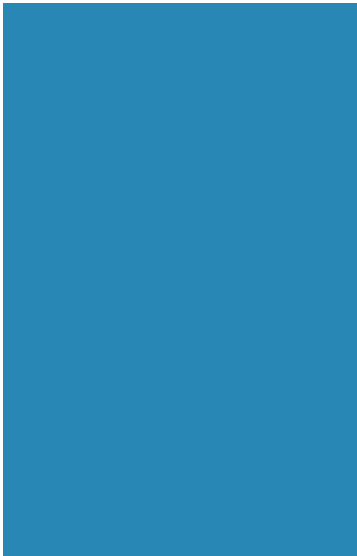




CINCINNATI  
CENTER CITY  
DEVELOPMENT  
CORPORATION



# PROGRESS REPORT

YEAR V

JULY 2008



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# OVER-THE-RHINE

## BACKGROUND

In the past three years, 3CDC has invested \$70 million in the revitalization of Over-the-Rhine. That investment includes \$58 million in private sources, all but \$2 million from The Cincinnati Equity Fund (CEF) and The Cincinnati New Markets Fund (CNMF).

A very important and stabilizing effect of this investment is a drop in crime in Over-the-Rhine south of Liberty Street. Between 2004 and 2007, reported crime in that area dropped nearly 25%. For the first five months of 2008, reported crimes are down an additional 5.5% when compared to the same period of time in 2007.

Part of 3CDC's strategy is to secure property that Police have identified as trouble spots. We've been able to buy seven such establishments, mostly carry outs, over the past four years. In April 2008 3CDC had a huge victory on this front. Cincinnati Police were finally able to close a problem store on Vine Street that was a targeted trouble spot for several years. The site, near the Kroger store, is now under 3CDC control.

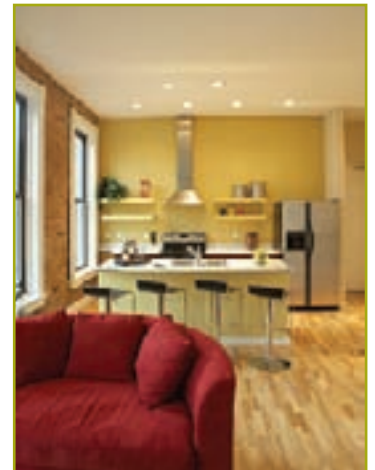
## GATEWAY QUARTER PHASE I & II

Construction of Phases I and II in the Gateway Quarter, which begins at Central Parkway and Vine Street, was completed in the first half of 2007 making sales and marketing the focus in the 07-08 fiscal year.

**Phase I & II Residential:** 103 completed residential units

- 12 Rental units master leased to the Art Academy of Cincinnati
- 26 New construction condo units in Gateway Phase I
- 65 Renovated units in the Duveneck Flats, Duncanson Lofts, Bremen Lofts/Centennial Row

**Of the 91 condos in Phases I & II, 55 or 60% are sold or under contract.**



*Renovated unit on Duncanson Lofts*



*Renovated unit on Bremen Lofts*



*Renovated unit on Duveneck Flats*

# OVER-THE-RHINE

## Phase I - Commercial

Gateway I has seven ground floor commercial and live/work units. Unlike the commercial success in Phase II, to date none of the commercial units in Phase I have sold. In June 2008 the CEF approved a refinancing plan for Gateway Phase I to assist in the sale and leasing of this ground floor space.

## Phase II - Commercial

Phase II brought an additional 20,485 square feet in renovated commercial space. To date, 16,625 square feet or 81% of the total space available has been leased or sold. In May 2008, the Gateway Quarter retailers celebrated the one year anniversary of the district. New stores that have opened or are expected to open in 2008 include:

- **A Lucky Step**, furniture store, 1220 Vine St. (January 08)
- **Lavomatic**, Jean-Robert de Cavel's newest restaurant, 1211 Vine St (February 08)
- **Outside**, outdoor furniture and accessories, 16 E. 12th St. (April 08)
- **Incredible Creations**, barbershop/beauty salon, 1209 Vine St. (August 08)
- **Mahatma**, clothing and accessories, 1205 Vine (September 08)
- **Switch**, interior lighting store, 1207 Vine (September 08)



*Lavomatic*



*A Lucky Step*



*Outside*

## GATEWAY QUARTER PHASE III - Residential and Commercial

Gateway Quarter Phase III officially kicked off Feb. 8, 2008 with a groundbreaking at 14th and Vine streets. Phase III is a \$30.3 million project that will bring 106 new condo units to Vine, Main, Republic and Pleasant streets. It will also add 15,248 square feet in new commercial space to the neighborhood. In addition to the three developers from Phases I and II, Phase III includes a new partnership with Over-the-Rhine Community Housing (OTRCH) and Eber development.

# OVER-THE-RHINE

Below are details of each Phase III development:

**Urban Sites: 41 condos in five buildings, 5,000 SF commercial space**

Trideca Flats at 1232 Vine St. has three units under contract and will open in mid-summer '08. Renovation on the other four buildings will begin by summer's end.

**Model Group: 34 condos, 7,500 SF commercial space**

Trinity Flats in the 1400 block of Vine Street is a mix of new and renovated construction. Construction is underway on both buildings and is expected to be complete in early 2009.

**B2B Equities and Northpointe Group: 8 condos, no commercial space**

Located at 1222-24 Republic St.; construction is expected to begin toward the end of summer 2008.

**Over-the-Rhine Community Housing and Eber Development: 23 units including 12 single family homes and 1,500 SF commercial space**

Construction began in mid-June on the City Home project just north of Washington Park on Pleasant Street. City Home's goal is to provide special financing on five single family homes so they are affordable to low to moderate income home buyers.



*Trideca Flats*



*Rendering of Trinity Flats*



*Rendering of City Home project*

## OHIO HISTORIC TAX CREDITS

Preliminary discussions are underway for Gateway Quarter Phase IV. We're very pleased to report that one potential funding source for this future development is Ohio Historic Tax Credits. In March 2008, 3CDC was informed by the state that the tax credits program had been terminated. 3CDC staff worked with local state legislators and the Governor's administration to restore the program as part of the \$1.57 billion Economic Stimulus Package. The program awards tax credits to owners who renovate historic buildings. We have applied for \$2.6 million in tax credits for the next Phase of the Gateway Quarter development.

**We would like to acknowledge our appreciation to our local State delegation for their hard work and support for getting the tax credits restored.**

# OVER-THE-RHINE

## WASHINGTON PARK

Cincinnati City Council voted in June to approve the permanent transfer of the title for the former Washington Park school site from Cincinnati Public Schools to the Cincinnati Park Board. That means 3CDC, in partnership with the Park Board, can move forward on plans to expand Washington Park north to 14th Street between Race and Elm, across the street from historic Music Hall, adding about three acres to the park.

The renovation and expansion will retain the historic character of the current site. Design features include a large open lawn area for community events and concerts that centers on the front of Music Hall and provides long-desired green space for the neighborhood. Surrounding the lawn will be a playground, picnic areas and a water feature for children. The historic bandstand will remain in its current location, but will be lowered for handicapped accessibility.

The conceptual plan also calls for a 600-700 space, three-level underground garage with parkland on top, similar to Millennium Park in Chicago and Boston Commons. The garage design will be carefully integrated with the design for the park expansion. Merging the garage construction and park expansion will result in substantial savings in the construction process and access to additional private financial resources to help fund the total cost of this approximately \$25 million project. In partnership with the Park Board, a team of park and underground garage design professionals has been assembled to develop the plans with a goal of beginning work on the development in early 2009.

## MERCER COMMONS

3CDC's acquisition of the 20 building, 2.2 acre site that stretches from 13th Street to 14th Street between Vine and Walnut streets, known as Mercer Commons, is nearing completion. The land, which is critical to the expansion and redevelopment of the Gateway Quarter, is owned by Cincinnati Public Schools and will be acquired by the city and then purchased by 3CDC. 3CDC is talking with nationally known developer McCormack, Baron, and Salazar regarding construction of a mixed-use, mixed-income rental development on the site.

## COSMOPOLITAN HALL

In 2008, 3CDC cleaned out a hidden treasure on Vine Street that is destined to become a landmark location in the city of Cincinnati. Cosmopolitan Hall at 1313 Vine St. is a brilliant example of German engineering, architecture and craftsmanship. Built in 1855 Cosmopolitan Hall includes brick, sub basement tunnels and a second floor dance hall/beer garden. It was last used as the Warehouse nightclub, but has been closed for the past several years. Now that the clean up is complete, 3CDC is exploring entertainment uses for the site as well as a possible office development.



*Proposed redesign of Washington Park*



*Cosmopolitan Hall*

# OVER-THE-RHINE

## VINE STREET STREETSCAPE

3CDC is working with the City of Cincinnati to design a new streetscape system in OTR. The \$2 million complete rehab funded by the Tax Increment Financing District and CEF will replace the sidewalk, bury overhead utilities and add new trees, lights and signals on Vine Street from Central Parkway to 14th Street. The first stage of construction is scheduled to begin in late summer with the entire rehab completed in early spring 2009.

## PROJECT BEACON

A collaboration of arts groups including Enjoy the Arts, Learning Through Art, ArtWorks and the Fine Arts Fund are moving forward on a plan to consolidate their operations and relocate to the old Elm Industries Building, 1537-39 Race St., under the name "Project Beacon." Working drawings and a State and Federal Historic Tax Credit application have been completed for this \$9.7 million project.



*Rendering of Project Beacon*

# FOUNTAIN SQUARE DISTRICT

The new Fountain Square is generating pride in our residents and positive impressions in visitors. The \$48 million renovation to the Square and the garage is now fully complete and we are in the midst of the first construction-free summer season since the renovation. The assets are performing well and our scheduled events are starting to become part of the city's summer culture.

## FOUNTAIN SQUARE ASSETS

**Fountain Square North Garage:** The garage has reached its target number of 180 monthly parkers. Monthly revenues continue to meet or exceed expectations.

**Via Vite:** The restaurant on the Square opened in October 2007 and has served over 66,000 customers between the opening and June 1.



*Fountain Square North Garage*

**LED Board:** Video shot from the 2007 event season has been edited and can now be seen in regular rotation on the LED board. The board continues to become more engaging and provide information for everything that is happening in downtown and the region. For example, it broadcast live coverage of the funeral services for two fallen Colerain Township firefighters as well as Staff Sgt Matt Maupin, a local soldier who lost his life in Iraq, allowing overflow crowds and community members to gather and pay their respects. Sponsorship for the board provides funds for operations, events, and eventual replacement of the asset. We have a likely replacement for the Time Warner Cable sponsorship panel and continue to pursue a title sponsor for the board.

**Skating Rink:** Despite challenging weather this winter, the rink attracted 40,000 skaters to the Square between the end of November through February.



*Via Vite Restaurant*



*LED Board*



*Skating Rink*

# FOUNTAIN SQUARE DISTRICT

## EVENTS AND SPONSORSHIPS

In the past fiscal year, 3CDC has raised nearly half a million dollars in sponsorships for events that have attracted thousands of people to Fountain Square. Lead sponsorships include more generous support from Procter & Gamble and Macy's. Events are being scheduled throughout the year-morning, noon and night-establishing the Square as an important destination point for area residents as well as visitors to the region. Examples of signature events and sponsorship opportunities include:

**PNC Summer Music Series:** Memorial Day to Labor Day, seven concerts per week

**Saturday Night at the Movies:** Memorial Day to Labor Day, two family movies every Saturday night

**Strauss & Troy Market on the Square:** Every Tuesday, June-August

**Reds Hot Weekends:** Seven weekends from May to September highlighting the hottest series of the Cincinnati Reds season

**Bengals Football Fan Zone:** Events and a viewing party on the Square for every Bengals game including pre-season

**Flower Carpet sponsored by Procter & Gamble:** 22,000 colorful pansies in an elaborate 7,000 square foot butterfly design throughout the month of April

**Fountain Day sponsored by Fifth Third:** The return of the water to the Fountain the weekend prior to Cincinnati Reds Opening Day

**Light Up the Square:** Kicks off the holiday season the day after Thanksgiving with the lighting of the Christmas tree sponsored by Macy's, a light show sponsored by U.S. Bank and the opening of the skating rink, a visit by Santa and fireworks

**Fountain Square New Year's Eve Blast:** This new Cincinnati tradition drew about 3,000 people in 2007 and featured an appearance by nationally recognized choir "Team Lachey" along with free skating sponsored by Strauss & Troy and fireworks sponsored by Duke Energy

**Ice Skating Rink & Broomball:** Rink opens the day after Thanksgiving and runs through February with Broomball keeping the Square hopping in January and February



*Strauss & Troy Market on the Square*



*Flower Carpet*



*Broomball*

# FOUNTAIN SQUARE DISTRICT

## PARTNERSHIPS

In addition to events, this year Fountain Square Management Group (FSMG) established some strategic, revenue-generating partnerships for the Square including:

**Coca Cola:** exclusive soft drink provider in the Fountain Square garage and for all FSMG-sponsored events

**Budweiser:** Fountain Square holds a liquor license and has made Budweiser the official beer of the PNC Summer Music Series

**Mr. Clean Auto Spa:** "Wash while you park" car wash available in the Fountain Square Garage

## OPENINGS

Fifth Third celebrated the opening of its new five-story Banking Center on Fountain Square in April. And four new restaurants and a florist joined the growing list of Fountain Square District retailers.

- Oceannaire Seafood Restaurant (June 08)
- Jones the Florist (May 08)
- Nada (November 07)
- PotBelly Sandwiches (November 07)
- Via Vite (October 07)

In addition, 3CDC partnered with the developer of the "**Lofts at Fountain Square**" on an 18-unit development at 417 Vine St., above JeanRo Bistro, which will be complete this summer and is already 40% sold.

## FUTURE GROWTH

As the Fountain Square District grows, there will be a need to move beyond the district to accomplish our long term goal of revitalizing the city's core.

• Construction is underway on **Bootsy's**, produced by Jeff Ruby, in the Gano Building, formerly occupied by Uno's Pizzeria on Walnut Street. The restaurant will feature live music and is located right across the street from the Aronoff Center. A fall 2008 opening is anticipated.

• 3CDC is working with the city to repair the **Walnut Street streetscape**, which is showing significant deterioration.



*Gano Building*



*Walnut Street streetscape*

# THE BANKS

- The Cincinnati Equity Fund has committed and closed on a \$10 million loan for the Banks project.
- Construction of the public garage portion of the Banks is underway and will be followed by construction of the private development, a \$75 million development that includes 300 apartments and 70,000 SF of commercial space. Both projects will take about two years to complete.



