



EMERGENCY

City of Cincinnati

AKS

10/24  
- 2024

An Ordinance No. 49

**AUTHORIZING** the City Manager to execute a Development Agreement with 3CDC Development Manager LLC and the Board of County Commissioners of Hamilton County, Ohio, acting for and on behalf of Hamilton County, Ohio, pertaining to the major renovation and expansion of the City-owned property known as Duke Energy Convention Center (the “DECC”), and other adjacent properties, all in the Central Business District; **ESTABLISHING** new capital improvement program project account no. 980x164x241620, “Convention Center District Urban Renewal TIF,” to provide resources for improvements to the DECC and other adjacent properties; **AUTHORIZING** the transfer and appropriation of \$23,000,000 from the unappropriated surplus of Urban Renewal – Tax Increment Bond Fund 852 to newly established capital improvement program project account no. 980x164x241620, “Convention Center District Urban Renewal TIF,” to provide resources for the improvements to the DECC and other adjacent properties as required by the Development Agreement between the City of Cincinnati, 3CDC Development Manager LLC, and the Board of County Commissioners of Hamilton County, Ohio, acting for and on behalf of Hamilton County, Ohio; and **DECLARING** this capital improvement project an urban renewal project located in an urban renewal area, each as defined in Ohio Revised Code Chapter 725.

WHEREAS, the City of Cincinnati (the “City”) owns the Duke Energy Convention Center (the “DECC”) located at 525 Elm Street, and generally bounded by Elm Street, Fifth Street, Sixth Street, and Central Avenue in the Central Business District of Cincinnati; and

WHEREAS, even though the City has provided day-to-day maintenance and repairs and completed periodic capital improvements, the DECC has deteriorated in recent years and is once again in need of substantial renovation and capital repairs; and

WHEREAS, the City currently anticipates vacating that portion of Elm Street right-of-way between Sixth Street and Fifth Street for potential consolidation with the DECC or to be owned as a standalone parcel by the City (the “Elm Street Parcel”); and

WHEREAS, the Port of Greater Cincinnati Development Authority (the “Port”) currently owns certain real property where the former Millennium Hotel was located, generally bounded by Elm Street, Fifth Street, Sixth Street, and the 84.51 headquarters building (the “Millennium Site”); and

WHEREAS, the City owns certain real property (i) bisecting the Millennium Site that is currently a paper street known as Convention Way, and (ii) consisting of several parcels along Elm Street and Convention Way (such City-owned property, with the DECC, the Millennium Site, and the Elm Street Parcel, are collectively referred to hereinafter as the “Project Site”); and

WHEREAS, pursuant to Resolution No. 6-2022, approved by Council on January 26, 2022, and a Resolution passed by the Board of County Commissioners of Hamilton County,

Ohio (the "County") on January 27, 2022, the City and the County expressed their support for the creation of a comprehensive strategy for redevelopment of the DECC and the surrounding area generally bounded by Race Street, Central Avenue, Fourth Street, and Sixth Street (collectively, the "District"), including through the engagement of Cincinnati Center City Development Corporation ("3CDC") for planning and management services related to the District; and

WHEREAS, Council adopted a Motion, Item No. 202300325, on February 23, 2023, requesting that the City work with 3CDC and other relevant stakeholders to maximize opportunities for minority and women contractors to engage in development within the District; and

WHEREAS, the City, the County, and 3CDC Development Manager LLC ("Manager"), a wholly owned subsidiary of 3CDC, entered into a Development Management Services Agreement, pursuant to which Manager has been providing pre-development services associated with the potential renovation of the DECC, the potential development of a new convention center headquarters hotel, and the general planning and development of other sites within the District (the "Pre-Development Services"); and

WHEREAS, Manager entered into an agreement with Messer Construction Co. ("Messer") to provide pre-construction services related to the renovation of the Project Site (the "DECC Project"), which services have been nearly completed; and

WHEREAS, the City and the County now desire to further engage Manager to provide additional development management project implementation services related to the DECC Project through execution of a Development Agreement substantially in the form attached hereto as Attachment A (the "Development Agreement"); and

WHEREAS, in recognition of the importance and value of including diversity, equity, and inclusion efforts for development projects within the District, the City, the County, and Manager have worked together to develop a plan and establish goals to maximize inclusion efforts within the District (the "Inclusion Plan"); and

WHEREAS, through the Development Agreement, the City and the County will engage Manager, and Messer through Manager, to ensure that all contractors, subcontractors, and consultants on the DECC Project comply with the Inclusion Plan and utilize best efforts to achieve participation at a level of twenty percent for minority-owned business enterprises and ten percent for women-owned business enterprises, with an additional aspirational reach goal of an additional five percent each; and

WHEREAS, the City has determined that it is in its best interest to (i) approve Manager's retention of Messer as the construction manager at risk, in partnership with TriVersity Construction and Jostin Construction, for the construction of the DECC Project due to Messer's experience and reputation for successfully completing projects of this magnitude and complexity, and (ii) to permit Messer to selectively hire the subcontractors for the DECC Project because of the highly specialized nature of the renovation work that will be performed by the subcontractors, with the understanding that Messer will comply with the Inclusion Plan; and

WHEREAS, Manager intends to commence on-site construction on the DECC Project no later than July 1, 2024, and substantially complete construction no later than December 31, 2025; and

WHEREAS, the total estimated cost (including, without limitation, hard construction costs, soft costs, acquisition costs, and costs of issuance) of the DECC Project is approximately \$200,000,000; and

WHEREAS, in addition to the funds provided by the City in the amount of \$7,000,000 for the Pre-Development Services, the City now desires to provide an additional \$23,000,000 (the “City Cash Funds”) for the DECC Project; and

WHEREAS, the source of the City Cash Funds is proceeds from the City’s issuance of urban renewal bonds or notes to finance a portion of the DECC Project; and

WHEREAS, the Project Site constitutes an urban renewal area and the DECC Project constitutes an urban renewal project, each for purposes of Ohio Revised Code Chapter 725; and

WHEREAS, the County previously provided funding for the acquisition and demolition of the former Millennium Hotel and \$5,000,000 for pre-development costs associated with the Millennium Site, and now intends to provide an additional \$10,000,000 for the DECC Project; and

WHEREAS, to facilitate a bond issuance by the Port in a principal amount not to exceed \$370,000,000 (the “TOT Bonds”), the City and the County intend to pledge to the Port, and/or the trustee on the TOT Bonds, some of the revenues from their respective transient occupancy taxes (the “TOT Revenues”), and, subject to appropriation, the City and the County intend to provide credit enhancements on the TOT Bonds in the form of an annual contribution from each such entity in an amount not to exceed \$650,000 annually; and

WHEREAS, the pledge(s) of the TOT Revenues and the terms of the financing associated with the TOT Bonds, pursuant to which the Port will make the net TOT Bonds proceeds available to pay for the construction of the DECC Project, will be determined by separate agreements entered into between the City, the County, and the Port, which financing structure Council will authorize by separate ordinance; and

WHEREAS, the City believes that the DECC Project is in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements, and for this reason the City desires to facilitate the DECC Project by providing the City Cash Funds and other financial support for the DECC Project, all as more particularly described in the Development Agreement; and

WHEREAS, completion of the DECC Project is in accordance with the “Compete” goal to “[b]ecome nationally and internationally recognized as a vibrant and unique city” as described on pages 121-125 of Plan Cincinnati (2012) and the “Collaborate” goal to “[s]peak in a unified voice with other entities to reach regional goals” as described on pages 213-216 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 is authorized to execute a Development Agreement, substantially in the form attached hereto as Attachment A (the "Development Agreement"), with 3CDC Development Manager LLC and the Board of County Commissioners of Hamilton County, Ohio, acting for and on behalf of Hamilton County, Ohio, pertaining to the major renovation and expansion of the City-owned property known as the Duke Energy Convention Center (the "DECC"), located at 525 Elm Street, and adjacent properties thereto, all generally bounded by the 84.51 headquarters building, Fifth Street, Sixth Street, and Central Avenue, all in the Central Business District of Cincinnati, which property is more particularly described in the Development Agreement (collectively, the "Project Site").

Section 2. That the Director of Finance is authorized to establish new capital improvement program project account no. 980x164x241620, "Convention Center District Urban Renewal TIF," to provide resources for improvements to the Project Site pursuant to the terms of the Development Agreement (the "DECC Project").

Section 3. That the transfer and appropriation of \$23,000,000 from the unappropriated surplus of Urban Renewal – Tax Increment Bond Fund 852 to newly established capital improvement program project account no. 980x164x241620, "Convention Center District Urban Renewal TIF," to provide resources for the DECC Project, all as allowable by law, is authorized.

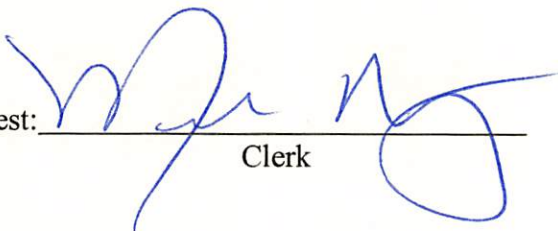
Section 4. That it is in the best interest of the City to approve Messer Construction as the construction manager at risk, in partnership with TriVersity Construction and Jostin Construction, for the DECC Project due to Messer's experience and reputation for successfully completing projects of this magnitude and complexity.

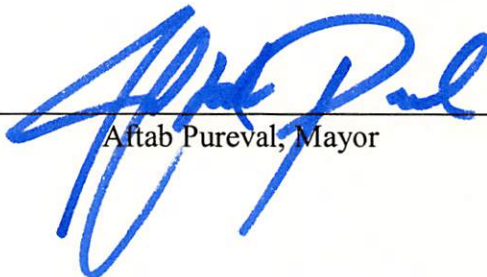
Section 5. That Council hereby declares that the DECC Project constitutes an urban renewal project, and the Project Site constitutes an urban renewal area, each as defined in Chapter 725 of the Ohio Revised Code.

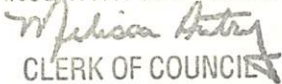
Section 6. That the appropriate City officials are hereby authorized to do all things necessary and proper to carry out the provisions of Sections 1-5 of this ordinance, including, without limitation, entering into the Development Agreement and any other agreements, amendments, and other instruments pertaining to the DECC Project.

Section 7. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is to enable the City to execute the Development Agreement at the earliest possible time in order to proceed with the completion of the DECC Project for the economic benefit of the people of the City of Cincinnati.

Passed: February 7, 2024

Attest:   
Clerk

  
Aftab Pureval, Mayor

I HEREBY CERTIFY THAT ORDINANCE NO 49-2024  
WAS PUBLISHED IN THE CITY BULLETIN  
IN ACCORDANCE WITH THE CHARTER ON 2/20/2024  
  
CLERK OF COUNCIL