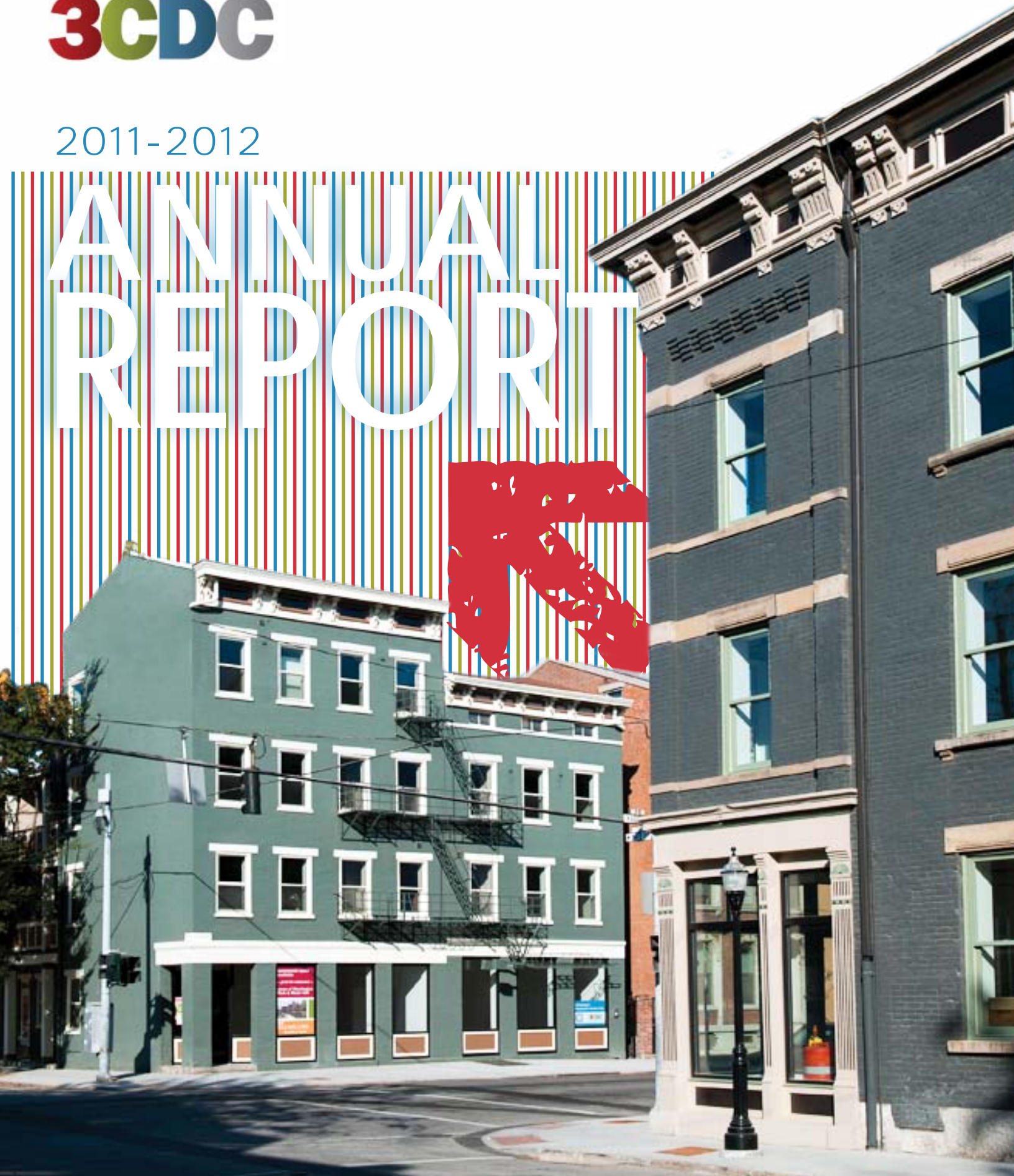




2011-2012

ANNUAL REPORT





DEAR BOARD MEMBERS,

Everywhere you look in the Center City, from the riverfront up to Findlay Market, you can see the signs of change. New parking, parks, residents, and restaurants at The Banks have created a community on the riverfront that didn't exist before. The City of Cincinnati, the Cincinnati Park Board, 3CDC and its corporate partners can feel proud of their investment in The Banks, as the residential units are leased and commercial tenants open to growing crowds.

Moving north into Downtown, the signs of change are evident in the construction fencing around the old Metropole, as crews work feverishly to restore the building's grandeur and create a home for the 21c Museum Hotel. The old Maisonette, LaNormandie, and Barleycorn's buildings, too, are being renovated into a new restaurant/entertainment complex that will soon house Boca Restaurant, along with another trattoria, and an entertainment complex by 4EG (Four Entertainment Group). Environmental testing at the Fifth & Race site has begun, while teams meet regularly to create the plans that will detail a four-part development of parking, commercial space, office headquarters, and a residential building.

Even further north, crossing over what used to signify Cincinnati's Great Divide – Central Parkway – one can experience a renaissance in the neighborhood of Over-the-Rhine. What began six years ago with the Gateway Building has gathered momentum and marched northward up Vine Street, creating 186 condominiums and townhomes that are a few shy of 100% sold. The 68 new rental units created have been 100% leased for years. And the 91,000 SF of commercial space created is 85% leased. As the Washington Park renovation nears completion, new homes and commercial spaces from Vine Street over to Elm Street have become hot properties. And the stage is set to break ground on another 238 residential units, 24,700 SF of commercial space, and 359 parking spaces. Sales and leasing rates per square foot continue to increase, progressing toward someday closing the gap on development projects in Over-the-Rhine.

On the pages to follow, you'll find more details on the work accomplished in the past fiscal year, from July 1, 2011 through June 30, 2012. Working closely with the City and Cincinnati's corporate community, 3CDC's mission is to develop Cincinnati's center city as a regional destination of high value employment and real estate, sustained by a diverse mix of housing, culture and entertainment. Each year brings us closer toward reaching that goal, yet seems to reiterate that the work is never done.

Sincerely,

3CDC Staff

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OUR PRIORITIES

Create Great
**Civic
Spaces**

Create High-Density
Mixed-Use
Development

Create Diverse,
Mixed-Income
Neighborhoods
Supported By
**Local
Businesses**

PRESERVE
Historic Structures and
Improve Streetscapes

DOWNTOWN

2011-2012 PROGRAM OF WORK

Fountain Square

This past year, 3CDC continued to build on the momentum created at Fountain Square after its 2005 renovation. Daily programming and third party event management drew an estimated 2 million people to enjoy the Square. Through the website, social media, paid advertising, earned media, and media partners, we were able to communicate our many activities to a broader audience. The LED board enabled us to help promote many area arts offerings, increase interest in event sponsorship, and instill a sense of pride in our home team fans. The ice rink, Fountain Square Garage, and Via Vite all enjoyed revenue increases over the year prior.

Below are the highlights:

The past year saw tremendous increases in attendance at both Light Up the Square and New Year's Eve Blast. The crowd estimate for Light Up 2011 was **25,000** – ten thousand more than 2010. And the New Year's Eve crowd estimate was **15,000** – about five thousand more than 2010.

- The U.S. Bank Ice Rink officially closed February 19, 2012, bringing an end to another successful winter season. Attendance was just over 48,000, the second best year to date. Admission and

rental revenues brought in **\$269,500**, or 95% of the budgeted goal. It was the best season yet in terms of number of skaters per day open.

- A number of **capital improvements** were made to the Square, including the permanent P&G Stage with canopy, improved lighting, and high quality PA system; free wi-fi via Cincinnati Bell; LED lights for the holiday tree and decorations; 116 new chairs for the Square; and a repainting and etching job for all existing tables and chairs.



"Fountain Square has become...

the heartbeat of the entire region and the focal point of everything that is happening downtown... The essence of Fountain Square is...a place to celebrate, to reflect, and to be reminded of what it means to be a Cincinnati. That is the formula for a successful Cincinnati. Fountain Square embodies it."

Mayor Mark Mallory
State of the City Address
April 2012



3CDC produced several new events in 2011:

Indie Craft Market: A Friday evening craft market held in conjunction with MidPoint's Indie Summer (PNC Summer Music Series), this market featured local vendors selling handmade and unique "Etsy-style" arts & crafts.

Saturday Night SLAM: Adding to the diverse music line-up during the PNC Summer Music Series, Saturday Night SLAM brought hip-hop artists and very large, diverse crowds to the Square for the 2011 summer season. Renamed "Beats" for the summer of 2012, the popular event is back again.

3CDC also added **Fourth of July Fireworks** and a **Friday night Fashion Show** to the summer 2011 line-up, back again for 2012.

4EG Square: Four Entertainment Group showcased its eight locations (Alive One, Keystone, Lackman, The Stand, Mount Adams Pavilion, Righteous Room, Sandbar, and Tap & Go) on Fountain Square in September 2011 and again in May 2012, with live music and "vignettes" mimicking the real locations and offering specialty drinks, games, and swag.

Yuengling Fling: The October 31st celebration of Yuengling beer entering the Cincinnati market included live music and a pumpkin toss contest.

Boca/4EG (Maisonette)

This \$17.4 million renovation of the former Maisonette, LaNormandie, and Barleycorn's buildings broke ground in October 2011. Boca will move its restaurant from Oakley into the former Maisonette space, and open a new trattoria concept in the lower level. 4EG will open a new entertainment concept just to the east. The 4EG project will open in August 2012, with both Boca restaurants following in late Fall 2012.

"Our goal
is to restore that location
to its former majesty while
adding to the amazing
transformation this town is
going through with dining."

David Faulk

chef and owner of Boca Restaurant
Group, December 2011



21c Museum Hotel

The \$56 million renovation of the old Metropole building on Walnut Street between 6th & 7th Streets into the 21c Museum Hotel Cincinnati will yield a 156-room hotel with a contemporary art museum, over 8,000 SF of public exhibition space, a ballroom, and the Metropole Restaurant. Construction began May 2011, and the project is scheduled to open in November 2012. Gerry Link, a 25-year hotel-industry veteran, has been named general manager of the downtown Cincinnati hotel.

"21C's role
as a museum and cultural
civic center makes it an
incredibly unique and
memorable destination,
and I look forward to sharing
that experience with our
team, our guests, and the
community of Cincinnati."

Gerry Link

21c Cincinnati General Manager
April 2012

Fifth & Race

The site at Fifth & Race Streets, owned by the City of Cincinnati, is currently a public parking lot and will be redeveloped by 3CDC to include an approximately 250,000 SF headquarters building for dunnhumbyUSA, an approximately 1,000-space public parking garage, approximately 40,000 SF of commercial space, and an approximately 200-unit residential building.

dunnhumbyUSA, a global leader in building brand value for consumer goods and retail companies, announced February 6, 2012, that it had chosen the Fifth & Race site for its new headquarters after an exhaustive search. With the preliminary design process underway and financing in place, construction is expected to begin in Fall 2012.

"We believe
that Fifth and Race offers
the optimal situation
for our future growth
objectives."

Stuart Aitken

CEO of dunnhumbyUSA
February 2012



OVER-THE-RHINE

2011-2012
PROGRAM OF WORK

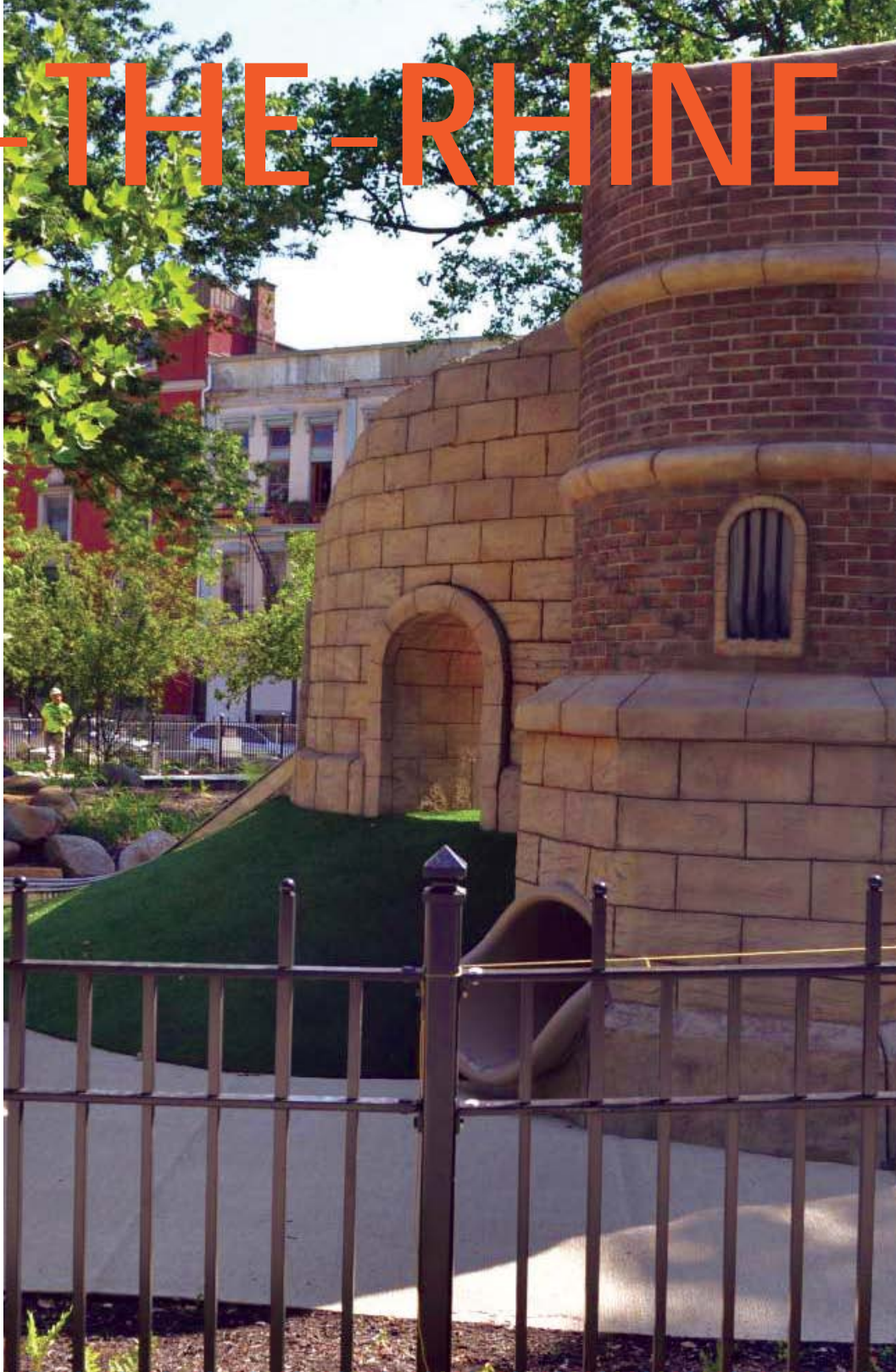
Washington Park

The \$48 million renovation and expansion of Washington Park began in December 2010, but perhaps the most visible progress has been made in the past fiscal year as the park nears a July 2012 completion date. The castle in the Children's Playground was delivered in September 2011, and concrete pours began last fall, creating the shape of the new 450-space parking garage that opened to the public on April 20, 2012. Trees, shrubbery and flowers were delivered all spring and the planting beds and pathways started to define the outlines of the park features. And finally, the dirt, turf and sod were laid on the grand civic lawn through May and June 2012. Both the garage ribbon cutting and the park ribbon cutting drew crowds of people and media, helping to spread the word about the new amenities to the Over-the-Rhine neighborhood.

3CDC continued throughout the year to fundraise for the \$3 million gap in the capital budget, currently covered by a CEF II bridge loan.

Programming planning for the Park took shape throughout the past year. Coke, Heidelberg, Ohio Valley Beer & Wine, E & J Gallo, RND, P&G, Toyota, Fifth Third, and PNC Bank have committed sponsorship dollars to Washington Park programming. The programming line-up for summer includes R&B, bluegrass, and jazz nights in the bandstand, movie night on the civic lawn, intramural sports league on the civic lawn, and activities in the children's playground and dog park areas.

The official grand opening celebration will take place over three weekends in July and August, including a free concert by the band "Over the Rhine", a neighborhood picnic, and a free concert by the full Cincinnati Pops Orchestra, the May Festival Chorus, soloists from the Cincinnati Opera, and dancers from the Cincinnati Ballet.



"The Cincinnati community

has certain expectations when it comes to public infrastructure projects, and the success of the inclusion numbers at Washington Park are driven by 3CDC's hard work and the Park Board's desire to exceed expectations."

Willie Carden
Park Board Director
August 2011

" the new Washington Park will bring together residents, students and the arts.... Washington Park will bring people together in a way that it has not been able to in years, just like we saw with the transformation of Fountain Square."

Mayor Mark Mallory
State of the City Address
April 2012

Washington Park

Sources

14,000,000	City TIF & Grants
5,000,000	State Urban Redevelopment Loan
2,850,000	State Capital Grant
4,500,000	CEF II Loan
1,000,000	P&G Foundation Grant
350,000	Haile Foundation Grant
100,000	Greater Cincinnati Foundation Grant
100,000	Schmidlapp Foundation Grant
25,000	Humana Foundation Grant
10,000	Chemed Foundation
1,000	Alpaugh Foundation
30,000	Joseph and Susan Pichler
3,096,381	Philanthropic Foundations Grants**
3,607,016	Developer Fee Loan
13,337,939	PNC Bank NMTC Equity
48,007,336	Total

USES

30,473,342	Hard Costs
15,053,205	Soft Costs
2,840,789	Contingency
48,007,336	Total

* Haile Foundation has also approved a \$150,000 grant for the Park programming
** CEF II bridge/replacement loan



"This garage seems to be designed with actual people in mind."

Lucy May
Business Courier, April 2012

PUTTING AN END TO HOMELESSNESS



City of Cincinnati
+ Hamilton County

Strategies to End
Homelessness

3CDC

Women Only
Shelter

eliminating racism
empowering women
ywca

Men's Faith-Based
Shelter

City Gospel
MISSION

Men Only Shelter

DROP INN CENTER

Young Adult Shelter

LIGHTHOUSE
YOUTH SERVICES
BRIGHTER LIVES FOR YOUTH AND FAMILIES

Substance Abuse
Treatment Center

Talbert House
Building a Stronger Community...
One Life at a Time.

the
following
homeless to
homes
milestones
were
accomplished
in the
past fiscal
year:

Sites at 1805 Dalton Street and 1211 York Street were purchased for the new City Gospel Mission buildings. Demolition of an existing building at 1211 York began in September, and predevelopment work continues. The project went out to bid in late February, a permit was issued in May, and construction will begin once financing is secured.

A site at 2452 Kinsey was purchased for the new YWCA women's shelter, the project went out to bid in May 2012, and a contractor will be selected in the next few weeks. Construction should begin in July 2012.

End Homelessness received written commitment from the Drop Inn Center Board of Directors to find a new location and secure 3CDC assistance in the development and construction management of the proposed new facility. Several sites are currently under consideration.

Homeless to Homes

The City of Cincinnati's "Homeless to Homes" plan requires the organization called "Strategies to End Homelessness" (End Homelessness) to put into place a comprehensive plan to address the inadequacies in the current provision of care for homeless individuals in the City. 3CDC has been actively working with End Homelessness to develop three new emergency shelters for the City Gospel mission, the YWCA, and the Drop Inn Center, and to raise the necessary funds for both the capital needed as well as the increase in operating funds needed to provide

the services from these new facilities. The projected capital budget for the three new facilities is \$30 million. City Council approved a \$10 million capital contribution from the City in January, and the growing list of philanthropic supporters includes the P&G Fund, the Carol Ann and Ralph V. Haile, Jr. / U.S. Bank Foundation, the Jacob G. Schmidlapp Trust, and the Greater Cincinnati Foundation. 3CDC continues to work with End Homelessness to raise the remaining capital.



city Home

This three-phased development project is a mixture of rehabbed buildings and new construction along Race and Pleasant Streets, yielding 22 for-sale units ranging in price from \$128,640 to \$390,100. Phase I included 11 units in rehabbed buildings along Pleasant Street. Phase 1B included 4 units and 2,286 SF of commercial space at 1401 Race Street. Phase II included 7 new construction homes on Pleasant Street.

A ribbon-cutting ceremony was held in July 2011 for 1401 Race Street, or Phase 1B of the City Home project. Three of the four condominiums have sold, and the remaining condo is the only City Home unit still for sale. Anchor restaurant signed a leased for the street-level commercial space and will open a seafood restaurant in August 2012, with outdoor seating along Washington Park.

Five of the Phase II homes sold before construction was completed, with the first closing in January 2012. The remaining two units have since sold, closing out all of Pleasant Street before Washington Park has even opened.



From Helltown to City Home

Town homes and condos help remake troubled Pleasant Street

By Lisa Bernard-Kuhn
lbernard@enquirer.com

A street once so taken over by crime and drug deals that neighbors called it "Helltown" is undergoing a multimillion-dollar makeover that's delivering high-end town homes, renovated condos and affordable housing to Over-the-Rhine.

Now in its third phase, City Home includes 22 newly built town homes and rehabbed historic condos priced from \$190,000 to \$390,000 in the 1400 block of Pleasant Street.

It's one of the more dramatic transformations since developers began remaking the city's oldest and poorest neighborhood more than five years ago. It's also key to the success of nearby landmarks, which attract thousands of people each day from outside Over-the-Rhine.

"It's a fantastic street that not a lot of people know



Living space in a model unit at City Home on Pleasant Street in Over-the-Rhine. THE ENQUIRER/CHRISTOPHER E. KEATING

about," says Sara Bedinghaus, a development officer with Cincinnati Center City Development Corp. (3CDC), which assisted in financing for the project.

"It's at the heart of all these great things in Over-the-

See CITY HOME, Page G7

"It's the best

development in the country right now. You have governments paralyzed and doom and gloom going on around the country, yet there's this remarkable model in Cincinnati."

Tom Murphy

senior resident fellow at the Urban Land Institute in Washington, DC, April 2012



Park Haus

Nine buildings scattered around the Washington Park area were identified in the last fiscal year as ideal for single-family homes due to their size and location. The program allows buyers to select the building of their choice and work directly with developers to create a home that caters to their specific needs. The homes range in price from \$350,000 to \$700,000, and will begin to create comparable sales figures in the neighborhood to allow more traditional financing options for future home development.

Three of the nine homes sold this past fiscal year. One of the homes is complete and occupied by its owners at 13th & Race Steets. One is under construction on 14th Street, along the north edge of Washington Park, and the third, at 1419 Race Street, is in predevelopment. The owners of the Race Street home, not yet empty-nesters, will allow 3CDC to use it as a model home to show potential Park Haus buyers in the interim before they are ready to move in.



FROM THIS
Over-the-Rhine homes undergo big renewal

TO THIS
Park Haus

"When we learned about

what was happening in Over-the-Rhine, we were instantly drawn to the possibility of moving down there. We're in love with the idea of being in a neighborhood that's part of the city, and we'll be within walking distance of literally thousands of events."

Mark Manley,
Park Haus Home buyer,
November 2011

15th & race church

The church at 1429 Race Street has long been in dilapidated condition since its abandonment in the 1980's. The City of Cincinnati and 3CDC agreed to share the cost of significant structural repairs on the condition that the City transfer the deed to the church to 3CDC upon completion of a new roof system.

The roof system was replaced and rotted floor structures removed. After evaluating several options for replacing the floor system, the development team determined that a steel floor structure was the best option for providing longevity and flexibility in use. 3CDC staff applied for and received State of Ohio Historic Preservation Tax Credits for the completion of the church renovation. Two potential tenants have engaged architects to determine if their businesses are feasible operations within the church space.

PAINT BUILDING

The historic Cincinnati Color Building, now officially called the "Paint Building" is being restored into 6,000 SF of upscale office space and 3,680 SF of restaurant space. Construction began in January 2012. A lease was signed in June for a Japanese restaurant and whisky bar concept called "Tokio", and designs are underway. Interest in the office space continues.



MERCER COMMONS

The \$59 million Mercer Commons project includes the redevelopment of 19 historic buildings and 26 vacant parcels of land on a total of 2.67 acres between East 13th and 14th Streets, bounded by Vine Street on the west and Walnut Street on the east. The project is being developed in three phases and will ultimately yield 154 housing units, 17,600 SF of commercial space, 359 parking spaces, and 26,000 SF of green space.

Messer was selected as the general contractor in April 2012, and 3CDC signed an agreement with PNC Bank to use a portion of its recent New Markets Tax Credit allocation on the project. Phase I construction began in June 2012. Phase I includes 3,900 SF of commercial space, a 340-space parking garage, and a total of 28 for-sale units: 12 in a new construction building on Vine Street, 5 new construction townhomes along Mercer Street, and 11 condominiums in 4 historic rehabilitations along Mercer Street.

3CDC is working with McCormack, Baron, Salazar (MBS), a nationally recognized developer from St. Louis, on the second and third phases of the project. Phase II will include 67 apartments, 30 of which will be reserved for affordable units, and 10,600 SF of commercial space. Phase III includes 59 more rental units and 3,100 SF of commercial space.

DEVELOPMENT

	PHASE I	PHASE II	PHASE III	TOTAL
Condos	28	0	0	28
Apartments	0	67	59	126
Commercial SF	3,900	10,600	3,100	17,600
Parking Spaces	340	0	19	359

Mercer Commons plan approved

But decision comes with caveats, requested changes

By Lisa Bernard-Kuhn
lbernard@enquirer.com

DOWNTOWN — A \$54 million plan that proposes to mix new condos and storefronts with rehabbed historic buildings in Over-the-Rhine landed critical approvals Friday from Cincinnati's Planning Commission.

The commission endorsed a zoning change requested by Cincinnati Center City Development

Corp. (3CDC) for its nearly 3-acre Mercer Commons project, the largest yet to intersperse new construction with historic preservation in Over-the-Rhine.

The vote was 6-0. But the blessing came with the condition that 3CDC rework some of its designs for a 12-unit condo building that spans most of the 1300 block of Vine Street. 3CDC expects to present those changes to the commission on Dec. 2.

Friday's approval goes against recommendations from the Historic Conservation Board and city planning staff to deny the plan because parts of it fail to meet guidelines for the Over-the-Rhine Historic District. The neighborhood is home to the largest collection of 19th century Italianate architecture in the nation.

Among other concerns, the board and staff took issue with the roofline of the Vine building, arguing that the guidelines call for roofs that are similar to nearby buildings of the same size.

The board and staff also called out the use of certain materials,

including metal and glass, in the designs for the Vine Street building and new townhomes of Mercer Street. Guidelines call for materials that are similar to those found on existing buildings in Over-the-Rhine, such as brick and limestone.

Per the commission's recommendations, 3CDC expects to make changes to the Vine Street building's roofline and rework elements to give the four-story structure a more vertical appearance as opposed to a horizontal look — items that the commission said

See **MERCER**, Page B3



OTR PHASE V DEVELOPMENT

3CDC began working in Over-the-Rhine in 2004, buying property for future redevelopment. What followed was four phases of development resulting in 254 residential units and 91,000 SF of commercial space. To date, the City of Cincinnati, 3CDC and its corporate partners have invested a total of \$168 million in Over-the-Rhine.

3CDC staff is nearing completion on predevelopment work on the fifth phase of redevelopment in Over-the-Rhine. The proposed new projects total 93 residential units (70 condominiums, 23 apartments) and 7,100 SF of commercial space with estimated total project costs of \$24.5 million. 3CDC staff has approached the City of Cincinnati for assistance with the estimated \$8 million financing gap.

OTR PHASE V

PROPERTY	CONDOS	APARTMENTS	COMMERCIAL SF
1401 Elm	4	0	1,880
15th & Republic	5	14	0
Bakery Lofts	9	0	0
Nassau	9	0	1,065
Nicolay	10	0	1,035
Parvis II	0	9	0
Westfalen Lofts II	33	0	4,000
Total	70	23	7,980



Commercial Leasing

Eighty-five percent of the 91,038 SF of commercial space built since 2005 has been leased. Taste of Belgium, Abigail Street, Sloane Boutique, Bakersfield, 1215 Wine Bar & Coffee Lab, On The Run Cleaners, Pet Wants, and Reser Bicycles all opened in the past fiscal year. Leases have been signed for new restaurants Anchor, Hapa, Tokio, and interest continues in the ground floor restaurant space at Saengerhalle. Saengerhalle itself is now home to 7 businesses in addition to 3CDC, and a total of 100 employees walk through its doors each day. The old Rohs Hardware space has been white-boxed, awaiting a new tenant, and interest continues to increase in this space, as well as other Parvis commercial spaces.

3CDC has put together an Over-the-Rhine District Management Plan that outlines details for a clean, safe and welcoming neighborhood, dividing duties into shifts and zones. The plan includes services provided by the Hamilton County Sheriff's Office, DCI Ambassadors, City Services, and the Park Board. 3CDC is currently seeking grant funding for the next two years of operations, and has been awarded a \$50,000 grant from the Carol Ann and Ralph V. Haile, Jr. / U.S. Bank Foundation. The need for the creation of a Special Improvement District to fund the program moving forward is also being explored.



Residential Sales & Leasing

The average sales price per SF for 3CDC projects in Over-the-Rhine has increased from \$150 in 2005 to \$198 today. Only a handful of the 186 for-sale units created in Phases I-IV of Over-the-Rhine development remain. They are over 97% sold. The 68 rental units are 100% leased and have been for years. In the 2011 calendar year, 30 condos sold, or an average of 2.5 per month. In the first 5 months of 2012, 21 condos have sold, or an average of 4.2 per month. This increasing rate at which the remaining condos are selling, along with the increased sales price per SF, could lead toward multiple "pre-sales" on the new Phase V projects.

"Moving here has really changed our lives. Every night we go for a walk around the park to check out the progress. We have dinner on Vine Street. We do all of our shopping at Findlay Market, and we ride our bikes everywhere."

Karen Hughes
OTR resident
April 2012

"It's been a huge transformation. I don't think anyone expected this to happen so quickly."

Holly Redmond
Sibcy Cline Realtor & OTR resident



OTR Development
Featured in **Housetrends Magazine**
April 2012



COMMUNICATIONS, MARKETING & COMMUNITY RELATIONS

Fountain Square Events

3CDC has been able to effectively communicate and promote its events through the Fountain Square website, Facebook pages, Flickr photos, YouTube videos, and Twitter feeds. Each of these marketing tools has seen tremendous growth over the past year. Unique visits to the website are up 79%, Facebook fans increased 37%, Flickr views are up 54%, YouTube views up 18%, and Twitter followers are up 46%. 3CDC utilized paid advertising with City Beat, Metro Mix, Cincinnati Enquirer, Cincinnati.com, the Business Courier, multiple radio stations, and two network TV affiliates over the past year. Quarter page weekly ads, online banners, and TV spots helped drive traffic to the events and promote our sponsors. A media relations strategy, including

calendar releases, press releases, TV morning show appearances, and radio interviews further promoted the events and sponsors. Lastly, media sponsorships have played an important role in increasing awareness of and attendance at our events.

In an effort to better understand how Fountain Square visitors find out about events, 3CDC conducted an online media consumption survey in April 2012 before the summer season began. The results were not surprising, but confirmed that most Fountain Square event attendees get their information from social media rather than paid advertising. Armed with this data, 3CDC developed a

new Fountain Square communications plan that relies less on paid advertising and more on earned media and social media tools. A “social media team” was hired to promote the 2012 PNC Summer Music Series for 13 weeks, and the results will be measured through concessions sales, attendance figures, and fans, views and followers on Facebook, YouTube, Flickr, and Twitter.

A new Fountain Square website, designed for better navigation of the Square, its features, and events, was launched in June. The new site features a blog, newsfeed, and special promotions section, with an event feed on the home page.





Washington Park Communications

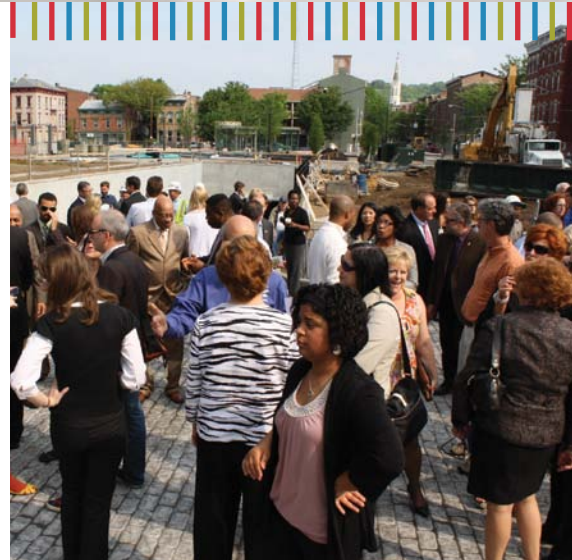
Throughout Washington Park redevelopment, a Weekly Update was emailed every Wednesday to close to 400 “opt-in” recipients, keeping them informed of progress and next steps.

In an effort to garner media attention for the Park, highlight our ongoing fundraising effort for the \$3 million gap, and to thank one of our philanthropic supporters, 3CDC held a “check presentation event” on November 2, 2011 in the Children’s Playground at Washington Park. The event drew 50 spectators, public and elected officials, and good media coverage.

3CDC hosted four “Sounding Sessions” this past year to garner community input on programming for the park. The ideas from over 50 attendees were compiled and posted on the 3CDC website. This served as the background for the programming plan and budget.

City of Cincinnati, Park Board, and 3CDC officials held a Washington Park Garage Ribbon Cutting event on April 26, 2012, which drew good media coverage and another great crowd of about 50 people, including many of the Washington Park contributors.

The Washington Park website, washingtonpark.org, was under construction for most of the spring and was launched in June shortly after the Fountain Square website. All three websites (myfountainsquare.com, washingtonpark.org, and 3cdc.org) are now designed to work together with news feeds, blogs, and cross-promotion.



Over-the-Rhine Marketing

Valet Parking in Over-the-Rhine began in July 2011, on Thursdays through Saturdays from 5pm to midnight. At \$6 per car, the numbers of cars parked per weekend ranges from 30 to 100 depending upon other activity in the neighborhood. The opening of the Washington Park Garage in April does not appear to have had an adverse effect on the pattern.

3CDC worked with the Over-the-Rhine Chamber of Commerce and other neighborhood groups to create and market another successful Holidays in OTR campaign. The multiple events raised awareness of OTR stores and restaurants, raised money for the FreeStore Foodbank, and raised sales for the season.

The Over-the-Rhine Gift Card program saw changes this past year. In an effort to make the cards more user-friendly for both the purchaser and the stores/restaurants, 3CDC collected from the OTR participants the separate terminals required to accept the card, terminated the program, and partnered with Downtown Cincinnati Inc. (DCI) on the Downtown Gift Card. This card now bears the Over-the-Rhine logo as well as The Banks logo, and acts as a true “mall” gift card throughout the entire Center City. The card works as a MasterCard and can be run on the same terminal that stores and restaurants already use to accept payment. 3CDC has been working to get all OTR stores and restaurants the necessary marketing materials and



information to accept the card. The new card will be sold through myfountainsquare.com, washingtonpark.org, and the 24-hour desk within both garages. The goal is to double DCI's existing sales of approximately \$100,000 per year.



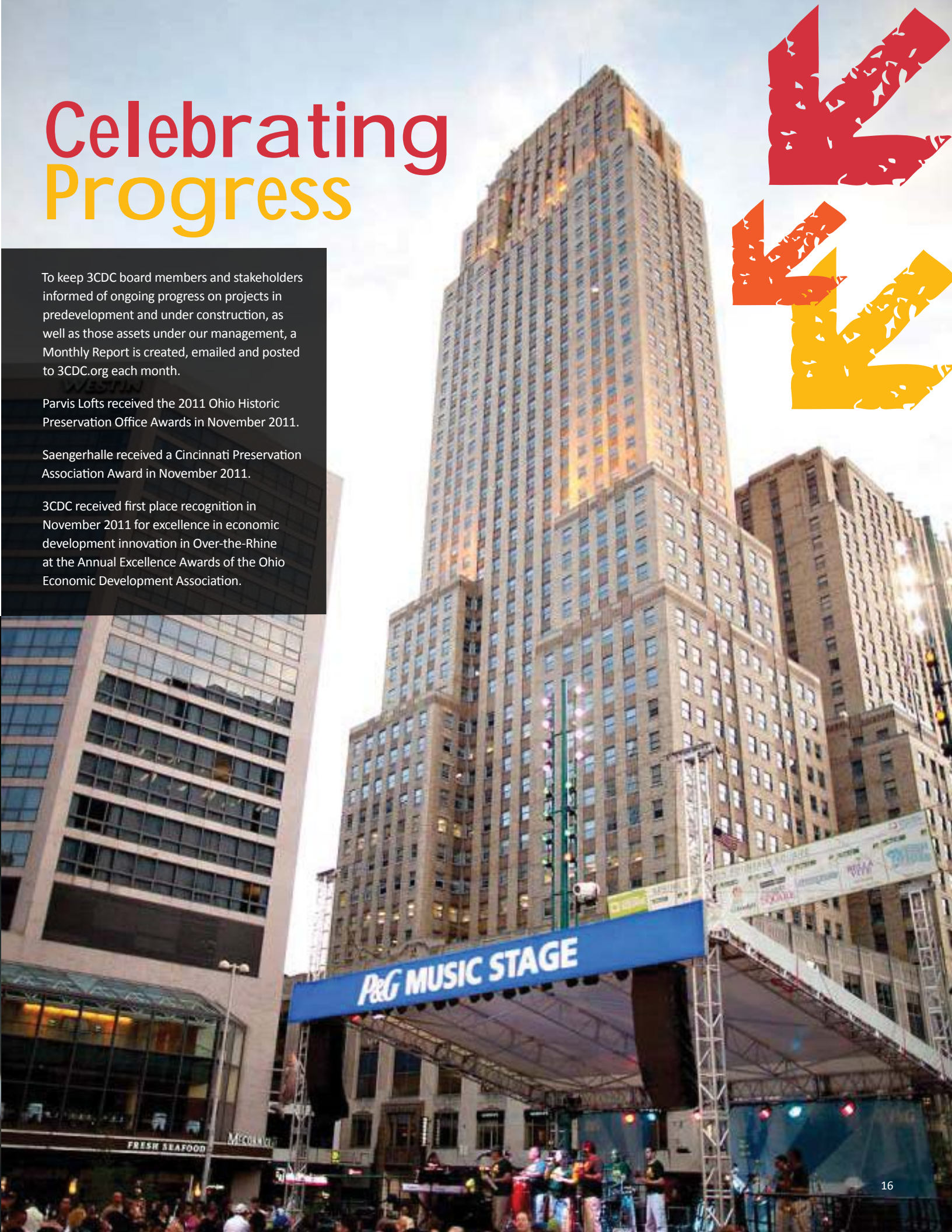
Celebrating Progress

To keep 3CDC board members and stakeholders informed of ongoing progress on projects in predevelopment and under construction, as well as those assets under our management, a Monthly Report is created, emailed and posted to 3CDC.org each month.

Parvis Lofts received the 2011 Ohio Historic Preservation Office Awards in November 2011.

Saengerhalle received a Cincinnati Preservation Association Award in November 2011.

3CDC received first place recognition in November 2011 for excellence in economic development innovation in Over-the-Rhine at the Annual Excellence Awards of the Ohio Economic Development Association.



FINANCE and ADMINISTRATION

Administration

As more and more development projects are converted to operating assets, 3CDC's expanding role as an operating entity requires continued staff restructuring that began last fiscal year. A redefined team was established for both Fountain Square and Washington Park, to handle sponsorships and event programming as well as production and operations for both civic spaces. In addition, growing capital funds, loan portfolios, real estate assets and budgets require larger and more skilled staff to handle the accounting responsibility. 3CDC's full-time staff has grown to over 30 employees and its part-time staff continues to grow as well.

"Focus efforts in key areas

and don't be afraid to overinvest. Leveraging corporate leadership and support is important...if your first funding pitch is met with something less than enthusiasm, go back with another pitch that presents more statistical impetus for why the project needs to move ahead."

Scott Golan
Managing Partner of BKD Cincinnati
September 2011

Finance

3CDC was **awarded \$1.5 million** in State Historic Tax Credits for 1434 Vine & 1502 Vine (Meiner Flats).

The Ohio Department of Development awarded the Lotus project at 15th & Republic with an Ohio Historic Preservation **Tax Credit of \$762,500**.

\$8.9 million of the Fountain Square debt was **refinanced** with PNC in December 2011, along with the complete refinancing of the \$800,000 loan for the 12th & Vine parking lot. Both new loans are tax-exempt bond issuances, with a 5-year fixed-interest rate of 2.98% and loan term of 25 years. The fixed interest rate period on the existing \$16 million Fountain Square senior debt with PNC was also extended two more years at rates lower than previously paid.

Mercer Commons received an Ohio Department of Development State Urban Redevelopment **Loan of \$5 million** for Phase 1 of the project.

Mercer Commons received **\$2.56 million** in state and federal NMTC allocation from the Cincinnati Development Fund for Phase 1 of the project.

Mercer Commons received an allocation of low income housing tax credits anticipated to generate approximately **\$4.5 million in equity** for Phase II of the project, and was awarded state and Federal historic tax credits anticipated to generate **\$4.3 million** in equity for Phase II.

The US Department of Treasury awarded the Cincinnati New Markets Fund with **\$50 million** in New Markets Tax Credits on February 23, 2012.



CAPITAL BUDGET

Cincinnati Equity Fund & Cincinnati New Markets Fund

Cincinnati Equity Fund	\$44.5 million
Cincinnati Equity Fund II	\$50.2 million
Cincinnati New Market Fund	\$50.0 million
Cincinnati New Market Fund II	\$35.0 million
Cincinnati New Market Fund III	\$18.0 million
State New Market Tax Credit	\$2.0 million
Cincinnati New Market Fund IV	\$50.0 million

TOTAL \$249.7 million





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