



February 24, 2022

To: Mayor and Members of City Council

From: John P. Curp, Interim City Manager

John P. Curp 202200492

Subject: **ORDINANCE – AUTHORIZING PROPERTY SALE AND DEVELOPMENT AGREEMENT WITH OAKLEY CROSSINGS HOLDINGS, LLC**

Attached is an Ordinance captioned:

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* with Oakley Crossings Holdings, LLC, an affiliate of Morelia Group, LLC, for the sale of City-owned real property located at the northeast corner of the intersection of Kennedy Avenue and Madison Road in the Oakley neighborhood of Cincinnati, for a commercial development project consisting of approximately 16,200 square feet of commercial retail space.

BACKGROUND/CURRENT CONDITIONS

Oakley Crossings Holdings, LLC (the “Developer”) recently acquired approximately 2.6588 acres of property located at 3628-3646 Madison Road in the Oakley neighborhood of Cincinnati (the “Developer Property”). The City owns approximately 0.0617 acres of property directly adjacent to the Developer’s property (the “City Property”). The Developer desires to purchase the City Property for consolidation with the Developer Property to facilitate a redevelopment project.

City Council previously approved the amendment of the Energy Special Improvement District (“ESID”) boundaries to add this property to the ESID and to levy special assessments on the property.

DEVELOPER INFORMATION

The Developer is affiliated with Morelia Group, LLC (“Morelia”). Morelia has experience producing high-quality developments in the Greater Cincinnati area, including within the neighborhood of Oakley.

In 2017, Morelia, through its affiliate entities, acquired from Crossroads Church an approximately five-acre site located on Madison Road in Oakley and constructed thereon the Oakley Connection and Encore of Oakley mixed-use developments that now count as occupants Starbucks, Condado Tacos, Crumbl Cookie, Great Clips, Top Nail Salon, Chicken Salad Chick, General Electric Credit Union, McAlister’s Deli, Tropical Smoothie Café, Holtman’s Donuts, Tide Dry Cleaners and All About Kids Child Care & Learning

Center. Together, these developments were an approximately \$25,000,000 investment that created approximately 300 new jobs in the City.

PROJECT DESCRIPTION

The Developer plans to demolish the existing structures on the Developer Property and relocate existing sewer lines to facilitate the project. The Developer plans to consolidate the City Property with the Developer Property to create the Project Site.

The Developer plans to construct approximately 16,200 square feet of commercial retail space on the Property, consisting of a stand-alone, 1,600 square foot building for occupancy by Swensons Drive-In Restaurants, as well as another building intended to house three to five restaurant, coffee shop, and/or other retail tenants.

In connection with the construction of the project, the Developer intends to dedicate approximately 0.0847 acres along Madison Road as right-of-way (the "Dedication Property").

The project is expected to have an estimated total cost of \$9,100,000. The project will result in the creation of 255 full-time equivalent employees ("FTEs") with a total annual payroll of approximately \$6,240,000. The project will also result in the creation of 80 full-time temporary construction jobs with an associated annual payroll of \$2,500,000.

The proposed sale of property was approved by the City Planning Commission on December 17, 2021.

City Planning and the Developer conducted a public engagement meeting with Oakley stakeholders on December 6, 2021. A written summary of the engagement session can be found on City Planning's website.

PROPOSED INCENTIVE

DCED is recommending the sale of the City-owned property (0.0617 acres) for \$1.00.

The approximate Fair Market Value ("FMV") of the City-owned property was determined by appraisal to be \$53,750.

DCED is recommending a \$1.00 sale because the City will receive economic and non-economic benefits exceeding the determined FMV in connection with the project, including:

- The benefit of the Dedication Property being dedicated for use by the general public.
- The creation of jobs and urban redevelopment of Oakley.

DCED is also recommending an 8-year, net 52% CRA tax exemption. This proposed incentive is outlined in a separate ordinance.

PROJECT TEAM & TIMELINE

The project team (listed below) will make themselves available at the request of the councilmember(s).

- Assistant City Manager: Billy Weber (Ext. 3318)
- DCED Director: Markiea Carter (Ext. 1953)
- Project Attorney: Samantha Brandenburg (Ext. 4704)

The anticipated council timeline is as follows:

- February 24, 2022: Introduction to City Council
- February 28, 2022: Budget and Finance (1)
- March 7, 2022: Budget and Finance (2)
- March 14, 2022: Budget and Finance (3)
- March 16, 2022: City Council for Final Approval

RECOMMENDATION

The Administration recommends approval of this Ordinance.

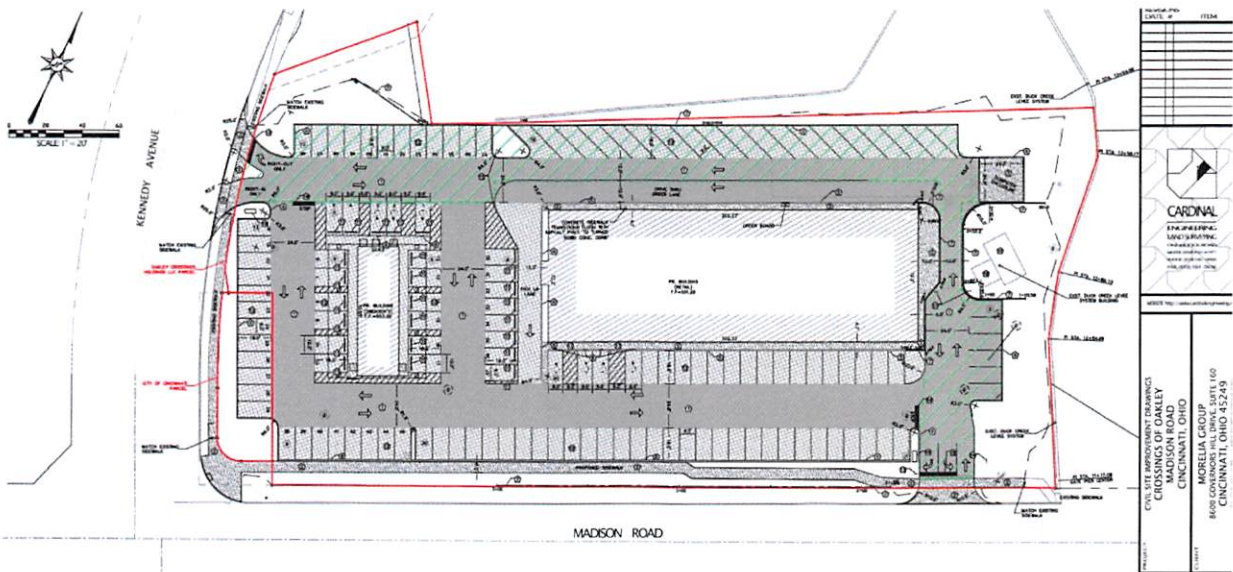
Attachment: A. Property location and site plan

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

Attachment A: Location and Site Plan



Property Location



Site Plan