



City of Cincinnati

801 Plum Street
Cincinnati, OH 45202

Agenda - Final-revised

Budget and Finance Committee

Chairperson Reggie Harris
Vice Chair Jeff Cramerding
Councilmember Mark Jeffreys
Councilmember Scotty Johnson
Vice Mayor Jan-Michele Kearney
Councilmember Anna Albi
Councilmember Meeka Owens
Councilmember Seth Walsh
President Pro Tem Victoria Parks

Monday, January 22, 2024

1:00 PM

Council Chambers, Room 300

PRESENTATIONS

Admissions Tax Proposed CMC Changes

Karen Alder, Finance Director

Streamlining our Affordable Housing Approval Process

Markiea Carter, Director, Community & Economic Development

AGENDA

MUNICIPAL CODE CHANGES

1. [202400218](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 1/18/2024, **MODIFYING** Chapter 309, "Admissions Taxes," of the Cincinnati Municipal Code by **ORDAINING** Sections 309-1-M, "Marketplace Facilitator," 309-1-P, "Pay; Payment," 309-1-P2, "Place" 309-1-R, "Reseller; Resold; Resale" 309-1-S, "Seller; Sold; Sale," and 309-1-V, "Vendor"; by **AMENDING** Sections 309-1-A, "Admission," 309-1-P, "Person," 309-1-T, "Treasurer," 309-3, "Rate of Tax," 309-5, "Admission, Exempt from Tax," 309-7, "Price to be Marked on Ticket or Displayed," 309-9, "Monthly and Annual Reports; Contents; Payments of Tax," 309-11, "Administration of Chapter; Adoption of Rules and Regulations; Records; Bond," 309-13, "License Required; Application; Contents; Fee; Issuance; Restrictions; Renewal; Suspension or Revocation; Liability of Owner of Premises; Exemptions," 309-17, "Taxes Made a Lien," 309-19, "Treasurer May Make Additional Assessment; Notice, Hearing," 309-21, "Estimated Assessment Made; Penalty; Notice," 309-23, "Estimated Additional Assessment Made; Penalty; Notice, Hearing," 309-25, "When Taxes by Assessment are Due and Payable," 309-27, "Application for Reassessment," 309-29, "Notices Authorized to be Mailed," 309-31, "Refunds; Application," and 309-99, "Penalties"; and by **REPEALING** Section 309-15,

“Refund,” to address the application and collection of admission taxes to ticket sales that occur through online marketplaces, and to modernize and standardize the administration of the admissions tax.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)

ORDINANCE AMENDMENTS

2. [202400214](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 1/18/2024, **AMENDING** Ordinance No. 166-2021, as previously amended by Ordinance No. 0464-2021, to add “After Hours Programming” to the title of American Rescue Plan Account Number ARP065, “Cincinnati Recreation Commission Extended Hours” on the Schedule of Appropriations and to change the description from “Recreation Centers Extended Hours” to “Recreation Centers Extended Hours and After Hours Programming” per the attached Schedule of Appropriations (AMENDED).

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

DONATIONS

3. [202400305](#) **ORDINANCE (EMERGENCY)**, submitted by Sheryl M. M. Long, City Manager, on 1/22/2024, **AUTHORIZING** the City Manager and the employees of the Office of the City Manager to solicit and accept donations of money, in-kind contributions, and other things of value from the Cincinnati business community, individual benefactors, and other available sources to support the Just Heal, Bro Tour Mental Health Awareness event, in partnership with the Center for Closing the Health Gap, on February 1, 2024; and **AUTHORIZING** the Director of Finance to deposit any funds donated to the City of Cincinnati for the Just Heal, Bro Tour event into “Special Events” Fund 314 revenue account no. 314x8571.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)

LEASE AGREEMENTS

4. [202400213](#) **ORDINANCE** submitted by Sheryl M. M. Long, City Manager, on 1/18/2024, **AUTHORIZING** the City Manager to execute a Lease Agreement with Kaiser

Properties-Central, LTD., pursuant to which the City will lease for a term of up to thirty years a portion of John Street public right-of-way located north of York Street in the West End neighborhood.

Sponsors: City Manager

Attachments: [Ordinance](#)
[Attachment](#)
[Ordinance](#)
[Transmittal](#)

5. [202400216](#) **ORDINANCE** submitted by Sheryl M. M. Long, City Manager, on 1/18/2024, **AUTHORIZING** the City Manager to execute a Lease Agreement with Onflight, Inc. pursuant to which the company will enter into a new lease for the use and occupancy of Lunken Airport Lease Area 12 for up to 33 years.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

REPORTS

6. [202400215](#) **REPORT**, dated 1/18/2024, submitted Sheryl M. M. Long, City Manager, regarding the Finance and Budget Monitoring Report for the Period Ending October 31, 2023.

Sponsors: City Manager

Attachments: [Report](#)
[Attachment I](#)
[Attachments II](#)
[Attachment III](#)

COMMUNITY REINVESTMENT AREA (CRA) AGREEMENTS

7. [202400220](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 1/18/2024, **APPROVING AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Price Hill Will, thereby authorizing a fifteen-year tax exemption for 100% of the value of improvements made to real property located at 3104 Warsaw Avenue in the East Price Hill neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 5,005 square feet of residential space, consisting of nine residential units, and approximately 1,774 square feet of commercial space, at a total construction cost of approximately \$2,536,765.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

8. [202400221](#) **ORDINANCE (EMERGENCY)** submitted by Sheryl M. M. Long, City Manager, on 1/18/2024, **APPROVING, AND AUTHORIZING** the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with The Beta Nu of Beta Theta Pi Building Company and the State of Ohio, for the use of the University of Cincinnati, thereby authorizing an eight-year tax exemption for 100 percent of the value of improvements made to real property located at 2630 University Court in the CUF neighborhood of Cincinnati, in connection with the remodeling of an existing building into nine residential units as well as meeting, academic, and social space consisting of approximately 12,690 square feet in aggregate, at a total remodeling costs of approximately \$5,084,640.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Ordinance](#)
[Attachment](#)

MOTIONS

9. [202400205](#) **MOTION**, submitted by Councilmember Harris, Vice Mayor Kearney, and Councilmembers Owens, Albi and Walsh, **WE MOVE** that Council accept the administration's recommendations and authorize the transfer of \$1,875,000 of the \$2,125,000 set aside to implement the Cities for Financial Empowerment "Financial Freedom" blueprint to the appropriate accounts. (BALANCE ON FILE IN THE CLERK'S OFFICE) (STATEMENT ATTACHED)

Sponsors: Harris, Kearney, Owens, Albi and Walsh

Attachments: [Motion 202400205](#)

PRESENTATIONS

10. [202400285](#) **PRESENTATION**, submitted by Sheryl M. M. Long, City Manager, dated 1/22/2024, regarding Admissions Tax Proposed CMC Changes.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Presentation](#)

11. [202400315](#) **PRESENTATION**, submitted by Sheryl M. M. Long, City Manager, dated 1/22/2024, regarding Streamlining Affordable Housing Approval Process.

Sponsors: City Manager

Attachments: [Transmittal](#)
[Presentation](#)

COMMUNICATIONS

12. [202400304](#) **COMMUNICATION**, submitted by Councilmember Harris regarding Administrative CRA Approvals for NOFA and AHLF Projects.

Attachments: [Communication](#)

ADJOURNMENT

January 18, 2024

To: Mayor and Members of City Council 202400218
From: Sheryl M. M. Long, City Manager
Subject: **Emergency Ordinance for Admissions Tax CMC Revisions**

Transmitted herewith is an Emergency Ordinance captioned as follows:

MODIFYING Chapter 309, “Admissions Taxes,” of the Cincinnati Municipal Code by **ORDAINING** Sections 309-1-M, “Marketplace Facilitator,” 309-1-P, “Pay; Payment,” 309-1-P2, “Place” 309-1-R, “Reseller; Resold; Resale” 309-1-S, “Seller; Sold; Sale,” and 309-1-V, “Vendor”; by **AMENDING** Sections 309-1-A, “Admission,” 309-1-P, “Person,” 309-1-T, “Treasurer,” 309-3, “Rate of Tax,” 309-5, “Admission, Exempt from Tax,” 309-7, “Price to be Marked on Ticket or Displayed,” 309-9, “Monthly and Annual Reports; Contents; Payments of Tax,” 309-11, “Administration of Chapter; Adoption of Rules and Regulations; Records; Bond,” 309-13, “License Required; Application; Contents; Fee; Issuance; Restrictions; Renewal; Suspension or Revocation; Liability of Owner of Premises; Exemptions,” 309-17, “Taxes Made a Lien,” 309-19, “Treasurer May Make Additional Assessment; Notice, Hearing,” 309-21, “Estimated Assessment Made; Penalty; Notice,” 309-23, “Estimated Additional Assessment Made; Penalty; Notice, Hearing,” 309-25, “When Taxes by Assessment are Due and Payable,” 309-27, “Application for Reassessment,” 309-29, “Notices Authorized to be Mailed,” 309-31, “Refunds; Application,” and 309-99, “Penalties”; and by **REPEALING** Section 309-15, “Refund,” to address the application and collection of admission taxes to ticket sales that occur through online marketplaces, and to modernize and standardize the administration of the admissions tax.

This ordinance provides changes to certain CMC provisions of the Admissions Tax, which levies a three percent tax on all nonexempt charges that are paid for admissions that occur within the City. These changes recognize that the means of charging for, selling, and reselling admission have changed substantially since the tax was established, including the advent of electronic ticketing and online sales and resales of admission. These changes require the addition of marketplace facilitators (given their prominent and central role as financial facilitators between buyers, sellers, and resellers of admissions) as vendors to collect and remit the tax to the City. These changes also amend the process of applying for admissions tax licenses and for exemptions from the admissions tax for certain activities or places; and requires updating and clarification to streamline administration of the tax.

The Administration recommends passage of this Emergency Ordinance.

cc: William “Billy” Weber, Assistant City Manager
Karen Alder, Finance Director

Attachment

EMERGENCY

MSS

2024

MODIFYING Chapter 309, “Admissions Taxes,” of the Cincinnati Municipal Code by **ORDAINING** Sections 309-1-M, “Marketplace Facilitator,” 309-1-P, “Pay; Payment,” 309-1-P2, “Place,” 309-1-R, “Reseller; Resold; Resale,” 309-1-S, “Seller; Sold; Sale,” and 309-1-V, “Vendor”; by **AMENDING** Sections 309-1-A, “Admission,” 309-1-P, “Person,” 309-1-T, “Treasurer,” 309-3, “Rate of Tax,” 309-5, “Admission, Exempt from Tax,” 309-7, “Price to be Marked on Ticket or Displayed,” 309-9, “Monthly and Annual Reports; Contents; Payments of Tax,” 309-11, “Administration of Chapter; Adoption of Rules and Regulations; Records; Bond,” 309-13, “License Required; Application; Contents; Fee; Issuance; Restrictions; Renewal; Suspension or Revocation; Liability of Owner of Premises; Exemptions,” 309-17, “Taxes Made a Lien,” 309-19, “Treasurer May Make Additional Assessment; Notice, Hearing,” 309-21, “Estimated Assessment Made; Penalty; Notice,” 309-23, “Estimated Additional Assessment Made; Penalty; Notice, Hearing,” 309-25, “When Taxes by Assessment are Due and Payable,” 309-27, “Application for Reassessment,” 309-29, “Notices Authorized to be Mailed,” 309-31, “Refunds; Application,” and 309-99, “Penalties”; and by **REPEALING** Section 309-15, “Refund,” to address the application and collection of admission taxes to ticket sales that occur through online marketplaces, and to modernize and standardize the administration of the admissions tax.

WHEREAS, the City levies a three percent tax on all nonexempt charges that are paid for admissions that occur within the City; and

WHEREAS, the means of charging for, selling, and reselling admission have changed substantially since the tax was established, including the advent of electronic ticketing and online sales and resales of admission; and

WHEREAS, these changes require the addition of marketplace facilitators as vendors required to collect and remit the tax to the City, in light of their prominent and central role as financial facilitators between buyers, sellers, and resellers of admissions; and

WHEREAS, the process of applying for admissions tax licenses and for exemptions from the admissions tax for certain activities or places requires updating and clarification to streamline administration of the tax; now, therefore,

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

Section 1. That Sections 309-1-M, “Marketplace Facilitator,” 309-1-P, “Pay; Payment,” 309-1-P2, “Place,” 309-1-R, “Reseller; Resold; Resale,” 309-1-S, “Seller; Sold; Sale,” and 309-1-V, “Vendor,” of Chapter 309, “Admissions Taxes,” of the Cincinnati Municipal Code are hereby ordained as follows:

Sec. 309-1-M. – Marketplace Facilitator.

“Marketplace facilitator” means a person who owns, operates, or controls a physical or electronic marketplace or other service, including a brokerage service, that facilitates the purchase of admission from a seller or reseller in exchange for a fee or compensation, including by offering services, whether or not contracted through others, to connect sellers or resellers of admission with purchasers or payors, or to process, collect, facilitate, or transmit payments related to the purchase of admission, including through an online portal or online services, computer or mobile applications, or other similar electronic means.

Sec. 309-1-P. – Pay; Payment.

“Pay” means to provide compensation or value in exchange for admission, including without limitation in the form of money or other compensation provided by barter or other agreement, and “payment” means the amount of such compensation or value. If a charge for admission is paid in a form other than money, the amount of the payment subject to the tax imposed by this chapter shall be the fair market value of the admission in money.

Sec. 309-1-P2. – Place.

“Place” means, without limitation, indoor and outdoor theaters, dance halls, ball rooms, amphitheaters, auditoriums, stadiums, movie theaters, athletic pavilions, fields, grounds, parks, centers, arenas, clubs, cabarets, bars, saloons, event spaces and venues, conservatories, convention centers, festivals, carnivals, circuses, sideshows, fairs, amusement parks, arcades, escape rooms, and all other similar locations, whether public or private and whether permanent or temporary, located within the city of Cincinnati, including any locations the treasurer may hereafter designate in rules and regulations adopted pursuant to this chapter.

Sec. 309-1-R. – Reseller; Resold; Resale.

“Reseller” means a person who charges admission by offering for purchase or transfer to another person an admission that previously has been purchased or transferred, whether or not payment was made for the previous purchase or transfer of the admission. Such admissions are “resold” or purchased at “resale.”

Sec. 309-1-S. – Seller; Sold; Sale.

“Seller” means a person who charges admission by offering for purchase or transfer to another person an admission that has not previously been purchased or transferred, whether or not payment is made or to be made for the purchase or transfer of the admission. Such admissions are “sold” or purchased through a “sale.”

Sec. 309-1-V. – Vendor.

“Vendor” means a person receiving, facilitating, or transmitting payment for admission taxable under this chapter who, as trustee for the city of Cincinnati, returns and pays to the treasurer, on behalf of the purchaser or payor, the tax on admission imposed by this chapter.

Vendors include but are not limited to sellers, resellers, distributors, promoters, or other persons who sell or resell admission to a purchaser or payor, and marketplace facilitators, brokers, or other persons who facilitate transactions between sellers or resellers of admission and purchasers or payors, whether in person, telephonically, or through electronic means. A vendor is liable to pay the tax imposed by this chapter if the vendor received, facilitated, or transmitted payment for admission taxed by this chapter, regardless of how the vendor characterizes collection of the tax from the purchaser or payor of admission.

Section 2. That Sections 309-1-A, "Admission," 309-1-P, "Person," 309-1-T, "Treasurer," 309-3, "Rate of Tax," 309-5, "Admission, Exempt from Tax," 309-7, "Price to be Marked on Ticket or Displayed," 309-9, "Monthly and Annual Reports; Contents; Payments of Tax," 309-11, "Administration of Chapter; Adoption of Rules and Regulations; Records; Bond," 309-13, "License Required; Application; Contents; Fee; Issuance; Restrictions; Renewal; Suspension or Revocation; Liability of Owner of Premises; Exemptions," 309-17, "Taxes Made a Lien," 309-19, "Treasurer May Make Additional Assessment; Notice, Hearing," 309-21, "Estimated Assessment Made; Penalty; Notice," 309-23, "Estimated Additional Assessment Made; Penalty; Notice, Hearing," 309-25, "When Taxes by Assessment are Due and Payable," 309-27, "Application for Reassessment," 309-29, "Notices Authorized to be Mailed," 309-31, "Refunds; Application," and 309-99, "Penalties," of Chapter 309, "Admissions Taxes," of the Cincinnati Municipal Code are hereby amended as follows:

Sec. 309-1-A. – Admission.

"Admission" ~~shall mean~~ means:

- (a) ~~A~~ Any charge paid for the right or privilege to enter into a any temporary or permanent place or event or, to use any facilities or grounds, or to participate in any tour or itinerant form of amusement within the city of Cincinnati;
- (b) ~~A~~ Any charge of any type made for paid for tickets, licenses, permits, season tickets, subscriptions, dues, fees, and or memberships providing for the right or privilege to enter into any permanent or temporary place or event, to use any facilities or grounds, or to participate in any tour or itinerant form of amusement within the city of Cincinnati, (whether paid yearly, monthly, weekly, or at any other interval);

- (c) ~~Membership~~ Any charge paid in the form of membership dues paid to every any club or organization maintaining a golf course in within the city of Cincinnati, and greens fees paid to golf courses in within the city of Cincinnati, either under either club or private ownership; or
- (d) ~~Amounts~~ Any charge paid for admission the right or privilege to enter into any public performance for profit or entertainment at any place in within the city in any case in which of Cincinnati, including where the charge for admission is in the form of a service charge, cover charge, or similar charge in whatsoever any form.

Sec. 309-1-P1. – Person.

~~“Person” shall include individuals, firms, partnerships, associations, and corporations, municipalities, and other political subdivisions of the state means any individual, firm, corporation, company, business, partnership, association, municipality, political subdivision of the state, or other legally recognized entity.~~

Sec. 309-1-T. – Treasurer.

~~“Treasurer” shall mean~~ means the city treasurer of the city of Cincinnati.

Sec. 309-3. – Rate of Tax.

- (a) For the purpose of providing revenue to defray a portion of current expenses and other expenditures of the city of Cincinnati, there is hereby levied a tax of ~~3~~ three percent on the amounts paid for admission ~~in the city of Cincinnati, and, including the amounts paid for resale of admissions~~ admission. ~~This tax excludes amounts paid for any other city taxes or for any state taxes in respect to any admission~~ The amounts taxed as provided in this section shall include all amounts paid in relation to an admission, including service or transaction charges or fees paid in connection with the admission, but shall exclude amounts paid for other taxes in respect to any admission.
- (b) ~~If such charge~~ admission is in the form of a fixed minimum service charge ~~to the admittee which that~~ includes provision of food, beverages, or similar services amenities, the tax shall be computed upon one-third of such fixed minimum service charge.
- (c) The above taxes are to be paid by the purchaser or payor, collected by the vendor as trustee for the city of Cincinnati, and returned and paid by the vendor in the manner and subject to the interest provided ~~in Cincinnati Municipal Code Section by section 309-9.~~
- (d) Marketplace facilitators shall collect and remit to the treasurer any tax due under this chapter on admission that is sold or resold by or through, or using services provided by or through, the marketplace facilitator’s physical or electronic marketplace or any transactional, payment processing, or similar service offered thereby. Marketplace facilitators shall collect and remit such tax according to the

requirements of section 309-9 on behalf of sellers and resellers using the marketplace facilitator's services, regardless of whether such sellers or resellers are licensed.

- (e) Vendors are liable for payment of the admissions tax required to be collected and remitted, regardless of whether such tax has in fact been collected from the purchaser or payor of admission.
- (f) The amounts taxed hereunder shall include service charges paid in connection with sales of admissions; and in In the case of resale of admissions admission, the amount taxed as admission shall be reduced by the price amount paid for such admissions admission by the reselling vendor reseller, exclusive of any tax, provided that such price amount is verifiable to the satisfaction of the city treasurer.

Sec. 309-5. – Admission, Exempt From Tax; Application for Exemption; Exemption Certificate.

- (a) No Except as prohibited in subsections (b) and (c) of this section, no tax shall be levied under this chapter on the following:
 - (1) During the period December 31, 1959, to August 31, 2019, the first \$1.05 of any admission.
 - (2) Any admissions, Admissions, all the proceeds of which inure:(i) Exclusively exclusively to the benefit of religious or educational organizations, or organizations recognized as charitable under Internal Revenue Code Section 501(c)(3), and receiving substantial support from voluntary contributions, if the following persons, provided that the treasurer has determined prior to the initial sale of such admissions that all the proceeds thereof inure exclusively to the benefit of the person and that no part of the person's net earnings thereof inure, if applicable, inures to the benefit of any private stockholder or individual;
 - (A) Organizations determined by the federal internal revenue service to be tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
 - (ii)(B) Exclusively to the benefit of persons Persons in the military or naval forces of the United States, or of national guard organizations, including reserve officers' associations or organizations, posts, or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such associations, organizations, posts, organizations, units, or societies are organized in the state of Ohio, and if no part of their net earnings inure to the benefit of any private stockholder or individual;

~~(iii)(C) Exclusively to the benefit of employees~~ Employees or employee organizations of any Hamilton County state of Ohio municipal corporation or the dependents or heirs of such members; or

~~(iv)(D) Exclusively to the benefit of a~~ A county agricultural society if no part of the net earnings of said society inures to the benefit of any private stockholder or individual organized under chapter 1711 of the Ohio Revised Code.

~~(3)~~ Admissions, all the proceeds of which inure exclusively to the benefit of organizations that meet the requirements of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, but which are exempted from the requirement to apply for tax-exempt status under section 501(c)(3), if no part of their net earnings inure to the benefit of any private stockholder or individual.

~~(4)~~ Admissions, all the proceeds of which inure exclusively to the benefit of a public or private educational institution serving students through the twelfth grade; or

~~(5)~~ Admissions, all the proceeds of which inure exclusively to the benefit the United States government, the state of Ohio, its departments and institutions, and the political subdivisions thereof, including the city of Cincinnati, when acting in their governmental capacities and performing governmental functions and activities, or any entity exempted by the Ohio Revised Code.

~~(b) The exemption from tax provided by this section shall not be allowed in case of admissions to any athletic game or exhibition, the proceeds of which inure wholly or partly to the benefit of any college or university. Notwithstanding any other provision of this section, no exemption from the tax levied by this chapter shall be provided:~~

~~(1)~~ If the admission is purchased from a reseller;

~~(2)~~ If the treasurer determines that any portion of the revenue or proceeds resulting from the purchase of admission is or could be divided or shared with any person not identified in subsection (a) of this section;

~~(3)~~ If the city provides direct or indirect monetary support for operating expenses to the applicant in connection with the admission or during the fiscal year in which the event related to such admission occurs;

~~(4)~~ If the admission relates to any athletic game, contest, or exhibition, except as required by law;

- (5) If a person other than the applicant exercises effective control over, takes business risk regarding, or directs the expenditure of the proceeds of admission or any portion thereof;
 - (6) If the applicant has not obtained a certificate of exemption from the treasurer, or been excused from doing so pursuant to this section or rules and regulations adopted by the treasurer, prior to the commencement of the sale of admission;
 - (7) If the person fails to provide supporting documentation as determined necessary by the treasurer to support the person's application for an exemption; or
 - (8) If the treasurer has revoked or suspended a certificate of exemption related to a place.
- (c) Furthermore, the exemption from the tax provided by this section shall not be allowed if any portion of the proceeds of ticket sales inures wholly or partly to the benefit of any person other than those listed in section (a)(2) above. The tax levied by this chapter shall be due for any admission that does not strictly comply with the requirements of this section, including admission purchased subject to an exemption certificate that is later revoked, admission purchased prior to the issuance of a certificate of exemption, or admission purchased after a certificate of exemption has been or could have been revoked.
- (d) Every person seeking an exemption from the admission tax shall apply to the treasurer for an exemption certificate, except those persons identified in subsections (a)(3) through (5) of this section. Each application shall be made upon a form prescribed, prepared, and furnished by the treasurer and shall set forth:
- (1) The name under which the applicant intends to sell admission;
 - (2) The place or places to which admission shall be sold;
 - (3) The reason the admission should be exempted from the tax; and
 - (4) Such other information as the treasurer may require.
- (e) The applicant shall provide with the application all documentation that the treasurer may require to verify the applicability of the exemption. The application for an exemption shall be signed and verified by oath or affirmation by the person charging admission.
- (f) The treasurer is authorized to issue an exemption certificate upon satisfaction that the admission identified in the application is exempt under this section, provided that the applicant is otherwise in compliance with the provisions of this chapter and the rules and regulations the treasurer adopts pursuant to this chapter. An exemption

certificate issued pursuant to this section shall be valid only for the person in whose name it is issued and shall not be assignable. The exemption shall apply only to admission specified in the application. Every exemption certificate shall expire on the last date of admission specified therein, shall not be renewable, and shall in no case be valid for admission sold or occurring more than one year after the date of issuance. The treasurer may place additional conditions upon the applicant as the treasurer deems necessary to ensure compliance with the requirements of this section.

- (g) If the treasurer grants an exemption pursuant to this section, the holder of the exemption certificate is excused from applying for the license required by section 309-13 for the exempt admissions only. The exemption certificate shall be considered the equivalent of the license required by that section, and the authorized person shall comply with the provisions of that section regarding use and display of a license, substituting the exemption certificate for the license.
- (h) The treasurer may revoke an exemption certificate for cause, including the applicant's submission of false information, a change in the applicant's circumstances, error in issuing the certificate, or the certificate holder's failure to comply with any conditions under which the exemption was authorized, the provisions of this chapter, or rules or regulations the treasurer has adopted pursuant to this chapter. Whenever the treasurer suspends or revokes an exemption certificate, the treasurer or the treasurer's designee shall notify the holder promptly in writing, and the holder shall promptly surrender the exemption certificate and any copies to the treasurer.

Sec. 309-7. – Price to be Marked on Ticket or Displayed.

- (a) ~~The~~ If admission is by physical ticket, the price of admission, inclusive of any ~~federal and~~ service or transactional charge or fee and any state or city tax, ~~at which every admission ticket or card is sold~~ shall be marked conspicuously and indelibly printed, stamped or written on the face or back of on that part of the ticket which is to be taken up by the management of ~~the theatre, opera, or other~~ the place of amusement at admission, together with the name of the vendor ~~if sold~~ the admission was purchased other than at a ticket office of the ~~place of amusement~~.
- (b) If admission is by electronic ticket, the price of admission, inclusive of any service or transactional charge or fee and any state or city tax, shall be displayed on the face of the electronic ticket and recorded on the management of the place's record of the admission, together with the name of the vendor from which it was purchased if the admission was purchased other than from management of the place.
- (c) If admission is not ~~being~~ done by ticket, the price of admission shall be conspicuously and visibly posted at the entrance to the place or the point of purchase.

Sec. 309-9. – Monthly and Annual Reports; Contents; Payments of Tax.

- (a) ~~Every person receiving any payments for admission taxable under this chapter, vendor shall, on or before the twentieth day of each calendar month, make a return in duplicate to the treasurer in such form as the treasurer may prescribe, showing the number of admissions issued, disposed of, or collected by, through, or for the vendor, or using the vendor's services, during the preceding calendar month, the amount of tax hereby imposed on the same, and such other facts and information as the treasurer may require in the form of returns prescribed by the treasurer. One copy of such return shall be for the use of the treasurer and the other shall be filed with the Finance Department by the treasurer.~~ The person making the return shall certify that it is complete, true, and accurate.
- (b) ~~Every person receiving any payments for admission taxable under this chapter, vendor shall, each year on or before April 15, make a return in duplicate to the treasurer in such form as the treasurer may prescribe, showing the number of admissions issued, disposed of, or collected by, through, or for the vendor, or using the vendor's services, during the preceding calendar year, the amount of tax hereby imposed on the same, and such other facts and information as the treasurer may require in the form of returns prescribed by the treasurer. One copy of such return shall be for the use of the treasurer and the other shall be filed with the Finance Department by the treasurer.~~ The person making the return shall certify that it is complete, true, and accurate.
- (c) All such returns shall be held confidential by the treasurer and auditor and shall not be available for inspection unless ordered by a court of competent jurisdiction, except that the treasurer may furnish copies to the federal Internal Revenue Service, Ohio tax commissioner, city tax commissioner, and to the city manager or person designated by the city manager.
- (d) ~~Each person making such return~~ Every vendor shall, at the time of making the same a return, pay to the treasurer the amount of taxes shown thereby to the treasurer be due. Such payments shall be paid into the city treasury. ~~The treasurer may adopt uniform rules and regulations not inconsistent with this section, governing the method of making returns and payments.~~
- (e) If the tax imposed by this chapter is not paid when due, there shall be added as a part of the tax interest at the rate of one percent per month from the time when the tax became due until paid.

Sec. 309-11. – Administration of Chapter; Adoption of Rules and Regulations; Records; Bond.

- (a) The treasurer shall ~~have power to adopt and promulgate~~ such uniform rules and regulations, consistent with this chapter, ~~as the treasurer may deem be deemed necessary to carry out the provisions of this chapter, including uniform rules and regulations not inconsistent with this chapter~~ but not limited to those governing the

method of making returns and payments, licensing vendors, determining exemptions, and issuing assessments. Such rules and regulations shall be effective upon the city manager's approval and posting on the city's website.

- (b) Each person required by this chapter to collect or to pay the taxes imposed hereby, or granted an exemption from collection or payment of the tax pursuant to Section 309-05, shall keep such records or receipts, ticket stubs, other ticket records, other records of admission charged in the absence of ticket records, complimentary tickets, and any record otherwise documenting any admission charged or foregone for an event, membership, or entertainment at which admission was or could have been charged, and other pertinent documents, in such form as the treasurer may by such regulation require. Every person selling admission, regardless of whether an exemption has been granted pursuant to section 309-05 and whether sales take place through a marketplace facilitator, shall keep a record of each admission, including at a minimum the number, type, place, and date of each admission and the amounts charged, paid, waived, or forgone for such admission, together with any service or transactional fees or similar charges, and the amount of any state or city taxes paid on such admission. Every marketplace facilitator, reseller, or similar broker of admission shall keep a record of each admission purchased from, by, through, or using its services, including at a minimum the charges paid for such admission and the number, type, date, and place of each admission, together with any related service or transactional fees or similar charges, and the amount of any state or city taxes paid on such admission.
- (c) Such records and other documents shall be open at any time during business hours to the inspection of the treasurer or copies or the treasurer's designee. Copies of such records or documents shall be provided to the treasurer, and or the treasurer's designee, at the treasurer's office or a place designated by the treasurer, promptly in response to a written request. Such records shall be preserved for a period of not less than three years after the vendor is required to submit the annual return required by section 309-9(b) to the city, unless the treasurer shall in writing consent to their destruction within that period; or in writing require that they be kept longer.
- (d) The treasurer may require any person required by this chapter to collect and pay or to pay the tax hereby imposed vendor to file with the treasurer a bond, subject to the approval of the city solicitor, with security to the approval of the finance director of the city, and in such amount as the treasurer may fix, conditioned for the collection and payment, or the payment, of any such taxes due or which may become due from such person. Such bond, when approved by the treasurer, shall be deposited in the treasurer's office.
- (e) The treasurer may by such regulations permit any person making a refund to a payor or purchaser of any payment upon which a tax is collected under this chapter also to repay therewith the amount of the tax collected on such payment, and provide for the crediting of the amount so repaid against amounts included in any subsequent return returns.

Sec. 309-13. – License Required; Application; Contents; Fee; Issuance; Restrictions; Renewal; Suspension or Revocation; Liability of Owner of Premises; Exemptions and Marketplace Facilitators.

- (a) ~~No~~ Except as provided in section 309-5, no person shall charge admission sell, resell, or facilitate the sale or resale of admission at to any permanent or temporary place of amusement or event, or any tour or itinerant form of amusement within the city of Cincinnati, without a license therefor, as hereinafter provided as required by this section.
- (b) Every vendor shall apply for a license.
- (1) Every person desiring intending to charge sell admission at to any permanent or temporary place of amusement or event, or any tour or itinerant form of amusement within this city, within the city of Cincinnati shall file an application apply to the treasurer for a permanent, an annual or temporary, or itinerant form of amusement license, or licenses, or an exemption request, as the case may be, with the treasurer. Every application for certificate under section 309-5. Every such license or licenses application shall be made upon a form prescribed, prepared, and furnished by the treasurer, and. Every application shall set forth the name under which the applicant conducts or intends to conduct an amusement, whether the applicant conducts or intends to conduct a permanent or temporary form of amusement sell admission, the location of the permanent or temporary place of amusement to which admission shall be sold, and such other information as the treasurer may require. If the applicant has or intends to have sell admission to more than one place of amusement within the city, the application the applicant shall state the location of each place of amusement, and in the case of itinerant form of amusement. If the applicant intends to sell admission to a temporary place, the applicant shall state the date and length of time such amusement is to be conducted at each place. In the case of an application for a license for a for which admission shall be required for entry into such temporary place of amusement, the application shall state the, together with the name and address of the owner, or lessee, or custodian of the premises upon which such amusement is to temporary place shall be conducted, located. The application shall be signed and verified by oath or affirmation by the person selling admission. At the time of making such application, the applicant shall pay to the treasurer a fee of \$50.00 for each license and furnish a bond pursuant to section 309-11, if required.
- (2) Every person intending to resell, or facilitate the sale or resale of, admission to any other information prescribed by place in the city of Cincinnati shall apply to the treasurer for purposes of identification. In the case of an application for an exemption as provided in Section 309-05, the an annual or temporary license. Every application shall include supporting documentation as determined necessary by state the name under which the treasurer applicant intends to support resell, or facilitate the sale or resale of, admission, the intended scope of the applicant's claim for an exemption.

activities, and such other information as the treasurer shall require. The application shall be signed and verified by oath or affirmation by the person conducting the amusement if a natural person, or in the case of an association, by a member or partner thereof, or in the case of a corporation by an executive officer thereof or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of the signer's authority. reselling, or facilitating the sale or resale of, admission. At the time of making such application, the applicant shall pay to the treasurer a fee of \$50.00 for each license and furnish a bond pursuant to section 309-11, if required.

- (c) Upon the treasurer's approval of the an application and, the applicant's payment of any license fee or fees therein, and provision of a bond pursuant to section 309-11, if required, the treasurer shall is authorized to grant and issue to each applicant (unless withheld for a cause) a permanent, temporary, or itinerant amusement an annual or temporary license for charging admission at each place of amusement within this city set forth in the application. An amusement, or an annual or temporary license for the resale, or facilitation of the sale or resale, of admission as set forth in the application, unless such license is withheld for cause.
- (d) A license granted pursuant to this section shall be valid only for the person in whose name it is issued and for the conduct of amusements at the place designated therein and shall not be assignable. A license for the sale of admission shall be valid only for charging admission to the place or places, or for the activities, designated therein. A license for the resale, or facilitation of the sale or resale, of admission shall be valid only for the activities specified therein.
- (e) All licenses issued pursuant to section 309-13(b)(1) and exemption certificates granted pursuant to section 309-5 shall be conspicuously displayed at the place or places for which issued described therein during the period of ticket sale sales and conduct of amusement until admission as described therein is no longer permitted.
- (f) All annual licenses for permanent places of amusement shall be for a period of 12 months following the beginning on the date upon which they are issued through the following December 31, and all temporary licenses shall be for the period specified therein, unless sooner surrendered by the licensee, or suspended or revoked for cause by the treasurer. Licenses for temporary places of amusement or for forms of itinerant amusement shall expire at the time specified therein. The holder of an itinerant amusement license shall notify surrenders a license sooner or the treasurer promptly of any change in the original contemplated itinerary, either as to date or time of the conduct of the amusement at each place.
- (e) Licenses issued for permanent places of amusement under the provisions of this chapter suspends or revokes a license for cause. Annual licenses may be renewed annually upon application made to the treasurer, and the payment of a renewal fee of \$50.00 for each license, and the furnishing of a bond pursuant to section 309-11, if required. Licenses for temporary places may not be renewed.

- ~~(f)~~(g) The treasurer may decline to issue, suspend, or revoke an amusement a license whenever the holder thereof has failed to comply with any of the provisions of this chapter or any rules or regulations ~~of the treasurer promulgated~~ has adopted pursuant to this chapter. Upon ~~suspending or revoking any amusement suspension or revocation of a license,~~ the treasurer shall notify the licensee in writing of the reason for the decision and the licensee shall require the holder thereof to surrender immediately surrender all licenses or duplicates thereof issued to such holder to the treasurer and immediately cease to engage in the activities identified in the license, and the holder shall surrender promptly all such licenses to the treasurer as required. ~~Whenever the treasurer suspends or revokes an amusement license, the holder shall be notified immediately and may appeal as provided in this section.~~
- (i) Review by the City Manager or his or her Designee.
- ~~(h)~~ Any decision of the treasurer rendered ~~A person may be appealed by timely appeal the treasurer's denial, suspension, or revocation of a license authorized by this chapter only by filing an appeal to with the city manager or his or her the city manager's designee. Any such appeal shall be made in writing and shall state within thirty days of issuance of the treasurer's notice of such suspension or revocation, stating all the facts and arguments supporting the appeal. An appeal shall be filed no later than thirty (30) days after the date of the treasurer's written determination to suspend or revoke a license. The decision of the treasurer pursuant to subsection (f) shall become final upon the expiration of 30 days from the date notice is mailed to the petitioner, unless prior thereto the petitioner files If an appeal to is received, the city manager or his or her the city manager's designee shall fix the a time and place for a hearing on the such appeal and shall notify the petitioner appellant thereof in writing, giving notice to the petitioner of not less than seven ten business days prior to the hearing. The treasurer's determination and assessment by the treasurer shall be prima facie presumed correct, and the burden shall be on the petitioner appellant to prove otherwise. The city manager or his or her the city manager's designee shall have the authority to amend, vacate, or affirm any such the treasurer's decision appealed from, in conformity with the intent and purpose of this chapter. Decisions of the city manager or his or her designee shall become final upon being placed in the mail to the petitioner. The findings of the city manager or the city manager's designee shall be final and conclusive, and the appellant shall be notified thereof in writing.~~
- ~~(g)~~(i) No owner, lessee, or custodian of the premises upon which ~~an amusement is to be conducted,~~ a temporary or permanent place is located shall lease or permit the same to be used by any a person who is not the owner of a license charging admission, unless the person both holds a current license or exemption certificate duly issued by the treasurer hereunder for the use of such premises for the location, purpose, and date range specified therein and has filed and paid the monthly or annual returns and taxes levied by this chapter. Any ~~such~~ owner, lessee, or custodian who leases ~~to or permits the use of such premises to be used for such purpose, to a person who is not the owner of a license duly issued hereunder, in violation of the foregoing requirement shall be liable for the amount of taxes levied under the provisions of by this chapter for admission sold in connection with any amusement so conducted~~

entry into the place or places located upon such premises, and such taxes shall be a lien upon such premises.

Sec. 309-17. – Taxes Made a Lien.

- (a) The taxes imposed by this chapter shall be a lien upon all of the property of any person required to collect and pay or to pay the same. If such person shall sell out or quit business, such person shall be required to make out the return and pay such taxes as are due, as provided for under this chapter, within ~~30~~ thirty days after the date of sale of such business, or retirement therefrom, and the successor in business shall be required to withhold a sufficient amount of the purchase money to cover the amount of said ~~taxes so collected and~~ unpaid taxes, together with interest, if any, until such time as the former owner shall produce a receipt from the treasurer showing that the taxes have been paid; or a certificate that no taxes are due.
- (b) If the purchaser of a business shall fail to withhold purchase money as ~~above~~ provided above, and the taxes ~~so collected shall be due and~~ are unpaid after the ~~30~~ thirty-day period allowed, the purchaser shall be liable for the payment of the ~~taxes collected and~~ unpaid taxes on account of the operation of the business by the former owner, together with interest, as provided by this chapter.
- (c) The lien for unpaid taxes herein imposed shall not become effective until such time as the treasurer shall certify to the county auditor of Hamilton county the amount of taxes delinquent, and such certification is placed on record by the county recorder of said county in a book maintained for that purpose.

Sec. 309-19. – ~~Treasurer May Make Additional Assessment; Notice, Hearing.~~

~~If not satisfied with the~~ a vendor has made a return and payment of taxes made by any person under the provisions of this chapter, paid the tax shown by the return to be due, but the treasurer determines that additional tax is hereby authorized and empowered to due, the treasurer may make an additional assessment of the tax due by such taxpayer, from the vendor based upon the facts contained in the return or otherwise acquired by the city. Promptly after the date of such The treasurer shall notify the vendor in writing of the additional assessment, the treasurer shall give or send by mail a notice thereof to such person, together with written notice of the time when, and date by which the place where, such person vendor may be heard on a petition must pay the assessed tax or file an application for reassessment as hereinafter provided pursuant to section 309-27.

Sec. 309-21. – Estimated Assessment ~~Made; Penalty; Notice.~~

~~If a person whose duty it is to collect and pay or to pay the taxes imposed by this chapter shall neglect or refuse~~ vendor fails to file any a return required by this chapter, or having tendered a return shall neglect or refuse fails to pay the amount of taxes imposed by this chapter as shown by such return shown to be due, the treasurer shall make an estimated assessment of the probable amount of the taxes payable by the delinquent vendor based upon the facts contained in the return or otherwise acquired by the city, to which shall be

~~added a penalty of 10 ten percent of the amount assessed. The treasurer shall promptly thereafter give or send by mail notice of notify such the vendor in writing of the estimated assessment and penalty together with notice of the date by which the vendor must pay the assessed tax or may file an application for reassessment pursuant to the person against whom the same shall have been made section 309-27. The treasurer may waive or reduce the ten percent penalty upon concluding that the failure to pay the amount of taxes due was the result of mistake or inadvertence.~~

Sec. 309-23. – ~~Estimated Additional Assessment Made~~ When Access to Records Is Refused; Penalty; Notice; Hearing.

~~The treasurer shall have the power to make an estimated additional assessment to which shall be added a penalty of 10 percent of the assessment, against any person who has filed any return as required by this chapter but who If a vendor refuses the treasurer or the treasurer's designee access to permit records as required by section 309-11(c), the treasurer or a duly authorized deputy, to examine the books of account and papers pertaining to may make an estimated assessment of the business for which the return was made probable amount of the additional tax due from the vendor, to which shall be added a penalty of fifteen percent of the amount assessed. The treasurer shall promptly thereafter give or send by mail notice of such notify the vendor in writing of the estimated additional assessment and penalty to such person, together with written notice of the time when and date by which the place where such person vendor may be heard on a petition must pay the assessed tax or file an application for reassessment, as hereinafter provided pursuant to section 309-27.~~

Sec. 309-25. – ~~When Taxes by Assessment are~~ and Penalties Are Due and Payable.

~~All taxes and penalties resulting from any assessment made imposed by the treasurer pursuant to sections 309-19, 309-21, or 309-23 shall be due and payable 10 fourteen calendar days after notice thereof is given or sent by mail to the person against whom such assessment shall have been made the treasurer has notified the vendor in writing of the assessment and penalty, unless the vendor timely files an application for reassessment, in which case all taxes and penalties resulting from the assessment shall be due and payable at the time required by section 309-27.~~

Sec. 309-27. – ~~Application for Reassessment; Hearing; Notice.~~

~~Any person against whom A vendor who has received notice of an additional assessment, estimated assessment, or estimated additional assessment shall be made by the treasurer penalty imposed pursuant to sections 309-19, 309-21, or 309-23 may file an application for reassessment with the treasurer. Such application shall be filed within 30 fourteen calendar days after receipt of notice of such estimated assessment and penalty from the treasurer, and shall has notified the vendor of the assessment and penalty, provided, however, that the treasurer may extend the time to file the application for good cause. The application shall contain all the argument and reasons why such assessment and/or penalty should be reversed, vacated, or modified. Within 20 28 calendar days of the filing of such application for reassessment, the treasurer shall redetermine the former assessment, estimated assessment, or estimated additional assessment and shall either affirm, reverse, vacate, or~~

modify the same and shall promptly notify the applicant of the decision in writing. Such determination shall be final, and all taxes and penalties resulting from the assessment, estimated assessment, or estimated additional assessment shall become payable 14 fourteen calendar days after notice thereof is given or sent by mail to the person filing the application the treasurer has notified the applicant of the treasurer's decision.

Sec. 309-29. – Notices Authorized ~~to be~~ To Be Mailed or Delivered Electronically.

Any notice authorized or required under the provisions of this chapter may be given by mailing the same to the a person for whom it is intended, in a post-paid envelope addressed to such person at the address given provided in the last filed return filed by the person pursuant to the provisions of this chapter, or, if no return has been filed, then to such address as may be obtainable. Such notice may, either in addition to or in the alternative, be given to a person electronically by mailing the same to a person at the electronic mail address provided in the last filed return or, if no return has been filed, then to such electronic mail address as may be obtainable. The mailing of such notice, whether by U.S. mail or by electronic mail, shall be prima facie evidence of the receipt of the same by the person to whom addressed. Any period of time which is determined according to the provisions of this chapter by the giving of notice shall commence to run from the date of mailing such notice, inclusive of such date.

Sec. 309-31. – Refunds; Application; Hearing; Notice.

(a) If within one year from the payment of any tax or penalty the payer thereof or the executors, administrators, successors or assigns of the payer shall make Upon the treasurer's initiative or upon application for a made as provided in this section, the treasurer shall refund thereof, for the amount of any taxes the benefit of the person from whom the same was treasurer determines to have been erroneously collected, and if the treasurer shall determine determines both that such the tax or penalty, or any portion thereof, was erroneously or illegally collected, or paid in error and that the same can and will be duly refunded to the payors, purchasers, or other persons from whom the same it was collected,

(b) A person who has paid a tax to the treasurer shall issue or that person's executors, administrators, successors, or assigns may apply to the treasurer, on behalf of and for the benefit of a person or persons from whom it was collected, for a refund. For like cause and of any tax erroneously collected and paid. Such application shall be made in writing within the same period, one year of the person's payment of such tax and shall contain all the argument and reasons why such tax should be refunded. The treasurer shall set a time and place for the applicant to be heard and shall notify the applicant of the same in writing. Within 28 calendar days from the date of such hearing, the treasurer shall determine whether a refund may be so made on the initiative of the treasurer; but is due and shall promptly notify the applicant of the decision in writing. The treasurer shall pay a refund, if any, to the applicant within 28 calendar days of the issuance of the decision.

(c) Notwithstanding the foregoing, no refund shall be made of a tax or penalty paid pursuant to a determination of the treasurer as provided for in ~~Section sections~~ sections 309-19 through 309-27, unless inclusive, except pursuant to the treasurer, after a hearing as in said section process provided, in those sections or on motion of the treasurer, shall have reduced the tax or penalty or upon the city's receipt of an unappealable judgment from a court of competent jurisdiction ~~shall have ruled that such determination was erroneous or illegal, in which event, a refund shall be made as herein provided, upon the termination of such appeal. An application for a refund made as herein provided shall be deemed a petition for reassessment within the meaning of Section 309-27, and the treasurer may receive additional evidence with respect thereto. After making a determination, the treasurer shall give notice thereof to the applicant stating that the tax or penalty has been collected in error.~~

Sec. 309-99. – Penalties.

- (a) No person shall charge sell or resell, or facilitate the sale or resale of, admission for any form of amusement at any permanent or temporary place of amusement or event, or any tour or itinerant form of amusement without having holding a valid license or exemption certificate therefore, as provided in required by the provisions of this chapter.
- (b) No person charged by any section of this chapter with the duty of collecting or paying the taxes imposed by this chapter shall willfully fail or refuse to charge and collect or to pay such taxes, or to make return to the treasurer as required by this chapter, or to permit the treasurer, or a duly authorized agent, to examine the books and other records, in or upon any premises where the same are kept, to the extent necessary to verify any return made or to ascertain and assess the tax imposed by this chapter if no return was made, or to maintain and keep for three years or such lesser or greater time as may be permitted or required by the treasurer such records, ticket stubs and other documents pertaining to the sale or other disposition of admissions, as may be required by the treasurer do any of the following as required by the provisions of this chapter:
- (1) charge and collect such taxes;
 - (2) remit such taxes to the treasurer;
 - (3) make true and accurate returns to the treasurer;
 - (4) submit true and accurate information to the treasurer when applying for a license or exemption pursuant to this chapter;
 - (5) permit the treasurer or the treasurer's designee to examine the books and other records of admission; or
 - (6) maintain and keep for three years, or such lesser or greater time as may be permitted or required by the treasurer, such records of admissions as the treasurer may require.

- (c) No holder of a license issued under the provisions of this chapter shall use or display such license, at the place for which such a license was issued, during a period of suspension or after revocation of the same by exemption certificate that the treasurer has suspended or revoked, and during a period of ticket sale and conduct of amusement.
- (d) Whoever violates any provision of this ~~Chapter~~ section shall be guilty of a misdemeanor of the first degree, and shall be fined not more than \$500, or imprisoned not more than 60 days, or both.

Section 3. That existing Section 309-15, “Refund,” of Chapter 309, “Admissions Taxes,” of the Cincinnati Municipal Code is hereby repealed in its entirety.

Section 4. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Sections 1 through 3, including the promulgation and adoption of rules and regulations to implement Chapter 309.

Section 5. That Sections 1 through 3 shall become effective on April 1, 2024.

Section 6. 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 permit the Department of Finance to take appropriate steps to notify those affected by these legislative changes before they take effect.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

New language is underscored. Deleted language is struck through.

January 18, 2024

To: Mayor and Members of City Council

202400214

From: Sheryl M. M. Long, City Manager

**Subject: Emergency Ordinance – Cincinnati Recreation Commission:
Amending Ordinance No. 0166-2021 as Amended by Ordinance No.
0464-2021**

Attached is an Emergency Ordinance captioned:

AMENDING Ordinance No. 166-2021, as previously amended by Ordinance No. 0464-2021, to add “After Hours Programming” to the title of American Rescue Plan Account Number ARP065, “Cincinnati Recreation Commission Extended Hours” on the Schedule of Appropriations and to change the description from “Recreation Centers Extended Hours” to “Recreation Centers Extended Hours and After Hours Programming” per the attached Schedule of Appropriations (AMENDED).

On May 19, 2021, the City Council passed Ordinance No. 0166-2021 which was an omnibus HOME-American Rescue Plan (ARP) appropriation ordinance to provide funds to support various HOME-ARP eligible projects. The Cincinnati Recreation Commission (CRC) received \$300,000 for extending the operating hours of CRC facilities with a project account description of “Recreation Centers Extended Summer Hours.” Due to the logistical challenges of securing sufficient staffing, most of these funds were unable to be utilized during the summer months of 2021 necessitating an amendment to the project description on the Schedule of Appropriations to strike the word “Summer” so that funds can be utilized for CRC extended hours for seasons other than the summer. On December 8, 2021, the City Council passed Ordinance No. 0464-2021 which amended Ordinance No. 0166-2021 to strike the word “Summer” so that funds could be utilized for CRC extended hours for seasons other than the summer. CRC’s updated spending plan for the funds includes offsite After Hours Programming necessitating an amendment to the project title and description to reflect the new spending plan to comply with United States Department of the Treasury guidelines.

The reason for the emergency is the immediate operational need to make funds available for Cincinnati Recreation Commission extended hours and offsite after hours programming.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director

Attachment

EMERGENCY

CMZ

- 2024

AMENDING Ordinance No. 166-2021, as previously amended by Ordinance No. 0464-2021, to add “After Hours Programming” to the title of American Rescue Plan Account Number ARP065, “Cincinnati Recreation Commission Extended Hours” on the Schedule of Appropriations and to change the description from “Recreation Centers Extended Hours” to “Recreation Centers Extended Hours and After Hours Programming” per the attached Schedule of Appropriations (AMENDED).

WHEREAS, on May 19, 2021, Council passed Ordinance No. 166-2021 which was an omnibus HOME-American Rescue Plan (ARP) appropriation ordinance to provide funds to support various HOME-ARP eligible projects; and

WHEREAS, \$300,000 was appropriated to the Cincinnati Recreation Commission (“CRC”) for extending the operating hours of CRC facilities with a project account description “Recreation Centers Extended Summer Hours”; and

WHEREAS, on December 8, 2021, Council passed Ordinance No. 464-2021 which amended Ordinance No. 166-2021 to strike the word “Summer” so that funds can be utilized for CRC extended hours for seasons other than the summer; and

WHEREAS, CRC’s updated spending plan for the funds includes offsite after hours programming necessitating an amendment to the project title and description to reflect the new spending plan; now, therefore,

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

Section 1. That the Schedule of Appropriations as amended and attached to Ordinance No. 166-2021 is hereby further amended to change the title of American Rescue Plan Account Number ARP065, “Cincinnati Recreation Commission Extended Hours” to “Cincinnati Recreation Commission Extended Hours and After Hours Programming,” and the description from “Recreation Centers Extended Hours” to “Recreation Centers Extended Hours and After Hours Programming” per the attached Schedule of Appropriations (AMENDED).

Section 2. That all terms of Ordinance Nos. 166-2021 and 464-2021 not amended by this ordinance remain in full force and effect.

Section 3. That the proper City officials are hereby authorized to do all things necessary and proper to implement the provisions of Sections 1 and 2 of this ordinance.

Section 4. 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 operational need to make funds available for Cincinnati Recreation Commission extended hours and offsite after hours programming.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

American Rescue Plan (ARP) - Schedule of Appropriations (AMENDED)

Description	Amount	Fund	Agency	Account Number	Account Name
Bethany House	\$ 3,000,000	411	162	4112135	"Bethany House Services"
HARBOR Program	\$ 500,000	411	162	4112137	"HARBOR"
Affordable Housing Trust	\$ 6,400,000	411	162	4112136	"Affordable Housing Trust Fund"
	<u>\$ 9,900,000</u>				

Description	Amount	Fund	Agency	Account Number	Account Name
Recreation Centers Extended Hours <u>and After Hours Programming</u>	\$ 300,000	469	199	ARP065	"Cincinnati Recreation Commission Extended Hours <u>and After Hours Programming</u> "
ArtWorks Youth Employment Initiative	\$ 500,000	469	101	ARP010	"ArtWorks Youth Employment Initiative"
Kings and Queens	\$ 20,000	469	101	ARP070	"Kings and Queens"
SCLC Rites of Passage Summer Camp	\$ 30,000	469	101	ARP071	"Rites of Passage"
UCanSpeak4Me	\$ 40,000	469	101	ARP072	"U Can Speak for Me"
Wesley Chapel	\$ 50,000	469	101	ARP073	"Wesley Chapel"
Public Museum Support	\$ 1,000,000	469	101	ARP013	"Public Museum Support"
Minority Business Partnerships Urban League	\$ 1,500,000	469	101	ARP014	"Minority Business Partnerships"
Women Business Program - Main Street Ventures	\$ 1,000,000	469	101	ARP062	"Women-Owned Business Accelerator Program"
flywheel Business Equity Initiative	\$ 300,000	469	101	ARP074	"flywheel Business Equity Initiative"
UC Medical Center EMS Canopy	\$ 1,000,000	469	101	ARP075	"UC Medical Center EMS Canopy"
Children's Hospital Expansion College Hill	\$ 2,000,000	469	101	ARP038	"Children's Hospital"
Port Authority Affordable Housing Projects	\$ 2,500,000	469	162	ARP021	"The Port Affordable Housing Projects"
Network Upgrades/Cybersecurity	\$ 430,000	469	091	ARP064	"Cybersecurity"
4C Child Care Startup Funding	\$ 1,000,000	469	101	ARP037	"Child Care Funding"
Neighborhood Activation Fund	\$ 1,750,000	469	101	ARP017	"Neighborhood Activation Fund"
Neighborhood Business Districts Support Grants	\$ 2,000,000	469	101	ARP018	"Neighborhood Business Districts Support Grants"
PIVOT	\$ 500,000	469	222	ARP063	"Place Based Investigations of Violent Offender Territories (PIVOT)"
Clifton Cultural Arts Center (CCAC) Operational Costs	\$ 650,000	469	101	ARP012	"Clifton Cultural Arts Center"
Community Economic Advancement Initiatives (CEAI)	\$ 500,000	469	101	ARP016	"CEAI Development Support"
Grant Us Hope	\$ 50,000.00	469	101	ARP036	"Grant Us Hope"
Food Insecurities - Last Mile	\$ 50,000.00	469	101	ARP076	"Food Insecurities: Last Mile"
Food Insecurities - La Soupe	\$ 150,000.00	469	101	ARP077	"Food Insecurities: La Soupe"
Food Insecurities - Produce Perks	\$ 200,000.00	469	101	ARP078	"Food Insecurities: Produce Perks"
Cincinnati USA Convention & Visitors Bureau (CVB)	\$ 1,700,000.00	469	101	ARP022	"Cincinnati USA Convention & Visitors Bureau Support"
Cincinnati Youth Collaborative (CYC) Youth Work Readiness Program	\$ 100,000.00	469	101	ARP079	"CYC Youth Work Readiness Program"
Price Hill and Avondale Boys and Girls Club	\$ 250,000.00	469	101	ARP080	"Price Hill and Avondale Boys and Girls Club"
	<u>\$ 19,570,000.00</u>				

January 22, 2024

To: Members of the Budget and Finance Committee 202400305
From: Sheryl M. M. Long, City Manager
Subject: **Emergency Ordinance – CMO: Just Heal, Bro Tour Mental Health Awareness Event Donations**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager and the employees of the Office of the City Manager to solicit and accept donations of money, in-kind contributions, and other things of value from the Cincinnati business community, individual benefactors, and other available sources to support the Just Heal, Bro Tour Mental Health Awareness event, in partnership with the Center for Closing the Health Gap, on February 1, 2024; and **AUTHORIZING** the Director of Finance to deposit any funds donated to the City of Cincinnati for the Just Heal, Bro Tour event into “Special Events” Fund 314 revenue account no. 314x8571.

This Emergency Ordinance authorizes the City Manager and the employees of the Office of the City Manager to solicit and accept donations of money, in-kind contributions, and other things of value from the Cincinnati business community, individual benefactors, and other available sources to support the Just Heal, Bro Tour Mental Health Awareness event, in partnership with the Center for Closing the Health Gap, on February 1, 2024. This Emergency Ordinance also authorizes the Director of Finance to deposit any funds donated to the City of Cincinnati for the Just Heal, Bro Tour Mental Health Awareness event into “Special Events” Fund 314 revenue account no. 314x8571.

The Just Heal, Bro Tour Mental Health Awareness event will promote awareness of and focus on Black male mental health concerns. The event will be held at the Duke Energy Convention Center (DECC) on February 1, 2024 and will be free to the public.

The Just Heal, Bro Tour Mental Health Awareness event is in accordance with the “Collaborate” goal to “[w]ork in synergy with the Cincinnati community” and strategy to “[u]nite our communities” as described on pages 209 – 212 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to solicit and accept donations for the Just Heal, Bro Tour Mental Health Awareness event in advance of its scheduled date of February 1, 2024.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director



Attachment

EMERGENCY

CMZ

- 2024

AUTHORIZING the City Manager and the employees of the Office of the City Manager to solicit and accept donations of money, in-kind contributions, and other things of value from the Cincinnati business community, individual benefactors, and other available sources to support the Just Heal, Bro Tour Mental Health Awareness event, in partnership with the Center for Closing the Health Gap, on February 1, 2024; and **AUTHORIZING** the Director of Finance to deposit any funds donated to the City of Cincinnati for the Just Heal, Bro Tour event into “Special Events” Fund 314 revenue account no. 314x8571.

WHEREAS, the Just Heal, Bro Tour Mental Health Awareness event, which promotes awareness of and focuses on Black male mental health concerns, will be held at the Duke Energy Convention Center on February 1, 2024; and

WHEREAS, the City plans to support the Just Heal, Bro Tour Mental Health Awareness event in partnership with the Center for Closing the Health Gap; and

WHEREAS, the Just Heal, Bro Tour Mental Health Awareness event will be free and open to the public and will provide vital information focused on black male mental health concerns; and

WHEREAS, the Office of the City Manager must solicit donations of money, in-kind contributions, and other things of value from the Cincinnati business community, individual benefactors, and other available sources to cover the costs of the event; and

WHEREAS, the Just Heal Bro, Tour Mental Health Awareness event is in accordance with the “Collaborate” goal to “[w]ork in synergy with the Cincinnati community” and strategy to “[u]nite our communities” as described on pages 209 – 212 of Plan Cincinnati (2012); now, therefore,

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

Section 1. That the City Manager and the employees of the Office of the City Manager are authorized to solicit and accept donations of money, in-kind contributions, and other things of value to support the Just Heal, Bro Tour Mental Health Awareness event, in partnership with the Center for Closing the Health Gap, on February 1, 2024.

Section 2. That the Director of Finance is authorized to deposit any funds donated to the City of Cincinnati for the Just Heal, Bro Tour Mental Health Awareness event into “Special Events” Fund 314 revenue account no. 314x8571.

Section 3. That the proper City officials are authorized to do all things necessary and proper to carry out the terms of Sections 1 and 2.

Section 4. 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 solicit and accept donations for the Just Heal, Bro Tour Mental Health Awareness event in advance of its scheduled date of February 1, 2024.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

AUTHORIZING the City Manager to execute a Lease Agreement with Kaiser Properties-Central, LTD., pursuant to which the City will lease for a term of up to thirty years a portion of John Street public right-of-way located north of York Street in the West End neighborhood.

WHEREAS, the City of Cincinnati owns certain real property, designated as the public right-of-way known as John Street, located north of York Street in the West End (“Property”), which Property is under the management of the Department of Transportation and Engineering (“DOT”); and

WHEREAS, Kaiser Properties-Central, LTD., an Ohio limited liability company, an affiliate or subsidiary of Kaiser Foods, Inc., an Ohio corporation (“Lessee”), owns or otherwise controls all real property abutting certain portions of the Property more particularly identified as Hamilton County, Ohio Auditor’s Parcel Identification Nos. 132-0003-0159-00 (-159 through -163, & -326 Cons.) and 132-0003-0164-00 located at 422-500 York Street, and the City has leased certain portions of the Property to Lessee (“Leased Premises”), or an affiliate thereof, for more than twenty years, pursuant to a lease agreement authorized by Ordinance No. 135-2023, passed by Council on May 7, 2023, which lease expired in 2023, but has continued on a month-to-month basis since that time; and

WHEREAS, Lessee has petitioned the City for a new lease of the Leased Premises for a term of up to thirty years, namely, an initial term of five years, with five successive options to extend the term each for five years, as more particularly set forth in the lease agreement attached to this ordinance as Attachment A and incorporated herein by reference (“Lease”); and

WHEREAS, the City Manager, in consultation with DOT, has determined that (i) the Leased Premises, above grade, are not needed for vehicular or pedestrian access or any other municipal purpose for the duration of the Lease, and (ii) leasing the Leased Premises to Lessee is not adverse to the City’s retained interest in the Leased Premises or the Property; and

WHEREAS, the City’s Real Estate Services Division has determined by a professional appraisal that the fair market rental value of the Leased Premises is approximately \$305 per year, subject to rental increases as set forth in the Lease, which Lessee has agreed to pay; and

WHEREAS, pursuant to Section 331-5, Cincinnati Municipal Code, Council may authorize the lease of City-owned property without competitive bidding in those cases in which it determines that it is in the best interest of the City and leasing the Leased Premises to Lessee is in the best interest of the City because (i) the City desires to lease the Leased Premises to Lessee for uses that are ancillary and incidental to Lessee’s business operations; (ii) Lessee owns all real property abutting the Leased Premises; and (iii) as a practical matter, no one other than an

adjoining property owner would have any interest in leasing the Leased Premises and assuming responsibility for the maintenance and repair thereof; and

WHEREAS, the City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the lease of the Leased Premises at its meeting on October 20, 2023; 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 Lease Agreement with Kaiser Properties-Central, LTD., an Ohio limited liability company (“Lessee”), in substantially the form attached as Attachment A to this ordinance and incorporated herein by reference (“Lease”), pursuant to which the City of Cincinnati will lease for a term of up to thirty years a portion of John Street public right-of-way in the West End (“Leased Premises”), as more particularly set forth on Attachment A.

Section 2. That the Leased Premises, above grade, are not needed for vehicular or pedestrian access or any other municipal purpose for the duration of the Lease.

Section 3. That leasing the Leased Premises to Lessee is not adverse to the City’s retained interest in the Leased Premises.

Section 4. That eliminating competitive bidding in connection with the City’s lease of the Leased Premises is in the best interest of the City because (i) the City desires to lease the Leased Premises to Lessee to use it in conjunction with its adjacent business operations, (ii) Lessee has provided the City with the written consent of all the property owners abutting the Leased Premises, and (iii) as a practical matter, no one other than Lessee, an adjoining property owner would have any interest in leasing the Leased Premises and assuming responsibility for the maintenance and repair thereof.

Section 5. That the estimated fair market value of the Lease, as determined by a professional appraisal by the City’s Real Estate Services Division, is approximately \$305 per

year, subject to rental increases as more particularly set forth in the Lease, which Lessee has agreed to pay.

Section 6. That the proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions and intent of this ordinance and the Lease, including executing any and all ancillary documents associated with the Lease, such as amendments or supplements to the Lease deemed by the City Manager to be in the vital and best interests of the City.

Section 7. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

Contract No. _____

Property: John Street north of York Street

LEASE AGREEMENT
(triple net)

This Lease Agreement (“Lease”) is made and entered into on the Effective Date (as defined on the signature page hereof) by and between the **CITY OF CINCINNATI**, an Ohio municipal corporation, the address of which is 801 Plum Street, Room 122, Cincinnati, OH 45202; Attention: Real Estate (the “City”), and **KAISER PROPERTIES-CENTRAL, LTD.**, an Ohio limited liability company, the address of which is 500 York Street, Cincinnati, OH 45214 (“Lessee”).

Recitals:

A. The City owns the public right-of-way known as John Street in the West End neighborhood of Cincinnati, including an approximately 3,141 square-foot portion of John Street (57.04 feet x 20 feet) located north of York Street, as more particularly described on Exhibit A (Legal Description), and depicted on Exhibit B (Survey) hereto (the “Leased Premises”), which is under the management of the Department of Transportation and Engineering (“DOT”).

B. Lessee or an affiliate thereof owns the properties located on either side of the Leased Premises, more particularly identified as Hamilton County, Ohio Auditor’s Parcel Nos. 132-0003-0159-00 (-159 through -163, & -326 Cons.) and 132-0003-0164-00 (“Lessee’s Property”).

C. Lessee, or an affiliate entity thereof, has leased the Leased Premises for approximately 23 years, pursuant to several *Lease Agreements* by and between the City and Lessee or its affiliate (the “Prior Leases”). The term of the most recent *Lease Agreement* authorized by Ordinance No. 135-2003 expired in 2023, and Lessee has continued to use the Leased Premises on a month-to-month basis since that time.

D. Lessee has petitioned to enter a new lease with the City for the Leased Premises, and the City is agreeable to lease the Leased Premises to Lessee on the terms and conditions set forth herein.

D. The City has determined that the Leased Premises above grade is not currently needed for transportation or other municipal purposes.

F. The estimated fair market rental value of the Leased Premises, as determined by a professional appraisal by the City’s Real Estate Services Division, is approximately \$305.00 per year, which Lessee has agreed to pay.

G. The City has determined that eliminating competitive bidding in connection with the lease of the Leased Premises is in the best interest of the City because (i) the City desires to lease the Leased Premises to Lessee for uses that are ancillary and incidental to Lessee’s Property; (ii) Lessee owns all real property abutting the Leased Premises, and (iii) as a practical matter, no one other than an adjoining property owner would have any interest in leasing the Leased Premises and assuming responsibility for the maintenance and repair thereof.

H. City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the City’s lease of the Leased Premises to Lessee at its meeting on October 20, 2023.

I. Cincinnati City Council authorized the execution of this Lease by Ordinance No. [____]-2023, passed on [____], 2023.

NOW THEREFORE, the parties hereby agree as follows:

1. **Grant.**

(A) **Grant.** The City does hereby lease the Leased Premises to Lessee, and Lessee does hereby lease the Leased Premises from the City, on the terms and conditions set forth herein. The rights herein granted to Lessee are subject and subordinate to any and all existing covenants, easements, restrictions, and other matters of record affecting the Leased Premises. Lessee acknowledges and agrees that it has conducted its own due diligence to familiarize itself with the physical condition and characteristics of the Leased Premises. The City makes no representations or warranties concerning the title, condition, or characteristics of the Leased Premises or the suitability or fitness of the Leased Premises for any purpose. Lessee acknowledges and agrees that it is not relying upon any such representations or warranties from the City. Without limitation of the foregoing, under no circumstances shall the City be responsible or liable for any pre-existing environmental conditions affecting the Leased Premises. Lessee shall accept the Leased Premises in "as is," "where is" condition with all faults and defects, known or unknown; provided, however, Lessee shall not be responsible for remediating any pre-existing environmental conditions not caused by Lessee.

(B) **Access by City Departments, Utility Companies and Others.** Lessee shall ensure continuous access to the Leased Premises (24 hours/day, 7 days/week, 52 weeks/year) by the City's Police and Fire Departments, Greater Cincinnati Water Works ("GCWW"), Metropolitan Sewer District ("MSDGC"), Duke Energy, Altafiber, and any and all other utility companies that have utility lines or other utility installations within or near the Leased Premises, for the inspection, maintenance, repair, replacement, and removal thereof. Lessee shall not construct any structures within the Leased Premises. If Lessee constructs any additional improvements within the Leased Premises or undertakes any other action that interferes with the access rights reserved to the City and third parties herein, the same shall constitute an immediate default of Lessee under this Lease, whereupon the City and such third parties shall be permitted to take all actions reasonably necessary to eliminate such interference at Lessee's expense. If Lessee's activities within the Leased Premises cause damage to existing utility lines or other utility facilities belonging to a utility provider, Lessee shall immediately notify the appropriate utility provider. All actual, out-of-pocket costs of repairing such damage, including without limitation, all costs of replacing any damaged utility lines and facilities that are not capable of being properly repaired as determined by the applicable utility provider in its sole discretion, shall be borne by Lessee and shall be payable by Lessee within thirty (30) days after Lessee receives documentation substantiating such costs. If any utility company damages or must remove any improvements installed by Lessee within the Leased Premises in connection with its inspection, maintenance, repair, replacement, or removal of its existing utility facilities in the area, Lessee shall be solely responsible for all costs associated with the repair or replacement of Lessee's improvements. Under no circumstances shall the City be responsible for any damage to the Leased Premises or improvements thereon resulting from the entry onto the Leased Premises by utility companies and others having the right to enter upon the Leased Premises.

2. **Term.**

(A) **Initial Term.** The initial term of this Lease (the "Term") shall commence on the Effective Date (also referred to herein as the "Commencement Date") and shall continue for **five (5) years** thereafter, unless extended or sooner terminated as herein provided.

(B) **Renewal Periods (5-years each, up to 25 years).** Provided that Lessee is not in default under this Lease at the time it exercises each renewal option, Lessee shall have the option to extend the Term of this Lease, for five successive renewal periods of 5-years each (for a total Term, including the initial Term, of 30 years), exercisable by giving written notice thereof to the City at least ninety (90) days (but no earlier than 9 months) prior to the expiration of the initial Term or then current renewal period (each, a "Written Notice of Renewal"). Each renewal shall be on the same terms and conditions as set forth herein (except that, after the fourth Renewal Period, there shall be no additional renewal options unless agreed to by the parties in a written amendment to this Lease). As used herein, the "Term" of this Lease means the initial Term and, if applicable, the Renewal Periods.

(C) City's Early Termination Rights. Notwithstanding anything in this Lease to the contrary, the City shall have the right to terminate this Lease at any time, by giving Lessee no less than 60 days prior written notice, if the City determines that the Leased Premises are needed for a municipal purpose. Upon such termination, the City shall refund any prepaid base rent.

3. Base Rent.

(A) Base Rent. Lessee shall pay annual base rent to the City for the Leased Premises of ~~\$305.00~~. Lessee shall make a single, annual payment to the City no later than the Commencement Date, and on each one-year anniversary thereof, without demand, notice, or setoff.

(B) Rent During Renewal Terms. Effective as of the first day of each renewal period, annual Base Rent shall increase to an amount that is equal to the product of multiplying the annual Base Rent payable during the term then set to end by a fraction, the numerator of which is the CPI most recently published 60 days prior to the rent adjustment date, and the denominator of which is the CPI most recently published 60 days prior to the commencement of the lease year then just ended. "CPI" means the Consumer Price Index, All Urban Consumers, U. S. City Average (1982-1984=100) published from time to time by the United States Bureau of Labor Statistics. Lessee shall make all CPI rent adjustment computations under this section and shall send written notice of each CPI-based rent adjustment, together with Lessee's computations ("**Lessee's Rent Adjustment Notice**"), to the City's Real Estate Services Division (801 Plum Street, Room 122, Cincinnati, OH 45202) accompanied by Lessee's Written Notice of Renewal. Notwithstanding the rent adjustments provided for herein, in no event shall annual Base Rent decrease during the initial term.

(C) Late Payment; Place of Payment. If any payment owed by Lessee hereunder is not received by the City on the due date, Lessee shall pay the City a late charge equal to five percent of the amount past due, together with interest on the past due amount, until paid, at an annual rate of ten percent. If the Term of this Lease is terminated early for any reason (other than due to the City's desire to use the Leased Premises for a municipal purpose under paragraph 2(B) above), the City shall not be required to refund any portion of the prepaid rent for such period. All payments shall be made by check payable to the "City of Cincinnati - Treasurer" and mailed to: City of Cincinnati, 801 Plum Street, Room 122, Cincinnati, Ohio 45202, Attention: Real Estate.

4. Permitted Use. Lessee and any affiliates thereof shall use the Leased Premises for pedestrian and vehicular ingress and egress, parking, loading, and maintenance purposes, and for no other purpose unless consented to in writing by DOTE. Lessee shall not bring or permit to be brought onto the Leased Premises any hazardous materials or other contaminants or substances that are harmful to the public or to the environment.

5. Utilities; Real Estate Taxes; Other Expenses. During the Term of this Lease, Lessee shall pay, when due, (i) any and all utility expenses for utilities directly serving the Leased Premises, and (ii) any and all other operating expenses associated with the Leased Premises. *Lessee acknowledges and agrees that the City shall not be liable for any expenses associated with the Leased Premises during the Term of this Lease.* The parties acknowledge and agree that as of the Effective Date the Leased Premises are exempt from real estate taxes. However, if the Leased Premises becomes subject to taxation during the Term, Lessee agrees to pay any and all real estate taxes, assessments, penalties, interest, and charges levied against the Leased Premises that become due and payable during the Term, including the two semi-annual tax bills issued by the Hamilton County Treasurer following the expiration or termination of the Term, payable in arrears.

6. Maintenance and Repairs. Lessee shall, at its sole expense, keep and maintain the Leased Premises in good, safe, orderly, sanitary, and clean condition and repair, ordinary wear and tear excepted, including without limitation any and all concrete or brick pavement, pavers, curbs, and sidewalks within the Leased Premises. Lessee shall not permit garbage, debris or unsightly or odorous materials to accumulate within the Leased Premises. In the event of damage to the Leased Premises, Lessee shall promptly repair such damage, at its sole expense, to the satisfaction of DOTE (however Lessee shall not be required to

restore the Leased Premises to a better condition than otherwise required under this Lease). Lessee shall be solely responsible for all snow and ice removal from the Leased Premises. *During the Term of this Lease, the City shall have no maintenance or repair obligations with respect to the Leased Premises or any improvements thereon.* For the avoidance of doubt, Lessee shall have no responsibility to maintain, repair, replace, or remove any existing public utility lines or other existing public utility facilities, fixtures, or equipment belonging to a public utility provider located on, under, or above the Leased Premises, including without limitation to sewers, water pipes, cables, and conduit unless Lessee's exercise of the rights granted herein causes damage to such existing public utility lines or other existing public utility facilities.

7. Alterations.

(A) Alterations. Except as already existing and approved by the City, Lessee shall not make any alterations or improvements to the Leased Premises, including without limitation installing any fences, signs, lighting, or other utilities, or remove any existing improvements within the Leased Premises, without obtaining the prior written consent of DOTE. If Lessee proposes to install any fencing or permanent-type structures or other improvements within the Leased Premises, Lessee shall also obtain the prior written consent of all utility companies whose utility facilities might be affected.

(B) No Liens. Lessee shall not permit any mechanics liens to attach to the Leased Premises in connection with work performed by or at the request of Lessee.

(C) Compliance with Laws. Lessee shall obtain all necessary City permits associated with work within the Leased Premises performed by Lessee and shall pay all required permit fees. Lessee shall ensure that all work is performed in compliance with all applicable federal, state, and local laws, codes, regulations, and other governmental requirements.

8. Insurance; Indemnification.

(A) Insurance. Throughout the Term, Lessee shall maintain: (i) Commercial General Liability insurance in an amount not less than \$1,000,000 per occurrence, combined single limit/\$1,000,000 aggregate, naming the City of Cincinnati as an additional insured; (ii) property insurance on any and all equipment and other personal property of Lessee from time to time kept on the Leased Premises; and (iii) such additional insurance as the City or its risk advisors may from time to time reasonably require. All insurance required to be maintained by Lessee hereunder shall be issued by insurance companies reasonably acceptable to the City. On or prior to the Commencement Date and prior to the expiration of each insurance policy, Lessee shall furnish to the City a certificate of insurance evidencing the insurance required hereunder.

(B) Waiver of Claims and Subrogation. All improvements, materials, equipment, and other personal property of every kind that may at any time be on the Leased Premises shall be on the Leased Premises at Lessee's sole risk, and under no circumstances shall the City be liable for any loss or damage thereto, no matter how caused. As a material consideration under this Lease, Lessee hereby waives, as against the City, its employees, agents and contractors, all claims and liability, and on behalf of Lessee's insurers, rights of subrogation, with respect to property damaged by fire or other casualty or any other cause, even if caused by negligence, it being the agreement of the parties that Lessee shall at all times protect itself against such loss or damage by maintaining adequate property insurance.

(C) Indemnification. Lessee shall defend (with counsel reasonably acceptable to the City), indemnify and hold the City harmless from and against any and all claims, causes of action, losses, costs, judgments, fines, liability and damages caused by or arising out of any occurrence on the Leased Premises during or with respect to the Term of this Lease, including without limitation any of the foregoing that may occur or be claimed with respect to any death, personal injury or loss of or damage to property on or about the Leased Premises.

9. **Casualty.** If the Leased Premises is damaged or destroyed by fire or other casualty, Lessee shall repair and restore the same, as expeditiously as possible, and to the extent practicable, to substantially the same condition in which they were in immediately prior to such occurrence. The City and Lessee shall jointly participate in filing claims and taking such other actions pertaining to the payment of proceeds resulting from such occurrence. If Lessee's insurance proceeds are insufficient to fully repair and restore the Leased Premises, Lessee shall make up the deficiency. Lessee shall handle all construction in accordance with the applicable requirements set forth by DOTE. Lessee shall not be relieved of any obligations, financial or otherwise, under this Lease during any period in which the Leased Area is being repaired or restored.

10. **Default.** Should Lessee fail to pay any sum due hereunder or perform any other obligation under this Lease within thirty (30) days after receiving written notice thereof from the City (herein, a "default"), the City, at its option, immediately or at any time during the continuance of the default, may terminate this Lease by delivering a written notice of termination to Lessee. Lessee shall pay to the City, upon demand, all costs and damages suffered or incurred by the City in connection with Lessee's default or the termination of this Lease. Without limitation of the City's other rights and remedies hereunder, upon the occurrence of a default, the City may, but shall not be obligated to, cure or attempt to cure such default at Lessee's sole expense and may, if necessary, enter onto the Leased Premises in order to undertake such cure. Lessee shall pay the City within ten (10) days after the City's written demand an amount equal to all costs paid or incurred by the City in effecting compliance with Lessee's obligations under this Lease, together with interest thereon from the date that the City pays or incurs such costs at an annual rate of ten percent. The rights and remedies of the City under this Lease are cumulative and are not intended to be exclusive of, and the City shall be entitled to, any and all other rights and remedies to which the City may be entitled hereunder, at law or in equity. The City's failure to insist in any one or more cases on strict performance of any provision of this Lease or to exercise any right herein contained shall not constitute a waiver in the future of such right.

11. **Notices.** All notices required to be given hereunder by either party shall be in writing and personally delivered, sent by Federal Express or other recognized overnight courier that in the ordinary course of business maintains a record of each delivery, or mailed by U.S. certified mail, postage prepaid, return receipt requested, addressed to the City at its address set forth in the introductory paragraph of this Lease, and to Lessee at its address set forth below, or at such other address as either party may from time to time specify by notice to the other. Notices shall be deemed to have been given on the date of receipt if personally delivered, on the following business day if sent by an overnight courier, and on the date noted on the return receipt if mailed by U.S. certified mail. If Lessee sends a notice to the City alleging that the City is in default under this Lease, Lessee shall simultaneously send a copy of such notice by U.S. certified mail to: City Solicitor, 801 Plum Street, Suite 214, Cincinnati, OH 45202. All notices given to Lessee under this Lease shall be delivered as follows:

Kaiser Properties-Central, LTD.
500 York Street,
Cincinnati, OH 45214
Attn: Kimberly Speed
kspeed@kaiserpickles.com

12. **Surrender; Holdover.**

(A) **Surrender; Holdover.** At the end of the Term, Lessee shall surrender the Leased Premises to the City in the condition in which Lessee is required to maintain the Leased Premises under the terms of this Lease. If Lessee remains in possession of the Leased Premises after the end of the Term without the City's consent, then, at the City's option, such holdover shall create a tenancy-at-will on the same terms and conditions as set forth in this Lease except that rent payable during such holdover shall be equal to the then fair market rental value of the Leased Premises as determined by appraisal by the City's Real Estate Services Division.

(B) **Removal of Alterations.** If Lessee has made improvements to the Leased Premises during the Term, then, at the end of the Term, the City shall identify which improvements, if any, Lessee shall be required to surrender (at no cost to the City) and which improvements Lessee shall be required to remove. If Lessee fails to timely remove improvements that are designated for removal by the City and fails to restore the Leased Premises to their former condition, or if Lessee fails to remove any items of personal property from the Leased Premises, such improvements and items of personal property shall be deemed abandoned by Lessee, whereupon the City may remove, store, keep, sell, discard or otherwise dispose of such improvements and items of personal property, and Lessee shall pay all costs incurred by the City in so doing within ten (10) days after the City's written demand. If the City incurs costs in removing Lessee's improvements and restoring the Leased Premises to their former condition, Lessee shall reimburse the City for all such removal and restoration costs within thirty (30) days after receiving an invoice therefor from the City.

13. **Assignment and Sublease.** Lessee shall not assign or sublet its interests under this Lease without the prior written consent of the City.

14. **General Provisions.**

(A) **Entire Agreement.** This Lease (including the exhibits hereto) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, representations, or agreements, written or oral, between them respecting the subject matter hereof.

(B) **Amendments.** This Lease may be amended only by a written amendment signed by both parties.

(C) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the City of Cincinnati and the State of Ohio. All actions regarding this Lease shall be brought in the Hamilton County Court of Common Pleas, and Lessee agrees that venue in such court is proper. Lessee hereby waives trial by jury with respect to any and all disputes arising under this Lease.

(D) **Binding Effect.** This Lease shall be binding upon and shall inure to the benefit of and be enforceable by and against the parties and their respective successors and permitted assigns.

(E) **Captions.** The captions of the various sections and paragraphs of this Lease are not part of the context hereof and are only guides to assist in locating such sections and paragraphs and shall be ignored in construing this Lease.

(F) **Severability.** If any part of this Lease is held to be void, illegal or unenforceable by a court of law, such part shall be deemed severed from this Lease, and the balance of this Lease shall remain in full force and effect.

(G) **No Recording.** This Lease shall not be recorded in the Hamilton County Recorder's office.

(H) **Time.** Time is of the essence with respect to the performance by Lessee of its obligations under this Lease.

(I) **No Third-Party Beneficiaries.** The parties hereby agree that no third-party beneficiary rights are intended to be created by this Lease.

(J) **No Brokers.** Lessee represents that it has not dealt with a real estate broker, salesperson or other person who might claim entitlement to a fee or other compensation as a result of the parties' execution of this Lease.

(K) **Official Capacity.** All representations, warranties, covenants, agreements, and obligations of the City under this Lease shall be effective to the extent authorized and permitted by applicable law. None

of those representations, warranties, covenants, agreements, or obligations shall be deemed to be a representation, warranty, covenant, agreement, or obligation of any present or future member, officer, agent or employee of the City in other than his or her official capacity. No official executing or approving the City's participation in this Lease shall be personally liable under this Lease.

(L) **Representation as to Authority.** Lessee represents that it has the power and authority to enter and perform its obligations under this Lease without the consent of anyone who is not a party to this Lease and that the execution and performance of this Lease has been duly authorized by all necessary actions on Lessee's part.

(M) **Counterparts and Electronic Signatures.** This Lease may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original. This Lease may be executed and delivered by electronic signature.

15. **Additional Conditions from City's Coordinated Report (CR#8-2023).** Lessee shall comply with the following additional terms and conditions:

(a) **GCWW:** GCWW is unable to maintain a key for a private gate. In the event that GCWW needs to gain emergency access to the public water main behind a gate, GCWW reserves the right to cut the lock or shut off the main behind the fence and related services to Lessee's Property. Lessee is advised that GCWW requires 24/7 access to public infrastructure and does not want GCWW infrastructure behind a fence. GCWW is allowing this request only because this is an existing condition but generally would not approve new installations behind a fence. During the first term of this lease, GCWW recommends that Kaiser food relocate their service branches and abandon the public water main. GCWW would then allow a vacation of the right of way.

(b) **Altafiber:** [Intentionally Omitted].

15. **Exhibits.** The following exhibits are attached hereto and made a part hereof:
Exhibit A – *Legal Description*
Exhibit B – *Survey*

[SIGNATURE PAGES FOLLOW]

This Lease is executed by the parties on the dates indicated below their respective signatures, effective as of the later of such dates (the "Effective Date").

Kaiser Properties-Central, LTD.,
an Ohio limited liability company

By: _____

Printed name: _____

Title: _____

Date: _____, 2024

STATE OF OHIO)
) ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ___ day of _____, 2024, by _____, the _____ of **Kaiser Properties-Central, LTD.**, an Ohio limited liability company, on behalf of the company.

Notary Public
My commission expires: _____

[CITY SIGNATURE PAGE FOLLOWS]

CITY OF CINCINNATI

By: _____

Printed name: _____

Title: _____

Date: _____, 2024

STATE OF OHIO)
) ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ___ day of _____, 2024, by _____, the _____ of the **CITY OF CINCINNATI**, an Ohio municipal corporation, on behalf of the municipal corporation.

Notary Public
My commission expires: _____

Approved by:

John S. Brazina, Director
Department of Transportation & Engineering

Approved as to Form:

Assistant City Solicitor

Certified Date: _____
Fund/Code: _____
Amount: _____
By: _____
Karen Alder, City Finance Director

EXHIBIT A
to Lease Agreement

Legal Description

Situated in Section 19, Town 3, Fractional Range 2, Millcreek Township, in the City of Cincinnati, Hamilton County, Ohio, as depicted on Proctor and Gambles Subdivision as recorded in Plat Book 1, Page 74, Hamilton County, Ohio records, and James Gambles Subdivision, as recorded in Plat Book 1, Page 123, Hamilton County, Ohio records, and being more particularly described as follows:

Begin at a 1/2' iron pin at the intersection of the existing north right-of-way line of York Street (a 50-foot r/w) with the existing west right-of-way line of Central Avenue (a 60-foot r/w);

thence, continuing with the north right-of-way line of York Street, North 83°55'32" West, 290.38 feet to a set mag-nail at the intersection of the north right-of-way line of York Street with the east right-of-way line of John Street (a 20-foot r/w), said point being the TRUE POINT OF BEGINNING;

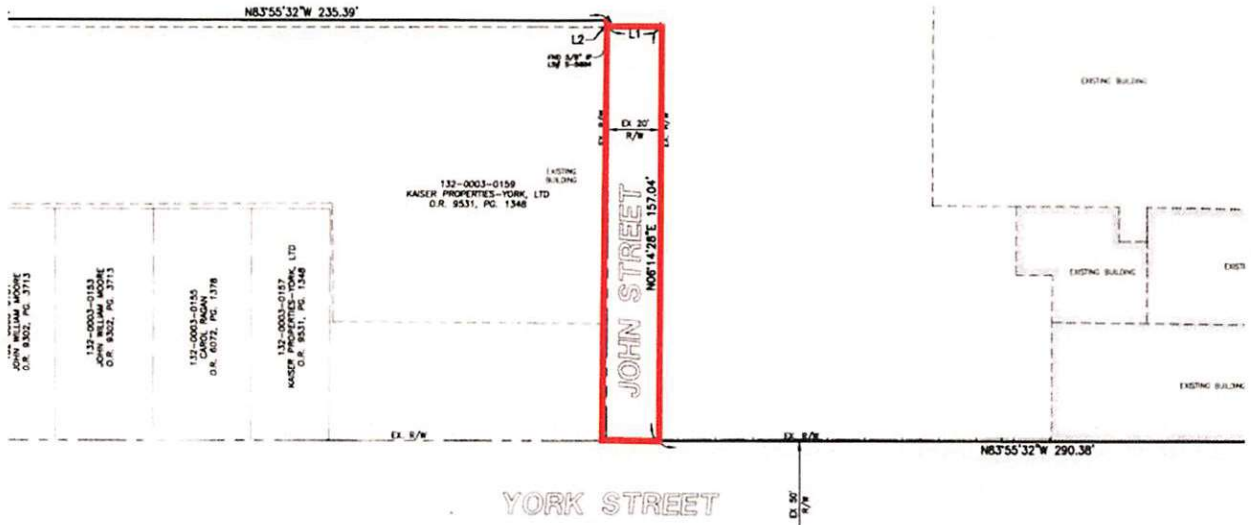
thence, from the TRUE POINT OF BEGINNING, with the existing east right-of-way line of John Street, North 6°14'28" East, 157.04 feet to a set magnail at the north terminus of John Street;

thence with the existing north terminus of John Street, North 83°47'32" West, 20.00 feet to a 5/8" iron pin on the west right-of-way line of John Street;

thence, with the west right-of-way line of John Street, South 6°14'28" West, 159.43 feet, more or less to the north right-of-way line of York Street with the east right-of-way line of John Street 20' to the TRUE POINT OF BEGINNING.

EXHIBIT B
to Lease Agreement

Survey



City of Cincinnati

CHM

JTSW

An Ordinance No. _____

- 2024

AUTHORIZING the City Manager to execute a Lease Agreement with Kaiser Properties-Central, LTD., pursuant to which the City will lease for a term of up to thirty years a portion of John Street public right-of-way located north of York Street in the West End neighborhood.

WHEREAS, the City of Cincinnati owns certain real property, designated as the public right-of-way known as John Street, located north of York Street in the West End ("Property"), which Property is under the management of the Department of Transportation and Engineering ("DOTE"); and

WHEREAS, Kaiser Properties-Central, LTD., an Ohio limited liability company, an affiliate or subsidiary of Kaiser Foods, Inc., an Ohio corporation ("Lessee"), owns or otherwise controls all real property abutting certain portions of the Property more particularly identified as Hamilton County, Ohio Auditor's Parcel Identification Nos. 132-0003-0159-00 (-159 through -163, & -326 Cons.) and 132-0003-0164-00 located at 422-500 York Street, and the City has leased certain portions of the Property to Lessee ("Leased Premises"), or an affiliate thereof, for more than twenty years, pursuant to a lease agreement authorized by Ordinance No. 135-2003, passed by Council on May 7, 2003, which lease expired in 2023, but has continued on a month-to-month basis since that time; and

WHEREAS, Lessee has petitioned the City for a new lease of the Leased Premises for a term of up to thirty years, namely, an initial term of five years, with five successive options to extend the term each for five years, as more particularly set forth in the lease agreement attached to this ordinance as Attachment A and incorporated herein by reference ("Lease"); and

WHEREAS, the City Manager, in consultation with DOTE, has determined that (i) the Leased Premises, above grade, are not needed for vehicular or pedestrian access or any other municipal purpose for the duration of the Lease, and (ii) leasing the Leased Premises to Lessee is not adverse to the City's retained interest in the Leased Premises or the Property; and

WHEREAS, the City's Real Estate Services Division has determined by a professional appraisal that the fair market rental value of the Leased Premises is approximately \$305 per year, subject to rental increases as set forth in the Lease, which Lessee has agreed to pay; and

WHEREAS, pursuant to Section 331-5, Cincinnati Municipal Code, Council may authorize the lease of City-owned property without competitive bidding in those cases in which it determines that it is in the best interest of the City and leasing the Leased Premises to Lessee is in the best interest of the City because (i) the City desires to lease the Leased Premises to Lessee for uses that are ancillary and incidental to Lessee's business operations; (ii) Lessee owns all real property abutting the Leased Premises; and (iii) as a practical matter, no one other than an

adjoining property owner would have any interest in leasing the Leased Premises and assuming responsibility for the maintenance and repair thereof; and

WHEREAS, the City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the lease of the Leased Premises at its meeting on October 20, 2023; 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 Lease Agreement with Kaiser Properties-Central, LTD., an Ohio limited liability company (“Lessee”), in substantially the form attached as Attachment A to this ordinance and incorporated herein by reference (“Lease”), pursuant to which the City of Cincinnati will lease for a term of up to thirty years a portion of John Street public right-of-way in the West End (“Leased Premises”), as more particularly set forth on Attachment A.

Section 2. That the Leased Premises, above grade, are not needed for vehicular or pedestrian access or any other municipal purpose for the duration of the Lease.

Section 3. That leasing the Leased Premises to Lessee is not adverse to the City’s retained interest in the Leased Premises.

Section 4. That eliminating competitive bidding in connection with the City’s lease of the Leased Premises is in the best interest of the City because (i) the City desires to lease the Leased Premises to Lessee to use it in conjunction with its adjacent business operations, (ii) Lessee has provided the City with the written consent of all the property owners abutting the Leased Premises, and (iii) as a practical matter, no one other than Lessee, an adjoining property owner would have any interest in leasing the Leased Premises and assuming responsibility for the maintenance and repair thereof.

Section 5. That the estimated fair market value of the Lease, as determined by a professional appraisal by the City’s Real Estate Services Division, is approximately \$305 per

year, subject to rental increases as more particularly set forth in the Lease, which Lessee has agreed to pay.

Section 6. That the proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions and intent of this ordinance and the Lease, including executing any and all ancillary documents associated with the Lease, such as amendments or supplements to the Lease deemed by the City Manager to be in the vital and best interests of the City.

Section 7. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.


Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

Date: January 18, 2024

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager 

202400213

Subject: ORDINANCE – LEASE A PORTION OF JOHN STREET TO KAISER PROPERTIES-CENTRAL, LTD.

Attached is an ordinance captioned as follows:

AUTHORIZING the City Manager to execute a Lease Agreement with Kaiser Properties-Central, LTD., pursuant to which the City will lease for a term of up to thirty years a portion of John Street public right-of-way located north of York Street in the West End neighborhood.

The City owns certain real property, designated as public right of way known as John Street, located north of York Street in the West End neighborhood (the "Property"). Kaiser Properties-Central, LTD. owns or otherwise controls all real property abutting certain portions the Property. The City has leased certain portions of the Property for more than twenty years, pursuant to a lease agreement authorized by Ordinance No. 135-2003, passed by Council on May 7, 2003, which lease expired in 2023, but has continued on a month-to-month basis.

The City has determined the Lease Area is not needed for vehicular or pedestrian access or any other municipal purpose for the duration of the lease and leasing the area to Kaiser Properties-Central, LTD. and is not adverse to the City's retained interest in the Lease Area.

The fair market value of the Lease Area is approximately \$305 per year, which Kaiser Properties-Central, LTD. has agreed to pay.

The City Planning Commission approved the lease at its meeting on October 20, 2023.

The Administration recommends passage of the attached ordinance.

Attachment I – Lease Agreement

cc: John S. Brazina, Director, Transportation and Engineering

Date: January 18, 2024

To: Mayor and Members of City Council

202400216

From: Sheryl M. M. Long, City Manager

Subject: ORDINANCE – LEASE AGREEMENT WITH ONFLIGHT, INC.

Attached is an ordinance captioned as follows:

AUTHORIZING the City Manager to execute a Lease Agreement with Onflight, Inc. pursuant to which the company will enter into a new lease for the use and occupancy of Lunken Airport Lease Area 12 for up to 33 years.

Onflight, Inc. has leased property at Lunken Airport since 2000 and wishes to extend its current lease (expiring June 30, 2030) for an additional term of 27 years with nine 3-year renewal options. Onflight Inc. is a tenant in good standing, which plans to make upgrades to its hangar as they recently announced a partnership with Embraer Executive Jets to expand their business. Their new partnership plans to bring to Lunken Airport the presence of a major aerospace company in the form of an Authorized Service Center. They anticipate initially employing around 15 employees with over a million-dollar salary budget and expect this to increase to 30 to 50 employees in the next 24 to 48 months. This potentially would bring taxable salaries to 3 to 5 million. They estimate yearly revenues to grow to over 12 million.

This new lease will expire in 2057 and the rent will be based upon a fair market rate appraisal and adjusted accordingly by CPI throughout the lease term. OnFlight is committed to investing more than \$1.3 million in capital expenditure to make OnFlight more customer-centric and welcoming. The new lease reflects fair market value allowing for airport industry standards and Federal Aviation Administration requirements.

The City Planning Commission approved the lease at its meeting on December 15, 2023.

The Administration recommends passage of the attached ordinance.

Attachment I – Lease

cc: John S. Brazina, Director, Transportation and Engineering

AUTHORIZING the City Manager to execute a Lease Agreement with Onflight, Inc. pursuant to which the City will enter into a new lease for the use and occupancy of Lunken Airport Lease Area 12 for up to 33 years.

WHEREAS, the City of Cincinnati (“City”) owns Lunken Airport (“Airport”) in the East End and Linwood neighborhoods, which is under the management of the City’s Department of Transportation and Engineering (“DOTE”); and

WHEREAS, the City and Onflight, Inc., an Ohio corporation (“Lessee”), are parties to an Agreement of Lease dated June 30, 2000, pursuant to which the City leases Lease Area 12 at the Airport to Lessee (“Existing Lease”); and

WHEREAS, the Existing Lease is set to expire on June 30, 2030, after which date title and ownership of the leasehold improvements constructed on Lease Area 12 shall vest with the City; and

WHEREAS, Lessee desires to renovate and expand the leasehold improvements constructed on Lease Area 12 and has requested a new lease with a term of up to 33 years to facilitate proposed investment in the leasehold improvements at Lease Area 12, as more particularly set forth in the Lease Agreement attached to this ordinance as Attachment A and incorporated herein by reference (“New Lease”); and

WHEREAS, the City Manager, in consultation with DOTE, has determined that (i) the Leased Premises is not needed for a municipal purpose for the duration of the New Lease, and (ii) leasing the Leased Premises to Lessee is not adverse to the City’s retained interest in the Leased Premises or the Airport; and

WHEREAS, the City’s Real Estate Services Division, in consultation with the City’s Airport Manager after considering airport industry standards and FAA requirements, has determined by a professional appraisal that the fair market rental value of the Leased Premises is approximately \$38,226.48 per year, subject to the base rent escalation provisions set forth on Attachment A; and

WHEREAS, pursuant to Section 331-5, Cincinnati Municipal Code, Council may authorize the lease of City-owned property without competitive bidding in those cases in which it determines that it is in the best interest of the City; and

WHEREAS, City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the New Lease at its meeting on December 15, 2023; 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 Lease Agreement with Onflight, Inc., an Ohio corporation (“Lessee”), in substantially the form attached as Attachment A to this ordinance and incorporated herein by reference, pursuant to which the City of Cincinnati will enter into a new lease with Lessee for Lease Area 12 at Lunken Airport (“Leased Premises”) for up to 33 years, as more particularly described on Attachment A.

Section 2. That (i) the Leased Premises is not needed for a municipal purpose for the duration of the lease, and (ii) leasing the Leased Premises to Lessee is not adverse to the City’s retained interest in the Leased Premises or the Airport.

Section 3. That the rent set forth in the Lease Agreement reflects the fair market rental value of the Leased Premises, as determined by appraisal by the City’s Real Estate Services Division in consultation with the City’s Airport Manager after considering airport industry standards and FAA requirements.

Section 4. That eliminating competitive bidding in connection with the City’s lease of the Leased Premises is in the best interest of the City because Lessee has been a good and responsible tenant at the Airport and the City desires to retain Lessee as a tenant.

Section 5. That the proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions and intent of this ordinance and the Lease Agreement, including, without limitation, executing any and all ancillary documents associated with the Lease Agreement, such as amendments or supplements to the Lease Agreement deemed by the City Manager to be in the vital and best interests of the City.

Section 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

Contract No. _____

Property: Lunken Airport – Lease Area No. 12

LUNKEN AIRPORT LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”) is made and entered into on the Effective Date (as defined on the signature page hereof) by and between the **CITY OF CINCINNATI**, an Ohio municipal corporation, the address of which is 801 Plum Street, Cincinnati, OH 45202 (the “**City**”), and **ONFLIGHT, INC.**, an Ohio corporation, the address of which is 4536 Airport Road, Cincinnati, OH 45226 (“**Lessee**”).

Recitals:

A. The City owns certain real property known as Lunken Airport (the “**Airport**”), which is under the management and control of the City’s Department of Transportation and Engineering (“**DOT**”).

B. The City and Lessee are parties to that certain *Agreement of Lease* dated June 30, 2000, by and between the City and Lessee (the “**Existing Lease**”), pursuant to which the City leases Lessee a portion of the Airport designated as Lease Area No. 12, containing approximately 146,630 square feet, as generally depicted on Exhibit A (Site Map), and more particularly described on Exhibit B (Legal Description) hereto (the “**Leased Premises**”). Under the terms of the Existing Lease, Lessee made certain improvements to the Leasehold Improvements located thereon to facilitate Lessee’s storage, maintenance and, repair of airplanes and accessories for the conduct of activities incident thereto and for other general aeronautical purposes (the “**Permitted Use**”).

C. The term of the Existing Lease (an initial term of 5 years, with five 5-year renewal options) is scheduled to expire on June 30, 2030. Lessee desires to renovate and expand the Leasehold Improvements (as defined herein), as more particularly described on Exhibit C (Proposed Improvements) hereto (the “**Project**”). Before incurring significant costs in improving and expanding the Leasehold Improvements, Lessee desires to enter into a new lease pursuant to which the City will lease the Leased Premises to Lessee for a period expiring on **June 30, 2057** (an initial term ending on June 30, 2030, with nine 3-year renewal options). As used in this Lease, the term “**Leasehold Improvements**” shall be inclusive of [x] any and all buildings, facilities, and improvements, including without limitation to ordinary and trade fixtures, located on or within the Leased Premises sold, granted, assigned, or otherwise transferred to Lessee pursuant to that certain *Assignment of Lease*, dated June 20, 2000, by and between Cincinnati United Contractors, Inc., and Lessee; [y] any and all additions, buildings, facilities, and improvements, including without limitation to ordinary and trade fixtures, constructed, placed, or otherwise installed on or within the Leased Premises pursuant to the terms of the Existing Lease; and [z] any and all future additions, buildings, facilities, and improvements, including without limitation to ordinary and trade fixtures, approved by DOT and constructed, placed, or otherwise installed by Lessee on or within the Leased Premises during the term of this Lease. The City is agreeable to enter into a new lease on the terms and conditions set forth herein.

D. The rent set forth in this Lease reflects the fair market rental value of the Leased Premises, as determined by analysis by the City’s Real Estate Services Division and the Airport Manager, considering airport industry standards and FAA requirements.

E. City Planning Commission, having the authority to approve the change in the use of City-owned property, approved the City’s lease of the Leased Premises to Lessee at its meeting on December 15, 2023

F. Execution of this Lease was authorized by Ordinance No. [_____] passed by Cincinnati City Council on [_____].

NOW, THEREFORE, the parties hereby agree as follows:

1. Leased Premises; Termination of Existing Lease.

(A) Grant. The City hereby leases the Leased Premises to Lessee, and Lessee hereby leases the Leased Premises from the City on the terms and conditions set forth herein. The City makes no representations or warranties to Lessee regarding the physical condition of the Airport or Leased Premises, and Lessee accepts the Leased Premises in “as is” condition. The rights herein granted to Lessee are subject and subordinate to any and all existing covenants, easements, restrictions, and other matters of record affecting the Leased Premises and to any and all existing agreements between the City and the federal government pertaining to the Airport. Throughout the Term of this Lease, Lessee shall have the non-exclusive right to use Airport Road for ingress/egress, subject to the City’s rules and regulations governing the rights of tenants and others to use Airport Road. During the Initial Term of this Lease, Lessee shall be deemed the owner of the Leasehold Improvements. Title and ownership to the Leasehold Improvements shall vest with the City on July 1, 2030.

(B) City’s Right to Enter. The City’s employees, agents, and contractors shall have the right to enter upon the Leased Premises at any reasonable time and from time to time to examine the condition of the Leased Premises, determine Lessee’s compliance with the provisions of this Lease, access any public utility installations as shown on drawings at the office of the Airport Manager, and for any other proper purpose. The City shall use reasonable efforts to avoid disrupting Lessee’s business operations and promptly repair any damage to the Leased Premises caused by the City’s entry. The City shall use reasonable efforts to notify Lessee prior to entering upon the Leased Premises, except that no notice shall be required in the event of an emergency.

(C) Termination of Existing Lease. The Existing Lease shall automatically terminate on the Commencement Date set forth in Section 2 below, provided, however, that any and all obligations of Lessee under the Existing Lease that have accrued but have not been fully performed as of such date (for example, Lessee’s obligation to pay rent through the termination date) shall survive such termination until fully performed. As provided in paragraph 1(A) above, notwithstanding the terms of Section 5(n) of the Existing Lease, title and ownership of the Leasehold Improvements shall automatically vest with the City on June 30, 2030.

2. Term; Renewal Periods.

(A) Initial Term. The initial term of this Lease (“**Initial Term**”) shall commence on the first day of the calendar month immediately following the Effective Date (the “**Commencement Date**”) and, unless extended or sooner terminated as herein provided, shall expire on **June 30, 2030**. As used herein, a “**Lease Year**” shall mean each 12-month period from July 1 to June 30 following the Stub Year. As used herein, the “**Stub Year**” is the partial calendar year from the Commencement Date to June 30, 2024. (For clarity, the Stub Year shall be included in the Term but shall not be included in the first Lease Year. The first Lease Year shall be July 1, 2024, to and including June 30, 2025.)

(B) City’s Right to Terminate Early if Lessee has failed to Timely Complete the Project. Notwithstanding anything in this Lease to the contrary, the City shall have the right to terminate this Lease at the expiration of the Initial Term by giving written notice thereof to Lessee no less than 180 days before the expiration of the Initial Term (the “**Termination Notice**”) if Lessee has not completed construction of the Project on or before the two-year anniversary of the Commencement Date (the “**Construction Completion Deadline**”). Notwithstanding the foregoing, if Lessee commences and diligently pursues the completion of the Project, but for reasons beyond Lessee’s reasonable control (excluding financial reasons), Lessee is unable to complete the Project by the Construction Completion Deadline, Lessee may, no less than 180 days before the Construction Completion Deadline, make a written request to extend the Construction Completion Deadline for a reasonable period, which the City agrees to consider (however the City’s agreement to consider such request shall not impair the City’s termination rights under this paragraph (B) should the City determine that Lessee’s failure to complete the Project before the Construction

Completion Deadline was within Lessee’s reasonable control or that the requested extension is otherwise not justified). Upon such termination, Lessee shall peaceably surrender the Leased Premises to the City, including the Leasehold Improvements, free and clear of all leasehold mortgages and other liens (except those, if any, created by the City).

(C) Renewal Periods (nine 3-year automatic renewal periods unless Lessee provides Notice of Non-Renewal). Provided that (i) on the commencement date of each renewal period, Lessee is not in default under this Lease beyond any applicable notice and cure period provided for herein, (ii) the Lease has not been terminated as herein provided, and (iii) Lessee shall not have notified the City in writing that Lessee does NOT wish to extend the Term (a “**Notice of Non-Renewal**”), the Initial Term of this Lease shall automatically be extended for nine (9) renewal periods of three (3) years each (each, a “**Renewal Period**”). Each renewal shall be on the same terms and conditions as set forth herein (except that, after the 9th Renewal Period, there shall be no additional renewal options unless agreed to by the parties in a written amendment to this Lease). As used herein, the “**Term**” of this Lease means the Initial Term and, if applicable, the Renewal Periods.

3. Rent.

(A) Base Rent. Beginning on the Commencement Date, Lessee shall pay annual base rent in equal monthly installments, in advance, on the first business day of each month, in the amounts calculated in this paragraph. The monthly rent installment for any partial calendar month at the beginning or end of the Term shall be prorated on a per diem basis. Notwithstanding the rent adjustments provided for herein, in no event shall annual base rent decrease.

(i) Initial Term (the Commencement Date – June 30, 2025) (fixed). From the Commencement Date through June 30, 2025, annual base rent shall be equal to the following amount:

Annual Amount	Monthly Installment
\$38,226.48	\$3,185.54

(ii) Initial Term (July 1, 2025, through June 30, 2030) (CPI adjustment). Effective as of July 1, 2025, through the end of the Initial Term (June 30, 2030), the annual base rent shall increase to an amount that is equal to the product of multiplying \$38,226.48 by a fraction, the numerator of which is the CPI most recently published 60 days before June 30, 2025, and the denominator of which is the CPI most recently published 60 days before July 1, 2023. “**CPI**” means the Consumer Price Index, All Urban Consumers, U. S. City Average (1982-1984=100) published from time to time by the United States Bureau of Labor Statistics. Lessee shall make the CPI rent adjustment computation under this section 3(A) and shall send written notice of the CPI-based rent adjustment, together with Lessee’s computations (“**Lessee’s Rent Adjustment Notice**”), to DOTE and the City’s Real Estate Services Division (801 Plum Street, Room 122, Cincinnati, OH 45202) no later than June 1, 2025.

(iii) Renewal Periods (July 1, 2030, through the end of the Term) (CPI adjustment each Renewal Period). Effective as of July 1, 2030, the annual base rent shall increase to an amount that is equal to the product of multiplying \$158,750 by a fraction, the numerator of which is the CPI most recently published 60 days before the expiration of the Initial Term (June 30, 2030), and the denominator of which is the CPI most recently published 60 days before July 1, 2023. Lessee shall make the CPI rent adjustment computation under this section 3(A) and shall send Lessee’s Rent Adjustment Notice to DOTE and to the City’s Real Estate Services Division (801 Plum Street, Room 122, Cincinnati, OH 45202) no later than June 1, 2030. Effective as of the first day of each Renewal Period thereafter, annual base rent shall increase to an amount that is equal to the product of multiplying the annual base rent payable during the Renewal Period then just ended by a fraction, the numerator of which is the CPI most recently published 60 days prior to the adjustment date, and the denominator of which is the CPI most recently published 60 days prior to the commencement of the Renewal Period then just ended. Lessee shall send Lessee’s Rent Adjustment Notice to DOTE and to the City’s Real Estate Services Division no less than 30 days prior to each rent adjustment date.

(B) Place of Payment. As used herein, “rent” shall mean base rent and all other amounts payable by Lessee to the City under this Lease. Rent shall be payable to “Treasurer – City of Cincinnati” and mailed or delivered to: City of Cincinnati, 465 Wilmer Ave, Cincinnati, OH 45226, Attn: Lunken Airport Manager, or to such other address as the City may from time to time specify in writing.

(C) Late Payments. If any payment of rent is not paid when due, a late charge of 5% of the amount past due shall automatically become due and payable. If rent is outstanding for longer than 30 days, such past due amount shall bear interest at the rate of 10% per annum until paid.

(D) Operating Fees; Gross Revenue Statements (§402-23, Cincinnati Municipal Code). Throughout the Term, Lessee shall (i) provide the City, on a semi-annual basis, with complete and accurate sworn statements of gross revenue received from operations (the “**Semi-Annual Gross Revenue Statements**”), and (ii) pay the City a percentage of gross revenue (currently, one percent (**1.0%**), but subject to change) (“**Operating Fees**”), all as required under Section 402-23, CMC, as the same may be modified from time to time. Lessee acknowledges that the City administration has no control over the Operating Fees established by Cincinnati City Council or when the new rates go into effect. (The parties acknowledge that, under Section 402-23, as currently written, Lessee is not required to pay the 1% fee on revenue derived from the carrying of United States mail, passengers or cargo on scheduled air routes, the sale of airplanes, the sale of gasoline, or revenue received for storage of aircraft in City-owned hangars; and that, where an operator provides more than one type of service licensed under Section 402-22, CMC, the minimum operating fee is \$500/year.) Lessee acknowledges that the City administration has no control over the Operating Fees established by Cincinnati City Council or when the new rates go into effect.

4. Permitted Use. Provided Lessee has obtained all valid permits from the City and any and all other required permits, Lessee shall use the Leased Premises for the Permitted Use and for no other activities whatsoever without the City’s prior written consent. Lessee shall not deviate from the Permitted Use without the City’s prior written approval (and if required, as determined by the City, without the prior written approval of the FAA).

5. Utilities; Real Estate Taxes; Other Expenses. This is a “triple net” lease for the City, and during the Term of this Lease, Lessee shall pay (i) any and all utility charges associated with the Leased Premises, (ii) all real estate taxes and assessments levied (including the two semi-annual tax bills issued by the Hamilton County Treasurer following the expiration or termination of the Term, payable in arrears), and (iii) any and all other expenses associated with the Leased Premises, including without limitation any and all other fees required to be paid under Chapter 402 (*Airport*) of the CMC. *Lessee acknowledges and agrees that the City shall not be liable for any expenses associated with the Leased Premises during the Term of this Lease.* Lessee shall have the right to contest the amount or validity of real estate taxes and assessments by appropriate legal proceedings in its own name. The City shall have the right to participate in such legal proceedings at the City’s election. Lessee shall pay all costs and expenses arising from such legal proceedings. If the Leasehold Improvements are not separately taxed for real estate tax purposes, the City shall calculate Lessee’s share of each tax bill based upon the Hamilton County Auditor’s respective values of the land and Leasehold Improvements, and Lessee shall pay its allocated share of the bill within 15 days after receiving written notice from the City of the amount due.

6. Project; Maintenance and Repairs; Other Operating Requirements.

(A) Project. Lessee shall complete the Project on or before the Construction Completion Deadline in accordance with Exhibit C and Exhibit D (*Construction Requirements*) hereto and plans and specifications to be submitted, reviewed, and approved in writing by DOTE, including without limitation the design, location of proposed additions, and all other material aspects thereof (as approved by DOTE, the “**Final Plans**”). Licensed architects or engineers shall prepare all plans and specifications for the Project. Lessee shall bear all costs associated with the Project. Once approved by DOTE, Lessee shall not make any modifications to the Final Plans without the prior written approval of DOTE. Upon commencement of on-site work, Lessee shall thereafter diligently pursue the same to completion. Upon completion of construction, Lessee shall provide DOTE with a copy of the “as built” plans.

(B) Maintenance and Repairs/ 3-Year Facility Audit. Lessee shall maintain the Leased Premises in good, clean, and safe condition and repair, shall not permit any waste or nuisance on the Leased Premises, shall not permit any debris or rubbish to accumulate in open space, and shall keep the Leased Premises free from unreasonable accumulations of snow and ice and other obstructions. Without limitation of the foregoing, Lessee shall replace all light bulbs and filters, provide water sprinkler system inspection and repair, provide trash removal, window washing, grass cutting, and proper maintenance of landscaped areas, and maintain and keep in good condition and repair the exterior and interior structural portions and roof of any and all buildings, structures, hangars, fences, fixtures, pavement, HVAC, electrical, plumbing and mechanical fixtures, fuel farm, and any and all other improvements located on the Leased Premises, reasonable wear and tear excepted, and in compliance with all applicable building and fire codes, airport regulations and other laws (collectively, "**Applicable Laws**"). At the beginning of every Renewal Period, Lessee shall provide the Airport Manager with a comprehensible leasehold facility audit report which will include a list of preventative maintenance actions completed during the prior period and any ongoing facility maintenance needs.

(C) Lessee's Right to Grant Leasehold Mortgage.

(i) Right to Grant Leasehold Mortgage. The City acknowledges and agrees that [x] Lessee shall have the right to grant a leasehold mortgage to the construction lender who will be providing financing to Lessee for the Leasehold Improvements (a "**Permitted Leasehold Mortgage**", and the "**Permitted Leasehold Mortgagee**", as applicable), and [y] if Lessee defaults under the Permitted Leasehold Mortgage, the Permitted Leasehold Mortgagee shall be permitted, by written notice to the City, to assume Lessee's leasehold interests under this Lease by foreclosure of the Permitted Leasehold Mortgage or otherwise and on the terms and conditions set forth therein.

(ii) Delivery of Default Notices to Permitted Leasehold Mortgagee. Provided Lessee or the Permitted Leasehold Mortgagee shall have given the City a recorded copy of the Permitted Leasehold Mortgage and notified the City in writing of the Permitted Leasehold Mortgagee's mailing address for purposes of notices under this Lease, then, if, while the Permitted Leasehold Mortgage remains in effect, the City gives a written notice of default to Lessee under this Lease, which default, if uncured, would entitle the City to terminate this Lease under section 9 hereof (a "**Default Notice**"), the City shall send a copy of the Default Notice to the Permitted Leasehold Mortgagee. Notwithstanding the City's termination rights under section 9 hereof, the City agrees that it shall not exercise its right to terminate this Lease upon Lessee's default until the City has given the Permitted Leasehold Mortgagee at least sixty (60) days (following the City's delivery of the Default Notice to the Permitted Leasehold Mortgagee) to cure such default. The foregoing shall not be construed as requiring the Permitted Leasehold Mortgagee to cure Lessee's default. If neither Lessee nor the Permitted Leasehold Mortgagee cures Lessee's default within the applicable time periods specified in this paragraph (B)(ii) and section 9, the City shall be free to exercise its right to terminate this Lease and thereby extinguish the Permitted Leasehold Mortgage (and whereupon, if the City requires Lessee to surrender the Leasehold Improvements to the City under section 12 hereof, Lessee shall take all steps necessary to ensure that the Leasehold Improvements are transferred to the City free and clear of all monetary liens and encumbrances as required under section 12.

(D) Taxiway. Lessee acknowledges that the FAA requires an obstacle-free area on Taxiway "C" of 131 feet and that any modifications to the leasehold terrain/taxilane onto and/or adjacent to Taxiway "C" needs to be compliant with FAA taxiway design standards. Lessee shall bear all costs associated with any modifications.

(E) Soil and Environmental Conditions. Lessee acknowledges that it is familiar with and has had an opportunity to investigate the soil and environmental conditions at the Leased Premises. The City shall have no responsibility or liability in the event that the existing conditions do not support Lessee's proposed Leasehold Improvements.

(F) Protection from Aircraft Engine Blasts. Lessee shall provide an approved means of protection for persons and property from jet aircraft engine blasts or exhaust emissions at any time jet aircraft is operated on the Leased Premises.

(G) Parking. Lessee shall provide within the limits of the Leased Premises, at its own cost, a parking area for motor vehicles sufficient for vehicle parking needs of Lessee, its agents, employees, and customers.

(H) Permits. Lessee shall obtain all required permits and shall pay all required permit fees associated with Lessee's activities at the Leased Premises.

(I) Changes to Land Grade or Level. Lessee shall not make any changes in the land grade or level of the Leased Premises that might affect the abutting properties without the prior written consent of DOTE.

(J) Compliance with Federal Air Regulations. Lessee shall comply with Federal Air Regulations Part 77 and shall not penetrate any designated runway clear zone.

(K) Flood Plain. Lessee acknowledges that (i) the Leased Premises are located in a flood plain, (ii) FEMA requires that all improvements constructed within a flood plain comply with precise, rigorous construction standards, (iii) City building officials will not issue construction permits if the plans are not in compliance with the FEMA standards specific to flood plains, and (iv) compliance may add significant additional time and costs to the design and construction of the Leasehold Improvements.

(L) Alterations and Future Improvements. Once installed, Lessee shall not alter or remove any leasehold improvements except in accordance with section 12 below. Any and all alterations to the Leased Premises shall require the prior written consent of DOTE and shall comply with the minimum aesthetic and architectural standards and requirements adopted by the City (if any) that are applicable to the exterior of all other buildings and structures at the Airport.

(M) Determinations by DOTE. All determinations of the City, including determinations by the DOTE Director, with respect to the construction, alteration, maintenance, repair, restoration or removal of improvements at the Leased Premises shall be based upon confirmation that the improvements (i) are structurally sound, (ii) comply with the safety standards and requirements applicable to all other buildings and structures at the Airport, (iii) are consistent with the quality and appearance of Airport facilities adjacent to Wilmer Avenue and/or Airport Road, and (iv) comply with all other requirements under this Lease applicable to the Leasehold Improvements.

(N) Landing Fees. Pursuant to CMC Section 402-24(a), the City hereby authorizes Lessee to collect any and all landing fees at the Airport imposed by ordinance or any other applicable Airport rule or regulation ("Landing Fees"), and Lessee hereby agrees to collect any and all such Landing Fees at the Airport as directed by the City. Lessee shall pay to the City seventy (70) percent of the total amounts collected. Lessee shall maintain complete and accurate records of any and all Landing Fees due and payable and all Lessee's expenses during each calendar month, including all pertinent takeoff and landing logs, financial statements, and records. Lessee shall furnish to the City a statement detailing total gross Landing Fees due and payable to the City and total gross Landing Fees collected. Lessee's monthly statement shall be accompanied by Lessee's payment of the collected Landing Fees owed to the City. The acceptance by the City of any partial payments from Lessee shall not constitute a waiver of any rights or entitlements to the full amount of any Landing Fees owed to the City. The City shall have the right to terminate, at any time, the authority granted to Lessee to collect Landing Fees under this paragraph in its sole discretion.

7. Insurance.

(A) Insurance. Throughout the Term, Lessee shall maintain the following insurance:

(i) special peril (formerly known as “all-risk”) full replacement cost insurance on the Leasehold Improvements, naming the City and Lessee as their interests may appear;

(ii) property insurance on any and all personal property of Lessee from time to time located at the Leased Premises in the amount of the full replacement cost thereof;

(iii) Commercial General Liability insurance of at least Three Million Dollars (\$3,000,000) per occurrence, combined single limit, naming the City as an additional insured, or such additional amounts as the City or its insurance or risk advisors may determine from time to time to be customary for similar-sized airport facilities;

(iv) automobile liability insurance in the amount of \$1,000,000 per occurrence, naming the City as an additional insured; and

(v) workers compensation insurance as required by law.

(B) Policy Requirements. Lessee’s insurance policies shall (i) be written in standard form by insurance companies authorized to do business in Ohio and having an A.M. Best rating of A VII or better, (ii) provide that they may not be canceled or modified without at least thirty (30) days prior written notice to the City, and (iii) be primary and non-contributory with respect to insurance maintained by the City. No later than the Commencement Date, and annually thereafter, Lessee shall provide the City with a certificate of insurance evidencing the insurance required to be maintained by Lessee hereunder.

(C) Waiver of Subrogation. Lessee hereby waives all claims and rights of recovery, and on behalf of Lessee’s insurers, rights of subrogation, against the City, its employees, agents, contractors and subcontractors with respect to any and all damage to or loss of property that is covered or that would ordinarily be covered by the insurance required under this Lease to be maintained by Lessee, even if such loss or damage arises from the negligence of the City, its employees, agents, contractors or subcontractors; it being the agreement of the parties that Lessee shall at all times protect itself against such loss or damage by maintaining adequate insurance. Lessee shall cause its property insurance policies to include a waiver of subrogation provision consistent with the foregoing waiver.

(D) Indemnity. The City assumes no responsibility for any acts, errors or omissions of Lessee or any employee, agent, contractor, subcontractor, representative or any other person acting or purporting to act for or on behalf of Lessee. Lessee shall defend, indemnify and hold the City, its employees, agents, contractors and subcontractors (“**Indemnified Parties**”) harmless from and against all costs (including without limitation legal costs), losses, claims, demands, actions, suits, judgments, claims for relief, damages and liability suffered or incurred by or asserted against the Indemnified Parties or any one or more of them as a result of or arising from the acts of Lessee, its employees, agents, licensees, invitees, contractors, subcontractors or anyone else acting at the request of Lessee in connection with Lessee’s activities at or with respect to the Leased Premises or in connection with any breach by Lessee under this Lease.

8. Casualty; Eminent Domain.

(A) Casualty. If the Leased Premises are damaged or destroyed by fire or other casualty, Lessee shall repair and restore the Leased Premises (or, in the event of a partial taking, the remaining portion thereof), as expeditiously as possible, and to the extent practicable, to substantially the same condition in which they were in immediately prior to such occurrence. The City and Lessee shall jointly participate in filing claims and taking such other actions pertaining to the payment of proceeds resulting from such occurrence. All insurance proceeds shall be deposited with an insurance trustee appointed by both the City and Lessee, and such insurance proceeds shall be disbursed to Lessee for purposes of paying costs

associated with restoration, repair, stabilization, or demolition, as necessary to meet the provisions set forth herein. If the insurance proceeds are insufficient to fully repair and restore the Leasehold Improvements, Lessee shall make up for the deficiency. Lessee shall not be relieved of any obligations, financial or otherwise, under this Lease during any period in which the Leased Premises are being repaired or restored (it being the agreement of the parties that Lessee shall purchase business interruption insurance, if it so chooses, to alleviate such financial burden). Lessee shall oversee all construction in accordance with the applicable requirements set forth herein. Notwithstanding anything herein to the contrary, Lessee shall have the right, but not the obligation to repair and restore the Leased Premises and Leasehold Improvements, *provided, however*, in the event that Lessee elects not to restore or repair the Leasehold Improvements, Lessee shall provide written notice to the City within thirty days after such damage or casualty event to terminate this Lease. If notice of termination is timely provided, this Lease shall terminate on the date specified in the notice. Upon termination of this Lease following a casualty event, the insurance proceeds shall be allocated as follows: (i) first to Lessee to perform any and all work necessary for the Leased Premises to be surrendered to the City in a safe and proper condition (i.e., to cause any and all remaining improvements to comply with all applicable laws, including the City's building code or to otherwise demolish the Leasehold Improvements); and (ii) second to any Permitted Leasehold Mortgagee to satisfy any outstanding principal, interest or any other amounts owed to such Permitted Leasehold Mortgagee. Upon such termination, Lessee shall satisfy and cause to be released any mortgages, liens, or other encumbrances placed upon or permitted to be placed upon the Leased Premises.

(B) Eminent Domain. If any portion of the Leased Premises is taken by exercise of eminent domain (federal, state, or local), Lessee shall repair and restore the Leased Premises (or, in the event of a partial taking, the remaining portion thereof), as expeditiously as possible, and to the extent practicable, to substantially the same condition in which they were in immediately prior to such occurrence. Notwithstanding the foregoing, if (i) the entire Leased Premises are taken by eminent domain, this Lease shall automatically terminate on the date on which Lessee is required to surrender possession, and (ii) if a substantial portion of the Leased Premises is taken by eminent domain such that the remainder is not usable for the Permitted Use as determined by Lessee, Lessee shall have the right to terminate this Lease by giving written notice thereof to the City on or before the date on which Lessee is required to surrender possession of such portion. Upon such termination of this Lease, the eminent domain proceeds shall be allocated as follows: (i) in the case of a taking by the state or federal government, to the City, to compensate the City for the value of the land taken (and, in the event of a partial taking, for the cost of clearing and otherwise restoring the remaining portion of the Leased Premises); and (ii) to Lessee, to compensate Lessee for the value of the Leasehold Improvements; provided, however, following title and ownership of the Leasehold Improvements vesting with the City, all such value shall be allocated to the City.

9. Default; Remedies.

(A) Default. Each of the following shall constitute an event of default by Lessee under this Lease:

(i) If Lessee fails to pay rent or any other sum payable to the City hereunder when due, and such failure to pay continues for longer than ten (10) days after Lessee receives written notice thereof from the City;

(ii) If Lessee fails to perform or observe any of the other covenants, terms or conditions contained in this Lease, and such failure continues for longer than twenty (20) days after Lessee receives written notice thereof from the City; provided, however, that if such failure is not reasonably susceptible of being cured within such 20-day period, an event of default shall not be deemed to have occurred if Lessee commences to cure such failure within such 20-day period and thereafter diligently pursues such cure to completion and, in fact, cures such failure within ninety (90) days after Lessee receives written notice of the default from the City. The foregoing notwithstanding, if the failure creates a dangerous condition or otherwise constitutes an emergency as determined by the City, an event of default shall be deemed to have occurred if Lessee fails to promptly take corrective action upon discovering such dangerous condition or emergency (and in any event within

no later than 24 hours, depending upon the nature of the emergency and the steps needed to address it); and

(iii) The commencement of levy, execution or attachment proceedings against Lessee, any principal (which shall be defined as any individual or entity having an ownership interest in Lessee of more than 25%) or partner of Lessee, or any of the assets of Lessee, or the application for or appointment of a liquidator, receiver, custodian, sequester, conservator, trustee, or other similar judicial officer; or the insolvency in the bankruptcy or equity sense, of Lessee or any principal or partner of Lessee; or the assignment for the benefit of creditors, or the admission in writing of an inability to pay debts generally as they become due, or the ordering of the winding-up or liquidation of the affairs of Lessee or any principal or partner of Lessee; or the commencement of a case by or against Lessee or any principal or partner of Lessee under any insolvency, bankruptcy, creditor adjustment, debtor rehabilitation or similar laws, state or federal, or the determination by any of them to request relief under any insolvency, bankruptcy, creditor adjustment, debtor rehabilitation or similar proceeding, state or federal, including, without limitation, the consent by any of them to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequester or similar official for it or for any of its respective property or assets (unless, in the case of involuntary proceedings, the same shall be dismissed within ninety (90) days after institution).

(B) **Remedies.** Upon the occurrence of an event of default that continues beyond the applicable notice and cure period (if any) provided for under paragraph (A) above, the City shall be entitled to (i) terminate this Lease by giving Lessee written notice thereof, (ii) take such actions in the way of "self-help" as the City determines to be reasonably necessary or appropriate to cure or lessen the impact of such default, all at the expense of Lessee, and (iii) exercise any and all other rights and remedies under this Lease or available at law or in equity, including without limitation pursuing an action for specific performance; all such rights and remedies being cumulative. Lessee shall be liable for all costs and damages, including without limitation legal fees, suffered or incurred by the City as a result of a default of Lessee under this Lease or the City's enforcement or termination of this Lease. Lessee shall pay all such costs and damages within thirty (30) days after receiving documentation from the City of the amount due. The failure of the City to insist upon the strict performance of any covenant or duty or to pursue any remedy under this Lease shall not constitute a waiver of the breach of such covenant or of such remedy. Nothing contained in this Lease shall limit or prejudice the right of a party to prove for and obtain as damages incident to a termination of this Lease in any bankruptcy, reorganization or other court proceedings, the maximum amount allowed by any statute or rule of law in effect when such damages are to be proved.

10. Assignment and Subletting. Lessee acknowledges that the City is entering into this transaction because of the City's confidence that Lessee has the financial means and business experience that are necessary to carry out the construction of the Leasehold Improvements and to successfully operate Lessee's business in accordance with the provisions of this Lease. Lessee acknowledges that the City shall not be expected to consent to a proposed assignment or sublease by Lessee of its interests under this Lease to any person or entity in whom the City does not have similar confidence. Any attempt by Lessee to assign or otherwise transfer its interests under this Lease to a third party without the City's prior written consent shall be null and void and shall, at the option of the City, constitute a default of Lessee under this Lease. The foregoing notwithstanding, if Lessee transfers its interests under this Lease to an affiliate of Lessee (including without limitation a sublease of a portion of the Leased Premises to Lessee's affiliate), or to the surviving entity in a merger involving Lessee, or to the purchaser of all or substantially all of Lessee's assets or ownership interests, such transfer shall not constitute a prohibited assignment for purposes of this section provided that Lessee provides the City with no less than 30 days prior written notice thereof, accompanied by the relevant supporting documentation. As used in the preceding sentence, an "affiliate" of Lessee means an entity that controls, or is controlled by, or is under common control with, Lessee. For purposes hereof "control" shall mean the power, exercisable jointly or severally, to manage and direct the business and affairs of a party through the ownership of more than fifty percent (50%) of membership or partnership interests, corporate stock and/or voting rights. No assignment or sublease by Lessee of its rights or obligations under this Lease to an affiliate or any other third party shall relieve Lessee from any liability to the City under this Lease. All compensation received by Lessee in connection with a subletting

relating to or otherwise allocable to this Lease in respect of the interval in question that exceeds the base rent ("Excess Compensation") for the same interval shall be payable as follows:

- (1) first, to Lessee until Lessee has received an amount equal to all actual, third-party, out-of-pocket costs incurred by Lessee in connection with such transfer (including brokerage commissions, attorneys' fees and expenses, Lessee finish-work, and other Lessee inducements); and
- (2) thereafter, 50% to City and 50% to Lessee.

(a) If an event of default occurs, all such Excess Compensation accruing thereafter shall be payable to City. Lessee shall hold all amounts it receives which are payable to City in trust and shall deliver all such amounts to City within ten business days after Lessee's receipt thereof.

11. Notices. All notices given by the parties hereunder shall be deemed given if personally delivered, or delivered by Federal Express, UPS, or other recognized overnight courier, or mailed by U.S. registered or certified mail, postage prepaid, return receipt requested, addressed to the parties at their addresses below or at such other addresses as either party may designate by notice to the other party given in the manner prescribed herein. Notices shall be deemed given on the date of receipt.

To the City:

City of Cincinnati
Dept of Transportation & Engineering
801 Plum Street, Suite 450
Cincinnati, OH 45202

To Lessee:

ONFLIGHT, INC.
4536 Airport Road
Cincinnati, OH 45226

with a copy to:

City of Cincinnati
Attn: Airport Manager
465 Wilmer Ave, Cincinnati, OH 45226

If Lessee sends a notice to the City alleging that the City is in default under this Lease, it shall simultaneously send a copy of such notice by U.S. certified mail to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, Cincinnati, OH 45202.

12. Surrender; Holdover.

(A) Surrender. At the end of the Term, Lessee shall peaceably surrender the Leased Premises to the City, free and clear of all leasehold mortgages and other liens (except those, if any, created by the City); provided, however, that, notwithstanding any other provision of this Lease to the contrary, no less than 90 days prior to the end of the Term, Lessee shall notify DOTE in writing of the existence of any fuel tanks at the Leased Premises ("**Fuel Tanks**"), whereupon DOTE shall notify Lessee as to whether or not the City requires the removal of the Fuel Tanks. If the City requires Lessee to remove the Fuel Tanks, Lessee shall remove the same and repair any and all damage to the Leased Premises caused thereby no later than the end of the Term. As provided in paragraph 6(L) above, Lessee shall not be permitted to remove any other improvements and acknowledges that the City would not enter into this Lease on the terms and conditions set forth herein but for Lessee's obligation to surrender all improvements to the City, free and clear of all liens, at the end of the Term.

(B) Lessee's Right to Remove Items of Personal Property. No later than the last day of the Term, Lessee shall remove all of Lessee's personal property at the Leased Premises (excluding trade fixtures, which shall not be removed unless otherwise directed by the City under paragraph 12(A) above)) shall repair any and all damage to the Leased Premises caused by the installation or removal thereof and otherwise restore the Leased Premises to a safe, clean, and satisfactory condition.

(C) Holdover. If Lessee fails to surrender possession of the Leased Premises to the City at the end of the Term, such holdover shall be deemed as creating a tenancy-at-will on all of the same terms and conditions as set forth herein (except for the duration of the Term and except that base rent payable during the holdover period shall be equal to two hundred percent of the base rent in effect at the end of the Term), terminable by either party at any time by giving written notice thereof to the other party. Lessee shall be liable for all costs and damages suffered or incurred by the City as a result of Lessee's failure to surrender possession at the end of the Term, including without limitation costs and damages suffered or incurred by the City during the holdover period.

(D) Documents to be Delivered to City. At the end of the Term, Lessee shall deliver to the City originals or copies of all books and records, operating manuals, contracts with third parties (but only if the City has expressly agreed to accept an assignment of such contracts), warranty information, and all other written materials and documents that are in Lessee's possession or under Lessee's control and that are reasonably needed in order for there to be a seamless transition with respect to the operation and maintenance of the Leased Premises for the Permitted Use.

13. Compliance with Laws.

(A) Compliance with Laws. Lessee shall comply with all federal, state, and local laws, ordinances, rules, and regulations, including without limitation all applicable building and zoning codes of the City of Cincinnati pertaining to the Airport, all applicable requirements set forth in Chapter 402 (*Airport*) of the CMC, and all requirements under Title 49 of the Code of Federal Regulations, as the same may be enacted or modified from time to time.

(B) Non-Discrimination. In all its activities, the Lessee agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964 which Lessee shall comply with. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the Lessee. In the event of breach of any of the above Nondiscrimination covenants, the City will have the right to terminate the Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued. With reference to 49 CFR Subtitle A, Part 21, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation", the purpose of which "is to effectuate the provisions of Title VI of the Civil Rights Act of 1964 . . . to the end that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Transportation", Lessee shall include the foregoing provision in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing services to the public and shall include therein a provision granting the City the right to take such action as the United States may direct to enforce such covenant. Lessee shall defend, indemnify, and hold harmless the City from any and all claims and demands of third persons, including the United States of America, resulting from Lessee's noncompliance with any of the provisions of this section and shall reimburse the City for any and all losses or expenses incurred by reason of such noncompliance.

14. Coordinated Report Conditions (CR #54-2023).

(A) DOTE.

(B) Metropolitan Sewer District of Greater Cincinnati.

(C) Greater Cincinnati Water Works. Lessee must conform to Greater Cincinnati Water Works' requirements for water service, including backflow prevention requirements, entirely at their cost." GCWW records show that this site does not have backflow prevention devices installed as required for commercial accounts. To bring this service into compliance, backflow prevention devices will need to be installed. Test results will be required to be submitted to GCWW upon initial installation and annually thereafter. Lessee must contact GCWW Field Services at 513-591-7825 for more information or to schedule an inspection. The petitioner is advised that the Lease Area (4536 Airport Rd) is served by a dual service branch (Branch No. 262199) with an 8 inch fire service and a 1 inch domestic service. There are neither water mains nor appurtenances involved with the subject action.

(D) Stormwater Management Utility.

(E) Duke Energy.

(F) Altafiber. The existing facilities must remain in place, in service and able to be accessed. Any damage done to the facilities, or any work required to relocate the facilities as a result of this request will be handled entirely at the property owner's expense.

(G) Buildings & Inspections.

15. General Provisions.

(A) Entire Agreement. This Lease (including the exhibits hereto) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, representations, or agreements, written or oral, between them respecting the subject matter hereof.

(B) Amendments. This Lease may be amended only by a written amendment signed by both parties.

(C) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the City of Cincinnati and the State of Ohio. All actions regarding this Lease shall be brought in the Hamilton County Court of Common Pleas, and Lessee agrees that venue in such court is proper. Lessee hereby waives trial by jury with respect to any and all disputes arising under this Lease.

(D) Binding Effect. This Lease shall be binding upon and shall inure to the benefit of and be enforceable by and against the parties and their respective successors and permitted assigns.

(E) Captions. The captions of the various sections and paragraphs of this Lease are not part of the context hereof and are only guides to assist in locating such sections and paragraphs and shall be ignored in construing this Lease.

(F) Severability. If any part of this Lease is held to be void, illegal or unenforceable by a court of law, such part shall be deemed severed from this Lease, and the balance of this Lease shall remain in full force and effect.

(G) No Recording. This Lease shall not be recorded in the Hamilton County Recorder's office.

(H) Time. Time is of the essence with respect to the performance by Lessee of its obligations under this Lease.

(I) No Third Party Beneficiaries. The parties hereby agree that no third party beneficiary rights are intended to be created by this Lease.

(J) No Brokers. Lessee represents that it has not dealt with a real estate broker, salesperson or other person who might claim entitlement to a fee or other compensation as a result of the parties' execution of this Lease.

(K) Official Capacity. All representations, warranties, covenants, agreements, and obligations of the City under this Lease shall be effective to the extent authorized and permitted by applicable law. None of those representations, warranties, covenants, agreements, or obligations shall be deemed to be a representation, warranty, covenant, agreement, or obligation of any present or future member, officer, agent, or employee of the City in other than his or her official capacity. No official executing or approving the City's participation in this Lease shall be personally liable under this Lease.

(L) Representation as to Authority. Lessee represents that it has the power and authority to enter into and perform its obligations under this Lease without the consent of anyone who is not a party to this Lease and that the execution and performance of this Lease has been duly authorized by all necessary actions on Lessee's part.

16. Exhibits. The following exhibits are attached hereto and made a part hereof:

Exhibit A - *Site Map*

Exhibit B - *Legal Description*

Exhibit C - *Proposed Improvements*

Exhibit D - *Construction Requirements*

[SIGNATURE PAGES FOLLOW]

This Lease is executed by the parties on the dates of acknowledgement indicated below, effective as of the later of such dates (the "Effective Date").

ONFLIGHT, INC.,
an Ohio corporation

By: _____

Printed name: _____

Title: _____

STATE OF OHIO)
) ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024 by _____, the _____ of **ONFLIGHT, INC.**, an Ohio corporation, on behalf of the corporation.

Notary Public
My commission expires: _____

[City Signature Page Follows]

CITY OF CINCINNATI

By: _____

Printed Name: _____

Title: _____

STATE OF OHIO)
) ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by _____, the _____ of the **CITY OF CINCINNATI**, an Ohio municipal corporation, on behalf of the corporation.

Notary Public
My commission expires: _____

Recommended by:

John Brazina, Director
Department of Transportation and Engineering

Bob Vickrey, Lunken Airport Manager

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

EXHIBIT A
to Lease
Site Map

Figure 1. LA 12

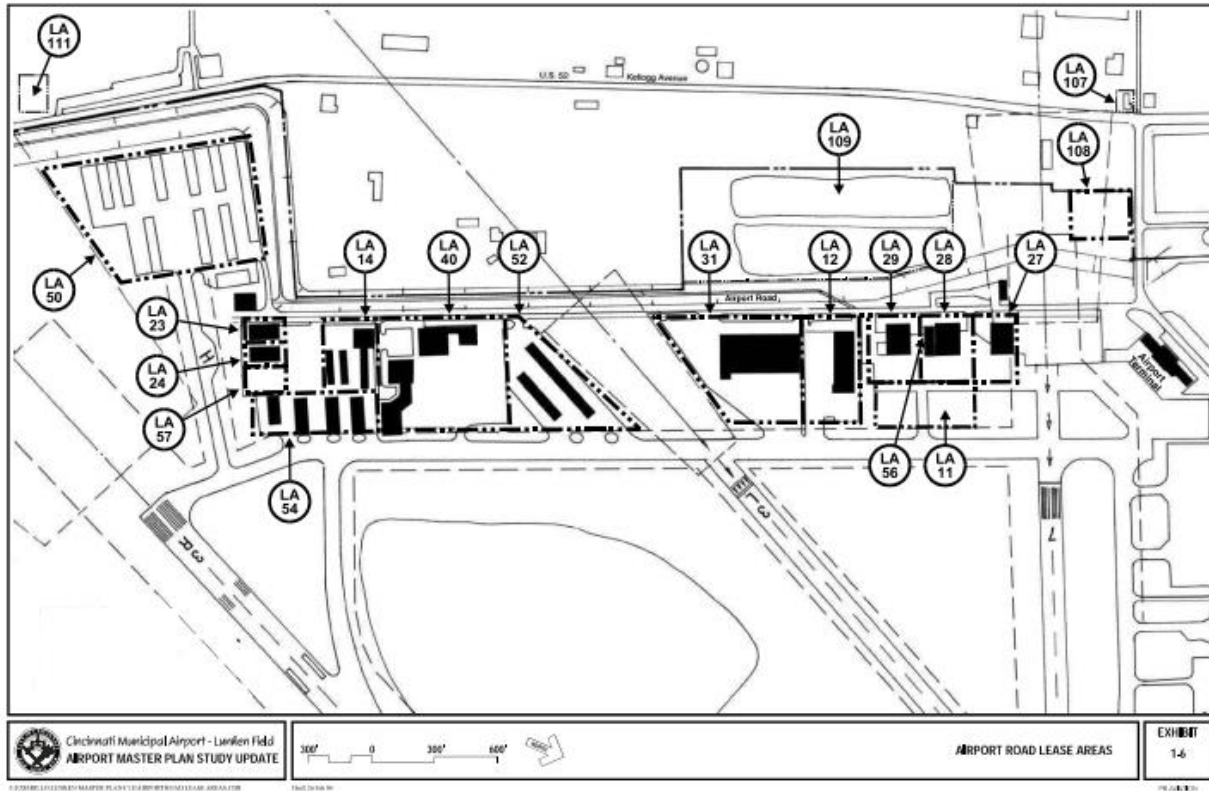
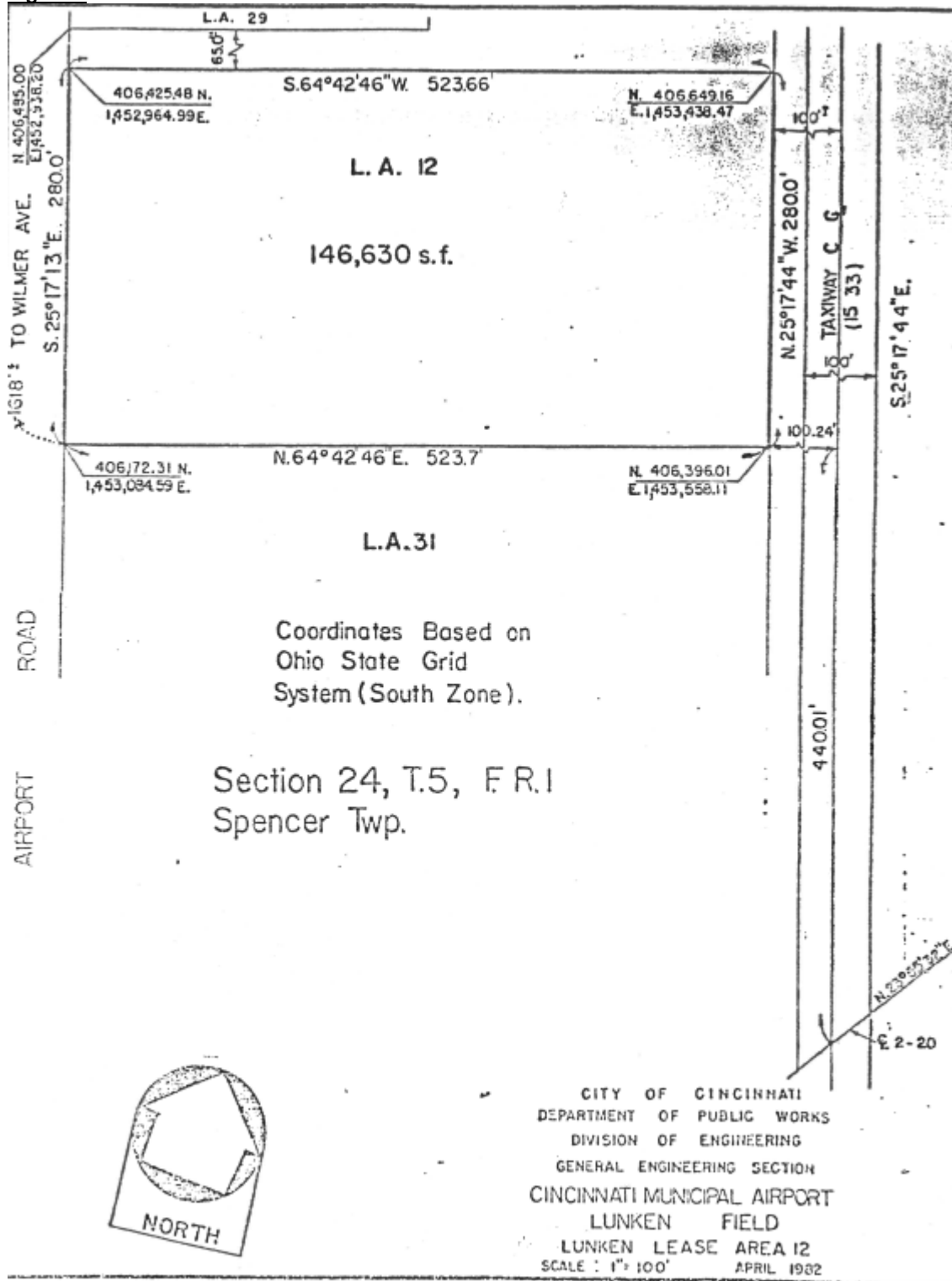


EXHIBIT A (Cont.)

Figure 2



ACC. NO. 101398

EXHIBIT B
to Lease
Legal Description

Lease Area 12

Situate in Section 24, Town 5, Fractional Range 1, Spencer Township, City of Cincinnati, Hamilton County, Ohio and being more particularly described as follows:

BEGINNING at the northwesterly corner of Lease Area 31 which is 1,618 more or less feet southeast from the centerline of Wilmer Avenue as measured in Airport Road, the coordinates of which are 406,172.31 N.-1,453,084.59 E. based on the Ohio State Grid System (South Zone); thence N. 64°-42'-46" E. in the northerly line of said lease area 31 and the northeasterly extension thereof 523.70 feet to a point which is (N. 25°-17'-44" W., 440.01 feet as measured in the centerline of taxiway C (100' wide), formerly runway 15-33) and (S. 64°-42'-16" W. normal to said centerline of taxiway C 100.24 feet) from the centerline intersection of said taxiway C and Runway 2-20 (100' wide) which point has the following coordinates 406,396.01 N.1,453,558.11 E.; thence N. 25°-17'-44" W. parallel with said taxiway C a distance of 280.00 feet to a point the coordinates of which are 406,649.16 N.-1,453,438.47 E.; thence S. 64°-42'-46" W. a distance of 523.66 feet to a point the coordinates of which are 406,425.48 N.-1,452,964.99 E.; thence S. 25°-17'-13" E. a distance of 280.00 feet to a point and the PLACE OF BEGINNING and containing 146,630 square feet more or less.

The above is shown on a drawing entitled, "ACC. NO. 101398," on file in the office of the City Engineer of the City of Cincinnati; a copy of which is identified as "Figure 2." of Exhibit A attached hereto.

EXHIBIT C

to Lease

Proposed Improvements

Onflight, will be redirecting a major part of our enterprise to capitalize on the huge built-up demand for support and maintenance services to corporate jets. We believe we are positioned to meet this ever-increasing demand, through our experience base, talent pool, and unique relationship with one of the world's largest Aviation manufacturers. As such we are building an Independently owned, Maintenance Repair and Overhaul facility ("MRO") that will have a unique and exclusive relationship to this Original Equipment Manufacturer ("OEM"), being the only independently owned and exclusive MRO within their network (excluding OEM owned service centers). Additionally, the facility will specialize in new generation aircraft that are highly computerized/specialized aircraft known as "Fly-By Wire Technology".

To that end, the Onflight facility will be completely renovated and remodeled, to provide the capacity to support our customers, and an expanded staff, that we hope will reach 30-50 professionals within a very few years. To that end, offices will be redesigned, remodeled, and modernized. Customer space will similarly be dedicated, and remodeled, to provide welcoming and attractive/functional space, and our technical staff will have dedicated kitchen, rest room, shower/changing and break areas that make this an attractive place to work.

Our redesign approach will improve the quality and efficiency of all systems such as lighting, heating, air circulation, etc., so as to make our overall facility more aligned to our work product, better in lighting efficiency, and more efficient from a heating and cooling perspective. It will also provide better human ergonomics.

Overall we are committed to investing more than **\$1.3 million in capital expenditure** to make Onflight more customer-centric and welcoming. Individual breakdowns are estimated but believed to be reasonable. The total is a commitment to the city in consideration for our lease.

1. Preliminary Construction Budget. Amount

- A. Pre-Construction \$60,000
 - Design and permitting
- B. Building General: \$200,000
 - Repaint exterior metal hangar.
 - LED lighting upgrade throughout facility for energy efficiency
 - Adding additional electronic security access control and cameras to the facility
- C. South-End Lower Level: \$125,000
 - Update shop area with new ceiling and LED lighting
 - Install/add new his/her bathrooms and showers, lockers and changing area
 - New Store Front Door Entryway
- D. South-End Upper Level: \$125,000
 - Construct break room/kitchen area.
 - Divide space into individual offices, with secure areas for "specialized tooling, and parts inventory storage areas.

- New carpet/ceiling tiles, LED lighting, added cabling and specialized inventory security systems to track valuable tooling and parts.
- E. Two Main Hangars: \$250,000
- Renovate and restore the entire floor with two-part epoxy to extend the life of the floor.
 - Install new ceiling adding additional R-factor for energy efficiency.
 - Install 3 specialized ~16' specialized fans for improved ventilation and energy efficiency:
 - Above improvements are needed to make hangars suitable for high levels of maintenance work year round, and accommodate fast temperature recovery in cold weather months. We hope to operate on a least two shifts per day, 7 days a week....and ultimately need to be able to accommodate up to 50 highly paid professional technicians.
- F. North Building and Office: \$565,000
- Reconfigure layout for existing and additional offices.
 - Renovate and remodel the entire facility to better meet customer expectations and enhance employee productivity. This will improve employee effectiveness, allow more specialized functions to support our changing mission, and meet our changing mission and needs.
 - Completely remodel and renovate the existing restrooms, replacing all fixtures.
 - Remodel and renovate the Kitchen facilities.
 - Undertake to Add an elevator to provide universal access to second-floor offices:
- G. Fencing:
- repaint to extend the life \$15,000
- H. Parking Lot \$90,000
- Several areas are not serviceable, are deteriorating, and are not repairable. Replace as needed, power wash and re-stripe:

Anticipated Total Cost: \$1.3 – 1.5 Million

Any documented renovations/improvements after July 1, 2023 will be acknowledged/recognized as part of the proposed improvements contained herein.

EXHIBIT D
to Lease
Construction Requirements

1. Construction Schedule.

(A) **Construction Completion.** Lessee shall complete the Project within **two years** of the Commencement Date. (The parties acknowledge that Section 2(B) of the Lease provides that Lessee may request an extension of the Construction Completion Date in the event of a delay in completing the Project caused by circumstances beyond Lessee's reasonable control, which the City agrees to consider.)

(B) **Notice of Commencement and Completion.** Lessee shall provide DOTE written notice within 10 business days upon commencing the Project and shall provide DOTE written notice within 10 business days following the date on which Lessee completes the Project. The City shall inspect the Project upon completion and notify Lessee of any observable deficiencies.

2. Design & Construction. In accordance with Section 6 of the Lease, prior to commencing construction, Lessee shall provide DOTE with plans and specifications for the Project for DOTE's review and approval. All construction shall be performed in a good and workmanlike manner and in accordance with all legal requirements. All materials and workmanship shall be of good quality, and upon completion of construction, all improvements will be structurally safe and sound, and all parts therefor and all mechanical equipment therein and all utilities serving the improvements will be in good working order and will have been properly installed, tested, and paid for.

3. City's Approval of General Contractor and Subcontractors. Lessee shall not hire any contractor or subcontractor who is listed on the Federal Debarred List or State Debarred List, or any contractor or subcontractor who is identified as being debarred on the City's Vendor's Performance list (as identified on the applicable federal, state, and local government websites).

4. Monthly Project Reports. On a calendar month basis, and until such time as the Project has been completed, Lessee shall submit a monthly progress report to DOTE so that the City can be kept up-to-date on all matters pertaining to the Project.

5. Inspections. The City shall have the right to periodically inspect the Project. If the City discovers any defects in the Project or deviation from the Final Plans, Lessee shall promptly correct the same upon receipt of written notice from the City. The City shall use reasonable efforts to verbally notify Lessee prior to each inspection (except that no prior notice shall be needed in the event of inspections by the City's Building Department or Health Department) and shall use reasonable efforts not to disrupt construction.

6. No Liens. Lessee shall not permit any mechanics' liens to attach to the Leased Premises in connection with the Project. If any such liens attach, Lessee shall cause them to be released within thirty (30) days after receiving notification of the filing thereof.

7. Prevailing Wage. Lessee shall comply with applicable prevailing wages for the Project as determined by state and local law. Lessee acknowledges and agrees that it has not and shall not rely upon determinations or representations made by the City, its employees, or agents regarding applicability of state and local prevailing wage laws and that Lessee's decisions regarding applicability of and compliance with such laws shall be based upon its own and its counsel's investigations, determinations, and opinions. Without limitation of other rights and remedies available to the City under this Lease or under state or local laws, Lessee shall defend, indemnify, and hold the City harmless from and against all costs (including without limitation legal costs), losses, claims, demands, actions, suits, judgments, claims for relief, damages and liability suffered or incurred by or asserted against them as a result of or arising from Lessee's failure to comply with applicable prevailing wage laws.

8. **Punch-List Work.** Promptly after delivering the Notice of Completion to DOTE under Section 1 above, Lessee shall create a punch-list of unfinished work and shall promptly thereafter complete such work (but in any event within 90 days after the date of the Notice of Completion).

9. **Correction of Defects During Warranty Period.** If any defect should appear that, in the reasonable opinion of the City, is due to defective materials or workmanship, Lessee shall remedy such defect within the applicable warranty period under Lessee's contract with its general contractor.

* * *

January 18, 2024

To: Mayor and Members of City Council

202400215

From: Sheryl M. M. Long, City Manager

Subject: Finance and Budget Monitoring Report for the Period Ending October 31, 2023

The purpose of this report is to provide the City Council with the status of the City's Fiscal Year (FY) 2024 financial and operating budget conditions as of October 31, 2023, to note any significant variances, identify potential budget issues, and provide recommendations. The report is divided into two sections: revenues and expenditures. Various supplemental reports are attached to reflect forecasted revenue, actual revenue, expenditures, and commitments through October 31, 2023.

The following Citywide issues may impact the General Fund 050, Special Revenue Funds, and Enterprise Funds.

1. General Fund revenues are greater than projected by \$7.0 million through the end of October. However, this report highlights increased potential expenditure needs in the amount of \$5.7 million.
2. Overtime in the Cincinnati Fire Department (CFD) and the Cincinnati Police Department (CPD) is currently outpacing the budget. In CFD, the increased overtime is primarily driven by the increased attrition experienced over the past several years. The department is required to use overtime to backfill the vacant positions. The graduation of Recruit Class #121 is expected to reduce overtime usage starting in late fall 2023. If overtime trends do not curtail, the CFD projects a need of up to \$3.4 million by fiscal year end due to increased overtime. In CPD, the increased overtime is primarily due to Police Visibility Overtime (PVO) related to Downtown Event Deployment to curb violence and for large public events such as Oktoberfest Zinzinnati, FC Cincinnati soccer games, and Cincinnati Bengals home football games. If overtime trends do not curtail, CPD projects a need of up to \$2.1 million by fiscal year end due to increased overtime. Due to the seasonality of these events, overtime is expected to reduce in the second half of the fiscal year.
3. The Approved FY 2024 Budget includes a 2.0% wage increase for sworn International Association of Fire Fighters (IAFF) employees and sworn

Fraternal Order of Police (FOP) employees. The collective bargaining agreement with IAFF expires in December 2023 and negotiations will begin shortly. Negotiations with the FOP are expected to begin closer to their contract's expiration date in May 2024. Any agreements that exceed budgeted wage increase amounts, or any agreements that provide additional wage item increases, may result in a budget deficit. If necessary, supplemental appropriations may be required.

4. The Parking Meter Fund continues to face a structural imbalance with expenditures budgeted to exceed revenues. The City Administration is currently exploring opportunities for revenue enhancements and expense efficiencies, which may improve the fund's outlook. The fund will be monitored closely to ensure a positive fund balance is maintained.
5. The lasting impacts of the COVID-19 pandemic continue to impact supply chains. While fleet acquisition has improved over the last year, it still has not returned to pre-pandemic levels due to the shortage of vehicle parts and semiconductor chips. Fleet repairs continue to be difficult and more expensive in certain cases. Compounded with the delays in acquisition, Fleet Services may experience increased repair costs as older vehicles will remain in service for a longer than anticipated period. These issues will be monitored closely for budgetary and operational impacts.

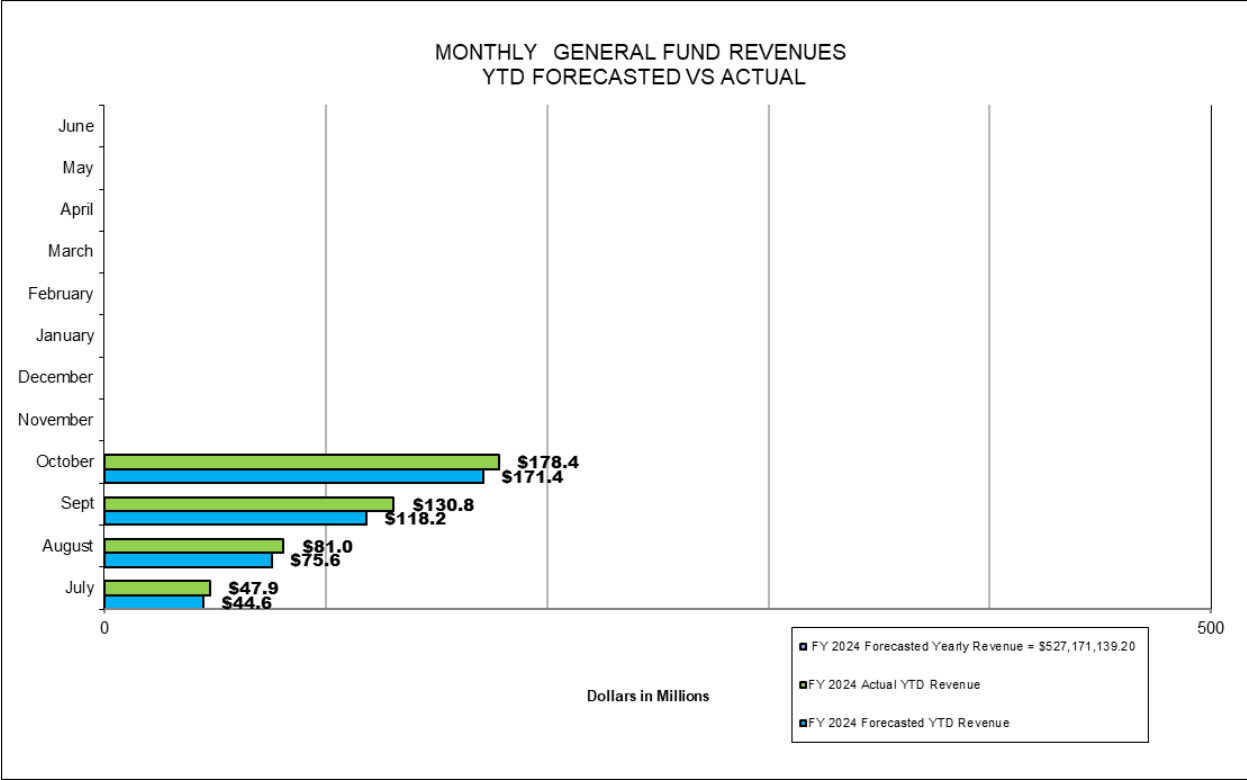
REVENUE

The following report provides an update on the City of Cincinnati's financial condition as of the month ending October 31, 2023. Variances are based on current year estimates and prior year activity in attached schedules.

A more detailed explanation of revenues is attached for review, including reports comparing current year actual revenue versus forecasted revenue and prior year actual revenue versus current year actual revenue. Both of those reports are presented on a monthly and year-to-date basis.

I. GENERAL FUND 050

The chart below portrays the performance of actual revenue collected against the forecasted revenue collected through October 31, 2023, and shows that actual revenue of \$178.4 million was above forecasted revenue of \$171.4 million by \$7.0 million.



The major revenue components of the General Fund are listed in the table below. This table highlights the year-to-date variance (favorable and unfavorable) in General Fund revenue collections as compared to forecasted revenue collections. Each major category that differs significantly from forecasted collections will be discussed in further detail.

GENERAL FUND REVENUE SOURCES

	FAVORABLE VARIANCE	(UNFAVORABLE) VARIANCE
General Property Tax		(\$954,293)
City Income Tax	6,771,100	
Admissions Tax	1,488,741	
Short Term Rental Excise Tax	466,357	
Licenses & Permits		(\$1,956,983)
Fines, Forfeitures, & Penalties		(\$980,067)
Investment Income	1,651,390	
Local Government	308,476	
Casino	163,074	
Police	487,473	
Buildings and Inspections		(\$174,517)
Fire	526,620	
Parking Meter	60	
Other		(\$848,121)
	11,863,291	(\$4,913,981)
Difference	6,949,310	

General Fund (favorable variance) is \$7.0 million above the amount forecasted through October in the FY 2024 Budget. This is the fourth month's report for the new fiscal year. What follows is an explanation of significant variances of individual General Fund revenue components.

1. **Property Tax (unfavorable variance) is \$954k** below estimate due to the decrease in property values for this half. The millage for the second half is set at a higher rate and values were increased by the County Auditor, which will offset this unfavorable variance. It is anticipated that Property Tax revenue will be on target at year end. This is a semi-annual payment. The second payment will be received in late spring.
2. **Income Tax (favorable variance) is \$6.8 million** above the forecasted amount. Income Tax revenue was not projected to increase in FY 2024; however, in the first quarter there was a slight increase in withholdings and some higher than projected net profits for companies. The Finance Department will continue to closely monitor this category.
3. **Admission Tax (favorable variance) is \$1.5 million** above estimate. Revenue from summer concerts and larger attendance for baseball games contributed to the positive variance in this category.

4. **Licenses & Permits (unfavorable variance) is \$2.0 million** below the forecasted amount. General Building and HVAC are trending lower than estimated. The Finance Department will work with the Building and Inspections Department to monitor these categories in the coming months.
5. **Fines, Forfeitures and Penalties (unfavorable variance) is down \$980k.** Each of these revenue sources are trailing estimates. As it is early in the fiscal year, this category will be watched very closely.
6. **Investment Income (favorable variance) is \$1.7 million** above the forecasted amount. A stronger than expected economy has resulted in higher interest rates than originally estimated.
7. **Other (unfavorable variance) is \$848k** below forecast. Due to the large number of revenue sources in this category and their fluctuations, the Finance Department will monitor these closely.

II. RESTRICTED FUNDS

- A. **Parking System Facilities (favorable variance) is \$648k** above estimate. This is attributed to the parking for a large weekend concert that was held in the summer. This category is projected to finish the year over estimate.
- B. **Hazard Abatement Fund (unfavorable variance) is down \$64k.** The number of vacant and foreclosed properties within the City has decreased contributing to this variance.
- C. **Community Health Centers (unfavorable variance) is \$2.0 million** below the forecasted amount. This variance is due to timing of the Medicaid reimbursement from the federal government. Once the payment is received the variance should level out and this fund should be on target for the fiscal year.

EXPENDITURES

The following provides an update on the City of Cincinnati's operating budget position as of the month ending October 31, 2023. The attached Fund Summary Report provides the current budget, expenditures, and commitments of each appropriated fund. This report is presented on a year-to-date basis.

I. GENERAL FUND 050

As shown on the attached report, total expenditures are 29.5% of budget, and commitments are 34.9% of budget in the General Fund 050 as compared to the estimated period ending October 31, 2023, or 33.3% of the fiscal year. "Non-personnel expenses" are trending higher at 46.5% committed year to date due to encumbering twelve months of expenditures for certain commodities such as gas and electric costs, contractual services, and materials and supplies. This is not unusual for this reporting period.

The majority of departments have indicated their FY 2024 General Fund 050 appropriation will meet their budgetary needs through the end of the fiscal year. However, budget transfers may be necessary to move funds from divisions and programs with savings to others within the respective departments that have budget needs. These transfers will be included in the Final Adjustment Ordinance (FAO), which will be presented to the City Council in May 2024.

A. Budget Savings Identified

As of October 31, 2023, no General Fund 050 departments are projecting savings at the end of FY 2024. Any savings identified will be available to support budget needs in other departments and programs as necessary. Interdepartmental transfers of funds from one department to another will be included in the FAO as appropriate.

B. Budget Needs Identified

Based on current expenditure projections, the following General Fund 050 department is forecasting a budget need in FY 2024. The departments have been advised to manage their appropriated resources so that supplemental appropriations will not be required. However, the Administration will continue to closely monitor this department in the coming months and work with them to mitigate the need for supplemental appropriations. As appropriate, any remaining budget needs will be addressed within the FAO.

1. Cincinnati Police Department (\$2.1 million)

The Cincinnati Police Department (CPD) projects a total personnel need of \$2.1 million primarily due to overtime. Personnel expenditures are out pacing estimates due to increased Police Visibility Overtime (PVO) related to Downtown Event Deployment to curb violence and for large public events such as FC Cincinnati and Cincinnati Bengals home games. Overtime spending and lump sum payments will be closely monitored as the fiscal year progresses.

2. Cincinnati Fire Department (\$3.6 million)

The Cincinnati Fire Department (CFD) projects a total need of up to \$3.6 million primarily due to overtime. Increased attrition over the past several years has necessitated the use of overtime to backfill vacant positions. Additionally, the department added a new engine company to Westwood Station 35 in November 2022, resulting in additional staffing requirements and associated overtime. CFD recently changed the unit dispatch process to include apparatus GPS relative to the emergency location. This has led to an increase in daily runs performed by the Westwood engine company and the Price Hill engine company. The department plans to run the additional engine until the number of runs performed daily reverts to the mean. The graduation of Recruit Class #121 is expected to reduce overtime usage once they graduate in the fall of 2023. If overtime trends do not curtail, the CFD projects a need of up to \$3.4 million by fiscal year end due to increased overtime. Finally, the department projects a non-personnel need of \$0.2 million related to an expanded paramedic training class as well as unbudgeted material and supply expenses. Both the department and the Office of Budget and Evaluation will continue to closely monitor staffing trends and overtime needs.

C. Within Budget, Intradepartmental Budget Transfers May Be Needed

Numerous General Fund 050 departments have indicated the ability to manage their resources within their appropriation. However, budget adjustments within their departments may be required. These transfers are referred to as Intradepartmental Budget Transfers. Unless noted otherwise, these Intradepartmental Budget Transfers will be included in the FAO, which will be presented to the City Council for approval in May 2024.

1. Clerk of Council

The Clerk of Council's Office projects a potential non-personnel need. Three charter amendments were on the November general election ballot, and the amendments were legally required to be advertised in *The Enquirer* newspaper for a cost of \$25,000. The budget will be monitored, and any needs will be addressed either by the Election Expense non-departmental account or through the Final Adjustment Ordinance (FAO) if necessary.

2. Enterprise Technology Solutions

The Department of Enterprise Technology Solutions projects no budget savings or need at this time, pending reimbursement processing.

3. City Manager's Office

The City Manager's Office projects no budget savings or need at this time. However, personnel and fringe benefits are trending high. Additionally, potential needs may arise from costs associated with a collaborative agreement consultant and temporary personnel services. These costs will be monitored closely.

- 4. City Manager's Office: Office of Budget and Evaluation**
The Office of Budget and Evaluation projects no budget savings or need at this time, pending reimbursement processing.
- 5. City Manager's Office: Emergency Communications Center**
The Emergency Communications Center (ECC) projects no budget savings or need at this time. Increased software expenditures are being closely monitored as the fiscal year progresses.
- 6. City Manager's Office: Office of Environment and Sustainability**
The Office of Environment and Sustainability projects no budget savings or need at this time. However, the recycling budget typically faces shortfalls. This will be monitored closely.
- 7. City Manager's Office: Office of Procurement**
The Office of Procurement projects no budget savings or need at this time, pending reimbursement processing.
- 8. City Manager's Office: Office of Performance and Data Analytics**
The Office of Performance and Data Analytics (OPDA) projects potential personnel savings, which will be monitored. No savings or needs are anticipated in the non-personnel budget.
- 9. City Manager's Office: Internal Audit**
Internal Audit projects a possible personnel savings, which will be monitored.
- 10. Department of Law**
The Department of Law projects a possible personnel need related to an accounting correction to capture certain transactions as revenue rather than credits to expense. Any personnel needs are expected to be offset with greater than estimated revenue.
- 11. Department of Human Resources**
The Department of Human Resources projects no budget savings or need, pending reimbursement processing.
- 12. Department of Finance**
The Department of Finance projects no budget savings or need at this time, pending reimbursement processing.
- 13. Department of Community and Economic Development**
The Department of Community and Economic Development (DCED) projects a non-personnel need of \$60,000 due to annual operating expenses for the former Saks Fifth Avenue building. Additionally, the department reports a reduction in

planned reimbursements from certain Community Development Block Grant (CDBG) projects, which would cause a personnel need in the Director's Office and Administration Division. However, these needs can be offset by re-allocating staff time to other CDBG and HOME Investment Partnerships Program reimbursable eligible projects. By fiscal year end, there may be personnel savings in the Housing Division and the Economic Development Division. Transfers between agencies may be required as part of the Final Adjustment Ordinance.

14. Department of City Planning and Engagement

The Department of City Planning and Engagement projects a potential personnel savings due to a vacant position. This will offset a need in non-personnel related to increased engagement activities.

15. Citizen Complaint Authority

The Citizen Complaint Authority (CCA) projects no budget savings or need at this time.

16. Cincinnati Recreation Commission

The Cincinnati Recreation Commission projects no budget savings or need at this time. However, the Aquatics Pay and Recruitment Bonus Plan was in place for the summer 2023 season and is expected to generate a General Fund need of up to \$1.5 million in the Athletics Agency. However, this need is expected to be offset by savings in other agencies. If savings do not materialize, a supplemental appropriation may be required. The department has several reimbursements that will be processed in the coming months.

17. Cincinnati Parks Department

The Parks Department projects no budget savings or need at this time, pending reimbursement processing.

18. Department of Buildings and Inspections

The Department of Buildings and Inspections projects no budget savings or need at this time. Personnel is currently trending below expectations due to position vacancies and reimbursement processing. However, the department is in the process of onboarding a new class of inspectors as well as other administrative staff, which should bring personnel spending more in line with expectations.

19. Department of Transportation and Engineering

The Department of Transportation and Engineering projects potential personnel savings, which will be used to offset projected contractual services needs in the Traffic Engineering Division.

20. Department of Public Services

The Department of Public Services (DPS) projects no budget savings or need at this time. However, transfers between agencies may be required as part of the Final Adjustment Ordinance.

21. Department of Economic Inclusion

The Department of Economic Inclusion projects potential personnel savings due to position vacancies.

22. Non-Departmental Accounts

The Judgments Against the City account is currently 99.3% committed. Depending on future judgments or settlements, additional resources may be required.

II. ENTERPRISE FUNDS

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs.

A. Water Works Fund 101

Water Works Fund 101 is 25.3% expended year to date. The Greater Cincinnati Water Works (GCWW) projects no budget savings or need at this time. However, transfers between agencies may be required as part of the Final Adjustment Ordinance.

B. Parking System Facilities Fund 102

Parking System Facilities Fund 102 includes the budget for off-street parking enterprises, including garages. Fund 102 is currently 13.6% expended year to date. The Division of Parking Facilities within the Department of Community and Economic Development projects a potential non-personnel need related to repairs needed for the Town Center Garage. Supplemental appropriations may be required.

C. Duke Energy Convention Center Fund 103

Duke Energy Convention Center Fund 103 is 29.1% expended year to date. The Finance Department projects no savings or need at this time.

D. General Aviation Fund 104

General Aviation Fund 104 is 21.5% expended year to date. The Department of Transportation and Engineering may have personnel and fringe benefits savings in Fund 104 due to position vacancies, which will be monitored.

E. Municipal Golf Fund 105

Municipal Golf Fund 105 is 41.0% expended year to date, which reflects expenses for the calendar year (CY) 2023 golf season. Water utility expenses are greater than expectations due to the dry summer season. Additionally, petroleum and contractual services expenses exceed estimates due to an increased number of golf rounds played. The Cincinnati Recreation Commission projects no budget savings or need at this time, but non-personnel expenses will be monitored.

F. Stormwater Management Fund 107

Stormwater Management Fund 107 provides resources to various City departments. The major recipient of resources from this fund is the Stormwater Management Utility (SMU). The Department of Public Services, the Parks Department, the Office of Environment and Sustainability, the Cincinnati Recreation Commission, and the Department of Buildings and Inspections also receive appropriations from this fund. The Stormwater Management Fund is 22.6% expended year to date. SMU, the Parks Department, and the Cincinnati Recreation Commission project no budget savings or need at this time. The Department of Public Services projects a potential personnel need. The Office of Environment and Sustainability projects a potential non-personnel need related to recycling. The Department of Buildings and Inspections Private Lot Abatement Program (PLAP) is seeing an abundance of litter and dumping cases. Additional non-personnel resources may be required; however, the department is currently exploring community partnerships for assistance with this work. These needs will be monitored closely.

III. DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities.

A. Bond Retirement Fund 151

Bond Retirement Fund 151 is 8.7% expended year to date. The Finance Department projects a potential savings in fixed charges related to bond coupons that have not yet been redeemed, which would reduce debt service payments. The Finance Department also projects a potential savings in debt service due to a lower volume of internal notes issued than in prior years.

IV. APPROPRIATED SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are legally restricted to expenditures for specific purposes.

The Office of Budget and Evaluation, in cooperation with various City departments, reviewed appropriated special revenue funds to ensure the Approved FY 2024 Budget remains in balance. Based on expenditures and revenues through October 31, 2023, most special revenue funds are on target with regards to their budget and require no additional appropriations at this time. Any identified issues are highlighted in the narrative summaries provided below. If warranted, budget adjustments will be addressed in the FAO later in the fiscal year.

A. Street Construction, Maintenance & Repair Fund 301

Street Construction, Maintenance & Repair Fund 301 is 24.1% expended year to date. The Department of Public Services anticipates a potential need related to a winter weather operations incentive pay program, that may be offset by other personnel savings. The Department of Transportation and Engineering projects possible non-personnel savings in the Traffic Engineering Division, which will be used to offset non-personnel needs in the Traffic Services Division as well as in the General Fund.

B. Income Tax-Infrastructure Fund 302

Income Tax-Infrastructure Fund 302 provides resources to several City departments. The Department of Transportation and Engineering is the largest recipient of resources from this fund. The Department of Public Services also receives Income Tax-Infrastructure Fund resources. Fund 302 is 31.1% expended year to date. Due to the projected deficit for this Fund during the FY 2024-2025 Biennial Budget development process, resources for the Department of Law, the Department of Transportation and Engineering (DOTe), and the Department of Public Services (DPS) were significantly reduced. DOTe projects a need of \$620,000 primarily due to budgeted position vacancy allowance (PVA). A supplemental appropriation will likely be required for the department to continue operations. DPS anticipates a personnel need as the department does not expect to be able to meet their budgeted PVA amount. The Department of Law receives a small amount of Income Tax-Infrastructure Fund resources for eligible infrastructure work. Law projects a potential personnel need due to budgeted position vacancy allowance that may not be achievable. Since the Income Tax-Infrastructure Fund performed better than expected by the end of FY 2023, and existing fund balance is available to provide additional resources to these departments, a mid-year budget adjustment Ordinance will be submitted to the City Council to address the shortfall in the Department of Public Services and the Department of Transportation and Engineering with supplemental

appropriations. The Department of Buildings and Inspections projects no budget savings or need at this time.

C. Parking Meter Fund 303

Parking Meter Fund 303 includes the budget for on-street parking enterprises, including parking meters. Fund 303 is currently 27.7% expended year to date. The Division of Parking Facilities within the Department of Community and Economic Development projects neither an expenditure savings nor a need in the fund, but a projected revenue shortfall would create a structural imbalance in the fund. The City Administration is currently exploring opportunities for revenue enhancements and expense efficiencies to address the structural imbalance. Revenues and expenditures will continue to be monitored closely and budget adjustments may be required to ensure the fund balance remains positive.

D. Municipal Motor Vehicle License Tax Fund 306

Municipal Motor Vehicle License Tax Fund 306 is 22.7% expended year to date. The Department of Public Services anticipates no budget savings or need in this fund. The Department of Transportation and Engineering projects no budget savings or needs, pending reimbursement processing.

E. Sawyer Point Fund 318

Sawyer Point Fund 318 is 17.3% expended year to date. The Parks Department projects no budget savings or need in Fund 318.

F. Recreation Special Activities Fund 323

Recreation Special Activities Fund 323 is currently 33.0% expended year to date. While Cincinnati Recreation Commission projects no budget savings or need in Fund 323, revenues are trending below estimates. This fund will be monitored closely.

G. Cincinnati Riverfront Park Fund 329

Cincinnati Riverfront Park Fund 329 is the appropriated fund for Smale Park. Fund 329 is currently 6.8% expended year to date. The Parks Department projects no budget savings or need in Fund 329.

H. Hazard Abatement Fund 347

Hazard Abatement Fund 347 is 0.1% expended year to date. The Department of Buildings and Inspections projects no budget savings or need at this time.

I. 9-1-1 Cell Phone Fees Fund 364

9-1-1 Cell Phone Fees Fund 364 is the appropriated fund that governs the City portion of state collected revenue from mobile device fees. Fund 364 is currently 5.4% expended year to date. The Emergency Communications Center projects no budget savings or need in Fund 364.

J. Safe and Clean Fund 377

Safe and Clean Fund 377 is the appropriated fund that collects revenue associated with billboard leases. These resources are allocated to Keep Cincinnati Beautiful (KCB) expenditures. The fund is currently 0.0% expended year to date. The Department of Public Services anticipates neither a savings nor a need in this fund.

K. Community Health Center Activities Fund 395

Community Health Center Activities Fund 395 is 28.2% expended year to date. The Cincinnati Health Department (CHD) projects potential personnel savings resulting from position vacancies. This will offset a projected need in non-personnel for temporary staffing services, nursing uniform allowances, and the unbudgeted repair and replacement of equipment.

L. Cincinnati Health District Fund 416

General operational support to the Cincinnati Health Department is provided by Cincinnati Health District Fund 416. This fund is 25.5% expended year to date. The Cincinnati Health Department (CHD) projects potential personnel savings resulting from position vacancies. This will offset a projected need in non-personnel for temporary staffing services, nursing uniform allowances, and unbudgeted repair expenses to clinic sites and other Health Department facilities.

M. Cincinnati Area Geographic Information System (CAGIS) Fund 449

Cincinnati Area Geographic Information System Fund 449 is 28.6% expended year to date. The Office of Performance and Data Analytics projects no budget savings or need at this time.

N. Streetcar Operations Fund 455

Streetcar Operations Fund 455 is 13.2% expended year to date. The Department of Transportation and Engineering projects a total need of \$180,000 related to unbudgeted personnel reimbursements and contractual services for utilities and Transdev. These needs will be monitored closely.

O. County Law Enforcement Applied Regionally (CLEAR) Fund 457

The CLEAR Fund is 14.3% expended year to date. Enterprise Technology Solutions projects no budget savings or need for FY 2024.

Summary

Through October 31, 2023, major budget issues include overtime needs for both the Fire Department and Police Department, pending labor contracts for the International Association of Fire Fighters (IAFF) employees and Fraternal Order of Police (FOP) employees, the structural imbalance in Parking Meter Fund 303, and lasting impacts from the COVID-19 pandemic related to supply chain issues.

Departments have identified possible savings and shortfalls, which will continue to be monitored and updated monthly.

Submitted herewith are the following Office of Budget & Evaluation reports:

1. Fund Summary Report for the month ended October 31, 2023.

Submitted herewith are the following Department of Finance reports:

2. Comparative Statement of Revenue (Actual, Forecast and Prior Year) as of October 31, 2023.
3. Audit of the City Treasurer's Report for the month ended September 30, 2023.
4. Statement of Balances in the various funds as of October 31, 2023.

By approval of this report, City Council appropriates the revenues received in the various restricted funds on the attached Statement of Balances and as stated in greater detail on the records maintained by the Department of Finance, Division of Accounts & Audits. Such revenues are to be expended in accordance with the purposes for which the funds were established.

cc: William "Billy" Weber, Assistant City Manager
Karen Alder, Finance Director
Andrew M. Dudas, Budget Director

**CITY OF CINCINNATI
FUND SUMMARY
FOR FISCAL YEAR 2024
AS OF 10/31/2023**

FUND	FUND NAME	EXPENDITURE CATEGORY	CURRENT BUDGET	EXPENDED	PERCENT EXPENDED	ENCUMBERED	TOTAL COMMITTED	PERCENT COMMITTED	REMAINING BALANCE
050	General	PERSONNEL SERVICES	292,289,895.00	88,053,142.90	30.1%	590,652.00	88,643,794.90	30.3%	203,646,100.10
		EMPLOYEE BENEFITS	114,417,633.00	41,113,555.36	35.9%	67,943.08	41,181,498.44	36.0%	73,236,134.56
		NON-PERSONNEL EXPENSES	105,043,672.20	21,759,481.95	20.7%	27,043,961.28	48,803,443.23	46.5%	56,240,228.97
		PROPERTIES	20,000.00	.00	0.0%	.00	.00	0.0%	20,000.00
		*TOTAL FUND_CD 050	511,771,200.20	150,926,180.21	29.5%	27,702,556.36	178,628,736.57	34.9%	333,142,463.63
101	Water Works	PERSONNEL SERVICES	43,016,640.00	10,560,832.80	24.6%	.00	10,560,832.80	24.6%	32,455,807.20
		EMPLOYEE BENEFITS	17,983,640.00	5,743,020.94	31.9%	.00	5,743,020.94	31.9%	12,240,619.06
		NON-PERSONNEL EXPENSES	64,662,810.00	14,293,553.06	22.1%	24,892,000.69	39,185,553.75	60.6%	25,477,256.25
		DEBT SERVICE	47,154,020.00	13,145,228.08	27.9%	57,500.00	13,202,728.08	28.0%	33,951,291.92
		*TOTAL FUND_CD 101	172,817,110.00	43,742,634.88	25.3%	24,949,500.69	68,692,135.57	39.7%	104,124,974.43
102	Parking System Facilities	PERSONNEL SERVICES	390,500.00	98,311.43	25.2%	.00	98,311.43	25.2%	292,188.57
		EMPLOYEE BENEFITS	147,190.00	53,129.71	36.1%	.00	53,129.71	36.1%	94,060.29
		NON-PERSONNEL EXPENSES	5,046,730.00	828,503.53	16.4%	2,494,863.66	3,323,367.19	65.9%	1,723,362.81
		DEBT SERVICE	2,160,200.00	70,104.73	3.2%	.00	70,104.73	3.2%	2,090,095.27
		*TOTAL FUND_CD 102	7,744,620.00	1,050,049.40	13.6%	2,494,863.66	3,544,913.06	45.8%	4,199,706.94
103	Convention-Exposition Center	PERSONNEL SERVICES	116,070.00	19,717.87	17.0%	.00	19,717.87	17.0%	96,352.13
		EMPLOYEE BENEFITS	53,440.00	7,238.97	13.5%	.00	7,238.97	13.5%	46,201.03
		NON-PERSONNEL EXPENSES	10,028,250.00	3,028,475.24	30.2%	6,055,830.64	9,084,305.88	90.6%	943,944.12
		DEBT SERVICE	285,600.00	.00	0.0%	.00	.00	0.0%	285,600.00
		*TOTAL FUND_CD 103	10,483,360.00	3,055,432.08	29.1%	6,055,830.64	9,111,262.72	86.9%	1,372,097.28
104	General Aviation	PERSONNEL SERVICES	902,780.00	209,851.79	23.2%	.00	209,851.79	23.2%	692,928.21
		EMPLOYEE BENEFITS	389,510.00	87,215.66	22.4%	.00	87,215.66	22.4%	302,294.34
		NON-PERSONNEL EXPENSES	1,002,430.00	205,036.48	20.5%	150,931.66	355,968.14	35.5%	646,461.86
		DEBT SERVICE	44,590.00	.00	0.0%	.00	.00	0.0%	44,590.00
		*TOTAL FUND_CD 104	2,339,310.00	502,103.93	21.5%	150,931.66	653,035.59	27.9%	1,686,274.41

**CITY OF CINCINNATI
FUND SUMMARY
FOR FISCAL YEAR 2024
AS OF 10/31/2023**

FUND	FUND NAME	EXPENDITURE CATEGORY	CURRENT BUDGET	EXPENDED	PERCENT EXPENDED	ENCUMBERED	TOTAL COMMITTED	PERCENT COMMITTED	REMAINING BALANCE
105	Municipal Golf	PERSONNEL SERVICES	209,700.00	56,536.41	27.0%	.00	56,536.41	27.0%	153,163.59
		EMPLOYEE BENEFITS	76,700.00	24,618.95	32.1%	.00	24,618.95	32.1%	52,081.05
		NON-PERSONNEL EXPENSES	5,875,990.00	2,697,773.83	45.9%	743,933.67	3,441,707.50	58.6%	2,434,282.50
		DEBT SERVICE	615,000.00	.00	0.0%	.00	.00	0.0%	615,000.00
		*TOTAL FUND_CD 105	6,777,390.00	2,778,929.19	41.0%	743,933.67	3,522,862.86	52.0%	3,254,527.14
107	Stormwater Management	PERSONNEL SERVICES	9,694,210.00	1,972,299.43	20.3%	.00	1,972,299.43	20.3%	7,721,910.57
		EMPLOYEE BENEFITS	4,191,240.00	969,856.48	23.1%	.00	969,856.48	23.1%	3,221,383.52
		NON-PERSONNEL EXPENSES	13,140,130.00	3,660,050.36	27.9%	1,115,735.28	4,775,785.64	36.3%	8,364,344.36
		PROPERTIES	5,000.00	.00	0.0%	.00	.00	0.0%	5,000.00
		DEBT SERVICE	2,216,370.00	.00	0.0%	.00	.00	0.0%	2,216,370.00
		*TOTAL FUND_CD 107	29,246,950.00	6,602,206.27	22.6%	1,115,735.28	7,717,941.55	26.4%	21,529,008.45
151	Bond Retirement - City	PERSONNEL SERVICES	307,010.00	55,852.70	18.2%	.00	55,852.70	18.2%	251,157.30
		EMPLOYEE BENEFITS	125,680.00	22,409.89	17.8%	.00	22,409.89	17.8%	103,270.11
		NON-PERSONNEL EXPENSES	3,563,620.00	313,948.74	8.8%	352,604.39	666,553.13	18.7%	2,897,066.87
		DEBT SERVICE	145,765,610.00	12,672,181.29	8.7%	.00	12,672,181.29	8.7%	133,093,428.71
		*TOTAL FUND_CD 151	149,761,920.00	13,064,392.62	8.7%	352,604.39	13,416,997.01	9.0%	136,344,922.99
301	Street Construction Maintenance & Repair	PERSONNEL SERVICES	6,623,880.00	1,596,193.80	24.1%	.00	1,596,193.80	24.1%	5,027,686.20
		EMPLOYEE BENEFITS	2,784,010.00	913,359.02	32.8%	.00	913,359.02	32.8%	1,870,650.98
		NON-PERSONNEL EXPENSES	7,420,610.00	1,547,378.43	20.9%	1,596,761.59	3,144,140.02	42.4%	4,276,469.98
		PROPERTIES	.00	.00		.00	.00		.00
		*TOTAL FUND_CD 301	16,828,500.00	4,056,931.25	24.1%	1,596,761.59	5,653,692.84	33.6%	11,174,807.16
302	Income Tax Infrastructure	PERSONNEL SERVICES	12,629,410.00	3,262,545.41	25.8%	.00	3,262,545.41	25.8%	9,366,864.59
		EMPLOYEE BENEFITS	4,927,200.00	1,779,775.33	36.1%	.00	1,779,775.33	36.1%	3,147,424.67
		NON-PERSONNEL EXPENSES	6,174,750.00	2,327,995.04	37.7%	542,554.78	2,870,549.82	46.5%	3,304,200.18
		*TOTAL FUND_CD 302	23,731,360.00	7,370,315.78	31.1%	542,554.78	7,912,870.56	33.3%	15,818,489.44

**CITY OF CINCINNATI
FUND SUMMARY
FOR FISCAL YEAR 2024
AS OF 10/31/2023**

FUND	FUND NAME	EXPENDITURE CATEGORY	CURRENT BUDGET	EXPENDED	PERCENT EXPENDED	ENCUMBERED	TOTAL COMMITTED	PERCENT COMMITTED	REMAINING BALANCE
303	Parking Meter	PERSONNEL SERVICES	1,933,630.00	486,310.21	25.2%	.00	486,310.21	25.2%	1,447,319.79
		EMPLOYEE BENEFITS	794,800.00	296,381.31	37.3%	.00	296,381.31	37.3%	498,418.69
		NON-PERSONNEL EXPENSES	2,349,050.00	621,418.16	26.5%	699,511.66	1,320,929.82	56.2%	1,028,120.18
		*TOTAL FUND_CD 303	5,077,480.00	1,404,109.68	27.7%	699,511.66	2,103,621.34	41.4%	2,973,858.66
306	Municipal Motor Vehicle License Tax	PERSONNEL SERVICES	1,703,560.00	448,043.97	26.3%	.00	448,043.97	26.3%	1,255,516.03
		EMPLOYEE BENEFITS	793,660.00	222,393.21	28.0%	.00	222,393.21	28.0%	571,266.79
		NON-PERSONNEL EXPENSES	1,726,220.00	290,173.72	16.8%	248,746.23	538,919.95	31.2%	1,187,300.05
		*TOTAL FUND_CD 306	4,223,440.00	960,610.90	22.7%	248,746.23	1,209,357.13	28.6%	3,014,082.87
318	Sawyer Point	PERSONNEL SERVICES	456,490.00	45,551.16	10.0%	.00	45,551.16	10.0%	410,938.84
		EMPLOYEE BENEFITS	92,550.00	16,417.22	17.7%	.00	16,417.22	17.7%	76,132.78
		NON-PERSONNEL EXPENSES	571,150.00	131,789.16	23.1%	174,419.90	306,209.06	53.6%	264,940.94
		*TOTAL FUND_CD 318	1,120,190.00	193,757.54	17.3%	174,419.90	368,177.44	32.9%	752,012.56
323	Recreation Special Activities	PERSONNEL SERVICES	3,402,530.00	1,038,681.84	30.5%	.00	1,038,681.84	30.5%	2,363,848.16
		EMPLOYEE BENEFITS	264,630.00	96,943.81	36.6%	.00	96,943.81	36.6%	167,686.19
		NON-PERSONNEL EXPENSES	2,241,540.00	816,180.71	36.4%	344,146.94	1,160,327.65	51.8%	1,081,212.35
		PROPERTIES	13,860.00	.00	0.0%	.00	.00	0.0%	13,860.00
		*TOTAL FUND_CD 323	5,922,560.00	1,951,806.36	33.0%	344,146.94	2,295,953.30	38.8%	3,626,606.70
329	Cincinnati Riverfront Park	PERSONNEL SERVICES	698,560.00	.00	0.0%	.00	.00	0.0%	698,560.00
		EMPLOYEE BENEFITS	335,170.00	3,680.00	1.1%	.00	3,680.00	1.1%	331,490.00
		NON-PERSONNEL EXPENSES	483,370.00	99,127.51	20.5%	90,391.92	189,519.43	39.2%	293,850.57
		*TOTAL FUND_CD 329	1,517,100.00	102,807.51	6.8%	90,391.92	193,199.43	12.7%	1,323,900.57
347	Hazard Abatement Fund	PERSONNEL SERVICES	465,210.00	.00	0.0%	.00	.00	0.0%	465,210.00
		EMPLOYEE BENEFITS	222,260.00	.00	0.0%	.00	.00	0.0%	222,260.00
		NON-PERSONNEL EXPENSES	10,220.00	711.14	7.0%	.00	711.14	7.0%	9,508.86
		*TOTAL FUND_CD 347	697,690.00	711.14	0.1%	.00	711.14	0.1%	696,978.86
364	9-1-1 Cell Phone Fees	PERSONNEL SERVICES	573,480.00	.00	0.0%	.00	.00	0.0%	573,480.00
		EMPLOYEE BENEFITS	243,880.00	.00	0.0%	.00	.00	0.0%	243,880.00
		NON-PERSONNEL EXPENSES	652,630.00	79,732.86	12.2%	167,647.74	247,380.60	37.9%	405,249.40
		*TOTAL FUND_CD 364	1,469,990.00	79,732.86	5.4%	167,647.74	247,380.60	16.8%	1,222,609.40

**CITY OF CINCINNATI
FUND SUMMARY
FOR FISCAL YEAR 2024
AS OF 10/31/2023**

FUND	FUND NAME	EXPENDITURE CATEGORY	CURRENT BUDGET	EXPENDED	PERCENT EXPENDED	ENCUMBERED	TOTAL COMMITTED	PERCENT COMMITTED	REMAINING BALANCE
377	Safe & Clean	NON-PERSONNEL EXPENSES	52,040.00	.00	0.0%	52,040.00	52,040.00	100.0%	.00
*TOTAL FUND_CD 377			52,040.00	.00	0.0%	52,040.00	52,040.00	100.0%	.00
395	Community Health Center	PERSONNEL SERVICES	13,753,380.00	3,414,922.10	24.8%	.00	3,414,922.10	24.8%	10,338,457.90
		EMPLOYEE BENEFITS	5,762,180.00	1,785,108.71	31.0%	.00	1,785,108.71	31.0%	3,977,071.29
		NON-PERSONNEL EXPENSES	8,914,750.00	2,816,916.05	31.6%	4,836,244.91	7,653,160.96	85.8%	1,261,589.04
*TOTAL FUND_CD 395			28,430,310.00	8,016,946.86	28.2%	4,836,244.91	12,853,191.77	45.2%	15,577,118.23
416	Cincinnati Health District	PERSONNEL SERVICES	14,150,810.00	3,428,067.25	24.2%	.00	3,428,067.25	24.2%	10,722,742.75
		EMPLOYEE BENEFITS	5,543,360.00	1,526,656.40	27.5%	.00	1,526,656.40	27.5%	4,016,703.60
		NON-PERSONNEL EXPENSES	1,390,460.00	423,626.24	30.5%	571,703.88	995,330.12	71.6%	395,129.88
		PROPERTIES	3,010.00	.00	0.0%	.00	.00	0.0%	3,010.00
*TOTAL FUND_CD 416			21,087,640.00	5,378,349.89	25.5%	571,703.88	5,950,053.77	28.2%	15,137,586.23
449	Cincinnati Area Geographic Information Systems (CAGIS)	PERSONNEL SERVICES	2,040,720.00	519,231.03	25.4%	.00	519,231.03	25.4%	1,521,488.97
		EMPLOYEE BENEFITS	727,600.00	243,981.63	33.5%	.00	243,981.63	33.5%	483,618.37
		NON-PERSONNEL EXPENSES	2,401,440.00	714,459.70	29.8%	187,432.59	901,892.29	37.6%	1,499,547.71
*TOTAL FUND_CD 449			5,169,760.00	1,477,672.36	28.6%	187,432.59	1,665,104.95	32.2%	3,504,655.05
455	Streetcar Operations	PERSONNEL SERVICES	518,670.00	130,441.80	25.1%	.00	130,441.80	25.1%	388,228.20
		EMPLOYEE BENEFITS	229,120.00	46,194.41	20.2%	.00	46,194.41	20.2%	182,925.59
		NON-PERSONNEL EXPENSES	5,144,060.00	601,080.63	11.7%	4,333,496.45	4,934,577.08	95.9%	209,482.92
*TOTAL FUND_CD 455			5,891,850.00	777,716.84	13.2%	4,333,496.45	5,111,213.29	86.8%	780,636.71
457	County Law Enforcement Applied Regionally (CLEAR)	PERSONNEL SERVICES	1,625,440.00	318,272.75	19.6%	.00	318,272.75	19.6%	1,307,167.25
		EMPLOYEE BENEFITS	515,950.00	126,698.20	24.6%	.00	126,698.20	24.6%	389,251.80
		NON-PERSONNEL EXPENSES	3,550,030.00	657,722.61	18.5%	717,555.27	1,375,277.88	38.7%	2,174,752.12
		PROPERTIES	2,000,000.00	.00	0.0%	.00	.00	0.0%	2,000,000.00
*TOTAL FUND_CD 457			7,691,420.00	1,102,693.56	14.3%	717,555.27	1,820,248.83	23.7%	5,871,171.17
TOTAL			1,019,853,190.20	254,596,091.11	25.0%	78,128,610.21	332,724,701.32	32.6%	687,128,488.88

January 18, 2024

To: Mayor and Members of City Council

202400220

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Warsaw Creative Campus II

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Price Hill Will, thereby authorizing a fifteen-year tax exemption for 100% of the value of improvements made to real property located at 3104 Warsaw Avenue in the East Price Hill neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 5,005 square feet of residential space, consisting of nine residential units, and approximately 1,774 square feet of commercial space, at a total construction cost of approximately \$2,536,765.

STATEMENT

The project reactivates a blighted and vacant mixed-use building that will provide 9 residential units of affordable housing to households not to exceed 60% AMI and will ultimately reactive \$1,700 feet of commercial space that will create jobs and be and be an amenity to the community.

BACKGROUND/CURRENT CONDITIONS

The property, located at 3104 Warsaw Avenue has been vacant for 3 years and was previously owned by the Land Bank. It is located in the East Price Hill Historic District.

DEVELOPER INFORMATION

Price Hill Will/Rachel Hastings, Executive Director. Recent projects completed by Price Hill Will Include Warsaw Creative Campus, Phase I, which includes the historic renovation of several mixed-use buildings on the 3100 block of Warsaw Avenue for households not to exceed to exceed 60% of the Area Median Income.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

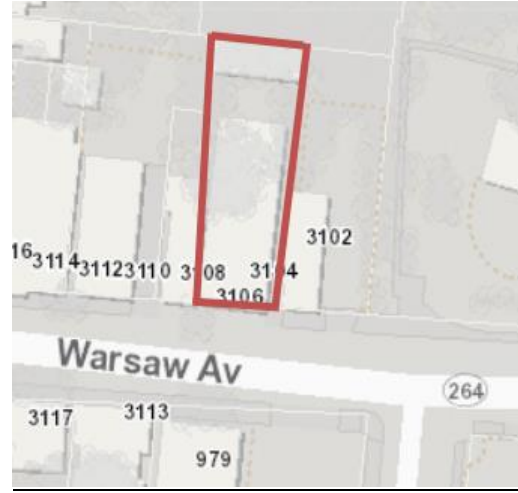
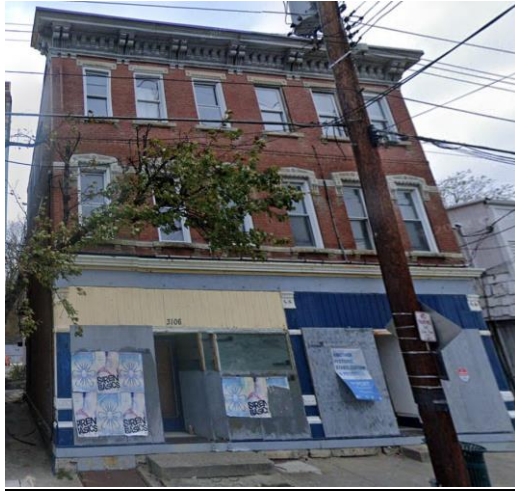
Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	Warsaw Creative Campus II
Street Address	3104 Warsaw Street
Neighborhood	East Price Hill
Property Condition	Vacant Building
Project Type	Renovation
Project Cost	Hard Construction Costs: \$2,536,765 Acquisition Costs: \$1 Soft Costs: \$565,079 Developer Fee \$394,131 Total Project Cost: \$3,495,975
Private Investment	Private Financing: \$575,000 Combined Tax Credit and Sponsor Equity: \$1,532,476 Anticipated County ARPA: \$242,231 Anticipated City AHTF: \$450,000 Port Stabilization Funds: \$113,134
Sq. Footage by Use	5,005 square feet of residential space, 1,774 square feet of commercial space
Number of Units and Rent Ranges	9 1-BR Units; Rent Range \$875 9 Total Units
Median 1-BD Rent Affordable To	Salary: \$35,000 City Job Classification: Police Criminalist, Sewer Maintenance Crew Leader, Greenspace Manager
Jobs and Payroll	Created FTE Positions: 2 Total Payroll for Created FTE Positions: \$110,000 Average Salary for Created FTE Positions: \$55,000 Construction FTE Positions: 103 Total Payroll for Construction FTE Positions: \$2,000,000
Location and Transit	Located within East Price Hill Incline District and Cincinnati Historic District on the National Registry Transit Score: 42
Community Engagement	Presented at Community Council (CC) on 6/7/2022. The East Price Hill Improvement Association has provided letter of support.
Plan Cincinnati Goals	Live Initiative Area Goal 3 (p. 148), Sustain Initiative Area Goal 2 (p.180)

Project Image and Site Map



Proposed Incentive

Incentive Terms	15-year, net 67%
Incentive Application Process	Commercial CRA – Neighborhood
“But For” (0-3 points)	Without Abatement: 0% rate of return (stabilized) With Abatement: 1% rate of return (stabilized) Project is undercapitalized and will not proceed without an abatement and various funding subsidies. Note that the only reason the developer would proceed with this rate of return is they are a non-profit developer. (3 points)
Environmental Building Certification (0-5 points)	Non-LEED (0 points)
VTICA (0-8 points)	Neighborhood VTICA – 0% (0 points)
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	N/a
Other Incentives & Approvals	\$350,000 CDBG NOFA Award, \$450,000 AHTF (pending)

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$29,149
Total Term Incentive to Developer	\$437,228
City's Portion of Property Taxes Forgone (Term)	\$91,708
City's TIF District Revenue Forgone (Term)	\$0

Public Benefit	Value	
CPS PILOT	Annual	\$14,357
	Total Term	215,351
VTICA	Annual	\$0

Total Term	\$0
Income Tax Total Term (Maximum)	\$65,700
Total Public Benefit (CPS PILOT, VTICA, Income Tax)	\$281,051

Total Public Benefit ROI*	\$\$.64
City's ROI**	\$3.06

* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.

**This figure represents the total dollars returned for City/ over the City's property taxes forgone.

For Reference: 2023 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$21,250	\$24,300	\$27,350	\$30,350	\$32,800	\$35,250	\$37,650	\$40,100
50%	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650	\$62,700	\$66,750
60%	\$42,480	\$48,540	\$54,600	\$60,760	\$65,520	\$70,380	\$75,240	\$80,100
80%	\$56,650	\$64,750	\$72,850	\$80,900	\$87,400	\$93,850	\$100,350	\$106,800

EMERGENCY

EVK

- 2024

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Price Hill Will, thereby authorizing a fifteen-year tax exemption for 100 percent of the value of improvements made to real property located at 3104 Warsaw Avenue in the East Price Hill neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 5,005 square feet of residential space, consisting of nine residential units, and approximately 1,774 square feet of commercial space, at a total construction cost of approximately \$2,536,765.

WHEREAS, to encourage the development of real property and the acquisition of personal property, Council by Ordinance No. 274-2017 passed on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, Ordinance No. 275-2017 passed by Council on September 27, 2017, as amended by Ordinance No. 339-2018, passed by Council on October 31, 2018, sets forth certain additional policies, conditions, and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area; and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, Price Hill Will (the “Company”) desires to remodel an existing building into approximately 5,005 square feet of residential space, consisting of nine residential units, and approximately 1,774 square feet of commercial space on real property at 3104 Warsaw Avenue located within the corporate boundaries of the City of Cincinnati (the “Improvements”), provided that the appropriate development incentives are available to support the economic viability of the Improvements; and

WHEREAS, to provide an appropriate development incentive for the Improvements, the City Manager has recommended a Community Reinvestment Area Tax Exemption Agreement, in substantially the form of Attachment A to this ordinance, to authorize a real property tax exemption for the Improvements in accordance with the Statute; and

WHEREAS, the property is located within the Cincinnati City School District; and

WHEREAS, the Board of Education of the Cincinnati City School District (the “Board of Education”), pursuant to that certain Tax Incentive Agreement effective as of April 28, 2020

(as may be amended, the “Board of Education Agreement”), has approved exemptions of up to 100 percent of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 33 percent of the exempt real property taxes; and

WHEREAS, the City’s Department of Community and Economic Development estimates that the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately \$29,149; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company’s operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per R.C. Section 3735.673; now, therefore,

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

Section 1. That Council approves a Community Reinvestment Area Tax Exemption Agreement with Price Hill Will (the “Agreement”), thereby authorizing a fifteen-year tax exemption for 100 percent of the assessed value of improvements to be made to real property located at 3104 Warsaw Avenue in Cincinnati, as calculated by the Hamilton County Auditor, in connection with the remodeling of an existing building into approximately 5,005 square feet of residential space, consisting of nine residential units, and approximately 1,774 square feet of commercial space, to be completed at a total construction cost of approximately \$2,536,765.

Section 2. That Council authorizes the City Manager:

- (i) to execute the Agreement on behalf of the City of Cincinnati (the “City”) in substantially the form of Attachment A to this ordinance;
- (ii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Department of Development, in accordance with Ohio Revised Code Section 3735.672, and to the Board of Education of the Cincinnati City School District, as necessary; and
- (iii) to take all necessary and proper actions to fulfill the City’s obligations under the Agreement.

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 allow the remodeling described in this ordinance and the corresponding revitalization of the City of Cincinnati and the benefits to the City's economic welfare to begin at the earliest possible time.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

Community Reinvestment Area Tax Exemption Agreement

This Community Reinvestment Area Tax Exemption Agreement (this "Agreement") is made and entered into as of the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation (the "City"), and PRICE HILL WILL, an Ohio nonprofit corporation (the "Company").

Recitals:

- A. The City, through the adoption of Ordinance No. 274-2017 on September 27, 2017, designated the entire City of Cincinnati as a Community Reinvestment Area to encourage the development of real property and the acquisition of personal property in that area, pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the "Statute").
- B. In accordance with the Statute, the Ohio Director of Development has forwarded to the City the Director's determination dated October 23, 2017, stating that the findings contained in Ordinance No. 274-2017 are valid and that the entire City is a Community Reinvestment Area under the Statute. By such determination, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute.
- C. The Council of the City of Cincinnati has also passed Ordinance No. 275-2017 as of September 27, 2017, as amended by Ordinance No. 339-2018, passed on October 31, 2018, Ordinance No. 370-2020, passed on November 12, 2020, and Ordinance No. 24-2022, passed on February 2, 2022 (as amended, the "Commercial Policy Ordinance"), which sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area.
- D. The Company is the sole owner of certain real property within the City, located at 3104 Warsaw Avenue, Cincinnati, Ohio 45205 (the "Property"), as further described in Exhibit A (Legal Description of Property) hereto. Notwithstanding the foregoing, the Property shall not include any residential condominiums being developed in connection with the Project (as defined below) (the "Excluded Property"), and the Company acknowledges and agrees that the City's Community Reinvestment Area program entails separate applications by the owner of any residential condominium units included within the Project. For the avoidance of doubt, the Excluded Property shall not be exempt under this Agreement; however, this provision shall not be deemed to prohibit any owners from time to time of any Excluded Property from separately applying for a tax abatement in accordance with applicable law.
- E. The Company has proposed the remodeling of a building located on the Property within the boundaries of the City of Cincinnati, as more fully described in Section 1 herein (the "Project"); provided that the appropriate development incentives are available to support the economic viability of the Project.
- F. The Statute provides that if any part of a project is to be used for commercial or industrial purposes, including projects containing five or more dwelling units, in order to be eligible for tax exemption the City and the Company must enter into an agreement pursuant to Ohio Revised Code Section 3735.671 prior to commencement of construction or remodeling.
- G. The City, having appropriate authority under the Statute for this type of project, agrees (as provided herein and subject to all conditions herein) to provide the Company with the tax exemption incentives stated herein, available under the Statute, for development of the Project.

- H. The Company has submitted to the City an application for this tax exemption agreement (the "Application"), a copy of which is attached hereto as Exhibit B, has remitted with the Application the City application fee of One Thousand Two Hundred Fifty Dollars (\$1,250) made payable to the City.
- I. The Director of the City's Department of Community and Economic Development has recommended approval of the Application on the basis that the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City.
- J. The Board of Education of the Cincinnati City School District (the "Board of Education"), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020, has approved exemptions of up to one hundred percent (100%) of Community Reinvestment Area projects, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.
- K. The Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "Board of Education Agreement").
- L. The Company represents and warrants to the City that the Company and its major tenants, if any, do not intend to relocate part or all of their operations to the City from another county or municipal corporation in the State of Ohio (the "State").
- M. The Company represents that within the past three (3) years neither the Company, any related member of the Company, nor any entity to which the Company is a successor has discontinued operations at a project site in the State during the term of a property tax exemption agreement (under Ohio Revised Code Section 3735.671, 5709.62, 5709.63 or 5709.632) applicable to that site, and the Company acknowledges that misrepresentation hereunder will result in voiding of this Agreement.
- N. The Company represents and warrants to the City that the Company is not subject to an Enterprise Zone Agreement with the City of Cincinnati for the Property or the Project.
- O. This Agreement has been authorized by Ordinance No. _____-2024, passed by Cincinnati City Council on _____, 2024.
- P. In determining to recommend and authorize this Agreement, the Department of Community and Economic Development and City Council, respectively, have acted in material reliance on the Company's representations in the Application and herein regarding the Project including, but not limited to, representations relating to the number of jobs to be created and/or retained by the Company, the Board of Education Agreement, and the Project's effect in promoting the general welfare of the people of Cincinnati by, for example, encouraging the development of real property located in the Community Reinvestment Area and thereby promoting economic growth and vitality in Cincinnati.

NOW, THEREFORE, pursuant to Ohio Revised Code Section 3735.67(A) and in conformity with the format required under Ohio Revised Code Section 3735.671, in consideration of the mutual covenants contained herein and the benefit to be derived by the parties from the execution hereof, the parties agree as follows:

Section 1. Project. Upon issuance of the necessary zoning and building approvals, the Company agrees to remodel an existing building on the Property into approximately 5,005 square feet of residential space, consisting of 9 residential rental units, and approximately 1,774 square feet of commercial space (the "Improvements") at an estimated aggregate cost of \$2,536,765 to commence after

the execution of this Agreement and to be completed no later than December 1, 2024; *provided*, however, that the Director of the Department of Community and Economic Development (the "Housing Officer") may, in his or her discretion, extend such deadline for a period of up to 12 months by written notice if, in the Director's judgment, the Company is proceeding in good faith towards completion. The remodeling shall be in compliance with applicable building code requirements and zoning regulations. In addition to the foregoing, (A) the Project shall comply with the Americans with Disabilities Act, together with any and all regulations or other binding directives promulgated pursuant thereto (collectively, the "**ADA**"), and (B) if (i) any building(s) within the Project is subject to the accessibility requirements of the ADA (e.g., by constituting a "place of public accommodation" or another category of structure to which the ADA is applicable) and (ii) such building(s) is not already required to meet the Contractual Minimum Accessibility Requirements (as defined below) pursuant to the ADA, applicable building code requirements, or by any other legal requirement, then the Company shall cause such building(s) to comply with the Contractual Minimum Accessibility Requirements in addition to any requirements pursuant to the ADA and the applicable building code or legal requirement. As used herein, "**Contractual Minimum Accessibility Requirements**" means that a building shall, at a minimum, include (1) at least one point of entry (as used in the ADA), accessible from a public right of way, with respect to which all architectural barriers (as used in the ADA) to entry have been eliminated, and (2) if such accessible point of entry is not a building's primary point of entry, conspicuous signage directing persons to such accessible point of entry.

Section 2. Real Property Tax Exemption. Subject to the satisfaction of the conditions set forth in this Agreement, the City approves exemption from real property taxation, pursuant to and to the fullest extent authorized by the Statute, of 100% of the amount by which the Improvements increase the assessed value of the Property as determined by the Hamilton County Auditor, for a period of 15 years, provided that the Company shall have entered into the Board of Education Agreement. Within 120 days after completion of the Project (unless otherwise extended in writing by the City's Housing Officer), the Company must file the appropriate application for tax exemption with the City's Housing Officer. The Company is solely responsible to take this action. Upon receipt of the application for tax exemption, the City will proceed with the exemption authorized by this Agreement. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of remodeling, (B) the cost of remodeling, (C) the facts asserted in the application for exemption, and (D) if a remodeled structure is a structure of historical or architectural significance as designated by the City, state or federal government, that the appropriateness of the remodeling has been certified in writing by the appropriate agency. If the required verification is made, the Housing Officer will forward the exemption application to the Hamilton County Auditor with the necessary certification by the Housing Officer. Subject to the conditions set forth in this Agreement, the exemption commences the first tax year for which the Improvements would first be taxable were the Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2025 nor extend beyond the earlier of (i) tax year 2039 or (ii) the end of the fifteenth (15th) year of exemption.

Section 3. Use; Maintenance; Inspections. The Company shall use the Property solely for the purposes described in Section 1 hereof and shall properly maintain and repair the Property throughout the period of tax exemption authorized herein. The Company authorizes the Housing Officer, or the Housing Officer's designees, to enter upon the Property as reasonably required to perform property inspections in accordance with Ohio Revised Code Section 3735.68.

Section 4. Compliance with Board of Education Agreement. As a condition of the tax exemption authorized under this Agreement, the Company agrees to enter into and comply with its obligation under the Board of Education Agreement.

Section 5. Duty of Company to Pay Taxes. As required by Ohio Revised Code Section 3735.671(B)(3), the Company shall pay such real property taxes as are not exempted under this Agreement and are charged against the Property and shall file all tax reports and returns as required by law. If the Company fails to pay such taxes or file such returns and reports, exemptions from taxation

granted or authorized under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and continuing thereafter.

Section 6. Company Certifications Regarding Non-Delinquency of Tax Obligations. As required by Ohio Revised Code Section 3735.671(B)(4), the Company certifies that at the time this Agreement is executed, the Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State, and does not owe delinquent taxes for which the Company is liable under Ohio Revised Code Chapters 5735, 5739, 5741, 5743, 5747 or 5753, or if such delinquent taxes are owed, the Company currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, has filed a petition in bankruptcy under 101, et seq., or such a petition has been filed against the Company. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

Section 7. Covenant of Satisfaction of Tax and Other Obligations. In accordance with Ohio Revised Code Section 9.66, (A) the Company affirmatively covenants that it does not owe: (i) any delinquent taxes to the State or to a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; or (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, regardless of whether the amounts owed are being contested in a court of law or not; (B) the Company authorizes the City and/or the State to inspect the personal financial statements of the Company, including tax records and other similar information not ordinarily open to public inspection; and (C) the Company authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and or other State departments in connection with the above statements. As provided by statute, a knowingly false statement under this section may be prosecuted as a first degree misdemeanor under Ohio Revised Code Section 2921.13, may render the Company ineligible for any future economic development assistance from the State or any political subdivision of the State, and will result in the City requiring the Company's repayment of any assistance provided by the City in connection with the Project.

Section 8. City Cooperation. As required by Ohio Revised Code Section 3735.671(B), upon specific request from the Company, the City shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

Section 9. Continuation of Exemptions. As provided in Ohio Revised Code Section 3735.671(B), if for any reason the City revokes the designation of the City of Cincinnati as a Community Reinvestment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation authorized pursuant to this Agreement.

Section 10. City Not Liable. The Company acknowledges that the exemption authorized in this Agreement is subject to approval and implementation by the appropriate state and/or county taxing authorities. The Company acknowledges that the City does not give any guarantee or assurance that the exemption approved in this Agreement will be so approved, and the Company agrees that in no event shall the Company seek to hold the City liable in any way in the event such exemption is not granted or implemented.

Section 11. Small Business Enterprise Program.

A. Compliance with Small Business Enterprise Program. The policy of the City is that a fair share of contracts be awarded to Small Business Enterprises (as such term is defined in Cincinnati Municipal Code ("CMC") Section 323-1-S, "SBEs"). Pursuant to CMC Section 323-11, the City's annual goal for SBE participation shall be thirty percent (30%) of the City's total

dollars spent for construction (as such term is defined in CMC Section 323-1-C4), supplies (as such term is defined in CMC Section 323-1-S5), services (as such term is defined in CMC Section 323-1-S) and professional services (as such term is defined in CMC Section 323-1-P2). Accordingly, the Company shall use its best efforts and take affirmative steps to achieve the City's goal of voluntarily meeting thirty percent (30%) SBE participation. A list of SBEs may be obtained from the City's Department of Economic Inclusion. The Company may refer interested firms to the City's Department of Economic Inclusion for review and possible certification as an SBE. The Company shall comply with the provisions of CMC Chapter 323, including without limitation taking at least the following affirmative steps:

(i) Including qualified SBEs on solicitation lists.

(ii) Assuring that SBEs are solicited whenever they are potential sources.

The Company must advertise, on at least two separate occasions, both in local minority publications and in other local newspapers of general circulation, invitations to SBEs to provide services, to supply materials, or to bid on construction contracts, as applicable.

(iii) When economically feasible, dividing total requirements into small tasks or quantities so as to permit maximum SBE participation.

(iv) If any subcontracts are to be let, the Company shall require the prime contractor (if different from the Company) to take the above affirmative steps.

(v) Prior to the commencement of work under any subcontracts, the Company shall provide to the City a list of such subcontractors, including information as to the dollar amount of the subcontracts and such other information as may be requested by the City. The Company shall update the report monthly.

(vi) The Company shall periodically document its best efforts and affirmative steps to meet the above SBE participation goals by submitting such information as may be requested from time to time by the City.

B. Remedies for Noncompliance with Small Business Enterprise Program. Failure of the Company or its contractors and subcontractors to take the affirmative steps specified above, to provide fair and equal opportunity to SBEs, or to provide technical assistance to SBEs as may be necessary to reach SBE participation as set out in CMC Chapter 323 may be construed by the City as failure of the Company to use its best efforts, and, in addition to other remedies under this Agreement, may be a cause for the City to file suit in Common Pleas Court to enforce specific performance of the terms of this Section. The provisions of CMC Section 323-99 are hereby incorporated by reference into this Agreement.

Section 12. Jobs. The Company represents that, as of the date of the execution of this Agreement, the Company has no existing employment at the Property or in the State.

Section 13. Job Creation and Retention.

A. Jobs to be Created by Company. The Company agrees to use its best efforts to create (i) 2 full-time permanent jobs, and (ii) 103 full-time temporary construction jobs at the Property in connection with the Project. In the case of the construction jobs, the job creation and retention period shall be concurrent with remodeling, and in the case of the other jobs described herein, the job creation period shall begin upon completion of remodeling and shall end three (3) years thereafter.

B. Company's Estimated Payroll Increase. The Company's increase in the number of employees will result in approximately (i) \$110,000 of additional annual payroll with respect to the full-time permanent jobs, and (ii) \$2,000,000 of additional annual payroll prior to the completion of the Project with respect to the full-time temporary construction jobs.

C. Community Reinvestment Area Employment. The Company shall (i) adopt hiring practices to ensure that at least twenty-five percent (25%) of the new employees shall be residents of the City of Cincinnati and (ii) give preference to residents of the City relative to

residents of the State who do not reside in the City when hiring new employees under this Agreement.

D. Posting Available Employment Opportunities. To the extent allowable by law, the Company shall use its best efforts to post available employment opportunities within the Company's organization or the organization of any subcontractor working with the Company with the Ohio Means Jobs Center, 1916 Central Parkway, Cincinnati, Ohio 45214-2305, through its Employer Services Unit Manager at 513-746-7200.

Section 14. Equal Employment Opportunity. This Agreement is subject to the City's Equal Employment Opportunity Program contained in CMC Chapter 325. The Equal Employment Opportunity Clause in CMC Section 325-9 is incorporated by reference in this Agreement. The term "Company" is substituted for "Contractor" throughout CMC Section 325-9 in the context of this Agreement.

Section 15. Compliance with Immigration and Nationality Act. In the performance of its obligations under this Agreement, the Company agrees to comply with the provisions of the Immigration and Nationality Act codified at 8 U.S.C. §§ 1324a(a)(1)(A) and (a)(2). Any noncompliance with such provisions shall be solely determined by either the federal agencies authorized to enforce the Immigration and Nationality Act or the U.S. Attorney General, in accordance with Executive Order 12989 of the U.S. President dated February 13, 1996, and as amended by Executive Order 13465 of the U.S. President dated June 6, 2008.

Section 16. Default. As provided in Ohio Revised Code Section 3735.671(B), if the Company materially fails to fulfill its obligations under this Agreement, or if the City determines that the certification as to delinquent taxes required by this Agreement (Section 6 hereof) or the covenant of satisfaction of tax and other obligations (Section 7 hereof) is fraudulent, the City may terminate or modify the exemptions from taxation granted or authorized under this Agreement and may require the repayment by the Company of the amount of taxes that would have been payable had the Improvements not been exempted from taxation pursuant to this Agreement. A modification of exemption may be in the form of reduction in the number of years that eligible property is exempt and/or a reduction in the exemption percentage. The City shall provide written notice to the Company prior to finding the Company in default under this section. The notice shall provide the Company with not less than thirty (30) days to cure the default prior to City termination or modification of the exemptions under this Agreement. The City may extend the cure period as reasonably necessary under the circumstances. In the event of such termination or modification, the City is authorized to so notify the appropriate taxing authorities in order to effect the termination or modification. If repayment of previously exempt taxes is required by the City under this Section, such amount shall be paid as directed by the City within thirty (30) days of written demand. The City may secure repayment of such taxes by a lien on the Property in the amount required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a mortgage lien on real property. Amounts due and not paid when due under this Section 16 shall bear interest at the rate specified in Ohio Revised Code Section 1343.03(A) (as in effect on the date of the City's payment demand).

Section 17. Annual Review and Report. As required by Ohio Revised Code Sections 3735.671(B)(5) and 5709.85, the Company shall provide to the City's Tax Incentive Review Council (or to the City Manager if so requested by the City) any information reasonably required by the Council or the City Manager to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02 if requested by the Council or City Manager. The performance of the Company's obligations stated in this Agreement shall be subject to annual review by the City's Tax Incentive Review Council (the "Annual Review and Report"). The Company shall submit information for the Annual Review and Report to the City no later than March 1 of each year.

Section 18. Revocation.

A. Generally. Pursuant to Ohio Revised Code Section 3735.68, the housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under Ohio Revised Code Section 3735.67. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the Company, the housing officer may revoke the exemption at any time after the first year of exemption. If the Company has materially failed to fulfill its obligations under this Agreement, or if the owner is determined to have violated division (E) of that section (see Section 18(B) of this Agreement), City Council, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or City Council shall notify the county auditor and the Company that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section 3735.69 or 5709.85 of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written agreement, or violation of division (C) of Ohio Revised Code Section 3735.671, and the reason for revoking the exemption.

B. Prior Statutory Violations. The Company represents and warrants to the City that it is not prohibited by Ohio Revised Code Section 3735.671(C) from entering into this Agreement. As required by Ohio Revised Code Section 3735.671(B)(7), exemptions from taxation granted or authorized under this Agreement shall be revoked if it is determined that the Company, any successor to the Company or any related member (as those terms are defined in division (C) of Ohio Revised Code Section 3735.671) has violated the prohibition against entering into this Agreement under division (C) of Ohio Revised Code Section 3735.671 or under Ohio Revised Code Sections 5709.62, 5709.63, or 5709.632 prior to the time prescribed by that division or either of those sections.

Section 19. False Statements; Penalties; Material Representations.

A. Generally. As required in connection with Ohio Revised Code Section 9.66(C), the Company affirmatively covenants that it has made no false statements to the State or the City in the process of obtaining approval for this Agreement. If any representative of the Company has knowingly made a false statement to the State or the City to obtain approval for this Agreement, or if the Company fails to provide any information expressly required under the Application, the Company shall be required to immediately return all benefits received under this Agreement (by payment of the amount of taxes exempted hereunder, paid as directed by the City within thirty (30) days of written demand) and the Company shall be ineligible for any future economic development assistance from the State, any State agency or any political subdivision of the State pursuant to Ohio Revised Code Section 9.66(C)(1). Amounts due and not paid under this Section 19 shall bear interest at the rate of twelve percent (12%) per year. Any person who provides a false statement to secure economic development assistance (as defined in Ohio Revised Code Section 9.66) may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1), which is punishable by fine of not more than One Thousand Dollars (\$1,000) and/or a term of imprisonment of not more than six (6) months.

B. Material Representations. The Parties acknowledge and agree that a material failure by the Company to comply with its representations concerning the Board of Education Agreement shall constitute an event of default for purposes of Section 16 (Default) and the basis for revocation under Section 18 (Revocation). Nothing in this Section 19.B shall operate to limit the City's enforcement authority under this Agreement including, without limitation, Section 16, Section 18, and Section 19.A.

Section 20. Conflict of Interest. The Company covenants that, to the Company's knowledge, no employee of the City has any personal interest, direct or indirect, in any matters pertaining to the Project, and the Company agrees to take appropriate steps to prevent any employee of the City from obtaining any such interest throughout the term of this Agreement.

Section 21. Annual Fee. The Company shall pay an annual fee of Five Hundred Dollars (\$500) or one percent (1%) of the annual taxes exempted under this Agreement, whichever is greater, but not to exceed Two Thousand, Five Hundred Dollars (\$2,500) per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

Section 22. Discontinued Operations. As provided in Ohio Revised Code Section 3735.671(C), if, prior to the expiration of the term of this Agreement, the Company discontinues operations at the Project so that the Property is no longer being used for the purposes described in Section 1 hereof, then the Company, its successors, and any related member shall not enter into an agreement under Ohio Revised Code Sections 3735.671, 5709.62, 5709.63 or 5709.632, and no legislative authority shall enter into such an agreement with the Company, its successors or any related member prior to the expiration of three (3) years after the discontinuation of operations. As used in this Section 22, "successors" and "related member" shall have the meanings set forth in Ohio Revised Code Section 3735.671(C).

Section 23. Notices. Unless otherwise specified herein, each party shall address written notices, demands and communications in connection with this Agreement to the other party as follows (or to such other address as is communicated in accordance with this Section):

To the City:

City of Cincinnati
Attention: Director of the Department of Community and Economic Development
Centennial Plaza Two, Suite 700
805 Central Avenue
Cincinnati, Ohio 45202

To the Company:

Price Hill Will
3301 Price Avenue,
Cincinnati, Ohio 45205
Attention: Ashley Feist

If the Company sends a notice to the City alleging that the City is in default under this Agreement, the Company shall simultaneously send a copy of such notice to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, Cincinnati, OH 45202.

Section 24. Acknowledgment of City Participation. The Company agrees to acknowledge the support of the City on construction signs, project and exhibition signage, and any publicity such as that appearing on the internet, television, cable television, radio, or in the press or any other printed media. In identifying the City as a Project partner, the Company shall use either the phrase "Project Assistance by the City of Cincinnati" or a City of Cincinnati logotype or other form of acknowledgement that has been approved in advance in writing by the City.

Section 25. Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the City and the Company with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto.

Section 26. Governing Law. This Agreement is entered into and is to be performed in the State. The City and the Company agree that the law of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

Section 27. Waiver. The City's waiver of any breach by the Company of any provision of this Agreement shall not constitute or operate as a waiver by the City of any other breach of such provision or of any other provisions, nor shall any failure or delay by the City to enforce any provision hereof operate as a waiver of such provision or of any other provision.

Section 28. Severability. This Agreement shall be severable; if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

Section 29. Amendment. This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

Section 30. Non-Assignment. As required by Ohio Revised Code Section 3735.671(B)(6), this Agreement is not transferable or assignable by the Company without the express written approval of the City Manager of the City. If the Company has entered into a Board of Education Agreement in connection with the Property, the City shall not approve the assignment of this Agreement unless the assignee has assumed the Company's remaining obligations under the Board of Education Agreement. Failure to assign or otherwise perform the Company's obligations under the Board of Education Agreement upon transfer of the Property during the term of the tax abatement authorized by this Agreement shall be basis for revocation of the tax exemption under Section 18.

Section 31. Recording. At its election, the City may record this Agreement at the City's expense in the Hamilton County Recorder's Office.

Section 32. Legislative Action Required. As provided in Ohio Revised Code Section 3735.671, the Company and the City acknowledge that this Agreement must be approved by formal action of the City Council of the City as a condition for this Agreement to take effect. Notwithstanding anything to the contrary herein, this Agreement shall take effect after the later of the date of such approval or the final date of execution of this Agreement by all parties.

Section 33. Additional Representations and Warranties of Company. The Company represents and warrants that (a) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder; (b) no notices to, or consents, authorizations or approvals of, any person are required (other than any already given or obtained) for its due execution, delivery and performance of this Agreement; and (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Company.

Section 34. Certification as to Non-Debarment. The Company represents that neither it nor any of its principals is presently debarred by any federal, state, or local government agency. In completing the Project, the Company shall not solicit bids from any contractors or subcontractors who are identified as being debarred by any federal, state, or local government agency. If the Company or any of its principals becomes debarred by any federal, state, or local government agency during the term of this Agreement, the company shall be considered in default under this Agreement.

Section 35. Appeals. Pursuant to Ohio Revised Code Section 3735.70, a person aggrieved under the Statute or this Agreement may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Section 36. Wage Enforcement.

(i) Applicability. Council passed Ordinance No. 22-2016 on February 3, 2016, which ordained Chapter 326 (Wage Enforcement) of the Cincinnati Municipal Code (the "Wage Enforcement Chapter"). The Wage Enforcement Chapter was then amended by Ordinance No. 96-2017, passed May 17, 2017. As amended, the Wage Enforcement Chapter imposes certain requirements upon persons entering into agreements with the City whereby the City provides an incentive or benefit that is projected to exceed \$25,000, as described more particularly in the Wage Enforcement Chapter. Cincinnati Municipal Code Section 326-5 requires that the language below be included in contracts subject to the Wage Enforcement Chapter.

(ii) Required Contractual Language. Capitalized terms used, but not defined, in this clause (ii) have the meanings ascribed thereto in the Wage Enforcement Chapter.

(a) This contract is or may be subject to the Wage Enforcement provisions of the Cincinnati Municipal Code. These provisions require that any Person who has an Agreement with the city or with a Contractor or Subcontractor of that Person shall report all Complaints or Adverse Determinations of Wage Theft and Payroll Fraud (as each of those terms is defined in Chapter 326 of the Cincinnati Municipal Code) against the Contractor or Subcontractors to the Department of Economic Inclusion within 30 days of notification of the Complaint or Adverse Determination.

(b) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to include provisions in solicitations and contracts regarding a Development Site that all employers, Contractors or Subcontractors performing or proposing to perform work on a Development Site provide an initial sworn and notarized "Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee and, within 30 days of an Adverse Determination or Complaint of Wage Theft or Payroll Fraud, shall provide an "Amended Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee.

(c) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to authorize, and does hereby specifically authorize, any local, state or federal agency, court, administrative body or other entity investigating a complaint of Wage Theft or Payroll Fraud against the Person (collectively "investigative bodies") to release to the City's Department of Economic Inclusion any and all evidence, findings, complaints and determinations associated with the allegations of Wage Theft or Payroll Fraud upon the City's request and further authorizes such investigative bodies to keep the City advised regarding the status of the investigation and ultimate determination. If the investigative bodies require the Person to provide additional authorization on a prescribed form or in another manner, the Person shall be required to provide such additional authorization within 14 days of a request by the City.

(d) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall include in its contracts with all Contractors language that requires the Contractors to provide the authorizations set forth in subsection (c) above and that further requires each Contractor to include in its contracts with Subcontractors those same obligations for each Subcontractor and each lower tier subcontractor.

(e) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall post a conspicuous notice on the Development Site throughout the entire period work is being performed pursuant to the Agreement indicating that the work being performed is subject to Cincinnati Municipal Code Chapter 326, Wage Enforcement, as administered by the City of Cincinnati Department of Economic Inclusion. Such notice shall include contact information for the Department of Economic Inclusion as provided by the department.

(f) Under the Wage Enforcement provisions, the City shall have the authority, under appropriate circumstances, to terminate this contract or to reduce the incentives or subsidies to be provided under this contract and to seek other remedies, including debarment.

Section 37. Legal Requirements. In completing and operating the Project, the Company shall comply with all applicable statutes, ordinances, regulations, and rules of the government of the United States, State of Ohio, County of Hamilton, and City of Cincinnati.

Section 38. Counterparts and Electronic Signatures. This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by electronic signature; any original signatures that are initially delivered electronically shall be physically delivered as soon as reasonably possible.

Remainder of this page intentionally left blank. Signature page follows.

Executed by the parties on the dates indicated below, effective as of the later of such dates (the "Effective Date").

CITY OF CINCINNATI,
an Ohio municipal corporation

PRICE HILL WILL,
an Ohio nonprofit corporation

By: _____
Sheryl M. M. Long, City Manager

By: _____

Date: _____, 2024

Printed Name: _____

Title: _____

Date: _____, 2024

Authorized by resolution dated _____

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

Exhibit A to CRA Agreement

LEGAL DESCRIPTION OF PROPERTY

Property Address: 3104 Warsaw Avenue, Cincinnati, Ohio 45205

Auditor's Parcel No.: 173-0004-0032-00

Situated in the County of Hamilton in the State of Ohio and in the City of Cincinnati.

Situated in the City of Cincinnati, County of Hamilton and State of Ohio viz: Beginning at a point on the North side of Warsaw Avenue, formerly Warsaw Turnpike, 150.06 feet East of Considine Avenue, thence running North on a line parallel with said Considine Avenue, 139.26 feet to a point; thence East 50 feet to a point; thence South on a parallel with Considine Avenue 137.72 feet to the North line of Warsaw Avenue; thence West along the North line of Warsaw Avenue, 50.02 feet to the place of beginning.

Exhibit B to CRA Agreement

APPLICATION FOR TAX EXEMPTION



APPLICATION FOR COMMERCIAL TAX ABATEMENT
CITY OF CINCINNATI COMMUNITY REINVESTMENT AREA
COMMERCIAL, INDUSTRIAL, MIXED-USE, MULTI-UNIT (5+ UNITS)

*Note: After review and recommendation by the Department of Community & Economic Development, all applications must be reviewed and approved by the City of Cincinnati Council before commencing construction. Any projects that start construction before City Council approval will be **INELIGIBLE** for a Commercial CRA Tax Abatement.*

SECTION I – Applicant/Project Information AF 11/15/23

Applicant Information: Warsaw Creative LLC AF 11.8.23
dba-Warsaw-Creative-LLC

Legal Name of Property Owner Applying for Abatement: Price Hill Will

Form of business enterprise non-profit (corporation, partnership, proprietorship, LLC, non-profit, or other)

Is the Applicant affiliated with a larger developer or development entity? (Yes / No). If Yes, please provide the name of this developer or development entity: The Port of Greater Cincinnati

Legal Address of real property owner: 3301 Price Ave, Cincinnati OH 45

Federal Tax ID #(s): 20-1452663

Applicant Contact Person: Ashley Feist Title: Commercial Real Estate

Phone: (513) 824-1215 Main Contact email address: ashley@pricehillwill.org

Address of subject property 3104-3106 Warsaw Ave, C AF 12/1/2023 Zip: 45205

Hamilton County Auditor Parcel ID#: 173 - 0004 - 0032-00 (attach a page listing all parcels and addresses if more than one parcel)

City of Cincinnati Neighborhood: East Price Hill

Is any other financial assistance being requested from the City of Cincinnati for this project? Yes No

If yes, please indicate the Development Analyst with whom you are working: Nyemah Stark

Space/Units to be constructed/renovated:

Construction Type: New Construction Renovation

What percentage of the existing structure is currently occupied: 0 %

Total sqft/units to be constructed/renovated:

Commercial: 1,774 (sqft) Office: n/a (sqft) Industrial: n/a (sqft)

Residential: 5,005 (sqft) Residential: 0 (# of units)

Project Type:

- Commercial (Retail, Office etc)
- Industrial
- Multi-Unit Residential (5 or more units)
- Mixed-Use (Residential & Commercial)
Describe the break down in use in SF below:

5005 sf residential and 1774 sf commercial

5005 sf residential and 1774 sf commercial

5005 sf residential and 1774 sf commercial AF 5/17/2023

9 units, all 1 bedroom, \$850 rent for each ranging from 510-600 SF each

If approved for an abatement, does the Applicant intend to enter into a Voluntary Tax Incentive Contribution Agreement (VTICA)?

Yes ___ % No AF 5/17/2023

(A VTICA is an agreement with a third-party non-profit designated by the City in which the Applicant would contribute a portion of the abated taxes to support neighborhood-based projects and services as well as City-wide affordable housing initiatives [note that VTICAs in the vicinity of the Streetcar are used to support streetcar operations]. As indicated the applicable City legislation & policies as this is a significant factor in determining the terms of the abatement.)

Please indicate if the project intends to meet Leadership in Energy and Environmental Design (LEED) levels as defined by the U.S. Green Building Council (www.usgbc.org).

- Project is not LEED-certified
- LEED Silver
- LEED Gold
- LEED Platinum

Please indicate if the project will be qualified under the Living Building Challenge program (<http://living-future.org/lbc>):

- Project is not LBC qualified
- LBC Full
- LBC Net Zero
- LBC Petal (requires "Energy Petal")

General Project Information:

Project Name (of Applicable): Warsaw Avenue Creative Campus Phase 1B

Description of the project:

See attached "General project Information: Narrative responses" directly following the application.

Please provide a brief description of the applicant's development experience:
 See attached "General project information: Narrative responses" directly following the application.

Please state why this project deserves a tax exemption from the City of Cincinnati and what benefits the project will bring to the neighborhood where it is located:
 See attached "General project information: Narrative responses" directly following the application.

If Commercial or Industrial, state the nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site: retail stores

Please detail the project's planned community engagement (link for community council boundaries):
 See attached "General project information: Narrative responses" directly following the application.

SECTION II – Job Creation/Retention

Job Creation and Retention:
 The Company will agree to use its best efforts to retain and/or create at least the following estimated number of employee positions at the Property in connection with the Project, in accordance with the specified schedule, and to maintain the minimum employment levels throughout the period of the incentive. The Job numbers below are to be listed in Full Time Equivalent (FTE) positions. FTEs are calculated by the number of total hours worked divided by the maximum number of compensable hours for a full-time work schedule (40hrs/week).

Existing positions at the site of the company to be retained:
 Full-Time Equivalent 0 employees; total annual payroll 0

Will the project involve relocation of positions from another company location in the State of Ohio to the City of Cincinnati? Yes No

Existing positions at other company locations in Ohio to be relocated:
 Address of Other Location(s): n/a
 Full-Time Equivalent _____ employees; total annual payroll \$ _____
 Address of Other Location(s): _____
 Full-Time Equivalent _____ employees; total annual payroll \$ _____

*Please attach additional sheets if other locations exceed spaces provided above.

AF 9,20-23

Will the project involve relocation of positions from another company location outside of the State of Ohio to the City of Cincinnati? n/a

Existing positions at other company locations outside of the State of Ohio:

Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____
Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____
Address of Other Location: _____
Full-Time Equivalent _____ employees; total annual payroll \$ _____

*Please attach additional sheets if other locations exceed spaces provided above.

Estimate the number of **new employees** the property owner will cause to be created at the facility that comprises the project site within **three years**. Job creation projection must be itemized by the name of the employer (add an additional page if more than one employer). FTEs are calculated by the number of total hours worked divided by the maximum number of compensable hours for a full-time work schedule (40hrs/week):

PERMANENT
Full-Time Equivalent 2 employees (Total); total annual payroll \$ 110,000 AF 9.20.23
During the first twelve months of the agreement: _____ positions
During the second twelve months of the agreement: _____ additional positions
During the third twelve months of the agreement: _____ additional positions 2 MILLION AF 9.20.23
Temporary Construction 103 jobs; total annual payroll \$ (2 million) (Prevailing wages) AF 9.20.23
Length of Construction Period: 12 months AF 5/17/2023

In addition to the Full Time Equivalent positions listed above, are there any part time jobs and associated payroll? If so, please provide, as well as a description of the positions:

TBD

Please provide a brief description of the Job Creation that is associated with this Project (types of jobs; e.g. fabrication, warehousing, sales, operations, management, technical, retail, etc.):

TEMPORARY FTE CONSTRUCTION JOBS.
2 FTEs, PERMANENT AFTER CONSTRUCTION
THAT'S 2 FTE AT THE SITE OF PROJECT.

Note to Applicant: Ohio Revised Code Section 3735.673 requires the City formally to notify each county or corporation from which the company intends to relocate, and the Ohio Development, prior to approval of a tax exemption agreement. This notification must be sent prior to consideration of the exemption by Cincinnati City Council.

SECTION III – Project Investment

Real Estate Investment:

Indicate the estimated cost of the construction or remodeling: \$ 2,033,206.00
Estimated total cost of the project (including soft costs & acquisition): \$ 3,624,656.00
Estimated Project start date: January 2024 AF 11/29/23 Estimated Project completion date: December 2024 AF 11/20/23
Current Auditor's value of property (aggregate value of all parcels involved): \$ 117,070.00
Estimated post-construction value of property: \$ 3,741,726.00 (Auditor's value plus total project cost)
(Please provide appraisal or other method for determining post-construction value of the property)

Other Investment

Investment in Machinery & Equipment (M&E) at the Property: \$ 0 _____

Investment in Furniture, Fixtures, and Equipment (FF&E) at the Property: \$ 0 _____

Other Investment: \$ TBD _____

Description of Other Investment: Commercial tenants will provide their own budget for tenant improvements.

SECTION IV – Applicant Certifications

Does the property owner owe:

1. Any delinquent taxes to the State of Ohio, the City of Cincinnati or another political subdivision of the State? YES NO
2. Any moneys to the State of a state agency for the administration or enforcement of any environmental laws of the State? YES NO
3. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not? YES NO

If the applicant responds yes to any of the three above questions, please provide details of each instance including but not limited to the location, amounts, and/or case identification numbers (please submit additional sheets for response).

The Applicant authorizes the City and/or the Ohio Department of Development to inspect the personal financial statements of the Applicant, including but not limited to tax records and other similar information not ordinarily open to public inspection; and authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and/or the Ohio Department of Development in connection with the above statements.

Note: The above statements as to taxes and other obligations, and authorization to inspect, are required by Ohio Revised Code Section 9.66 (C) (1). As provided by statute, a knowingly false statement under this paragraph may be prosecuted as a first degree misdemeanor under Ohio Revised Code 2921.13 (D) and may render the Applicant ineligible for any future economic development assistance from the state or any political subdivision.

Please initial that you have read the above. X RMK

Project Completion:

Once the project is complete, the Applicant is required to submit a CRA Completion Application Form along with required documentation noted therein. It is the Applicant's responsibility to submit this completed form to the City of Cincinnati to ensure the tax abatement will be initiated by the Hamilton County Auditor.

Please initial that you have read the above statement and understand that the abatement will not be considered by the Hamilton County Auditor's Office until the CRA Completion Application Form is complete and submitted.

X [Signature]

Additional Certifications by Applicant:

- o The Applicant acknowledges that the property is **Not Eligible** for tax exemption if construction activities are commenced prior to the execution of a Community Reinvestment Area Tax Exemption Agreement between the Applicant and the City. No agreement may be executed by the City without prior approval by Cincinnati City Council.
- o The Applicant acknowledges that if the application is approved by Cincinnati City Council, a \$750.00 application fee payable to "Treasurer, State of Ohio" will be due. Applicant must submit this fee to the City's Department of Community & Economic Development upon approval by Cincinnati City Council.
- o The Applicant acknowledges that a Payment In Lieu of Taxes (PILOT) agreement in the amount of 33% of the annual value of the exemption with Cincinnati Board of Education will be required. The form of this PILOT agreement is available upon request.
- o The Applicant acknowledges that if one of the City's considerations for granting a tax exemption is the applicant's representation that it will enter into a VTICA, then the failure by the Applicant to do so is considered grounds for the City of Cincinnati to terminate the tax exemption granted to the Applicant.
- o The Applicant acknowledges that all tax exemptions must submit an Annual Report on or before March 31 of each year. This report must be submitted for each year of the tax exemption agreement including during the construction period.
- o The Applicant acknowledges that all tax exemptions will be subject to an annual monitoring fee of 1% of the annual taxes exempted under the agreement or \$500, whichever is greater; no City annual fee will be greater than \$2,500 per year. This annual monitoring fee must be submitted with each Annual Report.
- o The Applicant acknowledges that to be eligible for tax exemption by the City of Cincinnati, the subject property must be located within the City of Cincinnati.
- o The Applicant acknowledges that exemption values are determined by the Hamilton County Auditor's Office.
- o The Applicant acknowledges that the City of Cincinnati may revoke the tax exemption any time after the first year if the property has building code violations or is delinquent on the property taxes.
- o The Applicant acknowledges that the City of Cincinnati Council may rescind or alter the Ordinance granting tax exemptions.
- o The Applicant agrees to supply additional information upon request.

Please initial that you have read the above. X RAH

Prior Agreement. Applicant represents and warrants that neither Applicant, nor any "predecessor" or "related member" is a party to another agreement granting tax exemption relating to a structure in this state at which the Applicant (or the predecessor or related member) has discontinued or intends to discontinue operations prior to the expiration of the term of that agreement. (Note: This information is required by Ohio Revised Code 3735.671 (E). As used herein "predecessor" means a person or entity that has transferred assets or equity to Applicant, which transfer resulted in the full or partial non-recognition of gain or loss, or resulted in a carryover basis, both as determined by rule adopted by the Ohio Tax Commissioner; and "related member" has the same meaning as defined in Ohio Revised Code 5733.042 without regard to division (B) of that section.)

Please initial that you have read the above. X RAH

I declare under the penalties of falsification that this application, including all enclosed documents and statements, has been examined by me, and to the best of my knowledge and belief is true, correct, and complete.

<u>Ramu</u> Signature of Applicant	<u>4/18/2023</u> Date
<u>Rachel Hastings</u> Printed Name	<u>Executive Director</u> Title (if signed as officer)

Please complete this application in its entirety and submit to the Department of Community & Economic Development along with required supporting documentation. Please make and retain a copy of this application for your records. Please allow 4 weeks for the Department of Community & Economic Development to review and follow-up on this application.

Send Completed Application to:

City of Cincinnati
Department of Community & Economic Development
805 Central Avenue, Suite 710
Cincinnati, Ohio 45202
Attention: Commercial Tax Abatement Application

Processing Timeline

Upon receipt of a completed application, city staff will work diligently to process the request and respond to the applicant in a timely manner. For estimating purposes, below is a timeline that the applicant should use from the date of the completed application to estimate the date that the applicant will be able to commence construction if the assistance request is approved. Note that most applicants do not initially submit a complete application and for most applicants some back and forth will be required with city staff to ensure the application is complete before the internal city review process can begin.

Internal City Review & Offer Letter	Four weeks
Contract Drafting & Legislative Approval	Twelve weeks
Contract Signature & Pre-construction Process	Two weeks
Estimated Timeline	Eighteen weeks

Note that the applicant cannot commence construction prior to having a signed agreement from the city or the requested assistance may not be provided by the city.

STREETCAR VTICA AREA



Required Application Attachments

Please provide the following required items as a corresponding attachment. *If you believe a particular item is not applicable to your project, please address the item by including an explanation of why you believe it is not applicable.* Please ensure that all sections of the application are complete and that **ALL REQUIRED ATTACHMENTS LISTED BELOW ARE SUBMITTED/ ADDRESSED WITH YOUR APPLICATION.** Please check all items that are included. If an item is left unaddressed by the Applicant, the reviewing department cannot complete its review of the application.

Attachment Number	Attached Y/N	Attachment Description
#1	<input checked="" type="radio"/> Yes <input type="radio"/> No	<u>Public Purpose:</u> List the major reasons why City Assistance is necessary. Discuss the project gap, why other sources are not available to fill that gap (including debt and owner equity) and how City assistance will allow the gap to be filled. For property sale requests explain why a non-competitive sale is being requested and the public benefits that will be realized.
#2	<input checked="" type="radio"/> Yes <input type="radio"/> No	<u>Development Team:</u> A) Corporate Resolution, Articles of Incorporation, and an Operating/Partnership Agreement for entity applying for assistance showing who is authorized to sign for the organization B) Certificate of Good Standing from the Ohio Secretary of State for all Organizations that will be involved in the project C) Resumes of owners and/or key managers or partners. In the case of Real Estate development, provide information for the entire development team (developer, architect, contractor, leasing/sales agent, LEED certifications, etc.) D) Names, addresses, photos and a brief description of recent projects completed by the development team of similar type and size to that proposed in this application.
#3	<input checked="" type="radio"/> Yes <input type="radio"/> No	Current Financial Statement or other acceptable third party verification of funds from all entities or individuals who will be contributing more than 20% of the required equity for the investment.
#4	<input checked="" type="radio"/> Yes <input type="radio"/> No	<u>Financial Information:</u> A) Real Estate Projects: Provide spreadsheet of 10 year cash flow projection and list all project assumptions (rent rates, revenue & expense growth, etc). Provide budget that details total project investment (reference Section III of application). These documents may be requested in Excel format.

		<p>2) Current business financial statement (less than 90 days old);</p> <p>3) Business financial projections for three fiscal years (privately held companies only);</p> <p>4) Business financial information for the last three fiscal years on affiliate businesses when appropriate.</p>
#5	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Sources of Funds:</u> For all sources included in the sources and uses provided in #4 above, please attach documentation:</p> <p>A) Conditional bank commitment and/or term sheet B) List of any additional grant requests pending or committed C) Tax credits allocated or being applied for D) Financing Projections E) Other</p>
#6	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Cost Verifications:</u> Cost verifications and/or third party cost estimates. If third-party estimates are not available, explain your methodology for arriving at your project budget. Please include:</p> <p>A) Purchase agreements for any acquisitions B) Contractor Estimates or bids for new construction and/or rehabilitation C) Architectural Contract D) Other</p>
#7	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Environmental Site Assessments:</u> Summary Review / Statement of Phase I & Phase II ESA results</p>
#8	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Market Information:</u></p> <p>A) Summary of appraisal, market study, Real Estate comps and industry information with sources. B) Include a copy of any third-party or in-house market analysis completed for the preparation of financial projection assumptions (sales or lease prices, absorption and capture rates, vacancy rates, expense escalators, etc.).</p>
#9	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p>Copy of proposed construction plans/renderings etc.</p>
#10	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Proposed Project Timeline:</u> Anticipated milestones – Please provide in Gantt format if available.</p>
#11	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Legal Description of the Property Involved:</u> This may include a survey as well as a written legal.</p>
#12	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>If this project is seeking LEED or Living Building Challenge (Full, Net Zero, or Petal [must include "Energy Petal"]) Certification, provide confirmation of registration</p>
#13	<input checked="" type="radio"/> Yes <input type="radio"/> No	<p><u>Application Fee</u> (\$1,250 made payable to city of Cincinnati and \$750 for the Ohio Department of Development)</p>

#14	<input type="radio"/> Yes <input checked="" type="radio"/> No	<u>City Business Disclosure Form</u>
#15	<input checked="" type="radio"/> Yes <input type="radio"/> No	<u>SBE Utilization Plan</u>
#16	<input checked="" type="radio"/> Yes <input type="radio"/> No	<u>Balanced Development Application</u>

General Project Information: Narrative Responses

Project Name: Warsaw Avenue Creative Campus Phase 1B

Description of the project:

Phase 1B of Warsaw Avenue Creative Campus (WACC) builds on Phase 1's success in renovating and securing tax abatements for historic 3108 through 3120 Warsaw Avenue, adding 13 residential and 7 commercial units to the heart of East Price Hill. Renovating 3104 Warsaw in Phase 1B will add 2 more commercial and 9 more residential units (for households less than 60% aml) to the campus. With the help of NOFA funds, and through Price Hill Will's holding agreement with The Port, we are acquiring 3104 Warsaw this summer and plan to start construction immediately after.

The \$10 million Phase 1 of the Warsaw Avenue Creative Campus included the acquisition of eight buildings in the 3100 block of Warsaw between Considine and Grand Avenue. We partnered with the East Price Hill Improvement Association (EPHIA) to create local and national historic districts in the 3100 and 3200 blocks of Warsaw to preserve the historic character of the civic heart of East Price Hill. Construction on Phase 1 is nearly complete thanks to strong partnerships with the City of Cincinnati, the Model Group, the East Price Hill Improvement Association, Cincinnati Development Fund, Local Initiatives Support Collaborative, Fifth Third Bank, and resident-led organizations. The City of Cincinnati provided \$1.7 million in funding (NOFA, NBDIP, and City Capital) which we leveraged with New Markets and Historic tax credits and owner equity to finance the development. The first phase of the Campus will be fully complete by May 2023.

Meanwhile, we are recruiting local entrepreneurs, artists, and nonprofit tenants for the commercial spaces (the Firehouse is now the permanent home of Price Hill Will's MYCincinnati Youth Orchestra Program). We have created an equitable rubric to select commercial tenants for the remainder of WACC. Potential tenants will provide goods and services for families in Price Hill and include locally owned businesses referred to us via Findlay Kitchen, Cincinnati Compass, African Solidarity, Transformations CDC, EPHIA, and more. Our vision is to build connectedness through community art and expression while changing systems to provide more equitable access to jobs, food, employment, housing, and other resources.

WACC now features a continuous business district of beautifully renovated, mixed-use historic buildings. We continue to recruit a diverse collection of businesses to fill the commercial units built in Phase 1. A plant store called Living Rooms and a soccer gear store called Pérez Sport Latino are tenants at 3112 and 3108 Warsaw respectively. Potential tenants for 3104 Warsaw will likewise provide goods and services for families in Price Hill.

Before we began construction on Phase 1, we began pursuing additional properties for a second phase to build on the momentum of the Creative Campus. Several years ago, we asked the City of Cincinnati and The Port/Landbank to stabilize 3104-06 Warsaw Avenue as it had fallen into significant disrepair (fire, water damage, unsecured) and was in danger of demolition by neglect. Thankfully, The Port stabilized the building by investing over \$220,000 to raze a ravaged addition, add a new roof, and replace most floor joists and subfloors. Now, The Port has placed the building in our Holding Agreement and has agreed to sell it to Price Hill Will for \$85,000. We are partnering with Model Group, Cincinnati Development Fund, and Kalkreuth Development for this phase, which is estimated to cost \$4 million.

Cincinnati Development Fund will provide New Markets Tax Credits and the project has been awarded State and Federal historic tax credits.

We have secured \$350,000 in NOFA funds and \$198,134 in NBDG funds to leverage with owner equity and New Market Tax Credit and Historic Tax Credit investments to renovate 3104 Warsaw Avenue into nine units of affordable rental housing. The new housing units will be affordable homes that provide families with easy access to businesses, organizations, and a supportive community. Construction will be completed by the end of 2024.

Please provide a brief description of the applicant's development experience:

Founded in 2004, Price Hill Will is the nonprofit community development corporation serving the East, West, and Lower Price Hill neighborhoods. Our mission is to improve the quality of life for all Price Hillians by using an equitable, creative, and asset-based approach to physical, civic, social, and economic development. Our programs connect residents, particularly immigrants, BIPOC, and residents with lower income or lower formal education levels, to resources, programming, neighborhood engagement opportunities, and leadership development. Price Hill Will's equitable real estate development program, which includes over 120 affordable housing units, over 40,000-square feet of revitalized commercial space, and numerous public greenspaces, has invested over \$50 million in the three neighborhoods.

Price Hill Will has completed many building projects, including leading the historic renovation of the former Price Hill Masonic Lodge into ARCO at 3301 Price Avenue in 2020. We are currently completing a large-scale development along the Warsaw Avenue commercial corridor at our Warsaw Avenue Creative Campus (3108 – 3120 Warsaw Avenue). We also recently completed a public outdoor gathering space in Lower Price Hill at Melser's Market (734-738 State Avenue).

Price Hill Will has intended for a long time to renovate 3104 Warsaw and add it to our Warsaw Avenue Creative Campus. We will complete the rehabilitation of the first 7 buildings in the Creative Campus, which includes 13 affordable apartments and 7 commercial spaces, by May 2023. We plan to start construction at 3104 – 3106 Warsaw Ave by August 2023 - a renovation that will bring another 9 affordable apartments and 2 commercial spaces to WACC.

Please state why this project deserves a tax exemption from the City of Cincinnati and what benefits the project will bring to the neighborhood where it is located:

The Warsaw Avenue Creative Campus is becoming a place where youth and families can learn and grow together via arts and creative pursuits in the heart of East Price Hill. Warsaw is the main commercial corridor and heart of the neighborhood business district in East Price Hill. The Creative Campus connects the momentum in the Incline District with the revitalization of the Price Avenue corridor, including ARCO, the award-winning \$10 million transformation of the former Price Hill Masonic Lodge into a center for arts and community, to the historic Warsaw Neighborhood Business District. In addition to ARCO, the Creative Campus contains the newly renovated Price Hill Library, Price Hill Recreation Center, and Dempsey Park & Pool, all great assets for families in the neighborhood and deeply aligned with East Price Hill's neighborhood plan, the *Warsaw Alive!* Plan, approved by the city in 2018.

The Creative Campus grew out of Price Hill Will's commitment to youth and families via our MYCincinnati Youth Orchestra. Started in 2011, MYCincinnati uses ensemble-based music as a tool for

youth development by providing children in the Price Hill neighborhoods with access to free, daily, high-quality music education. Students learn how to make art together, using the orchestra as a model for civic society, in which people with different views, capabilities, and responsibilities work together towards a common goal. The majority of our students face obstacles that would prevent them from accessing arts programming. 83% of students are from low-income households. 59% of students are Latinx, 23% are Black, 10% are White/Appalachian, and 8% are mixed race. Many parents work night shifts, multiple jobs, or are English language learners. In addition to facing economic and cultural barriers, many students are responsible for the care of younger siblings. Other issues their families face include health care, transportation, food security, employment, or affordable housing.

If Commercial or Industrial, state the nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site: Retail

Please detail the project's planned community engagement (link for community council boundaries):

Price Hill Will began in 2004 as a volunteer-led neighborhood planning initiative that engaged over 3,000 residents to address concerns of disinvestment in Price Hill. The planning initiative used an appreciative inquiry model, based on the premise that positive change should build on existing assets. Our asset-based approach continues to focus on the neighborhood's strengths, with numerous programs dedicated to building and supporting neighborhood leadership, as well as connecting with residents to be sure their voices are heard in all decisions. Staff support, tools, and resources are provided to help community leaders realize their vision of a more connected, engaged, and welcoming neighborhood. We empower residents to create the neighborhood they want to see and partner with the community in each aspect of decision making.

Community stakeholders identified a need for local family-oriented businesses and places for the community to connect in the East Price Hill Improvement Association's *Warsaw Alive!* Plan (approved by City Council in 2018). Price Hill residents are incredibly excited about the Warsaw Avenue Creative Campus as the centrally located properties have been vacant and neglected for decades. Many residents have responded positively to our newsletter, other press with ideas, suggestions, and other support. Moreover, Price Hill Will and EPHIA collaborated to nominate the 3100 and 3200 blocks of Warsaw as both local and national historic districts. Price Hill Will and EPHIA have also collaborated on several NBDIP grants that supported the first phase of the Creative Campus. Residents throughout Price Hill recently submitted and reviewed designs for the Warsaw Avenue Creative Campus branding.

The 3104 Warsaw renovation and Creative Campus Phase 1B community engagement plan includes a multi-medium approach to collaborate with EPHIA members, MYCincinnati families, and other residents. Printed materials include scheduled newsletter articles, social media posts, press releases, and emails. Phone and Zoom calls are organized each month to keep EPHIA, resident-led organizations, non-profit groups, and civic associations connected. EPHIA's monthly meetings are at ARCO where Price Hill Will's offices are located; our staff attend meetings each month to answer any questions and share updates. Lastly, EPHIA has already expressed support for this project (see attached letter). We will present this application in April's EPHIA meeting for a vote.

January 18, 2024

To: Mayor and Members of City Council

202400221

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing a CRA Tax Exemption Agreement with the Beta Nu of Beta Theta Pi Building Co.

Attached is an Emergency Ordinance captioned:

APPROVING, AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with The Beta Nu of Beta Theta Pi Building Company and the State of Ohio, for the use of the University of Cincinnati, thereby authorizing an eight-year tax exemption for 100 percent of the value of improvements made to real property located at 2630 University Court in the CUF neighborhood of Cincinnati, in connection with the remodeling of an existing building into nine residential units as well as meeting, academic, and social space consisting of approximately 12,690 square feet in aggregate, at a total remodeling cost of approximately \$5,084,640.

STATEMENT

This project provides additional housing units for students at the University of Cincinnati, which continues to set record enrollment and strain the student housing supply. The project will also help improve the existing condition of the building extending the overall life of the structure.

BACKGROUND/CURRENT CONDITIONS

The project is located at 2630 University Court in the CUF neighborhood. Currently, the Beta Nu Chapter of Beta Theta Pi fraternity house provides room and board for 50 University of Cincinnati students and provides meeting, academic, and social facilities for an additional 80 students. The portion of the property that will be demolished and rebuilt was originally constructed in the early 1900s and in disrepair. Once completed, the rebuilt project will be comprised of 9 residential units (1 single, 3 doubles, and 3 triples), bringing the total number of units in the house to 29 and the ability to house 57 University of Cincinnati students. The project will include a newly amenities like a living room, a grand study, an exercise room, and meeting spaces for all chapter members.

DEVELOPER INFORMATION

The Beta Nu of Beta Theta Pi Building Company was founded in 1914. The organization's Articles of Incorporation task the organization with activities related to the provision of housing, financing, and other related services to the Beta Theta Nu Chapter of the Beta Theta Pi Fraternity at the University of Cincinnati. Previously, the Beta Nu of Beta

Theta Pi Building Company oversaw the construction of an addition to the original building in the 1930s.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

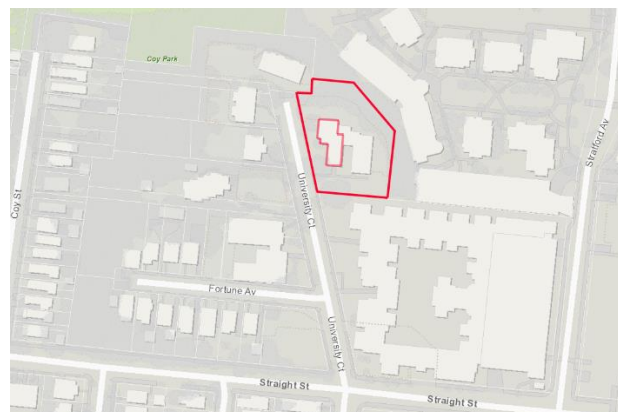
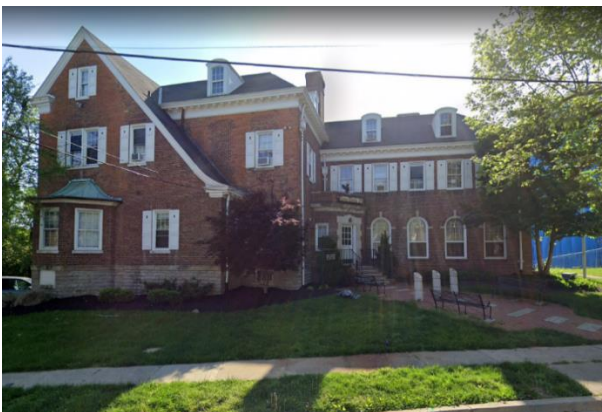
Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	Beta Nu of Beta Theta Pi Building Co. CRA
Street Address	2630 University Court
Neighborhood	CUF
Property Condition	Occupied Building
Project Type	New Construction (demolition to outdated portion of existing building to be replaced with a newly constructed one)
Project Cost	Acquisition Cost: \$0 Hard Construction Costs: \$5,084,640 Soft Costs: \$630,928 Total Project Cost: \$5,715,568
Private Investment	Private Financing: \$2,359,752 Developer Equity: \$3,355,816
Sq. Footage by Use	Residential: 12,690 SF
Number of Units and Rent Ranges	1 1-BR Units; Rent \$2,350 per student per semester 3 2-BR Units; Rent \$2,350 per student per semester 3 3-BR Units; Rent \$2,350 per student per semester 9 Total Units
Median 1-BD Rent Affordable To	Salary: \$23,500 City Job Classification: Design Specialist 2, Recreation Specialist. Note this housing will be provided to university students who are members of the fraternity.
Jobs and Payroll	Created FTE Positions: 2 Total Payroll for Created FTE Positions: \$50,000 Average Salary for Created FTE Positions: \$25,000 Construction FTE Positions: 26 Total Payroll for Construction FTE Positions: \$2.7MM
Location and Transit	Transit Score: 56
Community Engagement	Presented at CUF Neighborhood Association General Meeting on 6/20/2023.
Plan Cincinnati Goals	Live Initiative Goal 3 (p. 172-186)

Project Image and Site Map



Proposed Incentive

Incentive Terms	8-year, net 52%
Incentive Application Process	Commercial CRA – Neighborhood (Non-LEED)
“But For” (0-3 points)	Developer’s need to expand at its current location adjacent to the university indicates they will proceed with the project without provision of additional years so no “But For” points were awarded (0 points).
Environmental Building Certification (0-5 points)	Non-LEED (0 points)
VTICA (0-8 points)	Neighborhood VTICA – 15% (8 points)
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	N/A
Other Incentives & Approvals	N/A

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$41,437
Total Term Incentive to Developer	\$331,496
City's Portion of Property Taxes Forgone (Term)	\$89,588
City's TIF District Revenue Forgone (Term)	\$0

Public Benefit		Value
CPS PILOT	Annual	\$26,297
	Total Term	\$210,372
VTICA	Annual	\$11,953
	Total Term	\$95,624
Income Tax Total Term (Maximum)		\$55,800
Total Public Benefit (CPS PILOT, VTICA, Income Tax)		\$361,796

Total Public Benefit ROI*	\$1.09
City's ROI**	\$4.04

* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.

**This figure represents the total dollars returned for City/ over the City's property taxes forgone.

For Reference: 2023 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$21,250	\$24,300	\$27,350	\$30,350	\$32,800	\$35,250	\$37,650	\$40,100
50%	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650	\$62,700	\$66,750
60%	\$42,480	\$48,540	\$54,600	\$60,760	\$65,520	\$70,380	\$75,240	\$80,100
80%	\$56,650	\$64,750	\$72,850	\$80,900	\$87,400	\$93,850	\$100,350	\$106,800

EMERGENCY

EVK

- 2024

APPROVING, AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with The Beta Nu of Beta Theta Pi Building Company and the State of Ohio, for the use of the University of Cincinnati, thereby authorizing an eight-year tax exemption for 100 percent of the value of improvements made to real property located at 2630 University Court in the CUF neighborhood of Cincinnati, in connection with the remodeling of an existing building into nine residential units as well as a meeting, academic, and social space consisting of approximately 12,690 square feet in aggregate, at a total remodeling cost of approximately \$5,084,640.

WHEREAS, to encourage the development of real property and the acquisition of personal property, Council by Ordinance No. 274-2017 passed on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code (“R.C.”) Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, Ordinance No. 275-2017 passed by Council on September 27, 2017, as amended by Ordinance No. 339-2018, passed by Council on October 31, 2018, sets forth certain additional policies, conditions, and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area; and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, The Beta Nu of Beta Theta Pi Building Company (the “Company”) desires to remodel an existing building into nine residential units as well as a meeting, academic, and social space consisting of approximately 12,690 square feet in aggregate on real property at 2630 University Court located within the corporate boundaries of the City of Cincinnati (the “Improvements”), provided that the appropriate development incentives are available to support the economic viability of the Improvements; and

WHEREAS, to provide an appropriate development incentive for the Improvements, the City Manager has recommended a Community Reinvestment Area Tax Exemption Agreement, in substantially the form of Attachment A to this ordinance, to authorize a real property tax exemption for the Improvements in accordance with the Statute; and

WHEREAS, the property is located within the Cincinnati City School District; and

WHEREAS, the Board of Education of the Cincinnati City School District (the “Board of Education”), pursuant to that certain Tax Incentive Agreement effective as of April 28, 2020 (as may be amended, the “Board of Education Agreement”), has approved exemptions of up to

100 percent of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 33 percent of the exempt real property taxes; and

WHEREAS, the City's Department of Community and Economic Development estimates that the real property tax exemption for the Improvements will provide an annual net benefit to the Company in the amount of approximately \$41,437; and

WHEREAS, the Company has represented that it has entered into (or will enter into) a voluntary tax incentive contribution agreement with a third-party organization for amounts equal to fifteen percent of the exempt real property taxes, which funds shall be committed by the third-party organization to support the neighborhood that specially benefits the property; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company's operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per R.C. Section 3735.673; now, therefore,

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

Section 1. That Council approves a Community Reinvestment Area Tax Exemption Agreement with The Beta Nu of Beta Theta Pi Building Company and the State of Ohio, for the use of the University of Cincinnati (the "Agreement"), thereby authorizing an eight-year tax exemption for 100 percent of the assessed value of improvements to be made to real property located at 2630 University Court in Cincinnati, as calculated by the Hamilton County Auditor, in connection with the remodeling of an existing building into nine residential units as well as a meeting, academic, and social space consisting of approximately 12,690 square feet in aggregate, to be completed at a total remodeling cost of approximately \$5,084,640.

Section 2. That Council authorizes the City Manager:

- (i) to execute the Agreement on behalf of the City of Cincinnati (the "City") in substantially the form of Attachment A to this ordinance;
- (ii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Department of Development, in accordance with Ohio Revised Code Section 3735.672, and to the Board of Education of the Cincinnati City School District, as necessary; and

- (iii) to take all necessary and proper actions to fulfill the City’s obligations under the Agreement.

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law. 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 allow the remodeling described in this ordinance and the corresponding revitalization of the City of Cincinnati and the benefits to the City's economic welfare to begin at the earliest possible time.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

Community Reinvestment Area Tax Exemption Agreement

This Community Reinvestment Area Tax Exemption Agreement (this "Agreement") is made and entered into as of the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation (the "City"), THE BETA NU OF BETA THETA PI BUILDING COMPANY, an Ohio non-profit corporation (the "Company"), and THE STATE OF OHIO, for the use of the University of Cincinnati, a state university (the "Partial Owner").

Recitals:

- A. The City, through the adoption of Ordinance No. 274-2017 on September 27, 2017, designated the entire City of Cincinnati as a Community Reinvestment Area to encourage the development of real property and the acquisition of personal property in that area, pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the "Statute").
- B. In accordance with the Statute, the Ohio Director of Development has forwarded to the City the Director's determination dated October 23, 2017, stating that the findings contained in Ordinance No. 274-2017 are valid and that the entire City is a Community Reinvestment Area under the Statute. By such determination, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute.
- C. The Council of the City of Cincinnati has also passed Ordinance No. 275-2017 as of September 27, 2017, as amended by Ordinance No. 339-2018, passed on October 31, 2018, Ordinance No. 370-2020, passed on November 12, 2020, and Ordinance No. 24-2022, passed on February 2, 2022 (as amended, the "Commercial Policy Ordinance"), which sets forth certain additional policies, conditions and limitations regarding newly constructed or remodeled commercial and residential structures in the Community Reinvestment Area.
- D. Partial Owner and the Company are the owners of certain real property within the City, located at 2630 University Court, Cincinnati, Ohio 45219 (the "Property"), as further described in Exhibit A (Legal Description of Property) hereto. Partial Owner intends to convey fee title of its portion of the Property to the Company following the execution of this Agreement. Notwithstanding the foregoing, the Property shall not include any residential condominiums being developed in connection with the Project (as defined below) (the "Excluded Property"), and the Company acknowledges and agrees that the City's Community Reinvestment Area program entails separate applications by the owner of any residential condominium units included within the Project. For the avoidance of doubt, the Excluded Property shall not be exempt under this Agreement; however, this provision shall not be deemed to prohibit any owners from time to time of any Excluded Property from separately applying for a tax abatement in accordance with applicable law.
- E. The Company has proposed to remodel a building located on the Property, within the boundaries of the City of Cincinnati, as more fully described in Section 1 herein (the "Project"), provided that the appropriate development incentives are available to support the economic viability of the Project.
- F. The Statute provides that if any part of a project is to be used for commercial or industrial purposes, including projects containing five or more dwelling units, in order to be eligible for tax exemption the City and the Company must enter into an agreement pursuant to Ohio Revised Code Section 3735.671 prior to commencement of construction or remodeling.
- G. The City, having appropriate authority under the Statute for this type of project, agrees (as provided herein and subject to all conditions herein) to provide the Company with the tax exemption incentives stated herein, available under the Statute, for development of the Project.

- H. The Company has submitted to the City an application for this tax exemption agreement (the "Application"), a copy of which is attached hereto as Exhibit B, has remitted with the Application the City application fee of One Thousand Two Hundred Fifty Dollars (\$1,250) made payable to the City.
- I. The Director of the City's Department of Community and Economic Development has recommended approval of the Application on the basis that the Company is qualified by financial responsibility and business experience to create and preserve employment opportunities and improve the economic climate of the City.
- J. The Board of Education of the Cincinnati City School District (the "Board of Education"), pursuant to that certain *Tax Incentive Agreement* effective as of April 28, 2020, has approved exemptions of up to one hundred percent (100%) of Community Reinvestment Area projects, waived advance notice and right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects.
- K. The Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to thirty-three percent (33%) of the full amount of exempt real property taxes that would have been paid to Hamilton County if this Agreement were not in effect (the "Board of Education Agreement").
- L. The Company represents and warrants to the City that the Company and its major tenants, if any, do not intend to relocate part or all of their operations to the City from another county or municipal corporation in the State of Ohio (the "State").
- M. The Company represents that within the past three (3) years neither the Company, any related member of the Company, nor any entity to which the Company is a successor has discontinued operations at a project site in the State during the term of a property tax exemption agreement (under Ohio Revised Code Section 3735.671, 5709.62, 5709.63 or 5709.632) applicable to that site, and the Company acknowledges that misrepresentation hereunder will result in voiding of this Agreement.
- N. The Company represents and warrants to the City that the Company is not subject to an Enterprise Zone Agreement with the City of Cincinnati for the Property or the Project.
- O. The Company acknowledges that the CUF neighborhood is a rising neighborhood in need of resources for development, neighborhood improvements, amenities, and organizations oriented towards neighborhood services. The Company anticipates that future development, improvements, amenities and organizations will contribute to the quality and vitality of the neighborhood, therefore increasing the value of the Property and directly and indirectly contributing to the Project's success. The Project's success, in turn, will benefit the neighborhood. Although this feedback effect will promote the revitalization and redevelopment of the City, it could also impact the affordability of property in the area. Therefore, in support of the CUF neighborhood and with the intention of preserving and improving the availability of quality, reliable affordable housing on a City-wide basis, as a material inducement to the City to enter into this Agreement, the Company hereby represents to the City that it will enter into a voluntary tax incentive contribution agreement ("VTICA") with a City-designated third-party non-profit administrative organization (the "Third-Party Administrator") to contribute to the Third-Party Administrator an amount equal to fifteen percent (15%) of the real property taxes that would have been payable on the abated property but for the City-authorized tax abatement (the "VTICA Contribution"). Half of such VTICA Contribution is to be committed by the Third-Party Administrator to facilitate permanent improvements and neighborhood services furthering urban redevelopment in the CUF neighborhood and the other half of such VTICA Contribution is to be committed by the Third-Party Administrator in supporting quality affordable housing on a City-wide basis. The Company hereby represents and warrants that it will pay the VTICA Contribution for the full term of the abatement.

- P. This Agreement has been authorized by Ordinance No. _____-2024, passed by Cincinnati City Council on _____, 2024.
- Q. In determining to recommend and authorize this Agreement, the Department of Community and Economic Development and City Council, respectively, have acted in material reliance on the Company's representations in the Application and herein regarding the Project including, but not limited to, representations relating to the number of jobs to be created and/or retained by the Company, the Board of Education Agreement, the VTICA Contribution, and the Project's effect in promoting the general welfare of the people of Cincinnati by, for example, encouraging the development of real property located in the Community Reinvestment Area and thereby promoting economic growth and vitality in Cincinnati.

NOW, THEREFORE, pursuant to Ohio Revised Code Section 3735.67(A) and in conformity with the format required under Ohio Revised Code Section 3735.671, in consideration of the mutual covenants contained herein and the benefit to be derived by the parties from the execution hereof, the parties agree as follows:

Section 1. Project. Upon issuance of the necessary zoning and building approvals, the Company agrees to remodel the existing building on the Property into 9 residential units as well as a meeting, academic, and social space consisting of approximately 12,690 square feet (the "Improvements") at an estimated aggregate cost of \$5,084,640 to commence after the execution of this Agreement and to be completed no later than March 1, 2026; *provided*, however, that the Director of the Department of Community and Economic Development (the "Housing Officer") may, in his or her discretion, extend such deadline for a period of up to 12 months by written notice if, in the Director's judgment, the Company is proceeding in good faith towards completion. The remodeling shall be in compliance with applicable building code requirements and zoning regulations. In addition to the foregoing, (A) the Project shall comply with the Americans with Disabilities Act, together with any and all regulations or other binding directives promulgated pursuant thereto (collectively, the "**ADA**"), and (B) if (i) any building(s) within the Project is subject to the accessibility requirements of the ADA (e.g., by constituting a "place of public accommodation" or another category of structure to which the ADA is applicable) and (ii) such building(s) is not already required to meet the Contractual Minimum Accessibility Requirements (as defined below) pursuant to the ADA, applicable building code requirements, or by any other legal requirement, then the Company shall cause such building(s) to comply with the Contractual Minimum Accessibility Requirements in addition to any requirements pursuant to the ADA and the applicable building code or legal requirement. As used herein, "**Contractual Minimum Accessibility Requirements**" means that a building shall, at a minimum, include (1) at least one point of entry (as used in the ADA), accessible from a public right of way, with respect to which all architectural barriers (as used in the ADA) to entry have been eliminated, and (2) if such accessible point of entry is not a building's primary point of entry, conspicuous signage directing persons to such accessible point of entry.

Section 2. Real Property Tax Exemption. Subject to the satisfaction of the conditions set forth in this Agreement, the City approves exemption from real property taxation, pursuant to and to the fullest extent authorized by the Statute, of one hundred percent (100%) of the amount by which the Improvements increase the assessed value of the Property as determined by the Hamilton County Auditor, for a period of eight (8) years, provided that the Company shall have entered into the Board of Education Agreement. Within 120 days after completion of the Project (unless otherwise extended in writing by the City's Housing Officer), the Company must file the appropriate application for tax exemption with the City's Housing Officer. The Company is solely responsible to take this action. Upon receipt of the application for tax exemption, the City will proceed with the exemption authorized by this Agreement. In accordance with Ohio Revised Code Section 3735.67, the exemption is conditioned on verification by the Housing Officer of (A) the completion of remodeling, (B) the cost of remodeling, (C) the facts asserted in the application for exemption and (D) if a remodeled structure is a structure of historical or architectural significance as designated by the City, state or federal government, that the appropriateness of the remodeling has been certified in writing by the appropriate agency. If the required verification is made, the Housing Officer will forward the exemption application to the Hamilton County Auditor with the necessary certification by the Housing Officer. Subject to the conditions set forth in this Agreement, the exemption commences the first tax year for which the Improvements would first be taxable were the

Improvements not exempted from taxation. The dates provided in this paragraph refer to tax years in which the subject property is assessed, as opposed to years in which taxes are billed. No exemption shall commence after tax year 2026 nor extend beyond the earlier of (i) tax year 2033 or (ii) the end of the eighth (8th) year of exemption.

Section 3. Use; Maintenance; Inspections. The Company shall use the Property solely for the purposes described in Section 1 hereof and shall properly maintain and repair the Property throughout the period of tax exemption authorized herein. The Company authorizes the Housing Officer, or the Housing Officer's designees, to enter upon the Property as reasonably required to perform property inspections in accordance with Ohio Revised Code Section 3735.68.

Section 4. Compliance with Board of Education Agreement. As a condition of the tax exemption authorized under this Agreement, the Company agrees to enter into and comply with its obligation under the Board of Education Agreement.

Section 5. Duty of Company to Pay Taxes. As required by Ohio Revised Code Section 3735.671(B)(3), the Company shall pay such real property taxes as are not exempted under this Agreement and are charged against the Property and shall file all tax reports and returns as required by law. If the Company fails to pay such taxes or file such returns and reports, exemptions from taxation granted or authorized under this Agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and continuing thereafter.

Section 6. Company Certifications Regarding Non-Delinquency of Tax Obligations. As required by Ohio Revised Code Section 3735.671(B)(4), the Company certifies that at the time this Agreement is executed, the Company does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State, and does not owe delinquent taxes for which the Company is liable under Ohio Revised Code Chapters 5735, 5739, 5741, 5743, 5747 or 5753, or if such delinquent taxes are owed, the Company currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C. §101, et seq., or such a petition has been filed against the Company. For the purposes of this certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

Section 7. Covenant of Satisfaction of Tax and Other Obligations. In accordance with Ohio Revised Code Section 9.66, (A) the Company affirmatively covenants that it does not owe: (i) any delinquent taxes to the State or to a political subdivision of the State; (ii) any moneys to the State or a State agency for the administration or enforcement of any environmental laws of the State; or (iii) any other moneys to the State, a State agency or a political subdivision of the State that are past due, regardless of whether the amounts owed are being contested in a court of law or not; (B) the Company authorizes the City and/or the State to inspect the personal financial statements of the Company, including tax records and other similar information not ordinarily open to public inspection; and (C) the Company authorizes the Ohio Environmental Protection Agency and the Ohio Department of Taxation to release information to the City and or other State departments in connection with the above statements. As provided by statute, a knowingly false statement under this section may be prosecuted as a first degree misdemeanor under Ohio Revised Code Section 2921.13, may render the Company ineligible for any future economic development assistance from the State or any political subdivision of the State, and will result in the City requiring the Company's repayment of any assistance provided by the City in connection with the Project.

Section 8. City Cooperation. As required by Ohio Revised Code Section 3735.671(B), upon specific request from the Company, the City shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

Section 9. Continuation of Exemptions. As provided in Ohio Revised Code Section 3735.671(B), if for any reason the City revokes the designation of the City of Cincinnati as a Community

Reinvestment Area, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Company materially fails to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation authorized pursuant to this Agreement.

Section 10. City Not Liable. The Company acknowledges that the exemption authorized in this Agreement is subject to approval and implementation by the appropriate state and/or county taxing authorities. The Company acknowledges that the City does not give any guarantee or assurance that the exemption approved in this Agreement will be so approved, and the Company agrees that in no event shall the Company seek to hold the City liable in any way in the event such exemption is not granted or implemented.

Section 11. Small Business Enterprise Program.

A. Compliance with Small Business Enterprise Program. The policy of the City is that a fair share of contracts be awarded to Small Business Enterprises (as such term is defined in Cincinnati Municipal Code (“CMC”) Section 323-1-S, “SBEs”). Pursuant to CMC Section 323-11, the City’s annual goal for SBE participation shall be thirty percent (30%) of the City’s total dollars spent for construction (as such term is defined in CMC Section 323-1-C4), supplies (as such term is defined in CMC Section 323-1-S5), services (as such term is defined in CMC Section 323-1-S) and professional services (as such term is defined in CMC Section 323-1-P2). Accordingly, the Company shall use its best efforts and take affirmative steps to achieve the City’s goal of voluntarily meeting thirty percent (30%) SBE participation. A list of SBEs may be obtained from the City’s Department of Economic Inclusion. The Company may refer interested firms to the City’s Department of Economic Inclusion for review and possible certification as an SBE. The Company shall comply with the provisions of CMC Chapter 323, including without limitation taking at least the following affirmative steps:

- (i) Including qualified SBEs on solicitation lists.
- (ii) Assuring that SBEs are solicited whenever they are potential sources.

The Company must advertise, on at least two separate occasions, both in local minority publications and in other local newspapers of general circulation, invitations to SBEs to provide services, to supply materials, or to bid on construction contracts, as applicable.

(iii) When economically feasible, dividing total requirements into small tasks or quantities so as to permit maximum SBE participation.

(iv) If any subcontracts are to be let, the Company shall require the prime contractor (if different from the Company) to take the above affirmative steps.

(v) Prior to the commencement of work under any subcontracts, the Company shall provide to the City a list of such subcontractors, including information as to the dollar amount of the subcontracts and such other information as may be requested by the City. The Company shall update the report monthly.

(vi) The Company shall periodically document its best efforts and affirmative steps to meet the above SBE participation goals by submitting such information as may be requested from time to time by the City.

B. Remedies for Noncompliance with Small Business Enterprise Program. Failure of the Company or its contractors and subcontractors to take the affirmative steps specified above, to provide fair and equal opportunity to SBEs, or to provide technical assistance to SBEs as may be necessary to reach SBE participation as set out in CMC Chapter 323 may be construed by the City as failure of the Company to use its best efforts, and, in addition to other remedies under this Agreement, may be a cause for the City to file suit in Common Pleas Court to enforce specific performance of the terms of this Section. The provisions of CMC Section 323-99 are hereby incorporated by reference into this Agreement.

Section 12. Jobs. The Company represents that, as of the date of the execution of this Agreement, the Company has no existing employment at the Property or in the State.

Section 13. Job Creation and Retention.

A. Jobs to be Created by Company. The company agrees to use its best efforts to create (i) 2 full-time permanent jobs, and (ii) 26 full-time temporary construction jobs at the Property in connection with the Project. In the case of the construction jobs, the job creation and retention period shall be concurrent with remodeling, and in the case of the other jobs described herein, the job creation period shall begin upon completion of remodeling and shall end three (3) years thereafter.

B. Company's Estimated Payroll Increase. The Company's increase in the number of employees will result in approximately (i) \$50,000 of additional annual payroll with respect to the full-time permanent jobs, and (ii) \$2,700,000 of additional annual payroll prior to the completion of the Project with respect to the full-time temporary construction jobs.

C. Community Reinvestment Area Employment. The Company shall (i) adopt hiring practices to ensure that at least twenty-five percent (25%) of the new employees shall be residents of the City of Cincinnati and (ii) give preference to residents of the City relative to residents of the State who do not reside in the City when hiring new employees under this Agreement.

D. Posting Available Employment Opportunities. To the extent allowable by law, the Company shall use its best efforts to post available employment opportunities within the Company's organization or the organization of any subcontractor working with the Company with the Ohio Means Jobs Center, 1916 Central Parkway, Cincinnati, Ohio 45214-2305, through its Employer Services Unit Manager at 513-746-7200.

Section 14. Equal Employment Opportunity. This Agreement is subject to the City's Equal Employment Opportunity Program contained in CMC Chapter 325. The Equal Employment Opportunity Clause in CMC Section 325-9 is incorporated by reference in this Agreement. The term "Company" is substituted for "Contractor" throughout CMC Section 325-9 in the context of this Agreement.

Section 15. Compliance with Immigration and Nationality Act. In the performance of its obligations under this Agreement, the Company agrees to comply with the provisions of the Immigration and Nationality Act codified at 8 U.S.C. §§ 1324a(a)(1)(A) and (a)(2). Any noncompliance with such provisions shall be solely determined by either the federal agencies authorized to enforce the Immigration and Nationality Act or the U.S. Attorney General, in accordance with Executive Order 12989 of the U.S. President dated February 13, 1996, and as amended by Executive Order 13465 of the U.S. President dated June 6, 2008.

Section 16. Default. As provided in Ohio Revised Code Section 3735.671(B), if the Company materially fails to fulfill its obligations under this Agreement, or if the City determines that the certification as to delinquent taxes required by this Agreement (Section 6 hereof) or the covenant of satisfaction of tax and other obligations (Section 7 hereof) is fraudulent, the City may terminate or modify the exemptions from taxation granted or authorized under this Agreement and may require the repayment by the Company of the amount of taxes that would have been payable had the Improvements not been exempted from taxation pursuant to this Agreement. A modification of exemption may be in the form of reduction in the number of years that eligible property is exempt and/or a reduction in the exemption percentage. The City shall provide written notice to the Company prior to finding the Company in default under this section. The notice shall provide the Company with not less than thirty (30) days to cure the default prior to City termination or modification of the exemptions under this Agreement. The City may extend the cure period as reasonably necessary under the circumstances. In the event of such termination or modification, the City is authorized to so notify the appropriate taxing authorities in order to effect the termination or modification. If repayment of previously exempt taxes is required by the City under this Section, such amount shall be paid as directed by the City within thirty (30) days of written demand. The City may secure repayment of such taxes by a lien on the Property in the amount required to be repaid. Such a lien shall attach, and may be perfected, collected, and enforced, in the same manner as a mortgage lien on real property, and shall otherwise have the same force and effect as a

mortgage lien on real property. Amounts due and not paid when due under this Section 16 shall bear interest at the rate specified in Ohio Revised Code Section 1343.03(A) (as in effect on the date of the City's payment demand).

Section 17. Annual Review and Report. As required by Ohio Revised Code Sections 3735.671(B)(5) and 5709.85, the Company shall provide to the City's Tax Incentive Review Council (or to the City Manager if so requested by the City) any information reasonably required by the Council or the City Manager to evaluate the Company's compliance with this Agreement, including returns filed pursuant to Ohio Revised Code Section 5711.02 if requested by the Council or City Manager. The performance of the Company's obligations stated in this Agreement shall be subject to annual review by the City's Tax Incentive Review Council (the "Annual Review and Report"). The Company shall submit information for the Annual Review and Report to the City no later than March 1 of each year.

Section 18. Revocation.

A. Generally. Pursuant to Ohio Revised Code Section 3735.68, the housing officer shall make annual inspections of the properties within the community reinvestment area upon which are located structures or remodeling for which an exemption has been granted under Ohio Revised Code Section 3735.67. If the housing officer finds that the property has not been properly maintained or repaired due to the neglect of the Company, the housing officer may revoke the exemption at any time after the first year of exemption. If the Company has materially failed to fulfill its obligations under this Agreement, or if the owner is determined to have violated division (E) of that section (see Section 18(B) of this Agreement), City Council, subject to the terms of the agreement, may revoke the exemption at any time after the first year of exemption. The housing officer or City Council shall notify the county auditor and the Company that the tax exemption no longer applies. If the housing officer or legislative authority revokes a tax exemption, the housing officer shall send a report of the revocation to the community reinvestment area housing council and to the tax incentive review council established pursuant to section 3735.69 or 5709.85 of the Revised Code, containing a statement of the findings as to the maintenance and repair of the property, failure to fulfill obligations under the written agreement, or violation of division (C) of Ohio Revised Code Section 3735.671, and the reason for revoking the exemption.

B. Prior Statutory Violations. The Company represents and warrants to the City that it is not prohibited by Ohio Revised Code Section 3735.671(C) from entering into this Agreement. As required by Ohio Revised Code Section 3735.671(B)(7), exemptions from taxation granted or authorized under this Agreement shall be revoked if it is determined that the Company, any successor to the Company or any related member (as those terms are defined in division (C) of Ohio Revised Code Section 3735.671 has violated the prohibition against entering into this Agreement under division (C) of Ohio Revised Code Section 3735.671 or under Ohio Revised Code Sections 5709.62, 5709.63, or 5709.632 prior to the time prescribed by that division or either of those sections.

Section 19. False Statements; Penalties; Material Representations.

A. Generally. As required in connection with Ohio Revised Code Section 9.66(C), the Company affirmatively covenants that it has made no false statements to the State or the City in the process of obtaining approval for this Agreement. If any representative of the Company has knowingly made a false statement to the State or the City to obtain approval for this Agreement, or if the Company fails to provide any information expressly required under the Application, the Company shall be required to immediately return all benefits received under this Agreement (by payment of the amount of taxes exempted hereunder, paid as directed by the City within thirty (30) days of written demand) and the Company shall be ineligible for any future economic development assistance from the State, any State agency or any political subdivision of the State pursuant to Ohio Revised Code Section 9.66(C)(1). Amounts due and not paid under this Section 19 shall bear interest at the rate of twelve percent (12%) per year. Any person who provides a false statement to secure economic development assistance (as defined in Ohio

Revised Code Section 9.66) may be guilty of falsification, a misdemeanor of the first degree, pursuant to Ohio Revised Code Section 2921.13(F)(1), which is punishable by fine of not more than One Thousand Dollars (\$1,000) and/or a term of imprisonment of not more than six (6) months.

B. Material Representations – Board of Education Agreement and VTICA. The Parties acknowledge and agree that a material failure by the Company to comply with its representations concerning the Board of Education Agreement or VTICA Contribution shall constitute an event of default for purposes of Section 16 (Default) and the basis for revocation under Section 18 (Revocation). Subject to the terms of the VTICA, if the VTICA is unenforceable for reasons of infeasibility or otherwise, the Company shall enter into alternative arrangements providing for the economic equivalent of the VTICA Contribution. Such arrangements may include, but are not limited to, providing for the economic equivalent of the VTICA Contribution through formation of a special improvement district. For purposes of this Section 19.B, alternative arrangements must result in services substantially similar to those that would have been supported through the VTICA and at a value that is the economic equivalent of the VTICA Contribution, which value shall not be required to exceed the VTICA Contribution amount that would have been payable by the Company. Any determination of infeasibility or mechanism for providing alternative arrangements is subject to approval by the City at its sole discretion. Nothing in this Section 19.B shall operate to limit the City's enforcement authority under this Agreement including, without limitation, Section 16, Section 18, and Section 19.A.

Section 20. Conflict of Interest. The Company covenants that, to the Company's knowledge, no employee of the City has any personal interest, direct or indirect, in any matters pertaining to the Project, and the Company agrees to take appropriate steps to prevent any employee of the City from obtaining any such interest throughout the term of this Agreement.

Section 21. Annual Fee. The Company shall pay an annual fee of Five Hundred Dollars (\$500) or one percent (1%) of the annual taxes exempted under this Agreement, whichever is greater, but not to exceed Two Thousand, Five Hundred Dollars (\$2,500) per annum. This fee is due with submission of the information for Annual Review and Report by March 1 of each year.

Section 22. Discontinued Operations. As provided in Ohio Revised Code Section 3735.671(C), if, prior to the expiration of the term of this Agreement, the Company discontinues operations at the Project so that the Property is no longer being used for the purposes described in Section 1 hereof, then the Company, its successors, and any related member shall not enter into an agreement under Ohio Revised Code Sections 3735.671, 5709.62, 5709.63 or 5709.632, and no legislative authority shall enter into such an agreement with the Company, its successors or any related member prior to the expiration of three (3) years after the discontinuation of operations. As used in this Section 22, "successors" and "related member" shall have the meanings set forth in Ohio Revised Code Section 3735.671(C).

Section 23. Notices. Unless otherwise specified herein, each party shall address written notices, demands and communications in connection with this Agreement to the other party as follows (or to such other address as is communicated in accordance with this Section):

To the City:

City of Cincinnati
Attention: Director of the Department of Community and Economic Development
Centennial Plaza Two, Suite 700
805 Central Avenue
Cincinnati, Ohio 45202

To Partial Owner:
240 Van Wormer Hall
2614 University Circle,
PO Box 210623
Cincinnati Ohio 45221-0623

To the Company:

The Beta Nu of Beta Theta Pi Building Company
Attention: William Gerth
3519 Zumstein Avenue
Cincinnati, OH 45208

Beta Theta Pi Foundation and Administrative Office
Attention: John Reineke
5134 Bonham
Oxford, OH 45056

If the Company sends a notice to the City alleging that the City is in default under this Agreement, the Company shall simultaneously send a copy of such notice to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, Cincinnati, OH 45202.

Section 24. Acknowledgment of City Participation. The Company agrees to acknowledge the support of the City on construction signs, project and exhibition signage, and any publicity such as that appearing on the internet, television, cable television, radio, or in the press or any other printed media. In identifying the City as a Project partner, the Company shall use either the phrase "Project Assistance by the City of Cincinnati" or a City of Cincinnati logotype or other form of acknowledgement that has been approved in advance in writing by the City.

Section 25. Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the City and the Company with respect to the subject matter herein, superseding any prior or contemporaneous agreement with respect thereto.

Section 26. Governing Law. This Agreement is entered into and is to be performed in the State. The City and the Company agree that the law of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement.

Section 27. Waiver. The City's waiver of any breach by the Company of any provision of this Agreement shall not constitute or operate as a waiver by the City of any other breach of such provision or of any other provisions, nor shall any failure or delay by the City to enforce any provision hereof operate as a waiver of such provision or of any other provision.

Section 28. Severability. This Agreement shall be severable; if any part or parts of this Agreement shall for any reason be held invalid or unenforceable by a court of competent jurisdiction, all remaining parts shall remain binding and in full force and effect.

Section 29. Amendment. This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

Section 30. Non-Assignment. As required by Ohio Revised Code Section 3735.671(B)(6), this Agreement is not transferable or assignable by the Company without the express written approval of the City Manager of the City. If the Company has entered into a Board of Education Agreement or VTICA in connection with the Property, the City shall not approve the assignment of this Agreement unless the assignee has assumed the Company's remaining obligations under the Board of Education Agreement and VTICA, as applicable. Failure to assign or otherwise perform the Company's obligations under the Board of Education Agreement or VTICA upon transfer of the Property during the term of the tax

abatement authorized by this Agreement shall be basis for revocation of the tax exemption under Section 18.

Section 31. Recording. At its election, the City may record this Agreement at the City's expense in the Hamilton County Recorder's Office.

Section 32. Legislative Action Required. As provided in Ohio Revised Code Section 3735.671, the Company and the City acknowledge that this Agreement must be approved by formal action of the City Council of the City as a condition for this Agreement to take effect. Notwithstanding anything to the contrary herein, this Agreement shall take effect after the later of the date of such approval or the final date of execution of this Agreement by all parties.

Section 33. Additional Representations and Warranties of Company. The Company represents and warrants that (a) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder; (b) no notices to, or consents, authorizations or approvals of, any person are required (other than any already given or obtained) for its due execution, delivery and performance of this Agreement; and (c) this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Company.

Section 34. Certification as to Non-Debarment. The Company represents that neither it nor any of its principals is presently debarred by any federal, state, or local government agency. In completing the Project, the Company shall not solicit bids from any contractors or subcontractors who are identified as being debarred by any federal, state, or local government agency. If the Company or any of its principals becomes debarred by any federal, state, or local government agency during the term of this Agreement, the company shall be considered in default under this Agreement.

Section 35. Appeals. Pursuant to Ohio Revised Code Section 3735.70, a person aggrieved under the Statute or this Agreement may appeal to the community reinvestment area housing council, which shall have the authority to overrule any decision of a housing officer. Appeals may be taken from a decision of the council to the court of common pleas of the county where the area is located.

Section 36. Wage Enforcement.

(i) Applicability. Council passed Ordinance No. 22-2016 on February 3, 2016, which ordained Chapter 326 (Wage Enforcement) of the Cincinnati Municipal Code (the "Wage Enforcement Chapter"). The Wage Enforcement Chapter was then amended by Ordinance No. 96-2017, passed May 17, 2017. As amended, the Wage Enforcement Chapter imposes certain requirements upon persons entering into agreements with the City whereby the City provides an incentive or benefit that is projected to exceed \$25,000, as described more particularly in the Wage Enforcement Chapter. Cincinnati Municipal Code Section 326-5 requires that the language below be included in contracts subject to the Wage Enforcement Chapter.

(ii) Required Contractual Language. Capitalized terms used, but not defined, in this clause (ii) have the meanings ascribed thereto in the Wage Enforcement Chapter.

(a) This contract is or may be subject to the Wage Enforcement provisions of the Cincinnati Municipal Code. These provisions require that any Person who has an Agreement with the city or with a Contractor or Subcontractor of that Person shall report all Complaints or Adverse Determinations of Wage Theft and Payroll Fraud (as each of those terms is defined in Chapter 326 of the Cincinnati Municipal Code) against the Contractor or Subcontractors to the Department of Economic Inclusion within 30 days of notification of the Complaint or Adverse Determination.

(b) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to include provisions in solicitations and contracts regarding a Development Site that all employers, Contractors or

Subcontractors performing or proposing to perform work on a Development Site provide an initial sworn and notarized "Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee and, within 30 days of an Adverse Determination or Complaint of Wage Theft or Payroll Fraud, shall provide an "Amended Affidavit Regarding Wage Theft and Payroll Fraud" on a form prescribed by the city manager or his or her designee.

(c) If this contract is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this contract is required to authorize, and does hereby specifically authorize, any local, state or federal agency, court, administrative body or other entity investigating a complaint of Wage Theft or Payroll Fraud against the Person (collectively "investigative bodies") to release to the City's Department of Economic Inclusion any and all evidence, findings, complaints and determinations associated with the allegations of Wage Theft or Payroll Fraud upon the City's request and further authorizes such investigative bodies to keep the City advised regarding the status of the investigation and ultimate determination. If the investigative bodies require the Person to provide additional authorization on a prescribed form or in another manner, the Person shall be required to provide such additional authorization within 14 days of a request by the City.

(d) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall include in its contracts with all Contractors language that requires the Contractors to provide the authorizations set forth in subsection (c) above and that further requires each Contractor to include in its contracts with Subcontractors those same obligations for each Subcontractor and each lower tier subcontractor.

(e) If this Agreement is subject to the Wage Enforcement provisions of Chapter 326 of the Cincinnati Municipal Code, the Person entering into this Agreement shall post a conspicuous notice on the Development Site throughout the entire period work is being performed pursuant to the Agreement indicating that the work being performed is subject to Cincinnati Municipal Code Chapter 326, Wage Enforcement, as administered by the City of Cincinnati Department of Economic Inclusion. Such notice shall include contact information for the Department of Economic Inclusion as provided by the department.

(f) Under the Wage Enforcement provisions, the City shall have the authority, under appropriate circumstances, to terminate this contract or to reduce the incentives or subsidies to be provided under this contract and to seek other remedies, including debarment.

Section 37. Legal Requirements. In completing and operating the Project, the Company shall comply with all applicable statutes, ordinances, regulations, and rules of the government of the United States, State of Ohio, County of Hamilton, and City of Cincinnati.

Section 38. Counterparts and Electronic Signatures. This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by electronic signature; any original signatures that are initially delivered electronically shall be physically delivered as soon as reasonably possible.

Remainder of this page intentionally left blank. Signature page follows.

Executed by the parties on the dates indicated below, effective as of the later of such dates (the "Effective Date").

CITY OF CINCINNATI,
an Ohio municipal corporation

THE BETA NU OF BETA THETA PI BUILDING COMPANY,
an Ohio non-profit corporation

By: _____
Sheryl M. M. Long, City Manager

By: _____

Date: _____, 2023

Printed Name: _____

Title: _____

Date: _____, 2023

Authorized by resolution dated _____

THE STATE OF OHIO,
for the use of the University of Cincinnati, a state university

By: _____

Printed Name: _____

Title: _____

Date: _____, 2023

Approved as to Form:

Assistant City Solicitor

Certified Date: _____

Fund/Code: _____

Amount: _____

By: _____
Karen Alder, City Finance Director

Exhibit A to CRA Agreement

LEGAL DESCRIPTION OF PROPERTY

Property Address: 2630 University Court, Cincinnati, Ohio 45219

Auditor's Parcel ID: 098-0004-0137-00

Situated in Section 20, Town 3, F.R. 2, City of Cincinnati, Hamilton County, Ohio and being more particularly described as follows:

Beginning at a 3/4" iron pin found at the northwest corner of The Collegiate as recorded in Plat Book 463 Page 10, said 3/4" iron pin being in the easterly right of way of University Court;

Thence with said easterly right-of-way N 16°51'00" W for a distance of 189.07 feet to a 3/4" iron pin found, corner to lands of Figueiredo Properties Ohio II, LLC as recorded in O.R. 13610 Pg. 0048;

Thence leaving said right-of-way with the south and then east line of said Figueiredo the following two (2) courses and distances:

- (1) S 89°22'00" E for a distance of 25.00 feet to a 5/8" iron pin found;
- (2) N 00°38'00" E for a distance of 28.61 feet to a 5/8" iron pin found at the west corner of lands of the State of Ohio as recorded in Plat Book 381 Page 63;

Thence with the lines of said Plat Book 381 Page 63 the following three (3) courses and distances;

- (1) S 89°22'00" E for a distance of 75.83 feet to a 5/8" iron pin found;
- (2) S 45°52'00" E for a distance of 118.57 feet to a 5/8" iron pin found;
- (3) S 00°56'00" W for a distance of 127.33 feet to a 5/8" iron pin found in the north line of said The Collegiate;

Thence with said north line N 89°22'00" W for a distance of 129.37 feet to the place of beginning.

Said property contains 0.6807 acre and being easements of record.

The above described real estate is part of the same premises described as recorded in Deed Book 9326 Page 5512 of the Hamilton County, Ohio, Deed Records and identified as parcel 098-0004-0137 on the Tax Maps of said County.

Being the result of a field survey and plat dated 10/12/2023 made under the supervision of Andrew R. Ament registration No. 5684 in the State of Ohio.

Exhibit B to CRA Agreement
APPLICATION FOR TAX EXEMPTION

TO BE ATTACHED

City of Cincinnati



801 Plum Street, Suite 354
Cincinnati, OH 45202

Phone (513) 352-5243
Email reggie.harris@cincinnati-oh.gov
Web www.cincinnati-oh.gov

202400705

Reggie Harris
Councilmember

1/8/2024

MOTION

To Approve of the Cities for Financial Empowerment Recommendations

WE MOVE that Council accept the administration's recommendations and authorize the transfer of \$1,875,000 of the \$2,125,000 set aside to implement the Cities for Financial Empowerment "Financial Freedom" blueprint to the appropriate accounts as indicated in the following table:

PROGRAM	AMOUNT
MEDICAL DEBT FORGIVENESS	\$1,500,000
CHILD SAVINGS ACCOUNTS	\$375,000

WE FURTHER MOVE that the remaining \$250,000 for Guaranteed Basic Income continue to be held while sufficient leveraged dollars are fundraised to begin the pilot.

Councilmember Reggie Harris

STATEMENT

In conjunction with the release of the Financial Freedom Blueprint on July 17th, 2023, Council set aside a \$2,125,000 allocation in a General Fund reserve account to implement the findings and recommendations of the blueprint. These funds are targeted specifically at “ensuring every resident can achieve financial freedom through asset ownership” and stability. The three programs highlighted above and in Report #202400014 from the administration identify areas in which action can be taken right now by the City and partner organizations to put a dent into the persistent wealth gap in Cincinnati.

Between medical debt relief and the proposed child savings’ account, the rollout of these policies will positively impact upwards of 50,000 adults and 1,200 children and families with the ability to further scale pending further philanthropic support. These represent very *direct* aid to constituents, putting money directly into their hands to the greatest extent possible. As the economy, and families, continue to recover financially from the COVID-19 pandemic, we must continue to be bold and intentional in support for our most vulnerable communities. With the research and community engagement already done, allocating these dollars is a reasonable next step towards achieving that goal.

A handwritten signature in black ink, consisting of two distinct, stylized parts. The first part is a cursive 'A' or similar character, and the second part is a cursive 'K' or similar character. The lines are fluid and connected.

CAL 1/9/24

January 22, 2024

To: Members of the Budget and Finance Committee

202400285

From: Sheryl M. M. Long, City Manager

Subject: Presentation – Admissions Tax Proposed CMC Changes

Attached is a presentation regarding the Admissions Tax Proposed CMC Changes.

c: William “Billy” Weber, Assistant City Manager
Karen Alder, Finance Director



Admissions Tax Proposed CMC Changes

January 2024

Overview

- The City of Cincinnati Admissions Tax is governed by City of Cincinnati Charter Article VIII, Section 6b and CMC Section 309.
- The City of Cincinnati charges a 3% tax on all admissions which are receipted to the General Fund.
- The City is budgeted to receive \$8.7 million in FY2024 from the Admissions Tax.
- The Division of Treasury has been working with the Law Department on revisions to CMC Section 309 with the goal of:
 - Modernizing and clarifying the Admissions Tax regulations.
 - Defining a new class of “marketplace facilitators” that would owe admissions taxes on admissions sold or resold on their platforms.

Admissions Tax – City/Metro Comparison

The City of Cincinnati has the lowest admissions tax rate among the largest Ohio cities and other comparable metro areas as follows:

City / Metro	Admissions Tax Rate	Professional Teams	Sales Tax Rate	Combined Tax Rate
Columbus	5.00%	2	7.50%	12.50%
Indianapolis	10.00%	2	7.00%	17.00%
Seattle	5.00%	4	10.25%	15.25%
Nashville	9.25%	3	9.25%	18.50%
Cleveland	8.00%	3	8.00%	16.00%
Pittsburgh	5.00%	3	7.00%	12.00%
Cincinnati	3.00%	3	7.80%	10.80%

Proposed CMC Revisions

Resale Admissions

- The City currently taxes resale admissions but the compliance rate is low.
- Proposing a new taxpayer type called “marketplace facilitators” (e.g., Stubhub and Seat Geek) to ensure taxes on secondary market sales are remitted.
- If a ticket broker takes ownership of a ticket, then resells it, they are required to charge, collect, and remit admissions taxes on the resale portion. Marketplace facilitators do not often take ownership of the admission. Rather, they merely connect the owner of a ticket with a buyer.
- The City eliminates the administrative difficulty of collecting taxes from individual ticket resellers and puts the requirement on the operator of the marketplace.

Proposed CMC Revisions

Tax Exemptions

- The city currently provides admissions tax exemptions to the following groups:
 - *Religious, educational, or charitable* organizations per IRS 501(c)(3), provided that no part of net earnings inure to the benefit of a private stockholder or individual ; *Military organizations; Employees or employee organizations of any Hamilton County municipality; County agricultural society.*
- Changes to the CMC; modernize the CMC to meet current legal standards and provide clarity
- Introduce a two-tiered exemption structure
 - By Right - The City would not require an exemption application for Federal, State, or Local Governments/Political Subdivisions; and
 - By Application Addition – require organizations currently exempt to apply for an exemption, examples include Cincinnati Zoo, Cincinnati Symphony:
 - i. Clarify that no exemption will be granted for tickets sold prior to exemption approval in rules and/or CMC;
 - ii. Current code requires that exempt Religious, educational, or charitable organizations per IRS 501(c)(3) receive “substantial support from voluntary contributions.”

Proposed CMC Revisions

Taxed Activities

- The legal definition of an “admission” is quite broad and provides the City powers to tax beyond just concerts and sporting events, such as: “Private” club fees; gym memberships; races; and tennis or golf club membership fees.
- The City’s Admissions Tax applies to a broad range of activities (eg. concerts, sporting events, movie theatres, golf courses, dance halls, etc.).
- Update the CMC definition of activities that owe the Admissions Tax and provide clarifying language on the Admissions Tax owed.
- Establish a rational basis made if the City limits taxable admissions to those that involve entry to a place “for the purpose of entertainment or recreation.”
- We can use this reasoning to exclude certain places, such as gyms or spas, where there is an admission-like charge, but the City does not currently plan to tax these places.

Additional Considerations

Status Quo	Recommendation
License Period	
<p>Admissions tax license applications are accepted throughout the year and expire one year from issuance.</p>	<p>Change the expiration deadline to December 31st for all institutions which will ease the administration of the program as well as reduce confusion for licensees.</p> <p>Current licensees will need to be educated on new regulations.</p>
Appeals	
<p>Any appeals are heard by “the city manager or his or her designee.” Currently, Treasury would refer appeals to OAH.</p>	<p>Law is working to manage the capacity of OAH and recommends the Finance Director be named as the CM Designee for appeals.</p> <p>This would allow Finance to reconsider suspensions, penalties, or fines internally according to a new appeals process.</p>

- Finance has established rules and regulations to clarify and summarize changes to the CMC

Recommended Next Steps

- City Council to adopt the recommended revisions to the CMC Sec. 309 by February 7th.
- Send notification to affected non-profit agencies and to ticket vendors of the approved changes by February 15th.
- The CMC changes will be effective April 1st.

Questions?

January 22, 2023

To: Members of the Budget and Finance Committee

202400315

From: Sheryl M.M. Long, City Manager

Subject: Presentation – Streamlining Affordable Housing Approval Process

Attached is a Presentation on Streamlining our Affordable Housing Approval Process- Assessing the impact of the 2022 streamlining of LIHTC approvals and the potential for legislative expansion to NOFA and AHLF projects.

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

Streamlining our Affordable Housing Approval Process

Assessing the *impact of the 2022 streamlining of LIHTC* approvals and the *potential for legislative expansion* to NOFA & AHLF projects

CINCINNATI CITY COUNCIL: BUDGET & FINANCE COMMITTEE
JANUARY 22, 2024

Department of Community & Economic Development (“DCED”) // 513-352-6146 // #700, Two Centennial, 805 Central Ave., Cincinnati 45202

Presentation Outline

→ Overview of Problem

→ Lookback: 2022 LIHTC Streamlining + Its Impact

→ Recommended Expansion: NOFA & AHLF Projects

→ Workflow Improvements in Process

Overview of Problem



Cincinnati has a ***housing supply shortage***; matched with increased demand, this leads to higher housing costs and a ***deficit of affordable housing options*** for residents.

To increase the supply of affordable housing, the City of Cincinnati is:

- ❑ ***Investing in the creation and preservation*** of affordable housing
- ❑ ***Making it easier, more efficient, and more incentivized*** to build affordable housing (reducing red tape and barriers, streamlining processes, and more)

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Today's presentation



Lookback: 2022 LIHTC Streamlining

What

City Council ***amended the Commercial Community Reinvestment Area (CRA) policy*** under passage of Ordinance No. 24-2022. The Ordinance ***authorized the Administration to approve maximum CRA real property tax exemptions*** for projects awarded Low-Income Housing Tax Credits (LIHTC) without further approval by City Council.

Why

This Ordinance reduced the administrative and legislative time it took to award a CRA, helping to support the development of affordable housing units. This change also made local LIHTC applications more competitive, allowing the Administration to execute award letters that are not conditioned on a lengthy authorization process.

In Short

- This change saved time and money; two things critical to each affordable housing project.
- This change decreased risk + increased confidence for Affordable Housing Developers.





The Impact

This change saved time and money; two things critical to each affordable housing project.

- Allowed developers to secure subcontractors and construction pricing earlier, avoiding potential prices changes, especially during periods of volatility.
- Allowed developers to close on construction financing sooner, avoiding changing interest rates.
- Allowed developers to begin and complete construction sooner; tenants can move in sooner, and the impact of the online units on the housing market and unit affordability happen quicker.
- Reduced staff time preparing Ordinance and transmittal package.



The Impact

This change decreased risk + increased confidence for Affordable Housing Developers.

- Allowed them to avoid potential risk of not receiving a tax exemption that may significantly impact operating costs and therefore project viability and affordability.
- Allowed them to avoid potential risk of not getting on Council agenda before recesses or breaks, thus delaying a project by several weeks.

“[This change helped us] with closing calls and discussions with attorneys. It can be communicated that they are just waiting on the documents, rather than documents, a counsel date, and approval.

It also help[ed] to provide certainty leading up to and during council recess...without delaying a project closing by a month or two.”



Lookback: 2022 LIHTC Streamlining



Barrister Apartments

<u>Neighborhood</u>	Downtown
<u>Developer</u>	OTR Community Housing & Urban Sites
<u>Units</u>	44
<u>AMI Restrictions</u>	30%, 50% & 60% AMI
<u>Total Project Cost</u>	Approx. \$14,400,000

Description of Project

Adaptive reuse of two (2) historic buildings. Includes a mix of efficiency, 1-BR, 2-BR, and 3-BR units as well as 2,000 sf of commercial space. Project will also achieve National Green Building Standard certification.

Lookback: 2022 LIHTC Streamlining



Peebles Apartments

<u>Neighborhood</u>	Walnut Hills
<u>Developer</u>	The Model Group
<u>Units</u>	42
<u>AMI Restrictions</u>	30% & 60% AMI
<u>Total Project Cost</u>	Approx. \$13,700,000

Description of Project

New construction of one (1) mixed-use building. Includes a mix of 1-BR, 2-BR, and 3-BR units as well as 2,188 sf of commercial space. Project will also achieve LEED certification.

Lookback: 2022 LIHTC Streamlining



Victory Vistas

<u>Neighborhood</u>	Paddock Hills
<u>Developer</u>	Kingsley and Company
<u>Units</u>	50
<u>AMI Restrictions</u>	30% & 60% AMI
<u>Total Project Cost</u>	Approx. \$14,000,000

Description of Project

New construction of one (1) senior housing building. Includes a mix of 1-BR and 2-BR units, as well as community space, fitness center, and business center. Project will also achieve LEED certification.



Identified Areas for Expansion

Areas of programmatic expansion identified for comparable streamlining:

- Notice of Funding Availability (NOFA) Projects
- Affordable Housing Leverage Fund (AHLF)

Proposed legislation would authorize the City Administration to approve the maximum real property tax exemption for projects awarded City or Federal funding as may be made available through the NOFA program or AHLF.

Benefits of Expansion

- This change would save time and money; two things critical to each affordable housing project.
- This change would decrease risk + increase confidence for Affordable Housing Developers.
- This change reflects Council development priorities (e.g. reducing barriers to affordable housing).



Identified Areas for Expansion

Notice of Funding Available (“NOFA”)

The NOFA loan program provides residential developers with various subordinate financing options for transformative housing projects; projects must meet the City’s housing . NOFA funds may be used towards site preparation, hard development costs, and infrastructure improvements associated with an eligible project. Funding sources may include Home Investment Partnership Program (“HOME”), Community Development Block Grant (“CDBG”), City Capital, and TIF Districts.

Key Information

- NOFA leverages private and philanthropic dollars, often providing crucial gap financing to make development happen.
- Supports the creation and preservation of rental units and homeowner opportunities.
- Since 2015, \$53.7MM has been awarded to support the creation or preservation of 2,883 units, 2374 of which are affordable (AMI-restricted; range varied depending on project between 30%-80%).
- DCED evaluates all NOFA projects in a competitive process in alignment with City of Cincinnati housing policy objectives (such as affordability and quality).



Identified Areas for Expansion

Affordable Housing Leverage Fund (“AHLF”)*

AHLF is an aggregation of funds managed by the Cincinnati Development Fund to finance the construction, rehabilitation, and preservation of affordable housing in Cincinnati. Sources include public, private, corporate, and charitable funds, each with their own goals, terms, and conditions. By combining funding sources, it can be more effectively leveraged and deployed for meaningful projects across Cincinnati.

Key Information

- Supports the creation and preservation of rent leverages private and philanthropic dollars, often providing crucial gap financing to make development happen. al units and homeowner opportunities.
- In its first year of operation, AHLF was responsible for creating 857 income-restricted units; 712 of which were restricted to residents earning 60% AMI or less. The establishment of the AHLF has put us on pace to build 3x more affordable housing than the previous 5 years average + produced 2x as much housing for people at or below 30% AMI than the previous 5 years combined!
- *This legislation would only streamline projects utilizing public dollars (City of Cincinnati & federal grant programs).



Identified Areas for Expansion

Areas of programmatic expansion identified for comparable streamlining:

- Notice of Funding Availability (NOFA) Projects
- Affordable Housing Leverage Fund (AHLF)



These are effective, reliable programs with proven results!

Proposed legislation would authorize the City Administration to approve the maximum real property tax exemption for projects awarded City or Federal funding as may be made available through the NOFA program or AHLF.

Benefits of Expansion

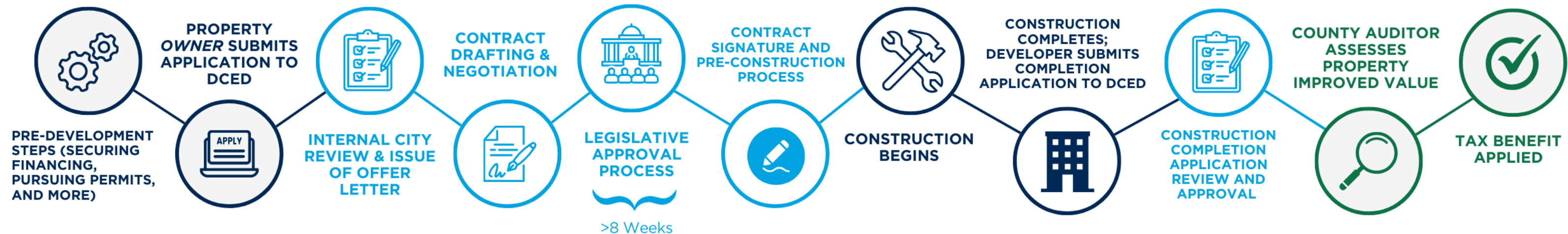
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- This change would decrease risk + increase confidence for Affordable Housing Developers.
- This change reflects Council development priorities (e.g. reducing barriers to affordable housing).

Identified Areas for Expansion

This change would save time and money; two things critical to each affordable housing project.

- Every week we can save in the CRA process saves time and money and allows these units to go online faster.

Lifetime of a development project seeking a Commercial CRA:



Identified Areas for Expansion

This change would save time and money; two things critical to each affordable housing project.

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Lifetime of a development project seeking a Commercial CRA:





Identified Areas for Expansion

This change would decrease risk + increase confidence for Affordable Housing Developers.

- Allows them to avoid potential risk of not receiving a tax exemption that may significantly impact operating costs and therefore project viability and affordability.
- Allows them to avoid potential risk of not getting on Council agenda before recesses or breaks, thus delaying a project by several weeks



Identified Areas for Expansion

This change is good policy.

- This change reflects housing development priorities Council has already set, such as reducing barriers to affordable housing, increasing supply, and positive relationships with affordable housing partners.
- This change is also reflective of Council's explicit role of setting development policy & priorities and then empowering the Administration to execute them, rather than being involved so directly in development deals or individual projects.
 - Council has expressed interest in strengthening this policy-based role provided priorities of development type are clear and the Administration ensure accountability, transparency, and communication.



Workflow Improvements in Process

Increased Communication to Council

DCED will ensure Council remains updated on ALL projects that would be impacted by this streamlined process, to ensure it doesn't lead to less awareness from Council of projects moving forward.

Planned Workflow Improvements:

- Monthly FYI Memos on projects receiving approval
- General overall improved communication from DCED and the Administration regarding goals, programming, and projects in the field of housing development

Thank You.

Assessing the *impact of the 2022 streamlining of LIHTC* approvals and the *potential for legislative expansion* to NOFA & AHLF projects

CINCINNATI CITY COUNCIL: BUDGET & FINANCE COMMITTEE
JANUARY 22, 2024

Department of Community & Economic Development (“DCED”) // 513-352-6146 // #700, Two Centennial, 805 Central Ave., Cincinnati 45202

ADMINISTRATIVE CRA APPROVALS FOR NOFA AND AHLF PROJECTS

Background: On February 2, 2022, City Council amended the Commercial Community Reinvestment Area (CRA) policy under the passage of Ordinance No. 24-2022, effectively entitled the “Commercial Policy Ordinance”. The Commercial Policy Ordinance authorized the City Administration to approve the maximum CRA real property tax exemption for projects awarded Low-Income Housing Tax Credits (LIHTC) by the Ohio Housing Finance Agency (OHFA) without further approval by City Council, and clarify the eligible length of real property tax exemptions for commercial projects of historical or architectural significance in downtown Cincinnati.

The intent of the legislation was to better support the development of affordable housing units by reducing the administrative and legislative time it takes to award a CRA. This legislative action also made local LIHTC applications more competitive by instituting an approval process that allows the Administration to execute award letters that are not conditioned on a subsequent authorization of the City Council.

Since the passage of the Commercial Policy Ordinance, there have been five (5) LIHTC projects serving households at or below 60% of the Area Median Income (AMI) that have been approved. Since the passage of the Commercial Policy Ordinance there have been five (5) additional projects that have been awarded City or Federal funding through either the Department of Community and Economic Development’s (DCED) annual Notice of Funding Availability (NOFA) or the Cincinnati Development Fund (CDF) administered Affordable Housing Leverage Fund (AHLF) and have gone through the legislative process to receive approval for the CRA tax abatement.

Proposal: Amend Ordinance 24-2022 regarding commercial policies of Community Reinvestment Area real property tax exemptions to set a policy by which City Council authorizes the City Administration to approve the maximum Community Reinvestment Area real property tax exemption for projects awarded City or Federal funding as may be made available through the Notice of Funding Availability (NOFA) program or Affordable Housing Leverage Fund (AHLF), subject to any agreements between the City and Board of Education of the Cincinnati City School District.

Rationale: A reduction in the administrative and legislative time to award a CRA can be a cost-saving measure intended to promote an affordable housing project’s viability and sustainability. This policy provided more assurances that the CRA would not only be approved administratively in a quicker timeframe but also that these projects would be awarded the maximum incentive as authorized under the legislation. CRAs are critical to helping keep operating costs lower and with a lower property tax liability, the projects can support more debt and/or keep rents at an affordable level.

Many affordable housing developers not utilizing the LIHTC program are equally as eager to secure financing, lock in rates and get products to market as quickly as possible. Projects subsidized by the NOFA and AHLF preserve and create affordable housing units but may not always be the beneficiaries of LIHTCs. Projects funded from these sources may also be smaller with developers with less financial and organizational capacity. Expanding this policy to these projects will further aid in the development of more affordable housing units, especially when construction costs and interest rates are high.

Transparency and Accountability: To ensure awareness of projects approved administratively that fall within this amended ordinance, DCED will provide a monthly project summary to the City Manager for distribution to the Mayor and Members of City Council.