

April 5, 2023

**To:** Mayor and Members of City Council

202301049

**From:** Sheryl M.M. Long, City Manager

**Subject: Ordinance – Approving and Authorizing a CRA Tax Abatement with Common Ground Community Development, LLC**

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Attached is an Ordinance captioned:

**APPROVING AND AUTHORIZING** the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement* with Common Ground Community Development, LLC, thereby authorizing a 12-year tax exemption for 100% of the value of improvements made to real property located at 1901 Baymiller Street in the West End neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 871 square feet of commercial space and approximately 3,071 square feet of residential space, consisting of 7 residential rental units, at a total construction cost of approximately \$650,000.

### **BACKGROUND/CURRENT CONDITIONS**

Common Ground Community Development, LLC will be renovating the historic building located at 1901 Baymiller Street in the West End neighborhood of Cincinnati. This project will transform the vacant building into 7 – 1 bedroom apartment units (3,071 square feet of residential space) and 874 square feet of commercial space. Common Ground Community Development, LLC submitted a Commercial CRA Application to initiate this process.

### **DEVELOPER INFORMATION**

The Common Ground Community Development LLC. team consists of Means Cameron, Tony Jones and Robert Sanders. Means Cameron is a West End native, owner of Black Coffee and Black Owned Outerwear. Cameron has 10+ years' experience as a business owner with experience in events, marketing and is currently doing rehab projects. Tony Jones is a Cincinnati native, a realtor and experienced rehabber. Jones has been in business on his own for 7+ years. Robert Sanders is an experienced developer, and principal of Sanders Development Group, who has completed several projects in Cincinnati, including mostly recently the redevelopment of a vacant historic building in Walnut Hills into the new Triversity Construction Headquarters.

### **RECOMMENDATION**

The Administration recommends approval of this Ordinance.

Attachment: Project Outline

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

# Project Outline

<u>Project Description Details</u>	<u>Explanation</u>
Project Name	1901 Baymiller
Street Address	1901 Baymiller Street
Property Condition	Historic building currently sits vacant; Developer signed Option to Purchase Agreement with the Hamilton County Land Reutilization Corporation in 2021.
Neighborhood	West End
Incentive Application Process	Commercial CRA – Neighborhood (Non-LEED)
Recent or other projects by Developer	Triversity Construction Headquarters
Approval at planning commission/Neighborhood support	West End Community Council has submitted a letter of support
Plan Cincinnati Goals	Achieves the Compete Initiative Area Goal 2 (pages 114-120) and Sustain Initiative Area Goal 2 (pages 193-198) of Plan Cincinnati

## Project Image



<b><u>Incentive Summary Category</u></b>	<b><u>Explanation</u></b>
Abatement Term and amount	12-year, net 52%
Construction Cost & Private investment committed	\$650,000 in hard construction costs, \$100,000 in soft costs; Developer has received construction loan of \$665,000 from Cincinnati Development Fund.
Sq. Footage by Use	871 sf – commercial 3,071 - residential
Number of units and rental ranges	7 residential units Ranging from \$850/month- \$1,000/month
Jobs created/retained and payroll (living wage)	Projected to create 2 FTE positions at \$50,000 in annual payroll (avg. of \$25,000 annually per job)
“But For”	This project would not proceed without an abatement; the developer would lose money on the project post-construction with their projected ROI
Cash on Cash Return for developer (Market return between 8-12%, depends on investment risk)	Without Abatement: Year 5: -.05% (stabilized vacancy) With Abatement: Year 5: 0.4% (stabilized vacancy)
LEED or other environmental build	Non-LEED
Neighborhood VTICA	Neighborhood VTICA – 15%
Total Public Benefit (Benefits Realized vs Taxes Forgone)	\$4.25 of new CPS/VTICA/Income taxes for each \$1 forgone
Projected Income Tax Revenue	\$10,800
MBE/WBE Goals	N/A
Transit Access/Walkability	Sits 2 blocks away from a Metro Route 27 stop   77 Walk Score
Geography	Located in an Opportunity Zone and the OTR-West End NRSA
Historic Preservation/Existing Building Renovation	This project will renovate a currently vacant historic building and bring it back to use
Public Infrastructure Improvements	N/A

Rent	Affordable to Salary	City Jobs (Min Salary exceeds affordable salary)
<b>\$850.00</b>	\$33,450	Municipal Worker, Public Affairs Assistant, Clerk Typist, Home Health Aide
<b>\$1,000.00</b>	\$40,140	Support Services Specialist, Legal Assistant, Laborer, Community Center Director, Sanitation Helper, Cleaner, Secretary

AMI	1	2	3	4	5	6	7	8
<b>30%</b>	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$49,910	\$46,360
<b>50%</b>	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$49,250	\$63,050
<b>60%</b>	\$40,140	\$45,840	\$51,600	\$57,300	\$61,920	\$66,480	\$59,100	\$75,660
<b>80%</b>	\$53,520	\$61,120	\$68,800	\$76,400	\$82,560	\$88,640	\$78,800	\$100,880