

## [External Email] Follow up comments on reform

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To: Reform, Economic <EDRP@cincinnati-oh.gov>

### External Email Communication

Dear Economic Development Reform Panel,

Thank you for the chance to speak during public comment at last Friday's meeting.

I would like to follow-up with a few comments and clarifications on my testimony from Friday.

As I mentioned, I think it is imperative that you take this opportunity now to shut off the spigot of developer-politician financial transactions during active development projects going through city approvals.

The vast majority of developer-politician financial transactions in a non-election year -- based on my research and my experience -- occur during the time period between when an official application is submitted to the city by a developer, and when the application is referred to city council. Therefore, if your recommendations only close off the period *after* an application has been referred to city council, the door will remain open for the vast majority of these transactions to continue.

To use an example, a recently approved 300 unit development project in Over-the-Rhine submitted an official application for financial assistance to the city in March of 2020. Soon thereafter, in May of 2020, three separate members of the development team (including the wife of the CFO of one of the development partners) submitted financial contributions to a Cincinnati politician with major influence over the Department of Community and Economic Development.

This developer team then submitted their application for a zoning change to the city in the summer of 2020. Then, in July of that year, the project architect made a large financial contribution to the aforementioned politician.

Later, in December of 2020 -- only a few days after the matter had been referred to city council -- the project architect made another large financial contribution to the same politician.

I have documentation of all of these contributions which I am happy to provide upon request.

In short, there was money submitted by the developer team to key politicians at each step in the approvals process -- while the application for incentives was being considered, prior to the Planning Commission vote, and prior to the city council vote. Even if these contributions did *not* influence the ultimate outcome of the approvals process, the mere perception of corruption is bad, and is undermining public trust in our political institutions.

To respond to a comment Mr. Schimberg made in response to my request -- yes, some larger projects do take a year or more to go through the city approvals process, and yes, shutting off the spigot

would mean those developers cannot donate to certain politicians while they are awaiting key project approvals from Economic Development, Planning, Zoning, and Historic Conservation. To me, this is not a bad thing. This approvals period is precisely the period that is ripe for exploitation -- and, in my experience, is precisely the period that *is* being exploited. The longer the approvals period is, the more opportunity there is for developer-politician financial transactions to occur. When key approvals for financial incentives, zoning etc., have the aura of having been influenced by political actors, it is very damaging to public trust and to our city.

To respond to a comment by Mr. Burke, who stated that there are efforts within your recommendations to prevent political influence of commissioners and board members -- if this is true it is a good thing, but it does not negate the need to shutoff developer-politician contributions during the approvals process. Much of the development approvals process happens via *departmental* decisions -- through reports issued by City Planning Staff, Historic Conservation Staff, Economic Development Staff, etc. These reports recommend approval or disapproval of key components of development projects, and those recommendations are presented to the various board members and commissioners as the official city recommendation for how to proceed. Board members give tremendous deference to these staff reports. In my experience, and having spoken directly to city staff on many occasions, there is tremendous pressure placed on staff by political actors to make certain recommendations on certain development projects. Therefore the only way to ensure that city staff have a chance to make free and independent recommendations that are consistent with our city's laws and regulations, is to cutoff the political financial incentives that may be putting pressure on these staff members.

For all of the above reasons, I once again urge you to make this change now, to shut off the opportunity for corruption from the time a development application is submitted to the time it is approved or denied by council, so that we can move forward in confidence that, at least, city development approvals will not be influenced by money from developers anymore. As I said in my comments on Friday, if we do not make this change now, I fear there will be another reform panel needed in a short period of time.

Please don't hesitate to contact me with any questions or follow-ups.

Thank you for your service.

Sincerely,  
Danny Klingler  
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