

City of Cincinnati



Mayor John Cranley

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Dear Members of Council,

I transmit the budget for your consideration with changes meant to make real our commitment to ensuring that all Cincinnatians in every neighborhood have the opportunity to share in our city's renewed prosperity.

When passed, this will be our third consecutive structurally balanced budget. It will be a continuation of our earlier efforts that increased investment in public safety by ending brownouts and adding over 100 police officers to the force, led to an improved outlook from credit agencies, and greatly expanded our efforts to deliver on the basics like road paving and other infrastructure work.

While I'm proud of what we have accomplished, budgets aren't simply recitations of what we have done and intend to do. They are reflections of our values and greatest aspirations. I'm most proud that this budget reflects my values.

There is nothing that I value more than social justice and services to others. In order to be a truly great city, we have to demand that all Cincinnatians have a real chance at building better lives for themselves and their families. This budget answers that call. Our Office of Economic Inclusion continues to dramatically increase our contracting with women and African American owned businesses. Our investment in human services, which has tripled since we took office, continues. While the Manager's Budget recommended a 10% cut in human services funding, I am changing that by restoring the \$3 million to the United Way funded agencies, as well as adding back money for the Hand UP Initiative and Homeless to Homes. I am also continuing the successful apprenticeship program at the Community Action Agency.

Moreover, we are working hard to ensure that our economic momentum continues. I am recommending restoration of the Port Authority's funding. Now is the time to help the Port accelerate its work in Bond Hill and Roselawn.

All of my changes to the General Fund Operating Budget are attached.

On the Capital-side, I am pleased to present a budget that provides historic funding for catalytic neighborhood projects throughout the city. By investing across the city, we are ensuring that Cincinnatians in all neighborhoods, not just Downtown and Over-the-Rhine, benefit from this budget.

I am proposing to use the Blue Ash Airport funds as well as the tax credits we are receiving from Norfolk Southern to pay for these investments.

I look forward to working with you to find common ground and pass a budget that we can all be proud of.

Thanks,

A handwritten signature in blue ink that reads "John Cranley". The signature is written in a cursive, flowing style.

Mayor John Cranley

Additions and Reductions to City Manager's FY 2017 Recommended Budget

F Second Draft

Additions:

Restore United Way Administered Human Services Funding	\$	309,000
Restore Hand Up Initiative	\$	25,000
Restore Strategies to End Homelessness	\$	4,500
Restore Port Authority	\$	70,000
Add funds for C10/Jumpstart Program through Community Action Agency	\$	150,000

Total Additions \$ 558,500

Reductions:

Position Vacancy Savings Prorated by Non Sworn Positions	\$	(468,500)
Eliminate Transfer Out related to Fire Department Debt Payment (Funded in Centennial Fund)	\$	(90,000)

Total Reductions \$ (558,500)

Schedule of PVA By Department

Dept Name

ETS Total	\$	26,900
CMO Total	\$	11,800
Budget Total	\$	5,800
OES Total	\$	3,100
OP&DA Total	\$	3,700
HR Total	\$	9,500
Finance Total	\$	33,900
CED Total	\$	12,500
Planning Total	\$	4,200
CCA Total	\$	3,900
Recreation Total	\$	79,400
Parks Total	\$	36,600
Buildings Total	\$	51,700
Police Total (nonSworn)	\$	21,000
DOTe Total	\$	4,900
DPS Total	\$	58,700
Health Total	\$	93,600
Economic Inclusion Total	\$	5,100

Total PVA \$ 468,500

Reduction of Transfer Out \$ 90,000

Total Reductions \$ 558,500

FY2017 Mayor's Neighborhood Capital Projects

Sources

Blue Ash Cash	\$ 7,750,000	
Blue Ash Revenue Bond	\$ 16,350,000	
CSR Tax Credit Cash	\$ 5,250,000	
CSR Tax Credit Revenue Bond	\$ 4,000,000	
Madisonville TIF District Revenue Bond	\$ 4,320,000	
	Total Sources	\$ 37,670,000

Uses

Avondale Town Center	\$ 2,000,000	
Bond Hill - Roselawn Community Partnership	\$ 3,000,000	
North Avondale Redevelopment	\$ 750,000	
Neighborhood Affordable Housing Fund	\$ 2,000,000	
	Blue Ash Cash Uses	\$ 7,750,000
Alaska Commons Purchase	\$ 450,000	
Westwood Square Improvements	\$ 4,000,000	
Wasson Way Rail Purchase	\$ 11,900,000	
	Blue Ash Revenue Bond Uses	\$ 16,350,000
West Price Hill Mixed-use Development	\$ 2,000,000	
College Hill Station Development	\$ 3,250,000	
	CSR Tax Credit Cash Uses	\$ 5,250,000
OTR Affordable Housing	\$ 2,000,000	
Oakley Recreation Center	\$ 2,000,000	
	CSR Tax Credit Revenue Bond Uses	\$ 4,000,000
Madisonville Redevelopment	\$ 4,320,000	
	Madisonville TIF District Revenue Bonds Uses	\$ 4,320,000
	Total Uses	\$ 37,670,000

Neighborhood Budget Plan

Avondale Town Center - \$2,000,000

The Avondale Town Center is a transformative mixed-use development located at the corner of Reading Road and Forest Avenue. The development, which will be anchored by a full-service grocery store, will feature a total of 75,000 square feet of commercial space on ground level. In addition to the grocery store the development will be home to a dental office and a health clinic. There will be 118 mixed-income apartments above the retail space. Fifty of those apartments will be set aside for low-income residents.

This Project is the culmination of a historic partnership among Coalition of Churches, Avondale Community Council, ACDC, TCB, HUD and the City of Cincinnati. Avondale Town Center will be the first recipient of the Fresh Foods Tax Abatement. This extended term tax abatement will enable the project to generate additional private debt by reducing operating expenses. The City of Cincinnati is pleased to utilize this tool in a neighborhood that is a food desert.

This project is scheduled to break ground in September 2016.

Bond Hill-Roselawn Community partnership with the Port Authority - \$3,000,000

Over the past 5 years, there has been an enormous amount of strategic investment in Bond Hill and Roselawn. Mercy Health built a \$71 million headquarters in Bond Hill and the Port Authority and City have invested over \$8.5 million at MidPointe Crossing, Tech Solve II, and other sites in these neighborhoods. Over time, these existing and new investments in this area will exceed \$100 million.

While the Port Authority has the expertise to execute and manage real estate transactions, community partnerships are needed to ensure that these catalytic investments and transformative changes include input from and meet the needs of the long-term residents.

In order to provide a framework for meaningful community engagement, a new development coalition of community councils, development corporations, faith leaders, community activists, and non-profit partners has formed. This coalition, which is called the Community Economic Advancement Initiative (CEAI), is focused on outreach to the unemployed and underemployed and investing in job training, apprenticeships, and providing social service needs. The CEAI is also interested in having an ownership interest in the future of their community to ensure that the historical voices of the community are part of the neighborhoods future.

The City will commit an additional \$3 Million to the area to a new partnership between the Port and the CEAI. These dollars will be limited to capital purchases and can only be spent if both parties agree. The equity will be split 50-50 between

these entities. The City will also provide \$200,000 per year for the next five years to the CEAI to help support its operations.

Alaska Commons - \$450,000

The City will purchase the Alaska Commons site from National Church Residences for \$450,000. This purchase will ensure that the neighborhood has a say in the site's future development and provide resources to NCR for use in the construction of permanent, supportive housing in South Cumminsville.

We will work with the Home Builders to try to identify this site as a future CitiRama site.

North Avondale Redevelopment - \$750,000

This funding will be allocated towards the future redevelopment of land-banked property near the corner of Reading Road and Paddock Road.

West Price Hill Mixed-Use Development - \$2,000,000

In order to help stabilize and ultimately revitalize the West Price Hill business district, the City will work with Price Hill Will to develop a mixed-use project at to-be-determined site. Price Hill Will and the City will solicit proposals for the site.

College Hill Station - \$3,250,000

College Hill Station: CHCURC and the City have worked for a decade on the acquisition of 7.5+ acres of land at the corner of Hamilton Ave. and North Bend Rd. The last piece of this key development site was the acquisition of the former Kroger's property in May 2013, and the demolition of this blighted property in the summer of 2014. The City had previously purchased and demolished the former Shuller Wigwam property and the former Eastern Star Retirement property in 2006.

CHCURC and the City of Cincinnati selected Saint Francis Group to create a development plan for this development site, now named College Hill Station. Jeff Raser, with Glaserworks, is leading the architectural and conceptual plans for this new development. Kathleen Norris, with Urban Fast Forward, is finalizing the retail marketing strategy. The final site plan calls for a \$31 million development on Tract A, with two four-story buildings, 162 apartment units, and 8,200 square feet of commercial space on the former Kroger and Eastern Star Retirement Home site. Saint Francis Group is still working on the final concept plan for Tract B, the former Shuller Wigwam property.

This project is scheduled to break ground in September 2016.

Westwood Square - \$4,000,000

Neighborhood leaders in Westwood are working to create a community-gathering place, a park, which is the focal point for the neighborhood and catalyst for development, and a distinctive setting for historic.

Priorities identified by the community and its partners, as recommended by the Westwood Coalition, include: the implementation of the “Bow-tie” (using the closure of Urwiler to create a green space mirroring the Town Hall park); co-development of the Town Hall property as a flexible, attractive space for community gatherings and events; corollary streetscaping, traffic calming, and pedestrian accessibility; the attraction of new businesses; and key nodes of development as catalytic change agents.

This funding will allow for the completion of the “bow-tie” and the development of park space on the Westwood Town Hall site.

With funding this work can begin as early as July 2016.

Wasson Way - \$11,900,000

The Wasson Way is a proposed path that will go 7.6 miles from Victory Parkway to the Little Miami Bike Trail in Newtown. It will give 100,000 people, living within one mile of the trail, access to a network of over 100 miles of bike and pedestrian trails. With a short connector to Armleder Park near Lunken Airport, the network of trails will soon go from Coney Island to downtown, from Lunken Airport to Milford and beyond, eventually connecting to northern Ohio.

The City has an agreement to purchase an approximately 4.1 mile portion of the Wasson Way from Norfolk for \$11,900,000. The agreement expires on July 31, 2016. Purchasing the portion of the rail that is in the city is critical to completion of this project. Phase 1 will be built next year and the city will start a multi year plan to see this project completed.

Madisonville Redevelopment - \$4,320,000

The Madison & Whetsel Redevelopment is a proposal by the Ackermann Group (Developer) to acquire a 7 acre City-owned development site in Madisonville and construct a two phase mixed use project. Phase I would consist of 200 apartments, 10,000 square feet of retail space, 15,000 square feet of office and 440 parking spaces while Phase II would consist of an additional 100 apartments and retail space.

Phase I is being financed with a combination of the developer equity, private financing, City grant for public improvements and federal New Market Tax Credits.

This redevelopment would also include the expansion of the City's Cann Clinic into unoccupied space within the existing Madisonville Shopping Center through a \$1 million grant from the Health Resource & Service Administration and the rehabilitation of the overall Center by the Developer to add façade and tenant improvements to attract tenants to vacant spaces. The Health Department intends to seek a second grant to obtain additional operating dollars for dental offices created in the expanded space.

This funding will come from the TIF.

Oakley Recreation Center - \$2,000,000

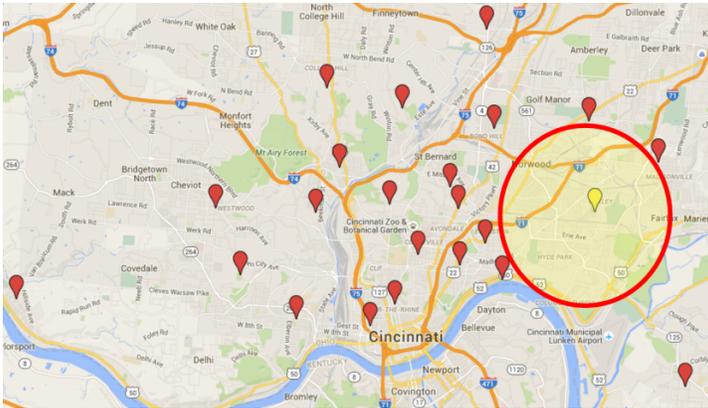
History:

- 1991: Repurposed Cambridge Inn Restaurant
- 2013:
 - Study issued to build a new center and new pool
 - Pool approved, but not the center
- 2015:
 - Minor renovations planned to extend the life of the current center
 - Oakley Community Council, supported by Hyde Park and Mt. Lookout Councils, worked with CRC and City Manager's office to postpone renovations and develop new plan.
- 2016:
 - Oakley Community Council explored different fundraising options, including the possibility of hiring a professional fundraiser. They also had a class of University of Cincinnati "project impact" students do research on the center and the neighborhood.

Current Center:

- Serves Oakley, Hyde Park and Mt. Lookout neighborhoods with 3 multi-purpose rooms and a dedicated staff that managed over 5000 program hours in 2015.
- Served almost 90,000 people in 2015 through senior & youth programs, CPS after-school care, public & private gathering space, and recreation activities.
- Its operating success helps support recreation across Cincinnati.

Community Need: Roughly 10% of City residents live in these three communities



- **Community Growth:**
 - Population growth and demographic shift has increased programming needs for kids, families and young professionals.
 - Indoor gym space needed for community programming, and for local elementary schools (Hyde Park School, Kilgour, St. Mary's, St. Cecilia)
- **Regulatory need:**
 - ADA accessible restrooms
- **Operational need:**
 - Current building needs renovations to interior and HVAC to continue use
- **City Investment:**
 - Can a new center generate more revenue to help support other centers?

One Possibility (from CRC)



- Would be “Eastside Rec Center” - located on Paxton
- Includes a gym, fitness center and multi-purpose rooms
- Part of a Recreation Complex when combined with the new pool, playground, expanding parking and current athletic fields.
- Investment: \$6.5 – 7 Million for a basic, modern center

Goal is create more of a Recreation Complex: Here is an example from the 2013 designs



Over the Rhine Affordable Housing Funding - \$2 million

The renaissance in Cincinnati's Over-the-Rhine (OTR) has become a national model for successful urban revitalization. That said, there is broad consensus that as housing prices rise in the neighborhood, it is important to deliberately incorporate high quality affordable housing that both protects a diverse community base which makes OTR special, and provides for critical workforce housing to support Cincinnati's growing economy. And yet, OTR still has a long way to go to overcome significant disinvestment, blight and the problems that have plagued the community for decades.

At this critical juncture in OTR's redevelopment, the City is investing \$2M in a plan developed by 3CDC and The Model Group in partnership with Legal Aid and OTR Community Housing to improve and extend the life of existing affordable housing and bring both new affordable and market rate housing units to the neighborhood. Ultimately, our investment will jump start renovation of existing units and construction of new units throughout the Over the Rhine neighborhood.

Many of the units under contract to be renovated by 3CDC and the Model Group have faced significant disinvestment, have failed HUD-inspections, and have been crime hotspots for the neighborhood in recent years. This plan will renovate these properties as well as transfer some affordable housing units to other development sites around the neighborhood. When this vision is complete, Over the Rhine will see the renovation and preservation of more than 300 units of affordable housing, and the addition of more than 200 units of market rate housing.

Cincinnati Neighborhood Affordable Housing Fund - \$2 million

50% of Cincinnati renters and 29% of Cincinnati homeowners pay 30% or more of their household income on housing¹. As neighborhoods around the city see reinvestment, new development, and increasing property values, the challenges of maintaining affordable housing will only get harder. That is why the City will dedicate \$2 million to help finance affordable housing projects in Cincinnati neighborhoods.

With the City Administration and local finance and development professionals we will identify the best way to leverage these funds to have the longest term impact possible. Additionally, these advisors will help define the holes in the market and develop priorities for allocating the funds.

¹ American Community Survey, 2014