

City of Cincinnati



202000994

August 3, 2020

To: Mayor and Members of City Council

From: Paula Boggs Muething, Interim City Manager *CB for P3M*

Subject: **EMERGENCY ORDINANCE- DETERMINING TO PROCEED WITH THE PACE ASSESSMENT PROJECT FOR 1614 WALNUT STREET**

Attached is an Emergency Ordinance captioned as follows:

DETERMINING to proceed with the assessment project at 1614 Walnut in the City of Cincinnati involving the City of Cincinnati, Ohio Energy Special Improvement District.

BACKGROUND/CURRENT CONDITIONS

The Ohio PACE (Property Assessed Clean Energy) program allows commercial property owners to opt in to a special assessment which is added to the property tax bill to access long-term, fixed-rate financing for energy efficiency upgrades. 1614 Walnut LLC, has requested to have their property added to the Energy Special Improvement District (ESID) and special assessments levied on the property, for the purpose of accessing PACE financing for energy efficiency upgrades to their planned mixed-use rehab project.

DEVELOPER INFORMATION

The development entity is 1614 Walnut LLC. and are affiliates of North Crown Property whose mission is to foster smart, ethically sound and historically sensitive development and rehabilitation in urban cores. They have also rehabbed buildings at 1618 and 1630 Walnut Street, in proximity to the proposed project in Over-The-Rhine, Cincinnati.

PROJECT DESCRIPTION

The project will include rehab of a vacant building into a mixed-use development including residential and commercial space in the Over-The-Rhine neighborhood. The

Determining to Proceed with the PACE Assessment Project

1614 Walnut, LLC.

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construction cost is estimated to be \$1,900,000, and the total cost of the PACE eligible improvements is \$222,000. There is also a LEED CRA tax abatement associated with the project.

PROPOSED INCENTIVE

DCED is recommending that the City amend the Energy Special Improvements District (ESID) boundaries to add this property to the ESID, and levy special assessments on the property. This will allow the developer to access financing for energy efficiency upgrades to the building envelope, HVAC, and lighting systems.

City Council approved the Project Incentive Agreement related to this project on December 4th, 2019.

RECOMMENDATION

The Administration recommends approval of this emergency ordinance.

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