

September 25, 2024

To: Mayor and Members of City Council

From: Sheryl M.M. Long, City Manager

202402093

Subject: Emergency Ordinance – Northside TIF Funding for Property Acquisition

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute a Funding Agreement with the Port of Greater Cincinnati Development Authority pertaining to the acquisition of real property located at 3924 Cherry Street and 1670 Cooper Street in the Northside neighborhood of Cincinnati; **AUTHORIZING** the transfer and appropriation of \$1,598,598 from the unappropriated surplus of Northside Equivalent Fund 525 to Department of Community and Economic Development (“DCED”) non-personnel operating budget account no. 525x162x7200 to facilitate the Port of Greater Cincinnati Development Authority’s financing to acquire certain real property located at 3924 Cherry Street and 1670 Cooper Street in the Northside neighborhood of Cincinnati; and **DECLARING** that expenditures from DCED non-personnel operating budget account no. 525x162x7200 to facilitate the Port of Greater Cincinnati Development Authority’s financing to acquire certain real property located at 3924 Cherry Street and 1670 Cooper Street in the Northside neighborhood of Cincinnati are for a public purpose and constitute a “Public Infrastructure Improvement” (as defined in Section 5709.40(A)(8) of the Ohio Revised Code), that will benefit and/or serve District 25 - Northside Incentive District, subject to compliance with Ohio Revised Code Sections 5709.40 through 5709.43

STATEMENT

The acquisition and site preparation of a large commercial property provides the opportunity to create a large number of additional housing units in a future project that will go toward helping to alleviate Cincinnati’s strained housing market, which is currently experiencing increasing affordability issues due to lack of supply. The future project will also create a portion of income-restricted affordable units available to households at or below 60% of area median income, as required by the City ordinance governing 25% affordable housing set-asides from TIF districts.

BACKGROUND/CURRENT CONDITIONS

The Port of Greater Cincinnati Development Authority (“Port”), in partnership with Cincinnati Northside Community Urban Redevelopment Corporation d/b/a Northsiders Engaged in Sustainable Transformation (“NEST”), has requested City capital funding

from the Northside TIF District to support its acquisition of vacant commercial/industrial sites at 1670 Cooper Street and 3924 Cherry Street and Northside (“Property”).

The Property consists of a total of approximately 2.24 acres, of which 1.65 acres is attributable to the Cooper Street site and .59 acres is attributable to the Cherry Street site. Currently these are blighted and vacant industrial sites, with the Cooper Street site requiring substantial environmental remediation in order to become safe and marketable for development. The current owner, an affiliate entity of PLK Communities, made efforts to develop the Property but determined that a project was not economically feasible for them to construct, and instead chose to market the property for sale.

The Port has signed a purchase agreement for a price of \$3,000,000, with the intention of partnering with NEST to complete necessary environmental cleanup and come up with a development plan for the Property. The developers intend to robustly engage Northside residents and stakeholders, including the Northside Community Council, which has expressed its support for the TIF appropriation. The parties anticipate a final development consisting of at least \$25,000,000 of investment.

In order to cover the cost of acquisition, environmental assessment and survey, and other associated project costs, the request to the City from the Port and NEST is to provide the Port a cash grant in the amount of \$1,598,598 from the existing Northside TIF balance, as well as cash from future Northside TIF receipts in an amount sufficient to cover principal and interest payments on a \$1,750,000 acquisition loan from Cincinnati Development Fund. This loan is intended to be paid off by July 2026, according to current TIF projections.

The activities contemplated by this Emergency Ordinance support the *Live* section of Plan Cincinnati, especially “assemble vacant and underutilized properties in targeted areas for larger redevelopment opportunities,” (p. 160).

DEVELOPER INFORMATION

Similar to a number of other City-involved Port transactions, the Port will be serving in a role as the purchaser and holder of the Property, in its role as a quasi-public real estate redevelopment partner agency for the City.

The Port intends to enter into a memorandum of understanding with NEST, Northside’s nonprofit community development corporation, to work together to engage the Northside community and put together a development proposal for the Property. NEST has previously facilitated a successful large-scale affordable housing development in partnership with Pennrose, John Arthur Flats, and is also in the pre-development phase on a similar project, Northside Gateway, with Urban Sites and OTR Community Housing.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The reason for the emergency is to facilitate the completion of the purchase transaction before an upcoming deadline.

Attachment: Project Outline and Proposed Incentive

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

Project Image and Site Map

