

**Economic Development  
Reform Panel Presentation of  
Department of Community  
and Economic Development**

# OVERVIEW

DCED Focus

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DCED Team and Division Summaries

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Economic Incentives

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Development Process (Internal)

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Contact and Resource Information

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# DCED Overview

## Structure and Divisions of the Department

# DEPARTMENT FOCUS

Our mission is to **facilitate strategic development** and services within the Cincinnati community that **improve** the lives of residents, **increase** business investment, and **revitalize** City neighborhoods.

## Key Focus Areas



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DCED Interim Director  
Markiea L. Carter



# DCED Team

- 38 Staff Members
- Approx. \$50M Annual Fund Management
- 6 Divisions
  - Economic Development
  - Major Projects
  - Housing
  - Finance & Operations
  - Parking (33FTEs & 6 PTEs)
  - Director's Office



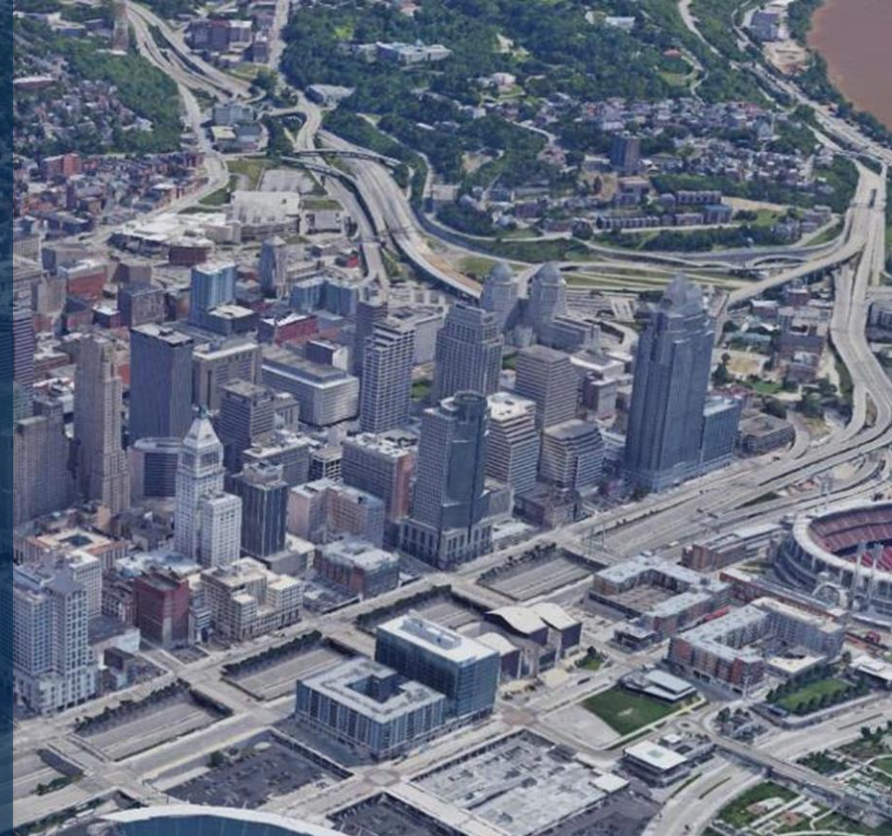
# Economic Development Division

- Neighborhood Development
- Business District Support
- Job Expansion Projects
- Day to Day support to Community Councils, Small Business, Community Development Corporations
- Small Business Services



# Major Projects Division

- Complicated Project Management (New Market Tax Credits, TIF)
- High Priority/Fast Moving Projects and all CBD development activities
- Key Division that provide support in navigating projects through Permitting and City Planning Process





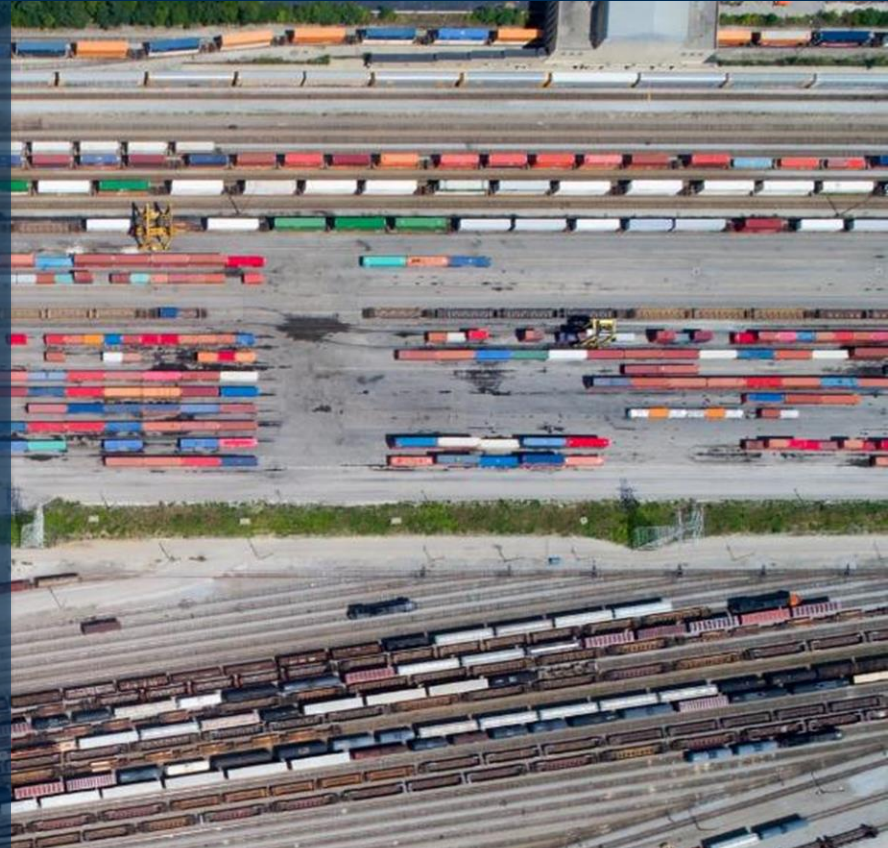
# Housing Division

- Affordable Housing (LIHTC, etc.)
- Notice of Available Funding HUD Funding
- Federal program oversight
- Leveraged Funding Management (35 annual contracts)
- Human Services Funding (60+ contracts, annually)
- Residential CRA Program



# Fiscal and Operations

- Budget, Fiscal Procedures, Department workflows and payment processing
- Maintain and control approximately 300 parcels (grass cutting, taxes, utilities)
- Monitoring of all active development leases and loans
- Annual compliance for tax incentive agreements (TIFs, CRAs, JCTCs)



# Parking

- On Street Parking Asset Management
- Off Street –City Owned & Managed Garages
- Residential Permit Interaction with DOTE
- COVID-Response- Carryout/Takeout Zone Management
- Parking as Economic Development tool



# Director's Office

- Manage relationships with external Port, REDI
- Public Record Requests
- All Council Approval processes including reports to Council management
  - Property Tax Working Group
  - Balanced Development Initiative
- Boards and Commissions as assigned
  - HSAC, CDAB, TIRC
  - New Community Authority
  - Records Commission
  - Downtown Cincinnati Improvement District
- Development Policy Assistance
  - Parking Regulation
  - Density Regulation

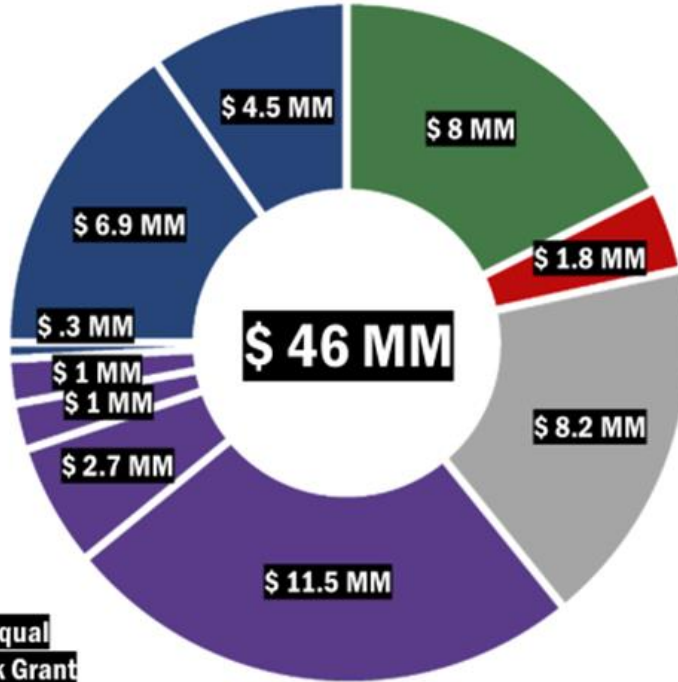


## PARKING

Operating On Street  
Operating Off Street  
Parking Capital  
\$ 11.8 MM

## FEDERAL

Emergency Services Grant  
HOPWA  
Housing Opportunities Made Equal  
Community Development Block Grant  
\$ 16.2 MM



## CAPITAL

NBDIP  
Project Specific  
\$ 8 MM

## OPERATING

General Funds  
\$ 1.8 MM

## LEVERAGED

Human Services  
Specific Allocations  
\$ 8.2 MM



# Economic Incentives

## CRA, TIFs, JCTCs

# Prior Incentive Study

## HR&A Evaluation and Implementation of Recommendations

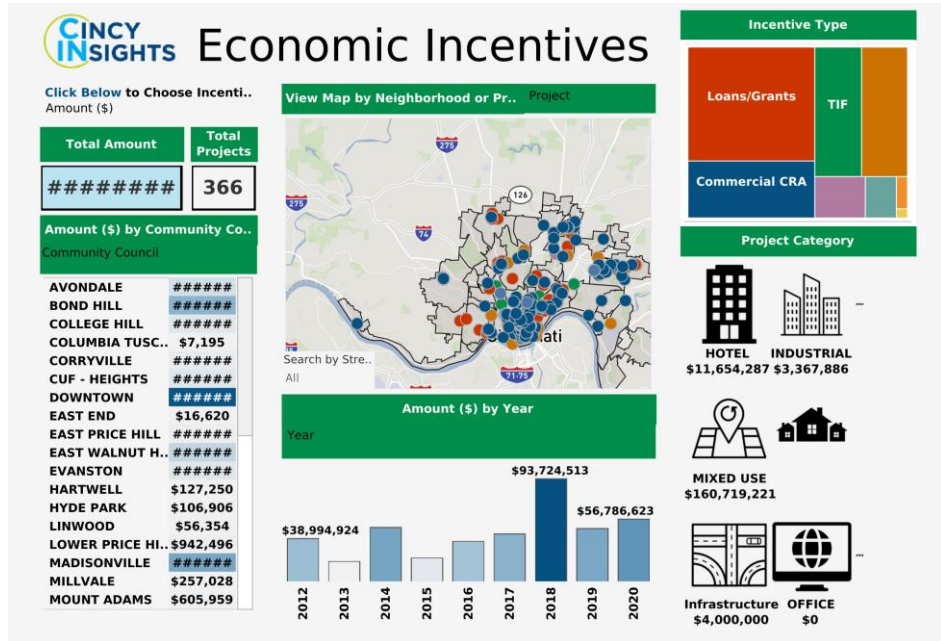
In response to a Council Motion passed in 2014, DCED's incentive policies were analyzed by HR&A Advisors, a national expert, to review certain City incentives allocated between 2005 and 2015. In response to HR&A's recommendations, DCED has:

- Exercised more judicious use of the payroll incentives to mitigate impacts to the General Fund
- Utilized the JCTC more efficiently by increasing City leverage through term and credit matching and lower incentive percentages
- When possible, directed businesses to the revenue neutral CRA program in place of the JCTC program
- Consistently utilized industry-standard metrics to more accurately evaluate project proposals and underwrite projects
- Standardized information transmitted to City Council for deal evaluation and review.
- Prioritized project incentives to build neighborhood and developer capacity.
- Increased frequency of coordination with stakeholders to enact targeted neighborhood revitalization and quality of life enhancements.

# Financial Assistance Types

Companies engaged in real estate development and business looking to become established, expand, or relocate to the City may be eligible for **four district types of financial assistance**:

- 1) Real Estate Tax Incentives
  - Tax Increment Financing
  - Property Tax Abatements
- 2) Direct City Funding
  - Loan Programs
- 3) Earnings Tax Incentives
  - Job Creation Tax Credit
- 4) Sale of City Property







# DEVELOPMENT PROCESS: INTERNAL

Steps in DCED's review, oversight and engagement with Developers

# INCENTIVE PROCESS OVERVIEW



# DEVELOPMENT PROCESS

## DCED Incentive Request Process

Stage	Task	Timing est	Stage	Task	Timing est	Stage	Task	Timing est
Incentive Application Review	Application Intake/Submission	5 weeks to 9 weeks	Public Approval Process	Company Relocation Notice (CRA only)	4 weeks to 8 weeks	Contract Oversight	Hiring Inspecting Architect	12 to 18 months - Depending on Developer
	Confirming Receipt			Notification of CPS (Property tax incentives only)			Hold Meet & Confer	
	Completeness Review			Planning Commission (Land Sale or Lease)			Due Dilligence Material Review	
	Follow-up on Incomplete Items			Council Submission			Pre-Closing Requirements (land sales)	
	Application Fee Receipt			Council Committee hearing & Approval			Competitive Bidding	
	Coordinated Report/Appraisal (Land Sales)			Request execution versions from Law			Pre-Construction Meeting	
	Offer Review and Recommendation		Collect signed original Agreements	Notice to Proceed				
	Offer Letter/Denial Letter		Collect related agreements signed (CPS, Mortgage)	Subcontractor Approval				
	Term Sheet (Optional)		Confirm application fees deposited	Invoice Review				
	Initiating and Contract		Identify Funding Source	9 to 12 weeks	Contract Routing Process		Collect Meet & Confer Intake Form	
Scope of Work & Budget		Wage Enforcement Affidavit	Draw Walks					
Organization Info		Create Routing Folder with relevant docs	CDBG/HOME Lease-up Documentation					
Vendor Registration		Send Folder for Signature	Contract Close-out Checklist					
Debarment Check		Send signed original to Vendor/Developer	IDIS Close-out					
Prevailing Wage Determination		Record Property Records	Leases/TIFs/CRA/JCTCs Hand Off					
ER/IDIS Set-up			Loans Hand Off					
Section 3 Determination			CDBG/HOME Monitoring					
Relocation Applicability								
RLS to Law (If Law not previously engaged)								

DCED interaction with developers occur at all phases of the development process

# DCED INTERACTION WITH DEVELOPERS

## Incentive Application Review

Stage	Task	Timing est
Incentive Application Review	Application Intake/Submission	5 weeks to 9 weeks
	Confirming Receipt	
	Completeness Review	
	Follow-up on Incomplete Items	
	Application Fee Receipt	
	Coordinated Report/Appraisal (Land Sales)	
	Offer Review and Recommendation	
	Offer Letter/Denial Letter	
	Term Sheet (Optional)	

- Developer makes initial contact with DCED through an application.
- DCED staff review materials for completeness and may have a back and forth with Developer on incomplete items.
- DCED staff conduct due diligence including feedback from other Departments (land sales only) and compare project specifics with market information on requests based on financial need.
- Once underwriting is complete the DCED Director makes a recommendation and review of the proposed incentive is made to leadership.

# DCED INTERACTION WITH DEVELOPERS

## Initiating and Contracting

Initiating and Contract	Identify Funding Source	9 to 12 weeks
	Scope of Work & Budget	
	Organization Info	
	Vendor Registration	
	Debarment Check	
	Prevailing Wage Determination	
	ER/IDIS Set-up	
	Section 3 Determination	
	Relocation Applicability	
	RLS to Law (If Law not previously engaged)	

- After determining to recommend an incentive, DCED conducts further due diligence on the entity to confirm no outstanding local or state concerns.
- DCED confirms applicability of state and local requirements to the project like wages and subcontracting requirements.
- DCED obtains draft scope of work and budget based on acceptance incentive offer.
- Upon completion of due diligence, DCED begins the internal contract process.

# DCED INTERACTION WITH DEVELOPERS

## Public Approval Process

Stage	Task	Timing e
Public Approval Process	Company Relocation Notice (CRA only)	4 weeks to 8 weeks
	Notification of CPS (Property tax incentives only)	
	Planning Commission (Land Sale or Lease)	
	Council Submission	
	Council Committee hearing & Approval	

- After contract terms are agreed to DCED, conducts the required public notifications and approvals.
- Developer's engagement with a community council will have occurred prior to this point.
- There are some specific types of incentive approvals or notifications that occur before City Council receives the project recommendation.
- City Council is the final public approval process.

# DCED INTERACTION WITH DEVELOPERS

## Contract Routing

Contract Routing Process	Request execution versions from Law	4 weeks
	Collect signed original Agreements	
	Collect related agreements signed (CPS, Mortgage)	
	Confirm application fees deposited	
	Collect Meet & Confer Intake Form	
	Wage Enforcement Affidavit	
	Create Routing Folder with relevant docs	
	Send Folder for Signature	
	Send signed original to Vendor/Developer	
	Record Property Records	

- Following legislative authorization, DCED works to execute the agreement and any related documents.
- DCED ensures it has collected applicable fees and information needed for pre-construction requirements.

# DCED INTERACTION WITH DEVELOPERS

## Contract Oversight

Stage	Task	Timing est
Contract Oversight	Hiring Inspecting Architect	12 to 18 months - Depending on Developer
	Hold Meet & Confer	
	Due Dilligence Material Review	
	Pre-Closing Requirements (land sales)	
	Competitive Bidding	
	Pre-Construction Meeting	
	Notice to Proceed	
	Subcontractor Approval	
	Invoice Review	
	Follow-up on Incomplete Invoice	
	Draw Walks	
	CDBG/HOME Lease-up Documentation	
	Contract Close-out Checklist	
IDIS Close-out		
Monitoring	Leases/TIFs/CRA/JCTCs Hand Off	Within 7 days of signature
	Loans Hand Off	
	CDBG/HOME Monitoring	

- DCED’s construction oversight depends on the type of incentive. When City funds are being expended, DCED’s oversight is the most expansive.
- DCED assists the Developer in documenting the various requirements for expenditure of City funds including bidding and subcontracting requirements.
- DCED reviews invoices and works with other City stakeholders to ensure developer compliance prior to payment.



# HISTORIC CITY COUNCIL AND DEVELOPER ENGAGEMENT



4240

# DEVELOPER & CITY COUNCIL INTERACTIONS- DCED Response/Impact

Throughout the years, DCED is aware of past engagement with Developers and City Council under the following scenarios:

- DCED intake application denial or the expected sought incentive is reduced
  - This may include a Developer's non-conformity with existing City Council policies on incentive offers
- Requesting specific information on project status while projects are still being actively negotiated
  - This may involve information on why the project status has not yet received an offer
  - This may involve requests for a date for contract delivery or explanation on customary contract requirements
- Requesting priority of a project to move faster through the City's internal processes
  - This may include a request to move some parts of an incentive offer faster than others which is not our practice.
  - This may require delays to other development requests that were made prior in order to achieve timelines.

# CASE STUDY

## Example of City Council Interference- Lower Price Hill Thrives

### City Council Interference in the Administrative Process

- Administration ran annual program which provides project underwriting and scoring based upon an established metric.
- Attempts made to influence the decision-making process and questioned the authority of the underwriting/scoring process.
- Committee Hearing – Accusation of being influenced/ bad faith did not believe the underlying support, administrative or decision-making process
- Impact to Spring NOFA 2021

# CASE STUDY

## Example of City Council Interference- Burnet Avenue CRA

### City Council Interference in the Administrative Process

- Administrative review and recommendation provided following existing city council policy.
- Motion presented on the floor of council to provide a longer term to incorporate Developer's offer not consistent with City Council Policy and DCED's adherence to them. \*
- Administration instructed to change the CRA offer through Motion. Council Policy however remained the same.

\*Recommended a more generous term and inserted metrics not typically included in CRA standard contract language ( inclusion goals, wages, and other items not typically tied to capital investments)

# Contact Us & Resource Information

Director : Markiea L. Carter

Deputy Directors: Dan Bower  
Morgan Sutter

Administrative Assistant & Support:  
Mary Poole

Resource Information:

[www.ChooseCincy.com](http://www.ChooseCincy.com)

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