

a Place for **Everyday and the Big Day**  
a Place for **Today and Tomorrow**  
a Place of **Cincy and Beyond**

The CincyStitch repositions a pivotal stretch of Cincinnati's waterfront not as the city's edge, but as the center of a connected region. Through four threads – **Culture + History, Public Realm, Transportation, And New Economies** – the proposal strategically expands the site and creates connections to break down barriers across geography and time. Together these four threads weave an urban tapestry rich in history but geared to the future; a 24-hour neighborhood bustling with city dwellers, and a center for new commerce that connects citizens across the region socially and physically.

## Design Narrative

### Context to Concept

The Banks, as its name implies, has traditionally been considered the fringe of Cincinnati - the edge of the city, perpetually incomplete. In response, our four threads of **Culture + History, Public Realm, Transportation, And New Economies** reposition The Banks as the nexus of an evolving region, stitching the neighborhood into the region's physical, social, and economic fabric. Our proposal does not start from a hypothetical blank slate and undo the past decade's \$1bn of private and public investment. Rather, our four threads permit us to intervene and integrate, respecting the complexities of building over and under existing infrastructure, not to mention within a floodplain, while forging an integrated district that pays heed to the Queen City's longstanding culture of neighborhoods.

### Stitching Together the Urban Tapestry

Each thread of the proposal weaves together a specific portion of the region's past and future. **The Culture and History Thread** is a symbolic and physical *Cultural Trail* that stretches north into Downtown and south across the Mason-Dixon Line, reinforcing connections with Kentucky and dismantling historical divisions.

## Financing Narrative

### Ambitious Public Good

Creating a master-planned development that successfully weaves the themes of Cincinnati's past and future requires creativity, and the same applies to the project's finances. When designing the CincyStitch, we needed to curate a unique mix of assets like *epicurean.on.vine* and *The Great American Experience* that would themselves stitch together the City along our themes of **Culture + History And New Economies**. At the same time, we needed to financially support costly **Public Realm** and **Transportation** interventions required to make the project successful at the urban scale.

To begin, we sized our buildout using feasible absorption figures. We decided not to include any for-sale housing: in a rising interest rate mortgage environment with signs nationally of market softening, we found such a proposition too risky. Instead, we phased the project so that fewer than 300 market-rate rental units would be delivered annually. Given recent investment by Amazon and DHL in Cincinnati's logistics industry, we then envisioned *Supply Unchained*, with industrial space geared towards producing new supply chain technologies such as drones and 3D printers.

### A Unique Public-Private Partnership

We chose not to request any discretionary grants from the City or County, but instead have underwritten a \$1 acquisition price for publicly-owned sites, which we view as reasonable after estimating the present value of our in-kind contributions to the public realm at \$42.7mm. We anticipate acquiring adjacent parcels from private owners at market rates, including the Dixie Terminal South Building, which we will convert into residential and retail space, generating \$3.3mm of Federal Historic Tax Credit (HTCs) proceeds. Our scope includes retail podiums built on a portion of publicly-owned sites leased by the Bengals and the Reds, and we anticipate buying out a prorated portion of their outstanding leases.

**The Public Realm Thread** builds on existing park assets and introduces new innovative spaces that connect nodes within the city and along the river through strategic corridors. **The Transportation Thread** seeks to solve the region's 'Achilles' Heel' by providing key infrastructure to create the region's first true transit-oriented development and incentivize future investments. **The New Economies Thread** provides a platform for economic resilience, future-proofing the regional industrial base. Together these elements create an offering that is deeply sustainable and unequivocally human-centric, representing a new model of inclusive urban living for the greater region.

### Constructing an Urban Neighborhood

The urban form of the site simultaneously draws from the existing fabric while conferring an intrinsically unique element. By respecting the existing street grid and view corridors, podium heights, surrounding land uses, and anchor facilities, the proposal strengthens the position of these elements and enhances their importance. At the same time, the design of the site utilizes novel forms of architecture, public space configuration, street design, neighborhood amenities, and seasonal and daily programming to create ideal environs for both civic gatherings and everyday use. Unique interventions like a series of low-impact public spaces at *Concrete Green* negotiate challenging existing site conditions to achieve these goals.

### Harnessing SmartCincy

Our proposal capitalizes on existing site conditions to foster a culture of full life-cycle sustainability. On the production side, energy, data, and food systems are weaved into all aspects of life at the CincyStitch. A micro-grid harnesses small scale hydroelectric power from both the Ohio River as well as underground pipes, while decentralized solar arrays generate power from roofs and south-facing facades. 5G internet is provided across the site by tapping into the City's SmartCincy fiber loop initiative, with the addition of new small cell technology. Rooftop agriculture provides places for residents to grow their own food while a greenhouse within *epicurean.on.vine* utilizes heat generated from Ft. Washington Way to provide year-round produce at the market below. On the disposal side solid waste, water, and sewage are all managed on site. Gray and brown water are collected, cleaned, and stored for reuse in a series of below-grade cisterns, while a pneumatic trash and recycling system centralizes waste collection to make composting and recycling easier. These systems take advantage of the subterranean volume of the existing parking garages, which are themselves integrated into a new shared parking district.

In addition to Federal HTCs, we have compiled a robust package of other subsidies, including \$32.2mm in Federal Low-Income Housing Tax Credit proceeds, keeping 20% of units affordable to low-income individuals while at the same time delivering work-force housing within our market rate portfolio; \$11.1mm in New Markets Tax Credit proceeds that help finance extensive community facilities, including a 78,210sf *STEM charter high school*, the 60,000sf *Great American Experience* sports museum with community recreation space, and a 19,125sf *test kitchen*; and a TIF loan of \$182.0mm.

### Creative Financing

During construction, we estimate LIBOR at 3%, resulting in a blended interest rate of 6.75% (60% LTC). In the permanent phase, we anticipate splitting the hotel and industrial components into separate legal components. The hotel would be financed through loans under the EB-5 immigration program, offering below-market rates provided the project results in significant job creation. The industrial space would be financed using the City's tax-exempt Industrial Revenue Bond program. Other spaces would benefit from a conventional loan at a rate of 6.5% (65% LTV, 1.25x DSCR).

Given the project is located in an Opportunity Zone (OZ), the equity investor would receive incentives including a deferral and partial write-off of prior capital gains taxes. Under our proposed financing structure, an equity JV would achieve a levered ten-year IRR of 22.1% (12.9% unlevered) before OZ benefits and 30.1% after incorporating OZ benefits<sup>1</sup>.

We envision the smart city improvements on site being financed as a separate project through an entity which we've titled *Smart City HoldCo*. Smart City HoldCo would arrange financing for the 5G small cell systems and hydro- and solar-micro grid improvements, and then build and operate the systems. Based on an 8.0x EBITDA multiple on the microgrid component and a 10.0x multiple on the broadband component, we envision Smart City's investors achieving a combined levered IRR of 16.4%.

<sup>1</sup>Calculated as the pre-tax equivalent IRR that an investor would need to achieve in the absence of OZ benefits in order to attain the same post-tax IRR.