

City of Cincinnati

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An Ordinance No. _____ - 2015

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Base Operations, Inc., thereby authorizing an 8-year tax exemption for 100% of the value of the improvements made to real property located at 1309-1315 Main Street in the Over-the-Rhine neighborhood of Cincinnati in connection with the remodeling of nine apartment units located on such real property, which remodeling represents a total construction cost of approximately \$350,000.

WHEREAS, to encourage the development of real property and the acquisition of personal property, the Council of the City of Cincinnati by Ordinance No. 119-2007 designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area” pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, the Council of the City of Cincinnati has amended Ordinance No. 119-2007 from time to time to establish eligibility requirements and maximum real property tax exemptions for newly constructed or remodeled commercial and residential structures; and

WHEREAS, the Council of the City of Cincinnati passed Ordinance No. 43-2014 on March 26, 2014, clarifying the terms and conditions for real property tax exemptions under Ordinance No. 119-2007 and establishing incentives for construction of visitable residences; and

WHEREAS, effective January 11, 2008, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, Base Operations, Inc. (the “Company”) acted to remodel nine apartment units (the “Improvements”) on real property located within the corporate boundaries of the City of Cincinnati in the Over-the-Rhine neighborhood at 1309-1315 Main Street in reliance on development incentives anticipated to be made available by the City of Cincinnati to support the economic viability of the Improvements; and

WHEREAS, the Company submitted an application for a real property tax exemption in May 2012, but miscommunication between the City and the Company led the Company to commence construction under the mistaken belief that it had fulfilled the conditions for the applied-for exemption; and

WHEREAS, the property is located within the City School District of the City of Cincinnati (the “Cincinnati School District”); and

WHEREAS, the Board of Education of the Cincinnati School District, pursuant to an agreement with the City of Cincinnati entered into on July 2, 1999 (as amended, the "Board of Education Agreement"), has approved exemptions of up to 100% of Community Reinvestment Area projects, waived advance notice and the right to review such projects, and waived sharing or allocation of municipal income taxes in connection with such projects; and

WHEREAS, pursuant to the Board of Education Agreement, the Company has entered into (or will enter into) an agreement with the Board of Education requiring the Company to pay the Board of Education amounts equal to 25% of the exempt real property taxes; and

WHEREAS, the Improvements do not involve relocation of part or all of the Company's operations from another county or municipal corporation in Ohio or, if there is relocation, notice has been given per ORC 3735.673; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Council approves a Community Reinvestment Area Tax Exemption Agreement with Base Operations, Inc. (the "Agreement"), thereby authorizing an 8-year tax exemption for 100% of the assessed value of improvements made to real property located 1309-1315 Main Street, as calculated by the Hamilton County Auditor, in connection with the remodeling of nine apartment units located on such real property at a total construction cost of approximately \$350,000.

Section 2. That Council authorizes the City Manager:

- (i) to execute the Agreement on behalf of the City in substantially the form of Exhibit A to this ordinance; and
- (ii) to forward on behalf of Council a copy of the Agreement, within fifteen (15) days after execution, to the Director of the Ohio Development Services Agency in accordance with Ohio Revised Code Section 3735.671(F); and
- (iii) to submit on behalf of Council annual reports on the Agreement to the Director of the Ohio Development Services Agency and to the Board of Education of the City School District of the City of Cincinnati, in accordance with Ohio Revised Code Section 3735.672; and
- (iv) to take all necessary and proper actions to fulfill the City's obligations under the Agreement.

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed: _____, 2015

Mayor

Attest: _____
Clerk