


City of Cincinnati



FOR YOUR INFORMATION

November 12, 2009

To: Mayor and Members of City Council

From: Milton Dohoney, Jr., City Manager 

Subject: **Proposed Redevelopment of the Vernon Manor**

The Economic Development Division (EDD) has been working with Al. Neyer, Inc. (Neyer) on a financial assistance package that would facilitate the redevelopment of the Vernon Manor Hotel into office space. The tenant for that space would be Cincinnati Children's Hospital Medical Center (CCHMC).

CCHMC intends to consolidate many of its back office functions in the Vernon Manor. Six hundred employees would move from their main campus to the Vernon Manor, which would create space on the main campus for new clinical and research functions. The consolidation will allow CCHMC to create at least 600 new jobs over the next 5 years.

Over the last three months, EDD has been reviewing the project and exploring potential sources of public support. On Monday, EDD provided Neyer a term sheet that pledged a portion of the Corryville TIF District to the project, contingent on Council approval and the developer securing sufficient private financing and new markets tax credits to fully finance the project. (Although the Vernon Manor is in Avondale, it is part of the Corryville TIF District.)

The proceeds from the TIF District would be used to offset a portion of the cost of a public parking garage, which would be built immediately north of the Vernon Manor on Burnet Avenue. The developer has proposed that the garage be owned by the City and available to the public at no charge.

The Corryville Community Council has prioritized a number of projects that they would like to see funded, at least in part, through the Corryville TIF District. EDD has worked with the Business Development Division in the Department of Community Development and Architecture and Urban Design to refine the costs associated with those projects. Even with the commitment to the Vernon Manor, there will be capacity in the District to fund, at a minimum:

- Streetscape improvements around a new office building at 2929 Highland Avenue, which is currently under construction and will house some offices of the Veterans Administration;
- Streetscape improvements along West Corry Street, adjacent to the soon-to-be redeveloped University Plaza;
- Streetscape improvements along the Short Vine business district; and
- Streetscape improvements around the next phase of Stetson Square.

Many of these streetscape improvements fit together with work that has already been completed to create a consistent look and feel around the commercial portions of the neighborhood. The priorities are the result of a planning process that the community has engaged in over the last several years.

EDD has worked to provide the Vernon Manor project the support that it needs to move forward, while preserving the capacity to finance projects that have been long-term priorities for the neighborhood.

EDD has not yet received a response from Al Neyer, Inc., on its offer. The Administration will continue to update City Council as the negotiations on the project progress.

Copy: Patrick Ewing, Interim Economic Development Director
Mike Ealy, Corryville Community Council

