

ULI Hines: Cincinnati – Looping the Banks

Team# 190505

Looping the Banks. Completing a vibrant loop around the Banks riverfront park and forming a connection between the Central Business District and the Ohio River. *Looping the Banks* is a project that seeks to create a vibrant, mixed-use, transit- and pedestrian-oriented, sustainable development that aims to stitch together the downtown district and Smale riverfront park.

Situated on the banks of the Ohio River and just south of the Central Business District (“CBD”) of Cincinnati, the project includes seven blocks between the city’s two primary stadiums and includes plans to construct a mixed-use lid park over Fort Washington Way. The Lid park is designed to be activated throughout the year, with four soccer fields to be used in the summer, spring and fall, and an ice skating rink in winter. Two retail buildings will anchor the east and west ends of the Lid park, with a planned rooftop restaurant overlooking the park. Plans also include a small office building on the west end of block A.

The Lid park is viewed as the project’s primary catalyst, in order to drive future economic growth in the district and broader Cincinnati region, and enhance property values in the adjacent CBD. The transformation of the space over the highway into a thriving, open green space will attract visitors and residents to the area throughout the year. The ability to accommodate more people will boost downtown festivals, and add pedestrian traffic before and after football and baseball games.

The plan seeks to build upon the original master plan for the Banks and complete the vision for a 24-hour mixed-use river front district. The project also looks to capitalize on the planned outdoor concert venue opening in 2021 adjacent to the river and blocks D & E. *Looping the Banks* will incorporate multi-family market rate and affordable rental housing, retail / entertainment, office, a convention center annex and an upscale hotel. The Lid park and public plaza on block F also seek to significantly enhance the area’s public realm.

Plans for the broader district also include the extension of the Ohio River Trail in order to complete a loop over the river into Kentucky, and further enhance the area’s walkability and bike-friendly paths. Capitalizing on the project’s accessibility to the multi-modal transit station, *Looping the Banks* places an emphasis on pedestrian and transit-oriented development.

The development also emphasizes sustainability and green building practices. Heavy timber will be utilized for the buildings over the Lid, resulting in structurally resilient, sustainable and budget-friendly buildings. Heavy timber also supports a healthy work environment, which is connected to nature, and results in much lower carbon emissions than typical steel and concrete buildings. Other project buildings will also be LEED certified to promote sustainability.

The *Looping the Banks* development redefines the district’s connection between Cincinnati’s downtown and riverfront, and seeks to create a vibrant, healthy and diverse urban experience.

ULI Financial Narrative

The primary theme of *Looping the Banks* is to bridge the central business district (“CBD”) of Cincinnati with the Banks riverfront park. *Looping the Bank’s* first goal, from a developmental and financial standpoint, is to construct a lid park over the Fort Washington Way in order to connect downtown and the riverfront, and to help create a vibrant, transit- and pedestrian-oriented, sustainable, and mixed-use district. Development of the lid is also critical to enhancing the overall value of the district and neighboring properties in the CBD.

Phase 1 of the redevelopment will include the construction of the lid over Block A and the addition of residential apartment housing on site C. The acquisition of two parcels on Third Street opposite the Underground Railway Museum is also planned for Phase 1 with plans to either develop or sell the parcels at the end of Phase 2 in order to realize the value accretion generated from the lid park. Phase 2 will include the development of Blocks D & E as an entertainment and retail district to leverage the value created by the lid and residential development in Phase 1. Phase 3 will include the addition of a convention center annex on Block B adjacent to Paul Brown Stadium, as well as a restaurant/brewery space. A public plaza on lot F is also planned, and a hotel with ground floor retail will be developed on lot G.

A parking revenue sharing arrangement for Lots D & E with the City and County has been proposed in lieu of acquisition of the air rights above these lots. Additionally, a Project TIF Bond issued by the City has been incorporated to help fund the construction costs of the lid park, as the park will significantly increase the property values of the entire CBD and significantly enhance the public realm of the district. A private philanthropy donation has also been contributed to help fund the lid park improvements.

Looping the Banks will offer 674 new residential rental units, with 10 percent priced as affordable units. Additionally, the lid park will feature retail space of approximately 170,300 square feet, as well as soccer fields in the spring, summer and fall and an ice skating rink in the winter. An entertainment / retail complex (primarily on lots D & E) will add 398,590 new square feet of retail space and 200,000 square feet of new residential rental units. An upscale hotel with 335 rooms is planned for lot G in Phase 3. A convention center annex and restaurant on lot B will add 26,000 square feet.

Factoring in grants and funding, *Looping the Banks* will primarily be funded by a 65 percent loan-to-cost financing, which equates to \$255,858,267. In addition, we will seek 15 percent equity financing, leaving the developer equity contribution at \$13,725,621, or 3.5% of the total development cost.

The value of the seven sites before construction begins is estimated to be \$32,346,465. After development, the value grows to \$651,535,161, which equates to a 22.45% levered IRR.