

CINCINNATI CENTER CITY DEVELOPMENT CORPORATION
PROGRESS REPORT
July 2003 – July 2004

The Cincinnati Center City Development Corporation (3CDC) was created in July 2003 to help develop Cincinnati's Center City – from the Riverfront to Uptown – as a regional center of high value employment and real estate, sustained by a diverse mix of housing, culture, and entertainment. 3CDC is part of an overall system to increase the efficiency and effectiveness of development activities in the City as recommended by the Cincinnati Economic Development Task Force chaired by City Manager Valerie Lemmie and Fifth Third CEO George Schaefer.

Over the past year, 3CDC has pursued four primary goals: a) establish the organization; b) develop funding sources; c) create Working Groups focused on three priority areas: Fountain Square District, Over the Rhine and The Banks and d) launch value-added, strategic projects within each focus area. 3CDC has made good progress on each of these goals.

Establish the Organization

- Appointed 24-member Board of business, development and community leaders (see attached roster), with A.G. Lafley, P&G CEO, as Chair and Jim Zimmerman, Chairman of Federated Department Stores, as Vice Chair. Also established Executive Committee, Operating Committees (Strategy & Marketing, Finance, Governance, Economic Inclusion), and Working Groups
- Appointed Tom Blinn as 3CDC Interim Director, to lead all aspects of organization start-up and initial operations, including coordination with lead consultant John Alschuler of HR&A. Also assembled a diverse support team to help address key corporation needs including Project Management and Communications
- Developed operating strategy that includes key areas in which 3CDC will develop strong capabilities: strategic leadership; executional excellence (e.g., partner selection, design and planning, creative and efficient deal financing, and communication); strong, sustained relationships/partnerships; and economic inclusion.
- Adopted incorporation articles and comprehensive board Conflict-of-Interest policy and review processes.
- Worked with City of Cincinnati Development Department, Hamilton County and Port Authority to define partnership roles on key projects and specific deals.
- Integrated The Cincinnati Equity Fund into 3CDC. Also developed a collaborative relationship with the Cincinnati Development Fund, a Cincinnati development financial institution focused principally on housing.
- Concluded national CEO search with hiring of Stephen Leeper, former head of

Pittsburgh's Sports & Exhibition Authority, who brings demonstrated success at developing and financing major construction projects as part of public/private partnerships. In Pittsburgh, Mr. Leeper led projects representing nearly \$1.1 billion in private and public funding.

- Launched a corporate website (www.3cdc.org) to give the public easy access to information about 3CDC, its structure, mission and ongoing projects.

Develop Funding Sources

Following 3CDC's establishment, the City of Cincinnati committed to invest \$100 million over five years to support Center City Plan projects.

The private sector committed nearly \$90 million to support the Cincinnati New Markets Fund application for New Markets Tax Credits (NMTC). The NMTC is a Federal program created in 2000 to provide an incentive to stimulate investments to drive economic and community development in distressed communities. (In Cincinnati, the qualified area includes Over the Rhine and most of downtown north of Fifth Street). Investors receive a federal tax credit for 39% of the investment made over seven years. Thirteen Cincinnati companies committed to making investments.

The Cincinnati New Markets Fund application was submitted in September, and in May the City was awarded an NMTC allocation of \$50 million. The Federal government received applications from 271 entities requesting a total allocation of \$30.4 billion. Cincinnati's application was one of only 62 accepted nationally in a process that awarded a total of \$3.5 billion – the full allocation available this round.

Working Groups

3CDC established three working groups focused on priority Center City development areas: Fountain Square, chaired by Federated Chairman Jim Zimmerman; Over the Rhine chaired by Kroger Chairman Joe Pichler; and The Banks chaired by Jack Rouse Associates CEO Jack Rouse. All three working groups have been formed and are making solid progress:

Fountain Square:

- Established Working Group consisting of key Fountain Square stakeholders.
- Established vision:
 - Transform Fountain Square into the city's diverse, vibrant retail, cultural and civic heart.*
 - Create a world class public space at the core
 - Create high value retail, residential and commercial real estate in the Fountain Square District
 - Be a catalyst for new development throughout Center City

- Assembled world class team of development partners:
 - Williams Jackson Ewing who proposed the overall vision and retail and design strategies
 - Cooper, Robertson & Partners and Olin Partnership who will collaborate on the urban and landscape design
 - Development Design Group who will handle the retail design
- Completed an audit of retail property adjacent to Fountain Square and developed a retail strategy for achieving an improved mix of arts, entertainment, dining and retail.
- Concluded Phase I of public input sessions to gather public comment and identify a shared vision for Fountain Square.
- Reviewed public input with design team and charged them to translate public comments into a design proposal for Fountain Square, which can be shared with the public during Phase II of public input sessions.
- Planned Phase II of public input sessions for week of July 12.

Over the Rhine (OTR)

- Established Working Group consisting of key OTR stakeholders.
- Established vision:
 - Revitalize OTR as a vibrant, mixed use, mixed income, diverse urban neighborhood in accordance with the OTR Comprehensive Plan.*
 - Initial focus on Washington Park and the Vine Street Corridor.
- Hired full-time OTR Project Manager, Des Bracey
- Supported proposed Gateway Project, a mixed-use development (25 condominium units and a 950-car parking garage) under construction at Vine and Central Parkway; played an integral role in the financing of the housing through the Cincinnati Equity Fund.
- Proposed a holistic Washington Park Redevelopment plan incorporating the building of two new schools (SCPA and Washington Park Elementary) and a retail, entertainment and parking plaza adjacent to Music Hall. The proposed plan also calls for adding green space to Washington Park and accelerating residential redevelopment throughout the neighborhood near the park.
- Continuing to gather input on proposed plan from key stakeholder groups including Cincinnati Public School Board, City Council's Community Development Committee, Parents of Washington Park students, OTR Chamber of Commerce, OTR Foundation, OTR Stakeholders Group, City Planning Commission and GCAEC Board.

The Banks

- Created Working Group consisting of key Riverfront stakeholders.
- Established vision:
 - Develop The Banks as an exciting new Cincinnati neighborhood on a great Riverfront park (consistent with Riverfront Advisors Plan).*
- Worked with public partners (City, County, Port Authority) to define roles/responsibilities and working agreements. Accepted Port Authority's request to serve as development manager for The Banks, signing Memorandum of Understanding to that effect. Under terms of the agreement, the Port Authority remains fully charged by the City of Cincinnati and Hamilton County for development of The Banks.
- Continues to work with the Port Authority and the City Parks Department to refine the design and functionality of the planned Riverfront Park.
- Port Authority has received \$24 million to date in Federal Funds to support parking and

- infrastructure improvements.
- Continuing to seek alternate sources of funding for the podium and garages that will form the foundation of The Banks development.

For comments and questions, please contact Kevin Armstrong at 513-861-3220.

**Cincinnati Center City
Development Corporation (3CDC)
Board of Directors**

Name	Title	Company
James M. Anderson	President & CEO	Children's Hospital Medical Center
John F. Barrett	Chairman, President & CEO	Western & Southern Financial Group
John R. Boorn	Chairman	Madison Marquette Realty Partnership
Neil K. Bortz	Founding Partner	Towne Properties
De Asa Brown ⁴	President	Greater Cincinnati Northern Ky. African American Chamber of Commerce
Margaret E. Buchanan ¹	President & Publisher	The Cincinnati Enquirer
Calvin D. Buford ^{2,4}	Director / Partner	Minority Business Accelerator Dinsmore & Shohl LLP
David L. Calhoun	President & CEO	GE Aircraft Engines
Robert H. Castellini	Chairman	Castellini Company
Phillip R. Cox	President & CEO	Cox Financial Corporation
Michael Fisher	President & CEO	Greater Cincinnati Chamber of Commerce
A. G. Lafley	Chairman, President & CEO	The Procter & Gamble Company
Carl H. Lindner	Chairman	American Financial Group, Inc.
Kenneth W. Lowe	President & CEO	The E. W. Scripps Company
Dale L. McGirr	Vice President, Finance	University of Cincinnati
James F. Orr	Chairman, President & CEO	Convergys
Joseph A. Pichler	Chairman	The Kroger Company
Janet B. Reid	Principal Partner	Global Lead Management Consulting
James E. Rogers	Chairman, President & CEO	Cinergy Corporation
Jack Rouse	CEO	Jack Rouse Associates
George A. Schaefer, Jr. ³	President & CEO	Fifth Third Bank
James M. Wiseman	Vice President, External Relations	Toyota Motor Manufacturing North America
James M. Zimmerman	Chairman	Federated Department Stores, Inc.
Nancy L. Zimpher	President	University of Cincinnati

¹ Strategic Planning & Marketing Committee Chair

² Governance Committee Chair

³ Finance Committee Chair

⁴ Economic Inclusion Committee Co-Chair