

City of Cincinnati



August 31, 2020

To: Mayor and Members of City Council

From: Paula Boggs Muething, Interim City Manager

SM
for PM

202001350

Subject: **PROPERTY SALE AND DEVELOPMENT AGREEMENT FOR 1623 PLEASANT STREET**

Attached is an Emergency Ordinance captioned as follows:

AUTHORIZING the City Manager to execute a *Property Sale and Development Agreement* between the City of Cincinnati and Kunst Development LLC for the sale of City-owned property at 1623 Pleasant Street, located in the Over-The-Rhine neighborhood of Cincinnati, to be redeveloped as 8 market-rate residential rental units.

BACKGROUND/CURRENT CONDITIONS

1623 Pleasant Street is a City-owned vacant property in the Over-the-Rhine neighborhood. The property contains one historic, blighted, multi-family building that has been vacant and owned by the City since 2004. The Department of Community and Economic Development released a Request for Proposals (RFP) for the sale and development of the property in June 2019. Only one proposal was submitted, which was from Kunst Development, LLC. An evaluation committee reviewed this proposal and unanimously recommended that the RFP be awarded to Kunst Development, LLC in December 2019.

DEVELOPER INFORMATION

Kunst Development is an Over-the-Rhine-based developer, general contractor, and historic tax credit consultant managed by John Blatchford. Kunst specializes in historic renovation of properties and has completed several historic redevelopment projects in Over-the-Rhine as developer (205-7 W McMicken Avenue and 1667 Hamer Street). Kunst has also served as contractor and historic tax credit consultant on over a dozen redevelopment projects in Cincinnati.

PROJECT DESCRIPTION

Kunst Development will purchase the property from the City for the appraised value of \$59,500 and redevelop the vacant, blighted building to create a total of eight (8) residential units (four (4) studio units and four (4) one-bedroom units). The anticipated rents will be \$700 per month for a studio and \$980 per month for a one-bedroom. The renovation will be an entire overhaul including new mechanical systems, electric, plumbing and HVAC, flooring, drywall and paint. Refurbished and new windows will be installed along with new cabinets and counters. The renovation will be attentive to historic detail and the developer will pursue state and federal historic tax credits.

Total project cost is estimated at \$644,383 and construction will be completed in 13 months. The project will be funded with developer equity and state and federal historic tax credit equity.

On July 27, 2020, Over-the-Rhine Community Council voted in support of this sale and City Planning Commission approved the sale on August 7, 2020. The project will help achieve Plan Cincinnati's goals of improving housing quality and creating a more livable community by restoring a long vacant property to productive use in the Over-the-Rhine neighborhood.

PROPOSED INCENTIVE

DCED is recommending a sale of the property to Kunst Development LLC at the appraised value of \$59,500. The project will receive no direct City incentive.

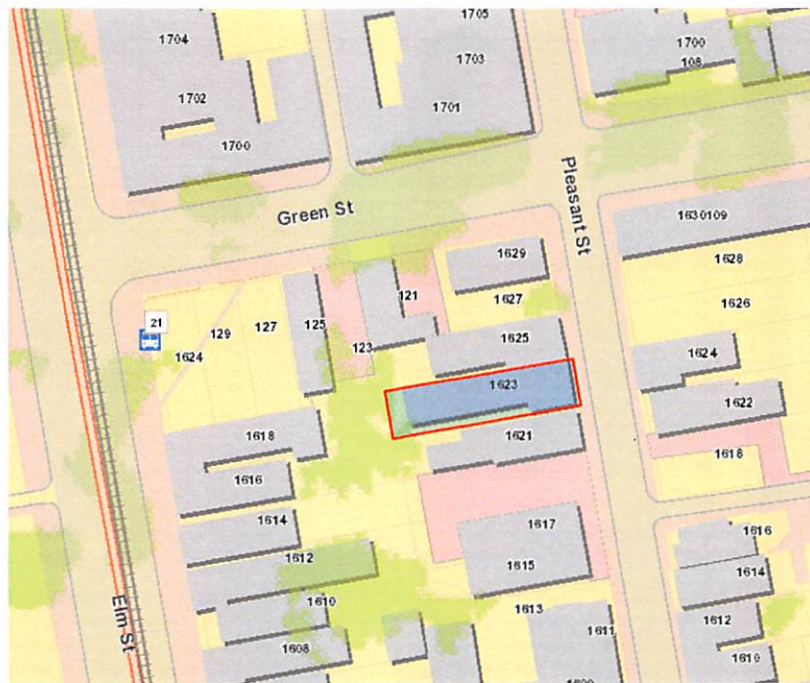
RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

Attachment: A. Property location and photographs

Copy: Markiea Carter, Interim Director, Department of Community & Economic Development *mc*

Attachment A: Location and Photographs



Property Location



1623 Pleasant Street