

**CINCINNATI CENTER CITY DEVELOPMENT CORPORATION
PROGRESS REPORT – YEAR III
JUNE 2006**

FOUNTAIN SQUARE

The Fountain Square revitalization is well underway both in terms of the construction of improvements within the Square and the increasing amount of investment surrounding the Square. Ultimately, the vision for the revitalized Square is based on spurring economic development throughout the district and creating a highly valued asset that anchors Cincinnati's downtown as a the economic, cultural and civic heart of the city.

Specific accomplishments include the following:

- Commenced Fountain Square's \$42 million renovation with September, 2005 construction start with an anticipated September, 2006 completion date.
- Bid and selected over 94% of construction contracts with plaza and garage demolition completed, garage repairs completed, structural concrete improvements 80% complete and over 50% of waterproofing completed.
- Completed garage repairs below Fifth Street requiring a 45 day street closure and reopened the street several days ahead of schedule.
- Selected design/build firms for the skating rink (Ice Rink Events) and children's water feature (Hobbs Architectural Fountains) and LED Board manufacturer (Mitsubishi) to implement critical Fountain Square features.
- Contracted with local broker Judie Guttadauro to represent the organization in contacting and selecting a restaurant operator for the pavilion building which sits above the entrance to the garage.
- Established organizational structure to manage and promote the revitalized Square. Efforts undertaken to this end include:
 - Hiring Bill Donabedian as Managing Director of Fountain Square Management LLC to oversee Fountain Square plaza and garage day to day operations, create calendar of events and direct video board programming and functions.
 - Partnering with Cincinnati Parks Board in the selection and pre-purchase of trees for the redesigned Square as well as the design and maintenance plan for the planter beds which the Park Board will implement.

- Selecting Central Parking as Fountain Square North Garage operator and Amano as the pay-on-foot machine vendor.
- Working with Downtown Cincinnati Inc. to create and set standards for the Square's safe and clean program.
- Partnering with Cincinnati Recreation Commission to operate the skating rink.
- Developing the revitalized Square's marketing identity and web site myfountainsquare.com which will be completed the end of June, 2006 announcing upcoming events and promotions as well as offering opportunities for public feedback.

In addition to the \$42 million Fountain Square project now underway, surrounding property owners have announced projects and are underway with construction of nearly \$50 million in additional investments including:

- 525 Vine's complete lobby and street front façade renovations as well as the addition of Joseph Banks to occupy their first floor retail space which will open July, 2005.
- Carew Tower's addition of the Havana Martini Club which opened March, 2005.
- Fifth Third's announcement of the complete exterior renovation of their lower headquarters building facing both Fountain Square and Sixth Street and releasing of the majority of first floor retail space, anticipated to start Summer, 2006.
- 580 Building's redevelopment of its street front façade, doubling of retail space available and releasing of all street front retail. Construction commenced May, 2006.
- Westin's introduction of national seafood restaurant McCormick & Schmick to anchor the Fifth and Vine corner expected to open September, 2006 as well as commencing construction of the Westin-owned concept Ingredients to occupy their Fifth Street lobby planned opening July, 2006.

Lastly, the District has seen an infusion of investment in residential real estate projects that continue to expand the critical downtown resident population. Cincinnati Equity Fund (CEF) provided financing for several of these projects including:

- 18 East Fourth Street, a \$7 million project to create 21 unit loft style condominium project in the former Fourth National Bank Building completed with only one remaining unit for sale.

- The McAlpin, a \$24 million project spanning three buildings making up the former McAlpin's Department Store providing 64 residential condominiums, first floor retail and 90 parking spaces, currently under construction with one third of the units pre-sold.

OVER-THE-RHINE

3CDC continues to work with residents and community leaders in order to gain their support for implementing an effective housing strategy aimed at bringing life back into the landmark community. Our objective to revitalize OTR as a vibrant, economically and racially diverse mixed-use community was strengthened this year by the following progress made toward that goal. Specifically:

1. Phase I of the Gateway Project on Central Parkway, a 26 unit condominium project with underground parking spaces, was completed in January 2006. This \$6.4 million project represents the first market rate, new construction residential project in OTR in at least two decades.
2. Phase II of the Gateway Project consisting of 48 condominiums, 12 rental apartments that will provide housing for 27 first year students of the Art Academy of Cincinnati and over 20,000 square feet of commercial/retail space has begun construction. This \$16.8 million project will be completed no later than August, 2007.
3. The financing plan developed for the Gateway II project will be replicated for properties owned elsewhere in OTR. 3CDC has invested over \$8 million in private funds to purchase over 100 vacant and/or abandoned buildings and lots in OTR—and spent hundreds of thousands more to clean, board, secure, light and fence these blighted properties until they can be redeveloped.
4. 3CDC is working with the City of Cincinnati to invest \$3 million in Community Development Block Grant funds from the Federal government in projects that will have an immediate impact on the development landscape in OTR. Along with construction financing provided by CEF and CNMF, the City funds will allow a July 1, 2006 construction start on at least 30 additional homeownership units--both market rate and affordable. In addition, up to 50 more units will be made ready for full re-development by addressing pre-existing environmental remediation needs.
5. 3CDC is working as the construction advisor to the Corporation for Findlay Market to rehabilitate 5 vacant buildings on Elder Street, just south of the historic Findlay Market. The project will include the full restoration of the buildings' facades, as well as the build out of approximately 8,000-10,000 square feet of first floor commercial space that will be leased by the Corporation for Findlay Market. Construction will be complete by October, 2006.

6. Working with the Cincinnati Police Department, as well as other City agencies charged with enforcing health and building codes adopted to protect the public welfare, 3CDC has convened monthly meetings to target nuisance properties which have been abandoned by their owners and promote criminal activity.
7. 3CDC has made good its promise to work with other housing providers in OTR, including market and affordable developers. We provided development expertise to major residential and commercial projects underway or planned in the neighborhood, from the Findlay Market area to Main Street.
8. 3CDC has refined its plans for Music Hall Square, a mixed use project adjacent to Music Hall that includes a 630 space public parking facility, 5,000 square feet of office space for the Cincinnati Symphony Orchestra and a 4,000 square feet restaurant. Conceptual designs of the new structures have been prepared and reviewed by Music Hall stakeholders. Development of Music Hall Square will be conducted in parallel with the proposed reconfiguration of the Music Hall's performance space.