

ANNUAL REPORT

DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT 2018



CINCINNATI
PUBLIC RADIO

2018 IN REVIEW



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DIRECTOR'S OFFICE

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- Structuring New Affordable Housing Resources
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MAYOR

John Cranley

COUNCIL MEMBERS

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President Pro Tem Tamaya Dennard

Greg Landsman

David Mann

Amy Murray

Jeff Pastor

Chris Seelbach

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Wendell Young

CITY MANAGER

Patrick Duhaney

DIRECTOR OF COMMUNITY & ECONOMIC DEVELOPMENT

Philip Denning

COMMUNITY & ECONOMIC DEVELOPMENT SENIOR STAFF

Dan Bower

Morgan Sutter

Bob Bertsch

Lindsey Florea

Daniel Fortinberry

Roy Hackworth

Victoria Kroger

Kevin Osborne

Clifton Pendergrass

DEAR FELLOW CINCINNATIANS,

By any measure, 2018 was a year of community and economic development success in the City of Cincinnati. New job creation, diverse housing opportunities, and exciting real estate development projects continue to move forward and accelerate.

As the City Manager and elected officials work through difficult budget decisions, the Department of Community and Economic Development (DCED) has risen to the challenge of delivering higher levels of service with greater efficiency. In the face of this challenge, our work is better and more rewarding than ever.

Our Department has made it easier to invest in the City, while bringing consistency, predictability, and a comprehensive approach to the use of incentives.

Behind the scenes, we've been overhauling and modernizing the Department with new approaches to legal compliance, lease monitoring, and our role as a good steward of Federal funds. We're continuing our efforts to increase public data availability and transparency.

In 2018, DCED tripled our property disposition efforts with more than a dozen solicitations for vacant, blighted, and under-utilized City-owned property. This acceleration has reduced tax, legal, and budget liabilities to the City. With an understanding of the connection between land use policy and economic development outcomes, we successfully advocated to eliminate parking requirements for development in the urban core, further lowering obstacles to density and affordability.

Lastly, our parking system has balanced increased revenue projections with the implementation of higher meter rates while decreasing meter down-time. Smart, effective implementation of multi-space meters and higher utilization of pay-by-cell technology solidified our parking system as the foundation of healthy economic activity.

DCED's staff is an incredible group of dedicated professionals. They come to work every day focused on making each of the City's neighborhoods economically healthy places of opportunity. For every property sale, job creation agreement, or development project approved by City Council, there are hundreds of hours of advocacy, underwriting, technical facilitation, and plain-old hard work to make sure those opportunities become reality. I look forward to seeing what we accomplish in 2019!

Sincerely,



Philip M. Denning



2018 IMPACT MAP

COMMUNITY REINVESTMENT AREA
& TAX INCREMENT FINANCING

NEIGHBORHOOD BUSINESS DISTRICT
IMPROVEMENT PROGRAM

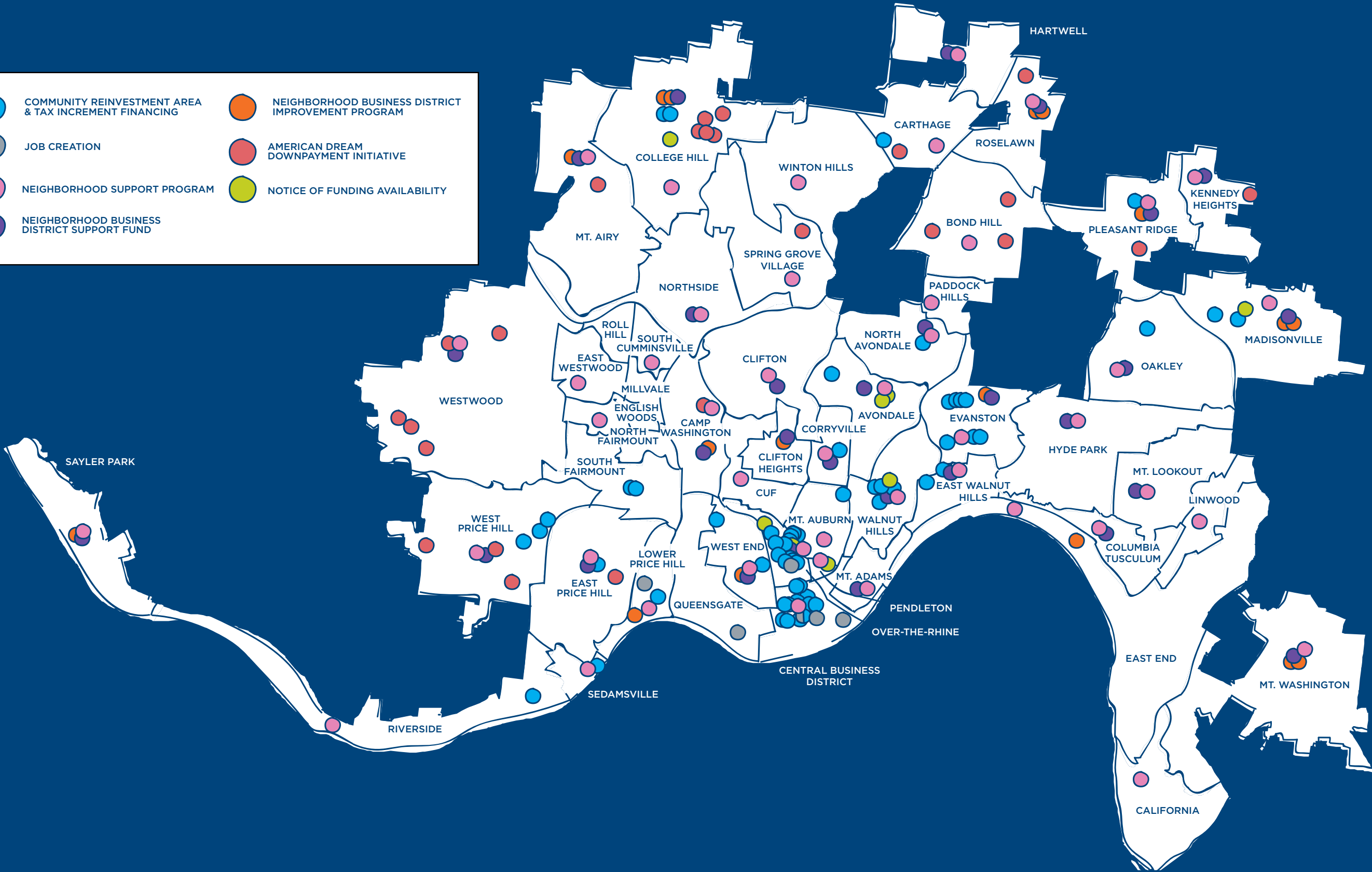
JOB CREATION

AMERICAN DREAM
DOWNPAYMENT INITIATIVE

NEIGHBORHOOD SUPPORT PROGRAM

NOTICE OF FUNDING AVAILABILITY

NEIGHBORHOOD BUSINESS
DISTRICT SUPPORT FUND



HOUSING OPPORTUNITIES & HUMAN SERVICES



1,532

HOUSING UNITS
APPROVED



\$4.3M

NOFA FUNDING
AWARDED



\$45.6M

PRIVATE FUNDING
LEVERAGED BY NOFA



193

NOFA UNITS
APPROVED

155 AFFORDABLE UNITS

HOUSING OPPORTUNITIES & HUMAN SERVICES

The Department of Community and Economic Development (DCED) aims to activate and encourage proactive and targeted housing development. To position the City as a thriving urban center, we support quality and diverse housing options as well as supportive housing services for a variety of income levels. In 2018, our efforts resulted in the creation of 1,532 housing units across the City.

Our Notice of Funding Availability (NOFA) program competitively awards a variety of loans to worthy affordable housing projects. In addition, DCED spent much of 2018 structuring a new program to access Ohio Housing Finance Agency funds (FHAct50) and working to ensure that Cincinnati is utilizing Federal Low-Income Housing Tax Credits (LIHTC) as much as possible in our pursuit to increase affordable housing in Cincinnati.

As a steward of Federal funds, DCED managed the expenditure of more than \$12.6 million during the calendar year to further our goals and mission, including Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funding streams. DCED also shepherds the City's Human Services funding allocations, touching the lives of tens of thousands of Cincinnatians every year.



LEVERAGING COMPETITION FOR INCREASED AFFORDABLE HOUSING

Our newly revised Notice of Funding Availability (NOFA) program provides residential development projects with creative and flexible financing that would not be accessible in the private market. The program **provides resources for transformative housing projects** that will make positive, visible impacts on our neighborhoods.

Developed and administered by DCED, the NOFA serves as our Department's primary avenue to facilitate the development of affordable housing. Demand for this program continues to grow, with DCED receiving more than 14 letters of interest that resulted in 8 awarded projects.

Improving our responsiveness and facilitating broader utilization of this program, DCED doubled access to NOFA funding by making two rounds of NOFA funding available for the promotion of low- to moderate-income housing development. In 2018, a total of \$4.3 million was awarded, leveraging an additional \$45.6 million of non-City capital. These awards will deliver 193 housing units (155 of which will be affordable to households earning less than 60% of Area Median Income (AMI)) in six neighborhoods.

Capable developers with realistic and highly-leveraged projects competed for available NOFA funds in 2018. Awards included Historic and Urban Renovation projects.

In Pendleton, 8K Construction Co. will save a historic building at 509 E. 12th St., creating six new apartments and dedicating two as affordable. The \$1.1 million project was awarded up to \$195,000 of NOFA funds. Further north, the Model Group partnered with Talbert House on a \$11.5 million renovation project of the Logan Towers building on Central Parkway in Over-the-Rhine. When complete, the project will create 63 units for households making less than 30% of area median income. The project was awarded \$987,500 in NOFA funds.

In Over-the-Rhine, 3CDC partnered with Over-the-Rhine Community Housing to create 32 units of affordable housing. The project entails renovation of three existing historic buildings and construction of a new structure on the vacant lot located at 1507 Vine St., targeted for households earning less than 60% of AMI. It was awarded \$750,000 in NOFA funds.

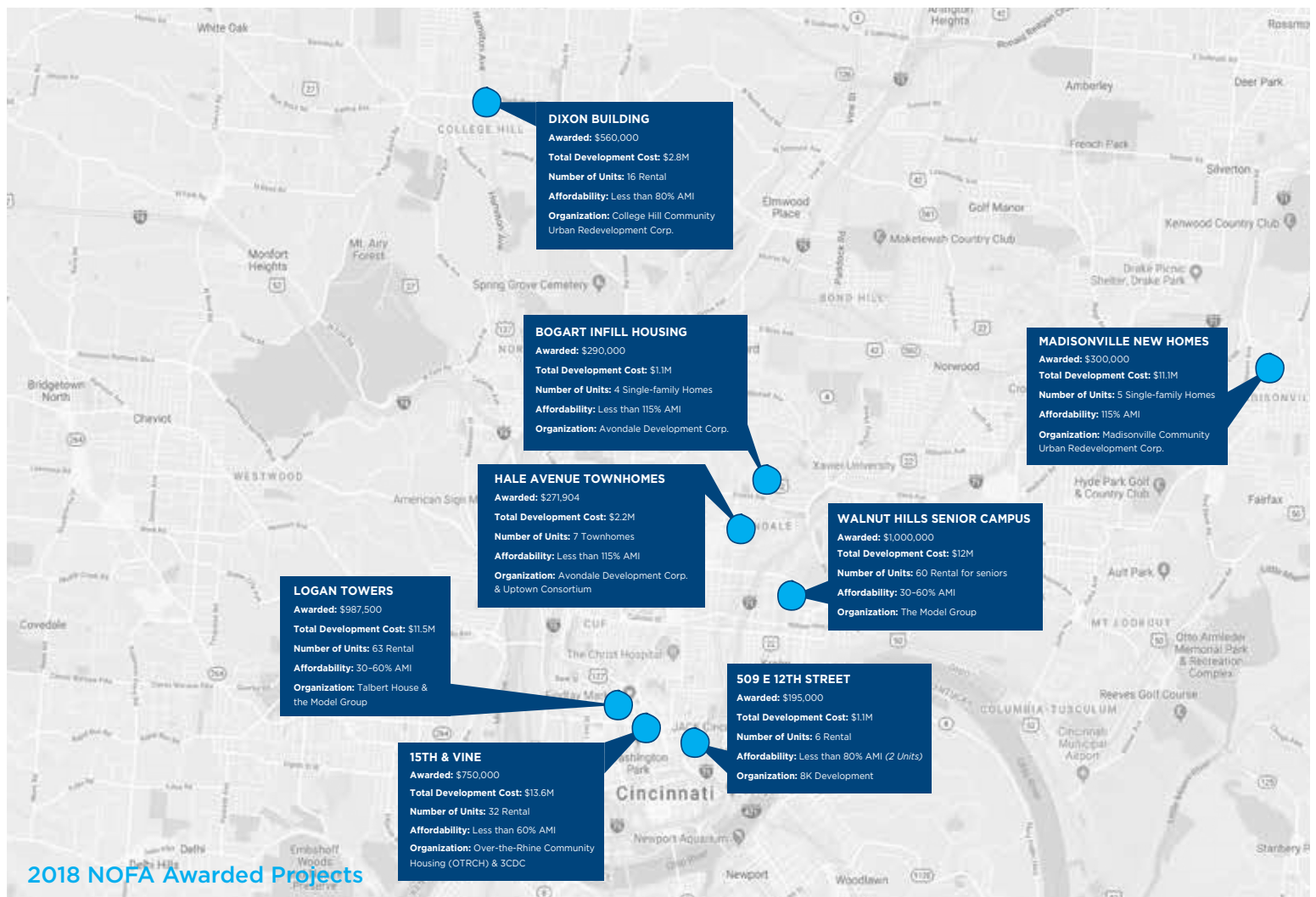
In Walnut Hills, the Model Group is creating 60 units of affordable housing for senior citizens. The project involves the rehabilitation of two buildings as well as the demolition of three existing structures on-site to make way for the new construction of an 18-unit residential building. The units are for seniors who earn from 30% to 60% AMI annually. The project was awarded \$1 million in NOFA funds.

The College Hill Community Redevelopment Corp. is renovating an existing mixed-use building into 16 affordable apartments in the heart of the College Hill Business District. All the units are targeted for residents earning at or less than 80% of AMI. The project was awarded \$560,000 in NOFA funds.

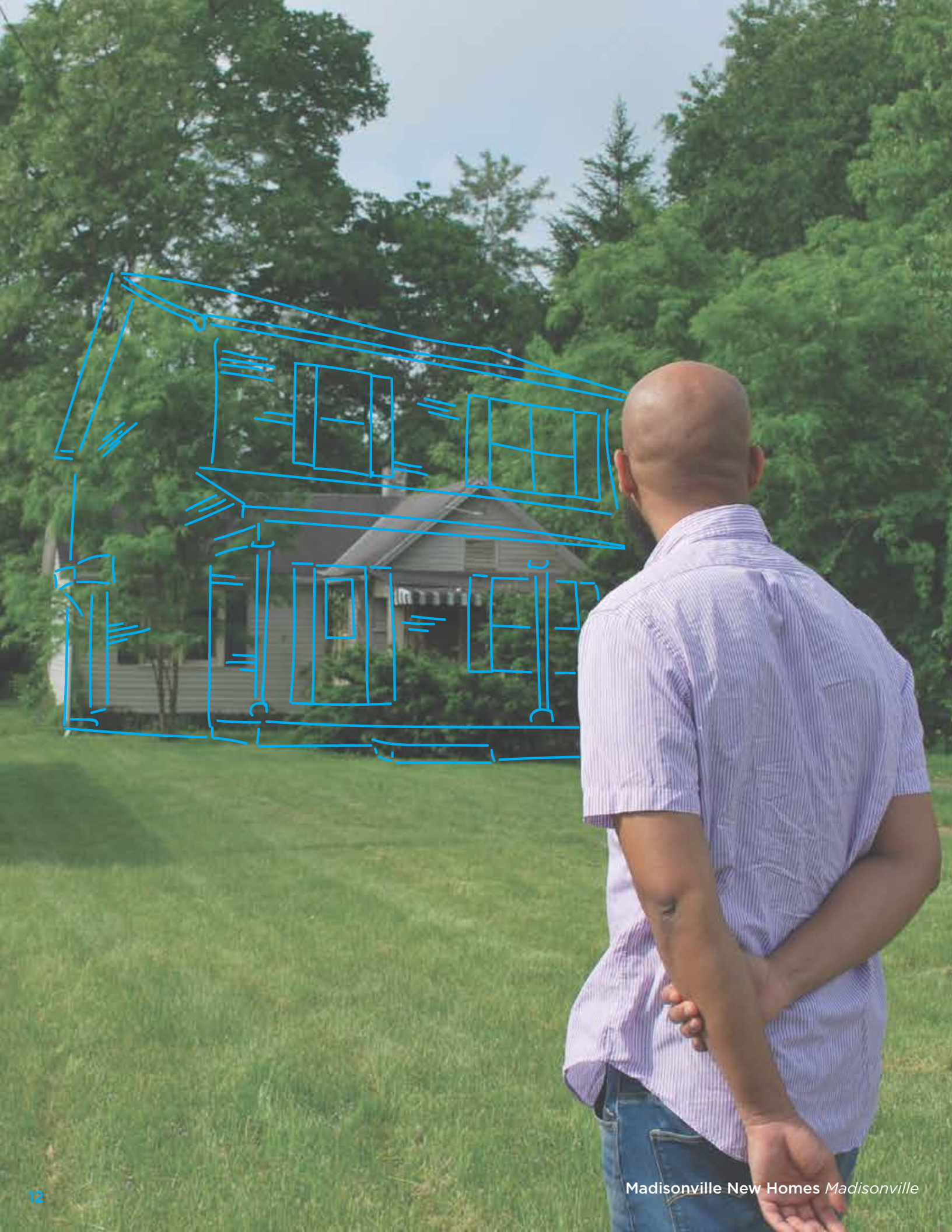
Our 2018 NOFA awards also included new construction projects.

On Bogart Avenue in Avondale, the Avondale Development Corporation will embark on two projects made possible by NOFA awards. First is a \$1.1 million project to create four infill single-family homes for moderate-income home buyers. On Hale Avenue, the Avondale Development Corporation will begin an anticipated \$2.2 million project that will create seven townhouse-style homes for moderate-income home buyers. Collectively, these projects will utilize a NOFA award of nearly \$562,000.

To the east, the Madisonville Community Urban Redevelopment Corporation was awarded \$300,000 in NOFA funding for a similar project that will create five infill single-family homes for moderate income home buyers on scattered sites at a total cost of \$1.1 million.



2018 NOFA Awarded Projects



STRUCTURING NEW AFFORDABLE HOUSING RESOURCES

In 2018, the Ohio Housing Finance Authority (OHFA) significantly modified the allocation of housing tax credits throughout Ohio's three largest cities with the introduction of the Fair Housing Act 50 Building Opportunity Fund (FHAct50). Designed and managed by OHFA, the FHAct50 Fund was developed to **encourage building mixed-income communities** by delivering tax credit subsidy and leveraging private investment in a more targeted approach.

OHFA has set aside a total of \$9 million in housing tax credits to be accessed over a three-year period. Each city will be permitted to draw up to \$3 million to fund eligible local projects pursuant to program requirements. The credits must be targeted to a single neighborhood in each city where market trends indicate that affordable housing is most at-risk and the private market is looking to expand the number of available units.

To meet OHFA's leveraging qualifications, each affordable housing unit created through the FHAct50 must be matched by a separately-produced market-rate housing unit within the same neighborhood as evidenced by building permits and/or certificates of occupancy.

Although this pioneering program is still in early stages of deployment, the investment is expected to generate approximately \$30 million in private equity for each city. In 2018, DCED worked with OHFA to build a local framework compatible with the program, accepted applications from interested neighborhoods, and began the process for selecting the neighborhood that most closely matches the State's guidelines.

Update: In April of 2019, Over-the-Rhine was selected as Cincinnati's target neighborhood for FHAct50 Funding.

IMPACTFUL LIHTC PROJECTS

The Low-Income Housing Tax Credit (LIHTC) program is a Federal subsidy used to **finance construction and rehabilitation of low-income affordable rental housing**. The LIHTC tool is an increasingly important and highly competitive component of maintaining and creating affordable housing opportunities in Cincinnati.

Encouraging and incentivizing private development entities to utilize LIHTC credits is a critical responsibility of DCED. Federal lawmakers created LIHTC as a method for private developers and investors to finance the increasingly expensive cost of developing low-income affordable housing options. Without the incentive, affordable rental housing projects do not generate enough profit to attract investments that make a project feasible.

In 2018, DCED leveraged the use of LIHTC to facilitate important projects in Walnut Hills and the West End. As a condition of LIHTC financing, owners of these projects must keep the units rent-restricted and available to low-income tenants for 30 years.

Located on East McMillan Street in Walnut Hills, Cincinnati Scholar House is part of the ongoing redevelopment of Peebles Corner. Once completed, the project will feature a new construction building with five-stories of mixed-use development space. It will include 45 affordable housing units and more than 3,800 square feet of first-floor commercial space.

The Scholar House is a LIHTC project that will provide apartments to low-income, single parents pursuing

Scholar House will provide apartments to low-income, single parents pursuing post-secondary education.

post-secondary education to secure full-time, sustainable employment. It will also include a 9,400 square-foot early childhood development center for their children. Cincinnati Union Bethel, Christ Church Cathedral, and The Model Group joined in a partnership to develop and operate Scholar House. Ultimately, the project aims to break the cycle of poverty by directly leveraging housing and education to facilitate more economic security in these households.

With a total project cost of \$12.8 million, Scholar House received a variety of supportive incentives from the City of Cincinnati. These included sale of land, investment of federal HOME and City capital funding provided through our NOFA program, and a 15-year Community Reinvestment Area (CRA) tax abatement.

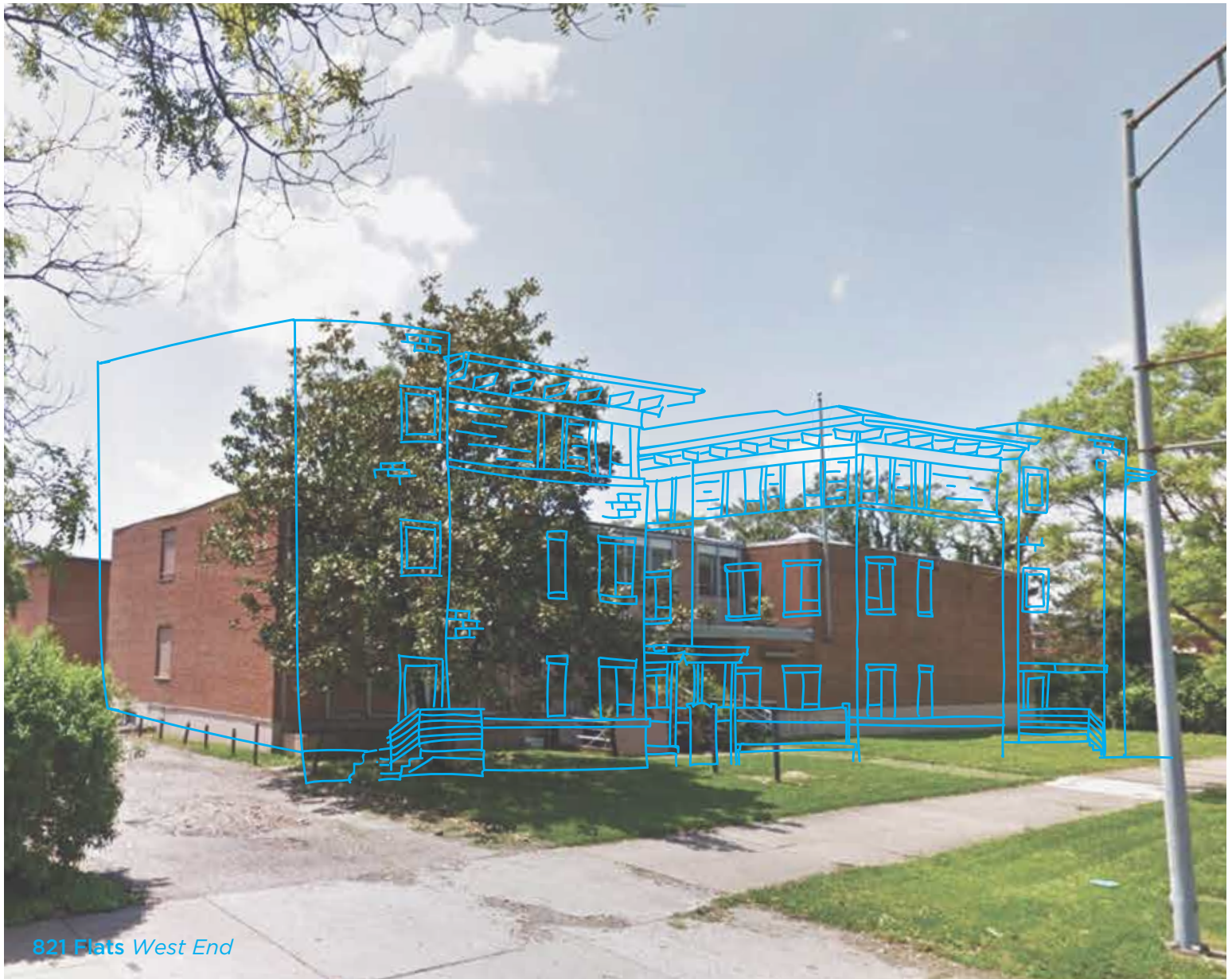


In the West End, the 821 Flats project will create permanent supportive housing on Ezzard Charles Drive. This LIHTC project involves the demolition of a vacant, non-historic YMCA building, and construction of a new asset offering 57 units of housing for individuals with mental illness who have experienced

homelessness. Tender Mercies and Over-the-Rhine Community Housing are co-developers of this \$10.6 million project.

Tender Mercies reports that this project expands their capacity by 27% - making it possible for this agency to serve 210 men and women at any given time. Residents will be supported with housing subsidies that ensure they won't pay over 30 percent of their income toward rent. Tender Mercies and Greater Cincinnati Behavioral Health Services will also provide on-site case management and health services.

In the West End, the 821 Flats project will create permanent supportive housing on Ezzard Charles Drive.



821 Flats West End

SHEPHERDING HUMAN SERVICES FUNDING

An important component of DCED's day-to-day work is our oversight of the City's Human Services Fund. In 2018, City Council allocated a portion of the annual budget for programs that increased **gainful employment, reduced homelessness, and promoted violence prevention.**

In Fiscal Year 2018, DCED developed individual contracts with service providers to deliver 43 programs to more than 16,000 residents. Our work managing these varied contracts and organizations directly supports DCED's broader mission to promote housing stability and economic opportunity. Three of these programs are highlighted below:

Dress For Success

Workforce Development – 328 Residents Served

Dress for Success Cincinnati empowers women to achieve economic independence by providing a network of support, professional attire and development tools to help them thrive in work and in life. They work to eliminate the lack of professional clothing as a barrier to employment, as well as providing assistance during the initial stages of a job search and ongoing support throughout one's career.

Priority Goal	City Funds	Leveraged Funds	Total
Increasing Gainful Employment 22 programs • 20 agencies	\$1,500,000	\$10,800,000	\$12,300,000
Reducing Homelessness 16 programs • 13 agencies	\$1,500,000	\$11,500,000	\$13,000,000
Violence Prevention 5 programs • 5 agencies	\$425,000	\$975,000	\$1,400,000
			\$26,700,000

Lighthouse Youth & Family Services,

Lighthouse Collaborative for Homeless Youth - 896 Residents Served

Lighthouse's program for homeless youth includes street outreach, two emergency shelters, transitional and permanent housing, and mental health and substance abuse treatment. All services are based on individual needs and a youth-driven plan.

Urban League of Greater Southwestern Ohio

Youth Councils 2018 - 86 Residents Served

The Urban League's program educates communities on the use of crime prevention tools, and trains adults and youth on a nationally recognized violence prevention model that provides youth with a common language and code of conduct that creates safe, supportive environments. They engage communities as a component of Place Based Investigations of Violent Offender Territories (PIVOT) and the Cincinnati Initiative to Reduce Violence (CIRV).

City funding catalyzes and supports additional fundraising by partner agencies. The resulting leverage these agencies secure from outside sources is noteworthy, yielding nearly \$6.80 per City-dollar contributed.

CDBG, HOME & FEDERAL FUNDS MANAGEMENT

DCED leverages other sources of funding and incentives with federal funds to **promote quality housing, revitalize struggling neighborhoods, help disadvantaged residents and support human services programs** in Cincinnati's 52 neighborhoods.

The City of Cincinnati is designated as an entitlement community under U.S. Housing and Urban Development (HUD) guidelines. This designation allows the City to develop its own programs and funding priorities for allocations received from federal community development initiatives.

Federal funds are awarded annually upon HUD evaluation and approval of the City's program strategies and prior successful performance. DCED is responsible for program administration, contract management, reporting, and compliance with entitlement fund requirements associated with each of the four federal programs: Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA).

To best deliver these funds to our neighborhoods and vulnerable residents, DCED undertakes public engagement and resident input processes to assess community needs, set priorities, and evaluate program success. Input is solicited through regular outreach and surveys by DCED personnel and is also formally solicited through the Community

Development Advisory Board (CDAB). The CDAB is a volunteer citizen group appointed by the Mayor and approved by the City Council, with a mission to advise and assist the City Manager in planning the allocation of certain federal funds.

In 2018, DCED helped thousands of people through these federally funded programs, and produced area benefits impacting 30,000 more. Community Development Block Grant funds directly assisted over 5,400 households, with an additional 5,800 through ESG and 240 through HOPWA. In addition, 144 units within HOME-funded projects completed construction in 2018.

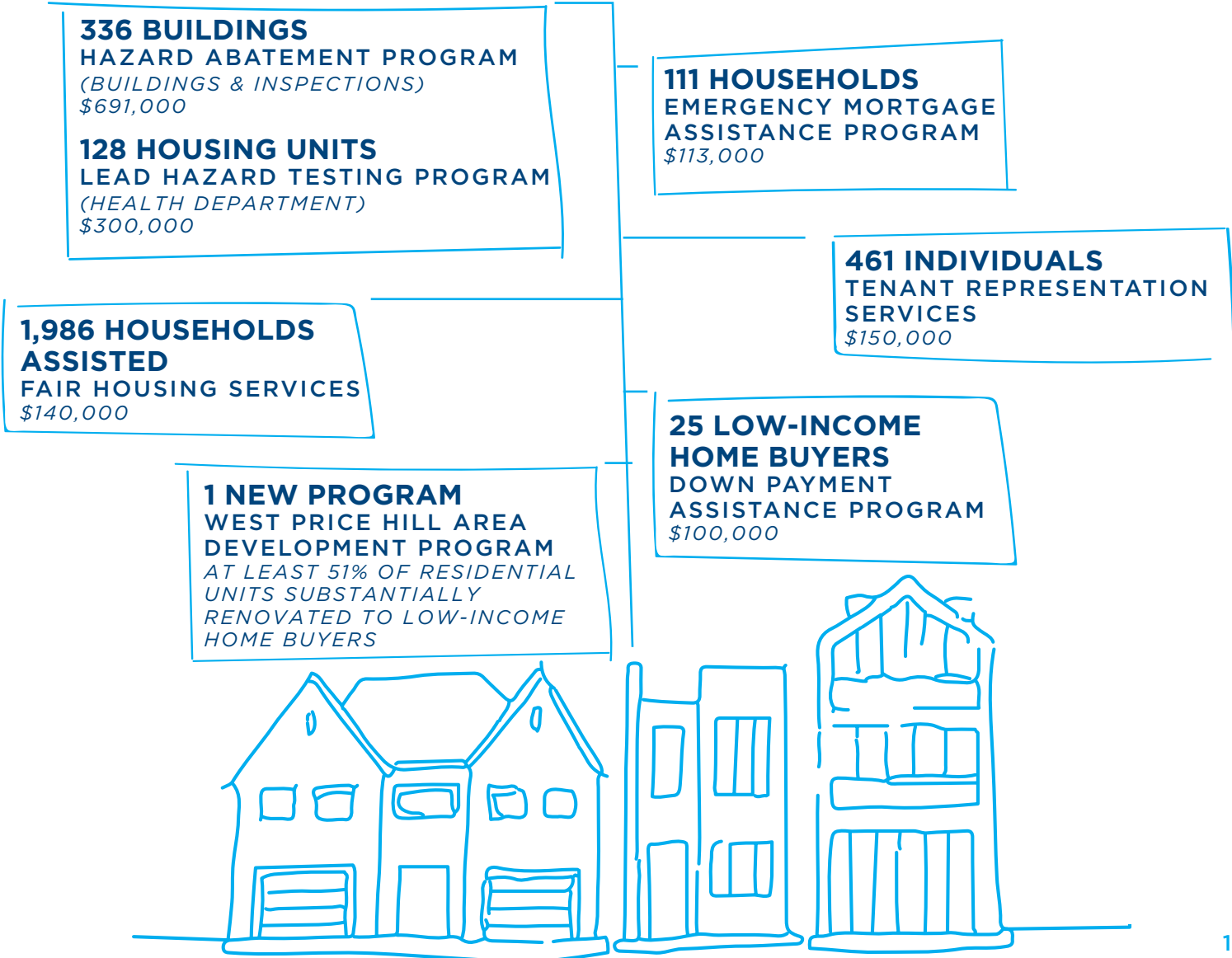
Throughout 2018, the City of Cincinnati funded seven service providers, totaling \$1.3 million, to expand job readiness for low-income residents. These seven providers trained over 480 hard-to-hire participants, and at the time of this report, 246 had gained employment. The City recognizes that factors other than job training factor into systemic poverty and in 2019 DCED will implement improved reporting metrics that provide better data on the continued barriers to employment facing program participants, such as access to reliable transportation

and childcare. Using that information, DCED hopes to implement new initiatives that supplement job training by reducing other obstacles commonly faced by low-income residents.

In 2018, DCED provided \$1.5 million to repair 1,394 units through its Housing Repair Services program, which is an emergency housing repair program for low-income owners. We also provided \$155,000 to repair 21 units through the Compliance Assistance Repairs for the Elderly program.

Federal funds are also utilized to advance workforce and small business growth. DCED and its grantees provided \$100,000 to assist 52 start-ups or small businesses in 2018, and \$1.3 million was allocated to the Hand Up Initiative, which helped 440 low-income people with job readiness and job training.

As part of our Federal HUD compliance reporting, DCED submits an annual Consolidated Annual Performance and Evaluation Report (CAPER). This thorough report, available on the City’s website, provides specific and detailed information about each of the CDBG, HOME, ESG, and HOPWA programs managed by DCED. This report is a crucial requirement of all HUD entitlement communities. The CAPER evaluations from HUD are resulting in overall compliance. Maintaining compliance with HUD regulations and keeping the City in good standing with federal dollars is a critical responsibility of the Department of Community and Economic Development.



NEIGHBORHOOD & REAL ESTATE INVESTMENT



58

ACTIVE PROJECTS
ADMINISTERED



\$64,715,528

CITY INVESTMENT
LOANS & GRANTS



237

PARTICIPANTS
DCED SMALL BUSINESS EVENTS



\$607,520,031

PRIVATE FUNDING & EQUITY

NEIGHBORHOOD & REAL ESTATE INVESTMENT

At the heart of DCED's mission is **catalyzing and sustaining economic vitality** through the facilitation of real estate investment and the creation of jobs. Our staff is dedicated to serving the needs of residents and businesses through urban redevelopment initiatives, small business assistance, implementation of public infrastructure projects, and the revitalization of Cincinnati's neighborhoods.



With City-provided funding, DCED's neighborhood-focused grant program (NBDIP) made 18 community projects a reality. In addition to those grants, our close connections to community development corporations and neighborhood councils continue to bear fruit with more neighborhoods than ever sharing in development activity.

Our participation in market-led real estate development projects in 2018 was also notable. With a new \$250 million stadium currently under construction, DCED staff spent much of 2018 working to structure terms that resulted in Cincinnati being awarded a Major League Soccer team. We accelerated our property disposition efforts (RFPs), and focused on unfreezing stubborn development projects while continuing Cincinnati's infill and historic development momentum (Major Projects).

Parking Facilities Management increased on-street parking capacity by more than 100 spaces throughout the Central Business District, Over-the-Rhine and Neighborhood Business Districts to meet rising demand. Through staffing and improved technology, the division reduced the meter repair turnaround time from 5.17 days to 1.86 days. Overall, on-street parking system uptime increased from 98.78 percent to 99.27 percent, one of the best in the nation.

Cincinnati's parking system is an extension of our economic development efforts. DCED works every day to meet the evolving needs of residents and businesses by providing professional management of the City's parking assets and high-quality service delivery to parking customers. Cincinnati joined a small group of forward-thinking urban centers in 2018 by eliminating parking minimums for all development projects in our urban core (Parking Minimums).



Paramount Building, Future Home of Esoteric Brewery (Walnut Hills)

HARNESSING COLLECTIVE EFFORT FOR NEIGHBORHOOD IMPACT

The Neighborhood Business District Improvement Program (NBDIP) is an innovative program that **provides resources to community groups to catalyze development** in Neighborhood Business Districts across the City.

Projects include façade improvements, property acquisition, streetscapes, parking improvements, or building renovations, among others. DCED provides indirect benefits by funding other projects, such as wayfinding signage or market studies, to make business districts more appealing to customers and residents and to spur new businesses in neighborhoods.

Throughout the application process, DCED works with neighborhood organizations to provide technical assistance. Neighborhood organizations are encouraged to work closely with their assigned Development Officer to brainstorm strategic and impactful projects. Once a project is identified, applicants are expected to undergo a due diligence period before final applications are submitted. For less experienced, smaller capacity organizations, DCED helps explain City processes, factors for consideration, project budgeting and scoping of work, and other due diligence materials for various projects. DCED and award applicants continue to work together to bring projects to fruition.

Through the 2018 NBDIP program, DCED made possible 18 diverse, community-focused projects in neighborhood business districts through \$1.3 million awarded to community organizations.

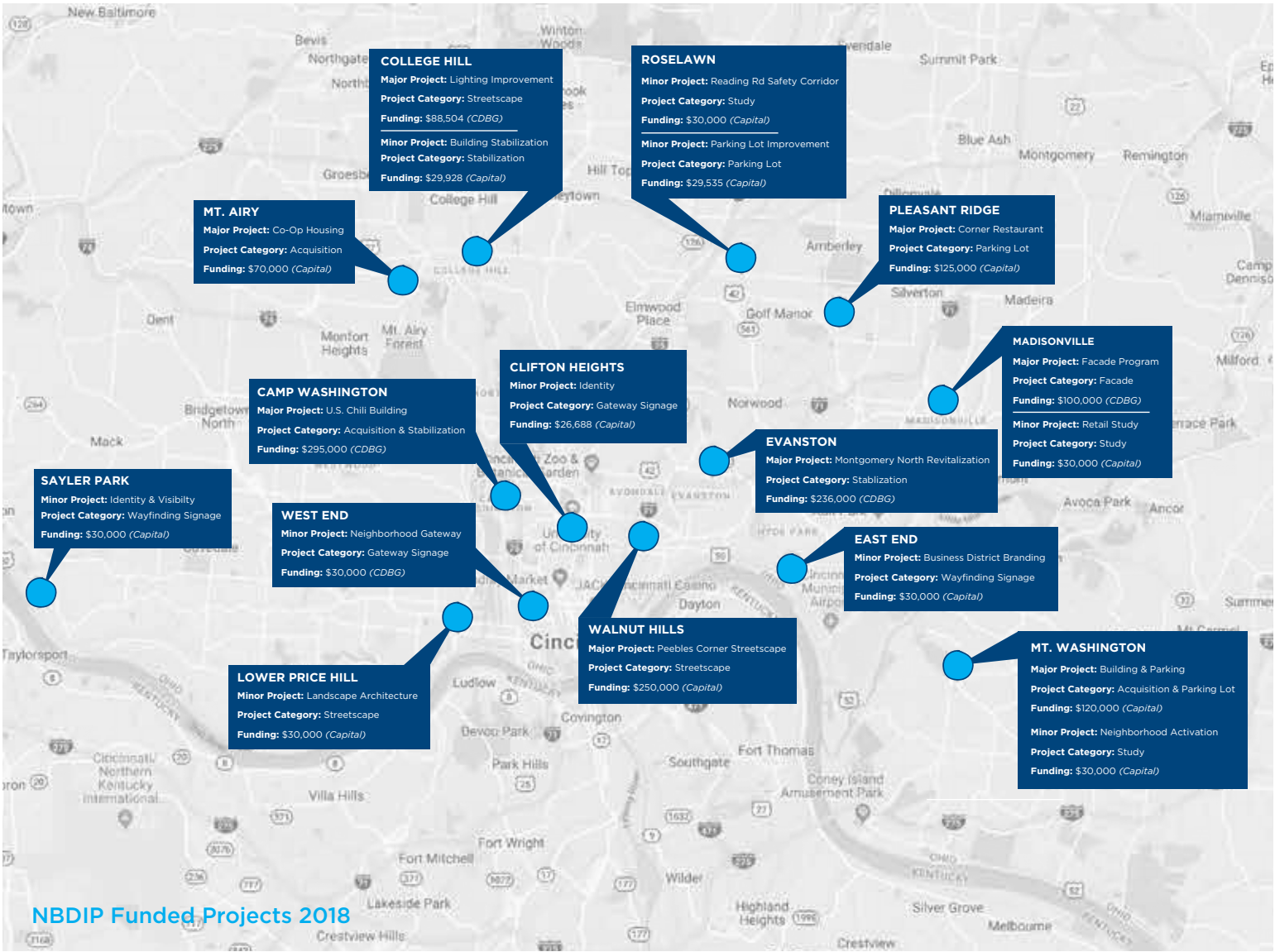
Projects included the acquisition of the U.S. Chili building in Camp Washington, parking lot improvements in Pleasant Ridge and Roselawn, and building acquisition and stabilization projects in College Hill and Evanston.

18 diverse community-focused projects funded in neighborhood business districts through \$1.3 million awarded to community organizations.

Perhaps most innovative is the structure for awarding funding. Each year, Neighborhood Business Districts submit proposals that further neighborhood goals. Along with technical facilitation from DCED, dozens of community volunteers collectively review, score, rank, and vote on which projects are most impactful to an NBD across the City.

These efforts foster cooperation and collaboration among neighborhoods, building neighborhood capacity and social capital at once. The program also gives community organizations a significant voice in the development of their neighborhoods.

Additionally, DCED provided \$611,000 for operating support to 15 Community Development Corporations (CDCs) through General Fund, CDBG, and HOME. These support dollars enhance the capacity of the local CDCs to transition from a volunteer-based organization to paid staff. By helping to relieve the financial burden, CDCs can put dollars towards tangible projects rather than operational expenses. As communities begin to grow, these funds also facilitate the growth of our CDCs to hire additional staff members to handle the growing need for community development.



FOCUSED ON BUILDING COMMUNITIES

DCED works with a variety of Community Development Corporations, neighborhood stakeholders and community councils on a regular basis to **help make Cincinnati's 52 neighborhoods more vibrant** while staying aligned with the types of development that residents desire.

DCED partnered with Westwood Works to help develop the Westwood Town Square concept, which is underway and expected to open by summer 2019. The project encompasses redevelopment of key portions of the Westwood Business District, renovating park areas around Westwood Town Hall, and adding new amenities such as a community gathering space and a dog park.

In Walnut Hills, DCED has partnered with the Walnut Hills Redevelopment Foundation and others on the purchase and renovation of the Paramount Building at historic Peebles Corner, located at the McMillan and Gilbert intersection. The site will include 39 apartments, with a portion set aside for low-income residents. The renovated building will include 50,000 square feet of commercial space that will house Esoteric Brewing, the region's first African American-founded brewery.

In College Hill, DCED took the lead in acquiring and preparing a once-blighted property on Marlowe Avenue for new development. In conjunction with the College Hill Community Urban Redevelopment Corporation, the City helped create a new mixed-use project that will have 53 affordable housing units designed for senior citizens.

In Madisonville, DCED worked with the Madisonville Community Urban Redevelopment Corporation to build new single-family homes on Ravenna and Peabody Avenues. This project, made possible through a NOFA award, is one of many community-led efforts to improve quality of life for Madisonville residents

PUTTING VACANT PROPERTY BACK TO WORK

DCED is dedicated to expanding access to opportunities within the City. In 2018, we **concentrated specific efforts toward disposition of City-owned property** and conducted a series of Request for Proposals (RFPs) that sought applications from people interested in improving the built environment through development of these sites.

In 2018, DCED released 13 RFPs to the public. Seven received responses and either have been, or soon will be, awarded to the applicant.

The RFPs represent an opportunity for developers, especially first-time and small-scale developers, to participate in the local real estate development market. Properties spanned seven neighborhoods plus the Central Business District, with sites varying in

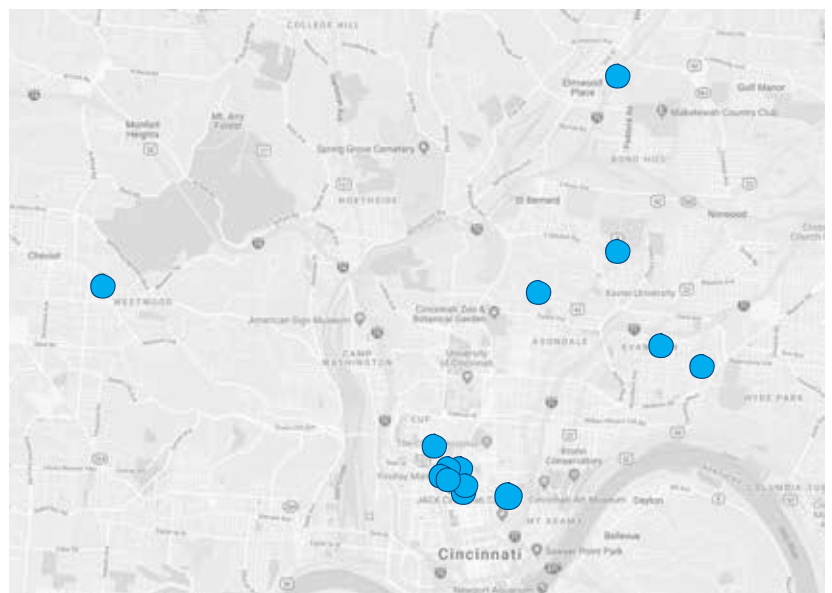
size and zoning. Properties that were sold are in Bond Hill, the Central Business District, Over-the-Rhine, Walnut Hills, and Westwood.

By selling these vacant, blighted, or under-utilized City-owned properties, DCED has also reduced the tax, legal, and budget liabilities to the City and saved taxpayer money.

2018 RFPs

RFPs Released: 13

Neighborhoods: 8



MAJOR PROJECTS, MAJOR PROGRESS

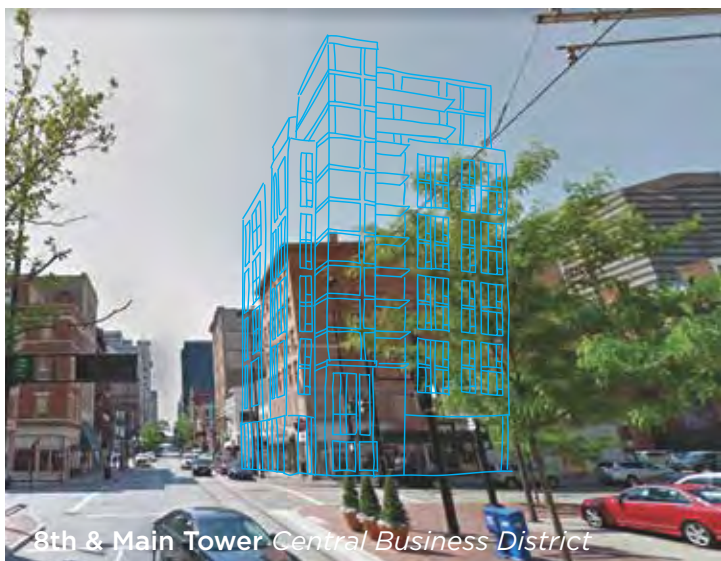
Ingalls Building

Total Project Cost: \$20M

Number of Units: 140

Sq Ft: 75,000

DCED played an integral role in negotiating the final terms for redevelopment of the Ingalls Building, located in the heart of the Central Business District. Built in 1903, this 16-story building is historically significant because it is the first reinforced concrete skyscraper in the world. This project will revive the long-vacant and deteriorated property by converting the structure into a 140-room hotel. The hotel conversion project will achieve a LEED Gold standard, and was granted a LEED Tax Abatement from the City. The developer, SREE Hotels, LLC, will invest approximately \$20 million, and anticipates a completion in March 2021. The Marriott-branded hotel will also create 35 new full-time employees with an associated annual payroll of \$950,000.



Eighth & Main Tower

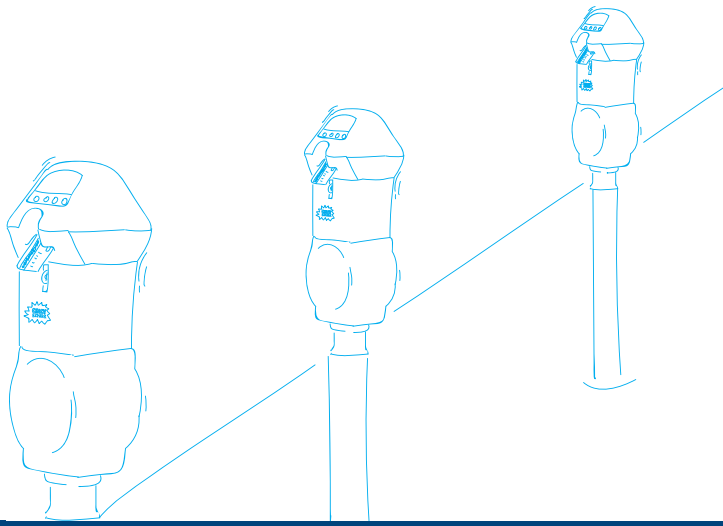
Total Project Cost: \$28M

Number of Units: 125

Retail Sq Ft: 1,070

A few blocks north of Fourth & Race Tower, North American Properties and NorthPointe Group are building a \$28 million apartment tower at the southwest corner of Eighth and Main streets in the Central Business District. This project seeks to encourage the city's goals of repopulating and encouraging more density within the urban core. The 13-story tower will contain 125 residential units and 1,070 square feet of commercial space. While the City Council approved the use of some TIF-related revenues, it is the first mid-rise project in recent history that didn't include any cash incentives.

In addition, numerous formerly vacant buildings are being renovated and returned to activity throughout Downtown and Over-the-Rhine. They include: The Provident Bank building on Vine Street, which is being converted from vacant office space into 160 apartments; a nine-story building at 37 W. Seventh St., which is being converted into a boutique hotel with 94 guestrooms, a full-service restaurant and coffee bar; the Ingalls building on East Fourth Street, which is being converted into a 140-room hotel; and the Duttenhoffer building on East Sixth Street, which is being converted into a 130-room hotel.



Collaboration to Modify Parking Regulations

Neighborhood: Over-the-Rhine

As part of a comprehensive review of parking in Over-the-Rhine, DCED's Parking Division collaborated with other City departments and divisions to create an Urban Overlay Parking District. The initiative was designed to address unintended consequences of zoning code mandates for car-parking in this densely-built neighborhood. Specifically, the new parking district removed minimum parking requirements for residential, commercial, and other structures in this area. Benefits include the ability to construct new buildings more affordably, reducing rents, recognizing the inherently unique nature of the City's urban areas, encouraging pedestrian activity, and increasing the viability of historic renovation projects.

Together with a new Special Parking Permit Program, these efforts balance the competing needs of residents, business owners, and new real estate development projects.

FC Cincinnati

Total Private Investment: \$250M

Stadium Capacity: 21,000

In DCED's 2018 portfolio, the largest amount of private investment leveraged in a single project was the FC Cincinnati soccer stadium. In this project, \$250 million of funds were committed to the West End with the City's use of a grant totaling \$8.8 million combined with the Convention Facilities Authority revenues and area-restricted TIF District funds.

The awarding of a Major League Soccer franchise to FC Cincinnati officially elevated Cincinnati into a small group of cities with three professional sports teams. This incredible investment will generate tremendous impact on Cincinnati's talent attraction, culture, and amenities. The story of our City's continued rise will reach an expanded audience, both nationally and internationally.

FC Cincinnati is currently constructing a 21,000-seat stadium in the West End to house the team. Included in the project are various public improvements including demolition of existing structures, site preparation, parking facilities, and infrastructure to facilitate the stadium's construction.

As part of the project, the team entered into a Community Benefits Agreement with West End residents. The independently negotiated agreement calls for numerous contributions including \$100,000 annually for community building initiatives; \$100,000 annually for a West End youth soccer program; and a \$20,000 one-time payment to support entrepreneurship training for neighborhood residents.



JOB CREATION



2,380

JOBS CREATED



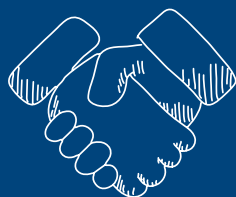
2,600

JOBS RETAINED



\$59,174

**AVERAGE ANNUAL EARNINGS
OF NEW JOBS CREATED**



179

**BUSINESSES SERVED
CDBG, BUSINESS RETENTION
& EXPANSION VISITS**

JOB CREATION

DCED is dedicated to serving the needs of residents and businesses and maximizing opportunities to deliver benefits through our work. Our department uses a wide array of economic development tools and resources to improve the local economy and enhance quality of life. In 2018, DCED facilitated deals to bring more highly-skilled, well-paying jobs to Cincinnati. Our efforts to drive job creation have paid off with **162% more jobs created in 2018 than in 2017**, and **431% more jobs retained in the same time period**.



INVESTING IN WORKFORCE

The Kroger Co.

Total Investment: \$5M

Jobs Created: 590

Jobs Retained: 93

As part of a Job Creation Tax Credit (JCTC) agreement, The Kroger Co. will establish a technology campus in the Atrium Two building on East 4th St. This new digital headquarters reflects the City's progress supporting a thriving technology environment as well as efforts to embrace our home-grown businesses throughout their expansion into new business segments.

Kroger's growth in Cincinnati involves diversifying retail services, analytics, and technologies that improve customer experiences. Kroger is investing more than \$5 million in the new space, which will house more than 1,000 workers during the next three years. Approximately 600 of these employees will be coming from within and outside the City, and Kroger is expected to create an additional 590 new jobs with an annual payroll of \$40 million. To facilitate this investment, City Council approved a five-year, 40 percent JCTC agreement, valued at nearly \$1.7 million over the term of the agreement. The City will receive more than \$6.7 million in new Earnings Tax revenue from the project over the 10-year term. The company will be required to maintain the jobs within the City for an additional five years after the incentive is complete.

Equator Design Inc.

Total Investment: \$1M

Jobs Created: 50

Equator Design Inc. is a "design-to-shelf" packaging design and branding firm specializing in grocery retail and consumer products. From its flagship office in Chicago, Equator sought to expand its unique design and delivery model by establishing its second office in the United States, with two additional award-winning offices already located in the U.K. Cincinnati was a competitive choice due to market strengths in the consumer goods and grocery sectors.

The company was ultimately persuaded to locate here and invest \$1 million in a new 12,000-square foot graphic design center in the Empower Building on East 14th St. The project received tax credits from both JobsOhio and the City. The Company commits that its entry into Cincinnati will create 50 new full-time jobs including roles in creative design, artwork, photography, and support functions. Annual payroll is estimated at \$3.5 million per year, and at least 75% of the new hirings will be City residents.

Sims-Lohman

Total Private Investment: \$250M

Jobs Created: 30

Jobs Retained: 156

Sims-Lohman is a single-source supplier of cabinets and countertops that was locally-founded in 1971. The Company grew to become the nation's largest provider of these materials to building professionals, with 19 showroom locations across 6 states as well as 3 regional distribution centers and 5 countertop manufacturing plants.

DCED was contacted by Sims-Lohman to discuss the operational challenges at the Company headquarters in Carthage. Sims-Lohman was growing and had an urgent need to expand. Site conditions surrounding

the Carthage facility made an expansion project more expensive than other options, and the Company had undertaken a regional search to find a new headquarters location.

This department partnered with JobsOhio to ensure the new headquarters space, pursued by various Midwestern and Southeastern peer cities, was built in Cincinnati. The expansion resulted in \$2.8 million invested in the current site and commitment to create 30 new full-time equivalent jobs and \$1.5 million in new payroll, as well as the retention of 156 full-time equivalent jobs and \$9.8 million in payroll.

Offsetting the additional costs of site construction, the City provided a 15-year property tax abatement estimated to save the company approximately \$440,000, while Sims Lohman received a six-year Job Creation Tax Credit from JobsOhio, valued at \$95,000.





U.S. Bank

Total Private Investment: \$250M

Jobs Created: 400

Jobs Retained: 2,210

The financial services sector is the largest payroll creator in Ohio and is critical to the local and regional economy. This industry, with major operations centers and headquarters predominantly situated in the City, supports more than 40,000 employees in Greater Cincinnati.

U.S. Bank is a key contributor to the City's continued strength and future growth in this sector. In 2018, U.S. Bank committed to undertaking a \$9 million renovation of its existing office space, located at 425 Walnut St. in the Central Business District, to accommodate the addition of 400 new positions in the City. These newly-created jobs will generate an estimated annual payroll of \$19.2 million. As further commitment to the City, U.S. Bank will retain 2,210 existing jobs with \$160.7 million in annual payroll.

Pursuant to the terms of a Job Creation Tax Credit (JCTC) agreement approved by the City, U.S. Bank must create the jobs within the next five years. The tax credit is valued at \$3 million. The term of this JCTC will be for five years and the company will be required to maintain the jobs within the City for an additional five years after the incentive is complete.

BUILDING LONG-TERM SUCCESS

Nehemiah Manufacturing

Total Private Investment: \$12.5M

Jobs Created: 50

Jobs Retained: 76

Our department was also pleased to have been recognized by the International Economic Development Council for our coordination of the Nehemiah Manufacturing project in Lower Price

Hill. DCED won two awards, including the highest honor for Excellence in Economic Development, for its role remediating a one-time brownfield and successfully delivering a new 180,000 square-foot headquarters and manufacturing facility to the City. The end user, Nehemiah Manufacturing, committed impressive private investment as well as job retention and creation metrics. The Company's workforce development model, re-engaging hard to hire individuals through second-chance employment, demonstrates successes as a private sector-led initiative. The City collaborates with Nehemiah in expanding this model locally to address workforce needs in other businesses.



Two Centennial Plaza
805 Central Avenue
Suite 700
Cincinnati, OH 45202

(513)-352-6146



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