property Condition	Occupied Building
Project Type	Renovation
Project Cost	Estimated Rehabilitation Cost: \$1,800,000 Total Investment (Previous & Upcoming): \$4,049,976
Jobs and Payroll	Retained FTE Positions: 265 Total Payroll for Retained FTE Positions: \$15,500,000 Average Salary for Retained FTE Positions: \$58,491
Location and Transit	Located within the OTR Historic District Transit Score: 64
Plan Cincinnati Goals	Compete Initiative Area Goal 1 and Goal 2 (p. 103-120), Sustain Initiative Area Goal 2 (p.193-198)

Project Image and Site Map



Proposed Incentive

Incentive Terms	5-year extension of existing 10-year tax abatement (15-year term total), net 59.5%
Incentive Application Process	Commercial CRA – Downtown Streetcar Area (Non-LEED)
SBE/MBE/WBE Goals	SBE Goal of 30%

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$27,433
Total Term Incentive to Developer	\$137,166
City's Portion of Property Taxes Forgone (Term)	\$0
City's TIF District Revenue Forgone (Term)	\$168,287

Public Benefit		Value
CPS PILOT	Annual	\$15,215
	Total Term	\$76,075
VTICA	Annual	\$3,458
	Total Term	\$17,290
Income Tax Total Term (Maximum)		\$1,395,000
Total Public Benefit (CPS PILOT, VTICA, Income Tax)		\$1,488,365

Total Public Benefit ROI*	\$10.85
City's ROI**	\$8.39

*This figure represents the total dollars generated for public purposes (City/Schools/Other) over total property taxes forgone.

**This figure represents the total income tax generated for the City over the City's property taxes forgone.