

SUBJECT: An ordinance authorizing the City Manager to enter into and execute an Agreement of Lease with Queensgate Terminals, LLC, for real property located south of River Road, Sixth Street and west of Mehring Way, designated as Hamilton County Auditor's Parcel 149-10-97.

City Council, at its session on Wednesday, February 28, 2007, referred this ordinance to the City Planning Commission for review and report.

BACKGROUND / DISCUSSION

On February 5, 2007, the City settled a mandamus lawsuit filed jointly by Hilltop Basic Resources (Hilltop) and Queensgate Terminals (Queensgate) demanding the City file appropriation action to purchase Hilltop's 30-acre site south of River Road and west of Mehring Way. Since most of the property will be needed for the Waldvogel Viaduct Replacement Project the City purchased the site from Hilltop. Relocation of railroad lines south of River Road is scheduled for 2009, and the roadway work is scheduled for 2010-2011.

Queensgate, which had a lease/purchase option on the property prior to the initiation of the suit, requested a lease of any property that will not be needed for the Waldvogel project to create a multi-model transshipping facility along the Ohio River. This transshipping facility will feed freight to a significantly larger facility Queensgate is developing near Jeffersonville, Ohio. The City agreed to allow Queensgate to occupy the entire site until the City needs property for the Waldvogel project. Queensgate will then move its operation to residual, unneeded portions of the site until construction is complete. If there is a sufficient amount of property left after completion of the Waldvogel project, Queensgate will continue their operation on the site. Otherwise, they can terminate the lease. The lease has an initial term of five years with the right to renew for five additional consecutive terms of five years each. The rent is \$15,000 per acre or \$350,000 per year; but as part of the settlement the City has agreed to abate the rent for the first three years.

The *Lower Price Hill Industrial Area Urban Renewal Plan* (2003) indicates that the site should be studied to determine the best future use, with a neighborhood park cited as one possibility. The City Planning Commission will be considering another plan, the *Cincinnati Park Board Centennial Master Plan* (2007), in April. The most recent draft recommends a "confluence park" at the Mill Creek and Ohio River east of the subject property. It also discusses continuity of the stream parkway system along the Ohio River and Mill Creek as well as neighborhood reforestation in Lower Price Hill. While these recommendations and objectives could include the subject property, the plan does not specifically discuss this site.

The proposed lease will not result in an adverse effect on the property under consideration or the surrounding neighborhood. It will not impede the Waldvogel project and the proposed use as a staging area and transshipping facility conforms to the existing Riverfront Commercial (RF-C) and Riverfront Manufacturing (RF-M) zoning. Rezoning the property to a zoning classification that would permit parks and recreation represents a significant change in use. The riverfront west of the Central Business District has historically been the City's working riverfront. From a land use perspective the subject property represents a suitable site for a commercial or manufacturing development that requires river and/or rail access. The property is large enough for various types of operations and would permit a flexible development for a riverfront facility that would create jobs

and strengthen the City's tax base. A park/recreational use is not advisable while the property is still viable for productive commercial / manufacturing, tax generating businesses.

RECOMMENDATION

The Department of Community Development & Planning staff recommends that the City Planning Commission authorize the City Manager to enter into and execute an Agreement of Lease with Queensgate Terminals, LLC, for real property located south of River Road, Sixth Street and west of Mehring Way, designated as Hamilton County Auditor's Parcel 149-10-97.

APPROVED:

Respectfully Submitted,

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