

March 31, 2021

To: Mayor and Members of City Council

202101232

From: Paula Boggs Muething, City Manager

Subject: **CRA TAX EXEMPTION AGREEMENT FOR 17E-FIFTEEN LLC**

Attached is an Emergency Ordinance captioned as follows:

APPROVING AND AUTHORIZING the City Manager to execute a *Community Reinvestment Area Tax Exemption Agreement* with 17E-Fifteen LLC, thereby authorizing an 8-year tax exemption for 100% of the value of improvements made to real property located at 17 E. 15th Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 3,576 square feet of residential space, consisting of 6 residential rental units, at a total construction cost of approximately \$300,000.

BACKGROUND/CURRENT CONDITIONS

17E-Fifteen, LLC owns and intends to renovate the residential property located at 17 E 15th Street in Over-the-Rhine, just south of Liberty Street, between Vine and Walnut Streets. The property has long been vacant, and the existing condition has put the building at great risk. Full stabilization and a gut renovation will be required to make the building habitable once again.

DEVELOPER INFORMATION

17E-Fifteen LLC is a limited liability corporation operated by Amparo Beltri, an individual developer. Ms. Beltri has done at least one other historic rehab in Over-the-Rhine prior to this project, at 1540 Elm Street.

PROJECT DESCRIPTION

The Developer is proposing a stabilization and gut renovation of the four-story, 3,576 sq ft historic property located at 17 E 15th Street to include six (6) market-rate one-bedroom, one-bathroom residential rental units. Rents will be on average \$1,000 per month. Total project cost is estimated to be \$609,368, with construction cost estimated to be \$300,000. The project is estimated to take seven months to complete

and will support the creation of 30 temporary construction jobs with a total payroll of \$200,000. The developer intends to commence construction in April 2021.

PROPOSED INCENTIVE

DCED is recommending an eight-year net 52% CRA tax exemption. The exemption applies only to the increase in improvement value attributed to the renovation.

Pursuant to the Commercial CRA policy established by City Council, this project is located in the Streetcar VTICA Area and is therefore subject to analysis based on project underwriting, VTICA contribution, and job creation to determine abatement terms. The project merits an eight-year net 52% CRA Tax Abatement based on the following criteria:

- Net 15% Streetcar VTICA contribution totals \$6,685 over eight years
- Project will create 30 temporary construction jobs with a total payroll of \$200,000
- Project provides a \$1.59 return for each dollar of City investment

SUMMARY	
Incentive Value	
Annual Net Abatement (Savings to Developer)	\$2,897
Total Term Net Abatement (Savings to Developer)	\$23,175
City's Portion of Property Taxes Forgone	\$5,752
Public Benefit	
CPS PILOT	
Annual CPS Pilot	\$1,838
Total Term CPS PILOT	\$14,707
VTICA	
Annual VTICA	\$836
Total Term VTICA PILOT	\$6,685
Income Tax (Max)	\$2,450
New Permanent Jobs	0
Total Public Benefit (CPS PILOT/VTICA PILOT/Income Tax)	\$23,842
Total Public Benefit ROI	\$1.03
City's ROI	\$1.59

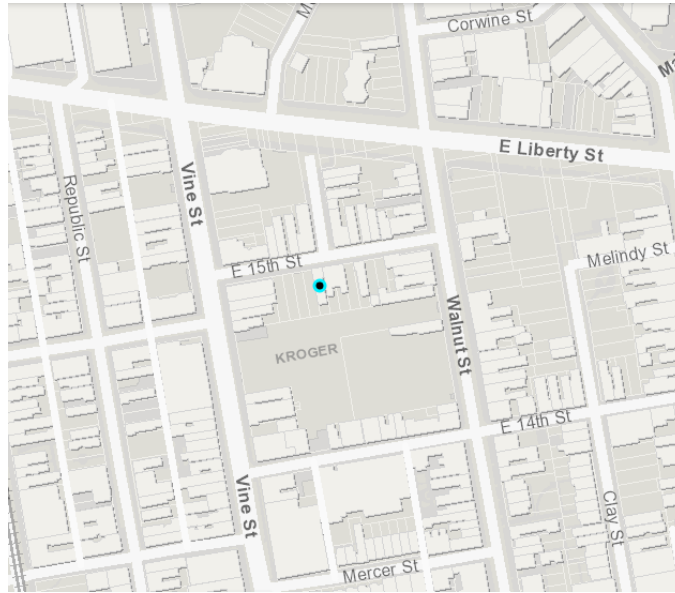
RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

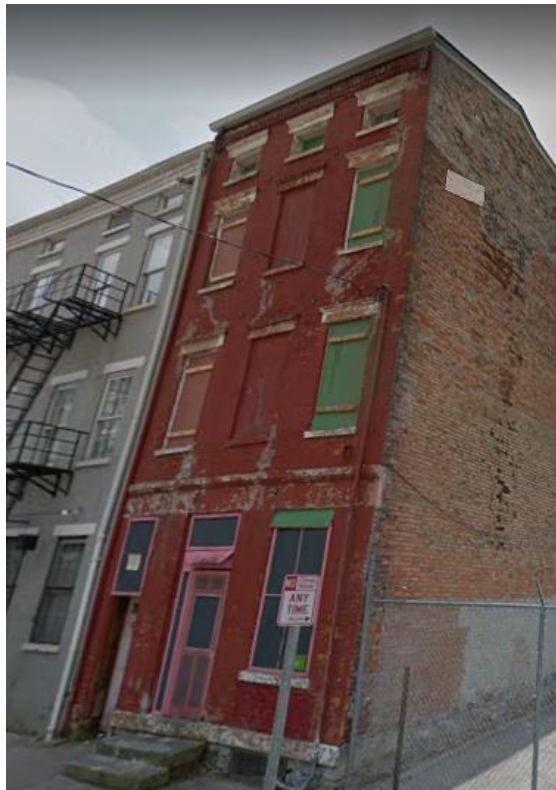
Attachment: A. Property location and photographs

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

Attachment A: Location and Photographs



Property Location



17 E 15th Street