

EAST WALNUT HILLS ASSEMBLY**SPECIAL MEETING MINUTES**

Wednesday, August 27, 2020 at 7:00 PM

Via Zoom

	Background	
Agenda	Written Notice of the Special Meeting was distributed to the EWH community prior to the meeting providing one item on the agenda for consideration at the meeting: “The East Walnut Hills Assembly Board is calling a special meeting of the East Walnut Hills Assembly to discuss and vote on a potential allocation from the East Walnut Hills Tax Increment Financing (TIF) fund”.	
	Discussion	Action
Welcome	President Tony Fischer called the meeting to order at 7:02 p.m. with approximately 50 people attending via Zoom or by phone.	
1.Letter from the City of Cincinnati	<p>Tony Fischer shared an email received by the officers of the EWH Board 3 hours before the Special Meeting. The email came from Markiea Carter, Interim Director of the City’s Department of Community and Economic Development. The email is attached. The email stated that the City and Model would no longer “be pursuing use of the East Walnut Hills TIF to support the project.” The project referenced is the redevelopment of the former Kroger site in Walnut Hills. Tony then explained that no vote would be taken on the allocation of EWH TIF funds since Model and the City were no longer pursuing the use of the TIF funds.</p> <p>He then recognized Samantha Reeves, director of Walnut Hills Redevelopment Foundation, who spoke to what good news it was that another source of funding had been found. She said the City would be providing capital funding for the Kroger site redevelopment and that lenders involved with the site would be restructuring the notes. She agreed, upon request by Tony and to the extent it was needed, that she would work to ensure that a written agreement to terminate the Memorandum of Understanding (MOU) was executed. The MOU set forth terms of the potential \$1.7 million allocation of EWH TIF funds for the Walnut Hills redevelopment project.</p> <p>Discussion ensued where concerns about the fairness of the process leading up to the Special Meeting were aired. Further concerns were aired about whether or not the \$1 million in the current City budget, that had been allocated by the City to fund the 2-way street conversion project on McMillan, Woodburn and Taft - that the EWH Stakeholder Committee had been diligently working on for over three years - would be withdrawn from EWH now that the EWH TIF funds were not being allocated. A question was posed of the attendees: Did anyone on the Zoom call know about the possible withdrawal of this budgeted 2-way street funding? No one responded. A further question was posed: If any employee from the City was participating in the Zoom meeting could he or she respond to this question? No one responded.</p> <p>There being no other items to discuss at the Special Meeting, Tony thanked all attendees for joining the meeting and reminded attendees that the regular monthly Assembly meetings will restart on September 2 at 7:00 p.m. via Zoom.</p>	None

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	He encouraged all attendees of the Special Meeting to attend the upcoming monthly meeting.	
Adjournment	The meeting was adjourned at approximately 7:45 p.m.	None

Submitted by Drew Gores. Secretary

Attachments: Email from DCED

Next EWHA Board Meeting: September 30, 2020 at 7:00 p.m.

Next EWH Assembly monthly meeting: September 2, 2020 at 7:00 p.m. via virtual communication

Become a voting member of the Assembly by going to <https://eastwalnuthills.org> and signing up.

[REDACTED]

From: Carter, Markiea <Markiea.Carter@cincinnati-oh.gov>
Sent: Thursday, August 27, 2020 3:55 PM
To: [REDACTED]
Cc: Koehler, Greg; Bertsch, Robert
Subject: Walnut Hills Kroger Redevelopment

Good Afternoon East Walnut Hills Assembly Officers:

The redevelopment of the former Kroger site in the heart of the Walnut Hills Business District is envisioned to be truly catalytic for the area; maintaining momentum and bringing new vitality to the business district; and increasing the supply of new, quality affordable and market-rate housing. For your information, the City and The Model Group have identified an alternative funding structure for the \$1.7MM and will not be pursuing use of the East Walnut Hills TIF to support the project.

Respectfully,

Markiea L. Carter | Interim Director

Department of Community and Economic Development

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The August 27, 2020 Special Assembly Meeting Minutes above were approved with no revisions at the October 7, 2020 Monthly Assembly Meeting.

At the October 7, 2020 Monthly Assembly Meeting, it was agreed that former EWHA board member, Rae Vuic, could submit her personal comments that would be filed directly following the Special Meeting Minutes. Her personal comments are filed below.

Addendum to the Minutes of the Special Meeting held 8/27/2020 for the WH Kroger Project by Rae Vuic. Rae was a Board Member, Chair of the Development Committee and a member of the Kroger Working Group during the negotiations of the Kroger MOU.

The minutes did not reflect any of the concerns expressed by several members on the actions of the Executive Committee leading up to the Special Meeting. The concerns are as follows:

1. The Alternative Proposal (\$200,000 TIF allocation) sent out to the membership ahead of the Special Meeting contained false, misleading and biased information. The Board was informed that the document was not accurate before it was shared with the neighborhood through email and social media, but they sent it out anyway.
 - The document claims that “relevant details of the deal were not disclosed by WHRF or Model Group to our Development Committee, or to our Board.” The only detail mentioned is that Model would finance the purchase of the land with a \$2.6M loan from CDF. In minutes from March 2020 Development Committee meeting, Model Group disclosed the sources of their \$2.6M loan. The minutes were shared with the Board (Tony and Drew are both members of the Development Committee). What the Board sent to the neighborhood was a lie. CDF is not the only source of the loan, as stated by the Executive Committee in the document. \$1.3M was provided by The Ohio Capital Fund for Housing. The document completely ignores a \$700,000 loan from the Haile Investment Fund in the deal for the purchase of the building. The Board was informed by Rae Vuic, Alexandra Rock, Sam Lieberman and Bobby Maly that CDF was acting as a pass through for the Haile and Ohio Capital money. They ignored this information
2. Tony told the Board that he would vet the alternative proposal with the developer and the City. Tony did share details of the alternative proposal with the developer and with Greg Koehler. Bobby Maly pointed out the falsehoods surrounding the loan information and the fact that neither Model nor the WHRF withheld information. Despite documentation to the contrary, Tony ignored him. Greg describes being “perplexed” by the proposal during their brief phone call. He did not consider the call a vetting of the plan. He called the alternative plan “nonsensical”. Tony was asked to contact the lenders to understand the mechanics of the loans and mortgages. He did not. CDF also characterized the plan as nonsensical.
 - The Alternative Plan was sent to the neighborhood proclaiming that it “Accomplishes the same thing” for the Kroger Project as the \$1.7M TIF allocation. Since Tony did not properly vet the plan and was actually told that the plan contained falsehoods and misinformation, there is no basis for this statement. The Board sent this document with this unproven statement to the neighborhood anyway.
3. Although the Board told members before the vote that the Board took no position on the \$1.7 M allocation or the \$200,000 allocation, the document contains extremely biased information that makes the Board’s position quite clear. In the “Arguments for the \$200,000 alternative”, the Board makes the following statements:

- “the alternative accomplishes the stated goals of getting control of the Kroger Site...for way less money than the plan that was presented to EWH as the only option.”
- “the alternative is better public governance”
- It implies that the Board has fiduciary concerns of spending money outside of the TIF district without mentioning that the board voted 12-1 in June to support the \$1.7M allocation.
- It calls the payback plan “questionable and politically awkward”
- It misrepresents the plan as “the questionable situation where EWH pays to expand and improve a parking lot in another neighborhood...” without mentioning that the parking is a temporary fix to the blight on the site to be used to pay the debt service on the loans while the developers put their plan together for a mixed-use development with a large affordable housing component.
- It describes the situation that the WHRF was in when it purchased the Kroger Building to prevent a negative use and then had difficulty renting/selling it due to the economics of the ground lease as a “moral hazard”.

In the “Arguments Against the \$200,000 Alternative”, the Board states:

- “From the perspective of the EWH Board Members, there are none.”

It is beyond ridiculous to suggest that the Board took no position or that this document was not biased toward the \$200,000 unproven, unvetted plan.

4. The Board never invited The Model Group, the WHRF, the WHAC or the City to the Special Meeting. It has always been common practice of the board to invite developers to present their project to the membership ahead of a vote. When WHRF, WHAC and the staff of the City (DCED and Finance) were not invited to the meeting (never contacted by anyone on the board with the date, time, zoom instructions, format, presentation time, etc.) and they saw the document sent out to members ahead of the meeting, they decided not to attend. Our partners and neighbors in Walnut Hills said they felt like “it would be walking into an ambush”. They felt that the actions of the board made clear that the board did not support the project (despite the 12-1 vote in June) and they were made to look like “they withheld information so that they could take more money out of the EWH cookie jar than they actually needed. **They wondered why the leadership of the board did not just call them and tell them that they changed their mind instead of circulating a document that disparaged them and misrepresented their project. The professional staff at the City indicated that they would not attend because they felt it would result in a public argument with the leadership of the Board over a “nonsensical plan” and lead to more contentiousness between the two neighborhoods.** The actions of the Executive Committee has hurt our relationship with our neighbors, our partners and the City.
5. In addition to not being invited to the Special Meeting, the Model Group, WHRF and WHAC were not asked to share information about the Kroger Project to the neighborhood/membership ahead of the meeting through EWH email or social media. This is important because people did not need to attend the meeting in order to vote.

The only information shared with members came through the lens of the EWHA Board, which was biased.

6. The process to develop the MOU was not perfect. Many of the issues that made the process imperfect were outside of anyone's control. WHRF described the recalcitrant property owner and a complicated real estate deal that was not attractive to the private market. Then COVID-19 hit, which set the schedule back and made meetings more difficult. That being said, the members of the Working Group negotiated in good faith to craft the deal and the MOU that was brought to the Board in June. The Executive Committee complains about this process in the document sent to the neighborhood and points out the inability of the Development Committee to vote on the final MOU ahead of the June board meeting (even though the Development Committee was informed of any Working Group negotiations at its meetings in May and June). While process seems to be a major concern of the Executive Committee, they crafted the alternate proposal in secret negotiations cutting out the Development Committee, the EWHA members of the Working Group (one a current board member and both current members of the Development Committee), as well as the other Working Group members. It is important to note that the Working Group included City staff from DCED and Finance.
7. It's important to note that before the Executive Committee concocted their false and nonsensical alternative, the Board voted overwhelmingly (12-1) in June to support the Kroger project with the \$1.7M allocation after hearing the presentation made by Model, WHRF and WHAC. All of the issues with the project were brought up at this meeting: (it's outside of the TIF District, there is an opportunity cost to spending this money on this project in another neighborhood, etc., the VTICA Administrator had not yet signed a contract, etc...). The Board still overwhelmingly voted for it. It was irresponsible of the Board to then vote for an alternative that was not properly vetted.

Since the Special Meeting there have been some important developments:

1. City Council voted unanimously to reallocate the 2-Way money to the Kroger Project. Tony and Drew asked Council to leave the 2-way money in the capital budget. They told Council that they were unaware of the connection between the 2-Way money and the Kroger Project, even though 1) they insisted that the contingency of the 2-way money be added to the Kroger MOU and 2) the connection was discussed numerous times by board members. It was even brought up at the Special Meeting. City Council did not believe them. City Council also voted to allocate \$2M in EWH funds to the 2-Way Project before the neighborhood had a chance to take a vote on the allocation. Tony and Drew asked Council to delay this vote so that the community could weigh in. City Council ignored their entreaties. It is important to note that this vote took place on the same day that Councilman Mann introduced an Ordinance to give neighborhoods MORE say in the allocation of TIF funds in their neighborhoods.
2. Alexandra Rock, an effective and well-respected Board member resigned from the board citing the unethical actions of the Executive Committee in crafting the alternative proposal and pushing it on the neighborhood, as well as the lies told to Council.