

March 13, 2023

To: Markiea Carter, Director, Department of Community & Economic Development

From: Katherine Keough-Jurs, FAICP, Director, Department of City Planning & Engagement

Subject: Public Engagement Meeting Summary – Whex Garage on 210 W. 4th Street

On Wednesday, February 22, 2023 the Department of City Planning & Engagement hosted a public engagement meeting on proposed TIF Financing projects located Downtown for the Whex Garage.

The purpose of this memorandum is to provide a summary of the public engagement meeting, in addition to written public comment that was received on this item. The Department of City Planning & Engagement was notified of the need for a CEM meeting on February 6th, 2023 and quickly prioritized the notification process, that day, in efforts to ensure the minimum 14-day notification period for notices. Staff promptly mailed notices to 51 property owners within 400 feet of the subject property, as well as the downtown residents council.

Notice was additionally posted twice on the Department of City Planning & Engagement's Facebook and Twitter accounts. A website page was created with more information about the proposed project and included in notices. It may be accessed here: <https://www.cincinnati.gov/planning/community-engagement-meetings1/>

The meeting was held virtually on Zoom at 4:00 p.m. Five community members were in attendance. Department of City Planning & Engagement staff facilitated the meeting, and the Applicant Team (3CDC), presented the proposed project, including the project timeline and requested incentives, as well as answered questions from the community members regarding financing. Representatives from the Department of Community & Economic Development (DCED) were additionally in attendance.

The PowerPoint Presentation that was presented during the Public Engagement Meeting is included as Attachment 1. Additional information, questions and support for the project are included in Attachment 2.

Attachments:

- Attachment 1: PowerPoint Presentation from Public Engagement Meeting
- Attachment 2: Additional Information and Correspondence from Public Engagement Meeting



1

Welcome & Housekeeping

1. Welcome & Housekeeping
2. Brief presentation
3. Question & Answer
 - Please save all questions/comments until Q&A
 - Use the chat bar only for tech-related issues or questions.

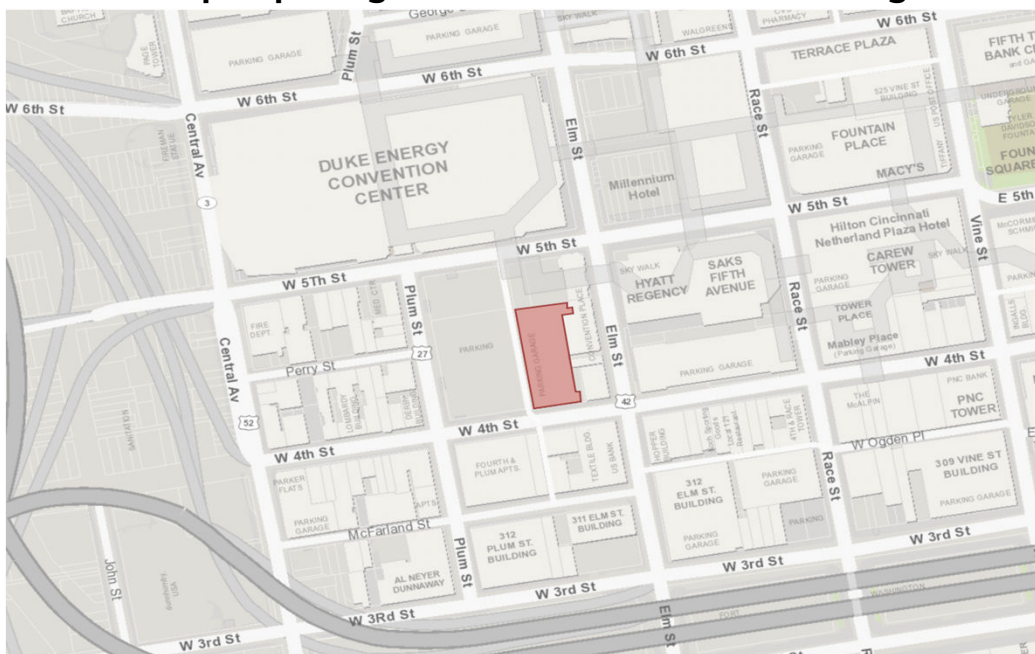
2

Purpose of Meeting

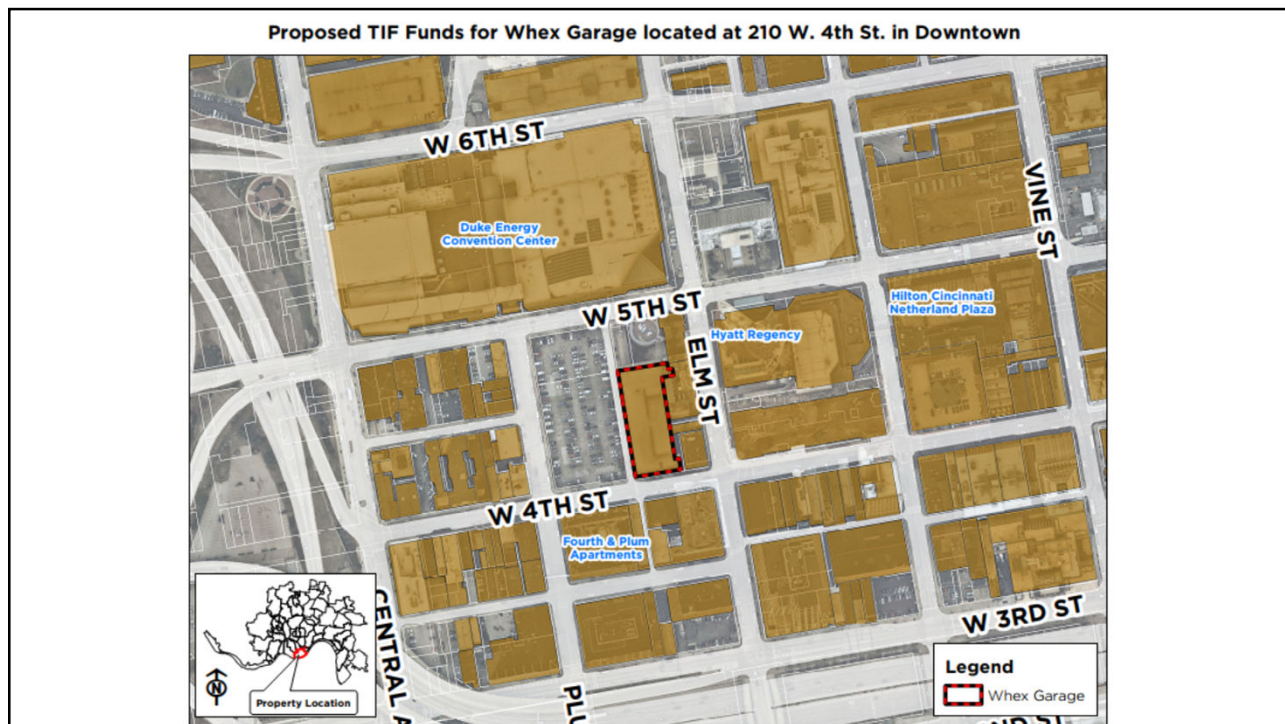
- This is a public meeting to discuss the proposal and to allow staff to obtain feedback about the proposal.
 - City staff is here to facilitate the meeting and answer any process related questions
 - The applicant is here to answer any project related questions
 - **No decisions are being made at this meeting**

3

A map depicting the location of the Whex Garage.



4



5

Question & Answer

- Please **remain muted** while others are speaking
- Use the **“raise hand”** function if you have a question or comment to share
- Use the chat bar **only for tech-related** issues or questions.

6

Contact

City Planning & Engagement

Jesse Urbanicsik, Senior City Planner

jesse.urbanicsik@cincinnati-oh.gov

Applicant and Developer

Katie Westbrook – 3CDC

kwestbrook@3cdc.org

513-977-8054

Written comment must be submitted by **9 a.m.** on **Friday, February 24th** for inclusion in public engagement summary.

Additional Information

This document outlines information that was shared during the public engagement meeting on Wednesday, February 22, 2023

This document is intended as a summary and not as meeting minutes.

Background and Project Information:

The proposed projects will allow The Whex Garage to be acquired by The Port of Greater Cincinnati Development Authority who shall lease it to 3CDC who will manage the garage. Property is an important component of Convention Center District and is key to future economic development in the district. The property will serve as parking to support the future Convention Center Hotel.

The City of Cincinnati will reserve \$1,925,000 (\$275,000 annually) in District TIF funds to be used as a debt service reserve. City Council would be asked to vote annually on this appropriation for each year for the next 7 years. At the end of the seven-year term, the funds appropriated would be used to pay down debt taken out to acquire the garage.

Comments:

Questions and comments included the following:

- The price of the entire project
- Why is the Port the owner and leasing it to 3CDC
- The Convention center needs to be renovated first.
- How much is left in the TIF Fund
- There was a question for more clarity about TIF funds and how projects are chosen.

Some community members expressed support for the projects for the following reasons:

- Very limited support

Some community members expressed concerns for the projects for the following reasons:

- The tax abatement will not result in money going back to the city even though it comes from public money
- Why are we using TIF money on a future deal that is not certain and unvetted and unfinanced?

Urbanicsik, Jesse

From: Jeffrey McClorey <jjmcclorey@hotmail.com>
Sent: Thursday, March 9, 2023 11:00 AM
To: Adam Gelter
Cc: Katie Westbrook; Urbanicsik, Jesse; Aftab, Mayor; CityManagerEmail
Subject: [External Email] Re: Whex Garage

External Email Communication

For the record of those not involved in the previous request for further information, the following is the list I submitted following the Community Engagement meeting:

Jesse,

Regarding the 3cdc proposal to employ our district's TIF fund for their purchase of the Whex Garage, I'd like to submit the following questions for publication and response:

1. Explain how this proposed use of TIF, to be employed as an "interest reserve" for their loan is even legal. Also identify other precedents of this use in our city / county / state.
2. Confirm that 3cdc will use the Port Authority to skirt payment of property tax and calculate and report how much property tax collection will be forfeited during this speculative "land banking" of this valuable community asset.
3. What return is 3cdc / city planning and economic department proposing that this unprecedented use of our TIF fund will generate for our community?
4. Will the funds be returned to our TIF account someday or will 3cdc simply use our TIF funds first, to pay the interest / principal on their acquisition loan, and then keep the parking revenue stream for themselves?
5. How much real estate tax has been forfeited, since 3cdc / Port Authority purchase (\$11.9m) in 2018, for the adjacent parking lot(s)?
6. Did City Dept. of Economic Development know of the plan for 3cdc and The Port to acquire this (see 5. above) tax-producing asset for the purpose of a longterm "landbank" when 3cdc contracted to purchase it in May of 2018?
7. Why did the City and County participate in the purchase of the Millennium Hotel in 2020 if they already had committed to this (inferior) hotel site?
8. What plan, other than the new facade, does the City or County have to expand and reposition the Convention Center? 3cdc has publicly proposed a taxpayer expenditure of \$200m that will not add any meaningful exhibition space but rather will simply put a new facade on the southern envelope of the existing building. Obviously this will give their new proposed hotel a pretty view, but other than that, how will this expenditure reposition our CC standing from the bottom of our competitive peer cities for future convention bookings?
9. Who will own this garage if and when the new hotel is constructed? It was reported by 3cdc that this parking asset will be used to park the hotel guests in order to save the hotel developer money of constructing their own parking structure. Where will the existing businesses and residents, who presently park in this facility, be expected to park?
10. Where will visitors to the convention center, not staying at the proposed hotel, park after this garage is occupied by hotel guests? Is a new convention center garage planned and if yes, where will it be, who will own it and how will it be funded?
11. Given the misuse of our Hotel Room Tax / Convention Center fund for the FCC soccer stadium, how much tax increase is being proposed to re-establish this account for its intended purpose, of maintaining and expanding the convention centers in Sharonville and downtown Cincinnati?
12. Who vets the legality of such an untried TIF request within the city? Has a legal opinion been provided by the City Solicitor? Whom in the State Government reviews and monitors our TIF funds and uses?

13. What does the City have to show for it's sale of the land beneath the Whex garage, to it's present owner, in 2018 at half of it's assessed value? If City and County were stratagizing this transaction and site control in 2018, why did they sell this land, only to be forced to repurchase it, 5 years later. Confirm that the City was collecting \$83,000 per year in ground lease revenue, prior to it's sweetheart sale to the exisitng Whex owner.
14. Why is 3cdc involved at all as "manager" if they only intend to hire a third-party contractor (S+P) to manage the parking garage asset, proior to it's conversion to private parking for the hotel facility?
15. List all TIF funds presently being employed by 3cdc and / or The Port throughout the city and county.

Thanks for your help in answering these questions, as I remain very skeptical that this proposal has any positive implications for anyone in this City except private developer, 3cdc et al.

Sincerely,
jj

PS: My cell is 513-706-0264 if there is any clarification or further information required to adress these queries.

Jeffrey J. McClorey
Proprietor

From: Jeffrey McClorey <jjmcclorey@hotmail.com>

Date: Thursday, March 9, 2023 at 10:54 AM

To: Adam Gelter <agelter@3cdc.org>

Cc: Katie Westbrook <kwestbrook@3cdc.org>, Urbancsik, Jesse <jesse.urbancsik@cincinnati-oh.gov>, Harry Black <citymanager@cincinnati-oh.gov>, mayor.aftab@cincinnati-oh.gov <mayor.aftab@cincinnati-oh.gov>

Subject: Re: Whex Garage

Adam,

I put my questions in writing and request they be answered in a like manner. Per the public engagement protocol, participants were instructed to submit their questions and comments in writing, as I did. It was further represented that the city would publish these questions, comments, and answers on their website, for public record.

Given the wild misrepresentations you and Leeper made during several years of "shareholder" meetings, regarding the 4th and Race project, I insist these issues be submitted in writing, per city prescribed protocol. In addition, since my questions were submitted, I've read Leeper's comments regarding the hotel and convention center funding strategy. This proposal calls for not only your expected tax abatement schemes but also proposes an imposition of additional taxation on the "Convention Center District" and an even more burdensome hotel occupancy tax. My questions relating to this new revelation are:

- 1) What are you proposing the Hotel Occupancy Tax will be increased to?
- 2) What is the geofence for the proposed Convention Center proximity tax?
- 3) How much are you proposing this addition tax will raise and how will it be calculated for each individual property owner?
- 4) Will properties that 3CDC and or the Port own (84.51 and 4th and Race, for example) be included in this special tax assessment or is it proposed only for those of us who already carry the tax burden and SID?

Jesse, please add these items to my other questions / comments to be published on the city's website.

I'll welcome a sit-down conversation with you anytime, Adam, but if your intention is to reply to these items off the record and out of compliance with TIF request protocols, I'm not interested.

Sincerely,

Jeffrey J. McClorey
513.706.0264 cell

C: Jesse Urnancsik
Katie Westbrook
Sheryl Long, City Manager
Aftab Pureval, Mayor

From: Adam Gelter <agelter@3cdc.org>
Date: Thursday, March 9, 2023 at 9:36 AM
To: Jeffrey McClorey (jjmcclorey@hotmail.com) <jjmcclorey@hotmail.com>
Cc: Katie Westbrook <kw Westbrook@3cdc.org>
Subject: Whex Garage

Jeff – Hope all is well. I understand you have some concerns about the Whex Garage. I am happy to meet and discuss. Let me know.

Adam

Adam Gelter, Executive Vice President
agelter@3cdc.org
p: 513-977-8004
f: 513-621-5900



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