

August 16, 2023

**To:** Markiea Carter, Director, Department of Community & Economic Development

From: Katherine Keough-Jurs, FAICP, Director, Department of City Planning & Engagement

Subject: Community Engagement Meeting Summary – 101 West 5<sup>th</sup> Street

On Wednesday, August 9, 2023, the Department of City Planning & Engagement hosted a community engagement meeting regarding the proposed sale of the former Saks Fifth Avenue Department Store at 101 West 5th Street in the Central Business District. The applicant, 3CDC, intends to redevelop the vacant 74,000-square-foot building into over 66,000 square feet of office space and more than 8,000 square feet of commercial space. The developer plans to invest more than \$20 million in the project and aims to complete the redevelopment within 36 months.

Mailed notices were sent to property owners within 400 feet of the subject property and the Downtown Residents Council. The Department of City Planning & Engagement (DCPE) staff posted a physical notice in the form of a yard sign in front of the building, which included a link to the DCPE website. This website provided additional information about the proposed project. Furthermore, two notices were posted on the Department of City Planning & Engagement's Facebook and Twitter accounts. A dedicated website was also created with detailed information about the proposed project, accessible here: <a href="https://www.cincinnati-oh.gov/planning/community-engagement-meetings1/">https://www.cincinnati-oh.gov/planning/community-engagement-meetings1/</a>.

The meeting was conducted virtually on Zoom at 4:00 p.m. Staff from the Department of City Planning & Engagement and the Department of Community & Economic Development (DCED) were present. The facilitation of the meeting was carried out by the Department of City Planning & Engagement staff, while representatives from 3CDC shared a presentation and were available to address questions.

A total of thirteen community members attended the meeting. All attendees had the opportunity to express their thoughts. Community members discussed matters such as the intended use of the building and the Request for Proposal (RFP) process. For detailed questions and concerns raised during the meeting, please refer to Attachment 1, labeled as Additional Information. Additionally, you can find the PowerPoint presentation shared during the meeting and the items submitted by community members in Attachment 2.

Attachments:

- Attachment 1: Additional Information
- Attachment 2: PowerPoint Presentation and additional information from Community Engagement Meeting

### <u>101 W. 5<sup>th</sup> Street – The Former Sak's 5<sup>th</sup> Avenue Department Store</u>

This document outlines information that was shared during the public engagement meeting on Wednesday, August 9, 2023. This document is intended as a summary and not as meeting minutes.

#### **Project information:**

The project includes the redevelopment of the approximately 74,000 square-foot vacant structure located at 101 W 5<sup>th</sup> Street, the former Saks Fifth Avenue Department Store. The developer, 3CDC, anticipates that the project will result in approximately 66,496 square feet of renovated office space and 8,654 square feet of renovated commercial space. The developer agrees to invest at least \$23,000,000 in Project Costs into the property and complete construction on the project within 36 months.

#### **Questions:**

- There were questions regarding the possibility of making the building taller.
  - 3CDC responded that structural reinforcements could be cost-prohibitive or physically challenging due to the Hyatt ballroom's presence. They emphasized the appeal of open space for the proposed office site in the current market.
- A resident asked about the relationship between square footage and the number of employees.
  - 3CDC explained that they had researched industry standards and planned to provide 200-250 square feet per employee at the site. 3CDC assured residents that the square footage is more than enough to house a large-scale tenant.
- A resident inquired about navigating lending challenges in the current economic climate.
  - 3CDC explained their creative financing approach, which includes non-traditional sources fronting many of the initial costs themselves and trying to secure a tenant as quickly as possible.
- A resident inquired about what type of incentives 3CDC would be able to offer tenants.
  - 3CDC responded that the space itself, particularly its layout and location, is a significant draw. Additionally, they believe tenant improvements and the availability of parking from the adjacent garage they own are advantages and will likely attract tenants.
- A resident asked a question regarding any involvement with the Port Authority.
  - 3CDC clarified that the Port is not involved in this project at this time.

#### **Other Concerns of Meeting Attendees**

#### **Tenant Attraction:**

• Concerns were raised regarding the ability of 3CDC to attract a tenant big enough to lease the space.

#### **Community Involvement and Funding:**

• Concerns were raised about public funds allocation and the desire for community involvement in decision-making.

• It was suggested that the City explore more options beyond 3CDC through an open Request for Proposal (RFP).

### **<u>3CDC Involvement and Financial Details:</u>**

- The Port's role is questioned due to tax avoidance practices in the past.
- Questions about rent, potential tenants, and alternatives to the \$1 sale with tax abatements were posed.
- Residents questioned the decision to sell for \$1 with tax abatements and suggested considering other options, such as opening the property to the market through an RFP.
- A resident expressed a desire for new talent and developers to enter the scene instead of relying solely on 3CDC.

### **Project Timing and Approach:**

- Concerns were expressed about the speed of the project's progress without a confirmed tenant.
- A call for a more natural, organic development process was made.

### **Building Development and Opportunities:**

- Opportunities for denser development with partners like Hyatt were suggested.
- Concerns were voiced over maintaining a two-story structure in a prime, dense location.

### **Structural Challenges and Financing:**

• A resident questioned the possibility of making the building taller and denser. 3CDC responded that structural reinforcements could be cost-prohibitive or physically challenging due to the Hyatt ballroom's presence. They emphasized the appeal of open space for the proposed office site.

# Proposed Redevelopment of 101 West 5th Street at the Former Sak's 5th Avenue Department Store in the Central Business District.

Community Engagement Meeting | August 9, 2023

# Welcome & Housekeeping

- 1. Welcome & Housekeeping
- 2. Brief presentation
- 3. Question & Answer
  - Please save all questions/comments until Q&A
  - Staff will unmute each participate one at a time
  - You may use "raise hand" function in the chat bar if you have a follow-up question



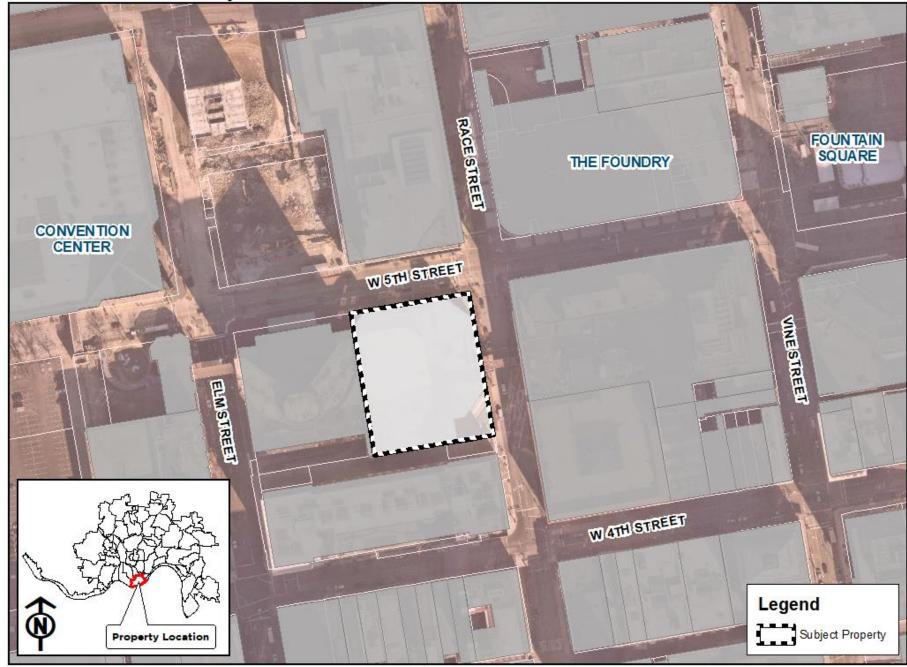
# Welcome & Housekeeping

- Please remain muted. City staff will unmute during question & answer.
- Chat Bar
  - Use the chat bar for tech-related issues or questions
  - Do not use the chat bar to ask project-specific questions

- This is a public meeting to discuss the proposed sale and development agreement to allow for staff to obtain feedback about the project
  - City staff is here to facilitate the meeting and answer any process related questions
  - The applicant is here to answer any project related questions
  - No decisions are being made at this meeting



### Proposed Sale of 101 West 5th Street in the CBD



# Background

- City Council will consider the transfer of the former Sak's 5<sup>th</sup> building located on 101 West 5<sup>th</sup> Ave. in the Central Business District to Cincinnati Center City Development Corp. (3CDC
  - 1. The sale of property for \$1 (fair market value \$2.59M)
  - 2. The developer agrees to invest at least \$20M in project costs into the Property and complete construction on the Project within 36 months of construction commencement.



# **Background Continued**

- 3CDC estimates the Project will add up to 210 permanent full time equivalent jobs
  - Approximately \$16.8M in associated annual payroll,
  - \$898,900 in associated annual payroll, and
  - Up to 340 temporary construction jobs with \$13.9M in associated one-time payroll



# **Proposed Project**

• This project would include the redevelopment of the approximately 74K square foot vacant structure located at the Property. 3CDC anticipates that the project will result in approximately 66,496 square feet of renovated office space and 8,654 square feet of renovated commercial space.



# **Question & Answer**

• Everyone will be unmuted one-at-a-time. Due to the number of speakers, please limit your time to two (2) minutes. There will be time at the end for any questions/concerns that were not addressed

• Use "raise hand" function if you have a follow-up question following your initial question

• Do not use the chat bar for project-related questions (tech issues only)



# Next Steps

- There are no decisions made in today's meeting
- This item will go to the City Planning Commission (CPC) on Friday, August 18, 2023
- If passed in CPC it will go to City Council for final decision



## Contact

### City Planning

Jeremiyah Hairston, Community Engagement Specialist

Jeremiyah.Hairston@cincinnati-oh.gov

### Written comment must be submitted by 9 a.m. on Tuesday, August 15<sup>th</sup> for inclusion in public engagement summary.





Proposed redevelopment of

101 W 5<sup>th</sup> Street



### Table of Contents

- Project Overview
- Developer Background
- Strategic Context
- Project Thesis
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- Proposed Floor Plan and Project Renderings
- Preliminary Budget
- Marketing Progress
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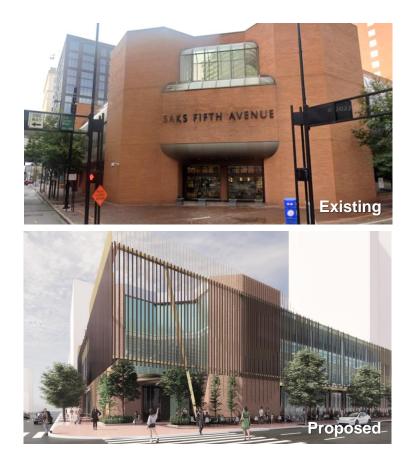
### **Project Overview**

### **Project Overview**

- 101 W 5<sup>th</sup> Street
- Proposed renovation of former Saks Fifth Avenue downtown department store
- Developer: 3CDC
- Architect: GBBN
- Construction manager: Turner
- Proposed redevelopment program:
  - 66,000 NSF single-tenant office space over two floors, creating up to 270 office jobs
  - 8,600 NSF ground-floor restaurant/bar space on 5<sup>th</sup> Street
  - Project will be LEED certified

### **Anticipated City Requests**

- Property transfer to 3CDC for \$1
- Commercial tax abatement





### Developer Background

The Cincinnati Center City Development Corp. (3CDC) is a 501(c)3, tax-exempt, private, non-profit corporation formed in 2003.

Our mission is to strengthen the core assets of downtown by revitalizing and connecting the Central Business District and Over-the-Rhine.

### We have undertaken **\$1.6 billion in development** since 2003:

- 49 new buildings
- 207 building renovations
- 1,356,700 SF commercial space
- 1,705 apartment units
- 598 condo units
- 156 hotel rooms
- 345 shelter beds
- 5,138 parking spaces





### Strategic Context

This project will stitch together Fountain Square with the Convention Center to create a unified, dynamic downtown district. It will also:

- Strengthen downtown's employment base with up to 270 new good-paying office jobs,
- · Provide new restaurant/retail amenities, and
- Create a more vibrant, walkable streetscape for residents, workers, and visitors alike.



### **Project Thesis**

101 W 5<sup>th</sup> Street is directly comparable to the Foundry, another former City-owned property that 3CDC redeveloped into an office anchored mixed-use project.

### **Foundry Statistics**

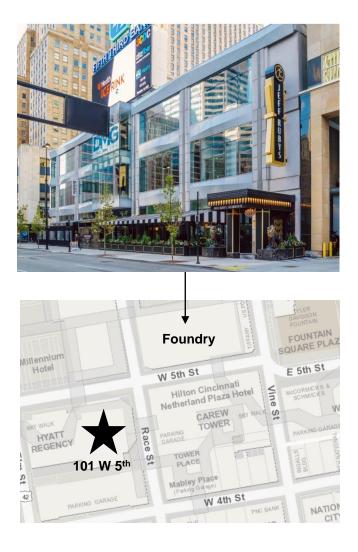
**3CD**C

- 165,000 SF of office space kitty corner to 101 W 5<sup>th</sup>
- Core/shell completed in 2022

CINCINNATI CENTER CITY

DEVELOPMENT

- Office is 100% leased
  - 104,000 SF Divisions Maintenance Group relocated from Kentucky (543 employees)
  - 31,000 SF Turner Construction (126 employees)
  - 29,000 SF Deloitte (592 employees)



### **Project Thesis**

Foundry proved the market for high-end creative office space downtown, and 101 W 5<sup>th</sup> Street is an opportunity to replicate that success.

### Foundry's success is attributable to the competitive advantages of the building and site:

- Loft-like building with large floor plates, high ceilings, industrial aesthetic, and modern amenities
- Modern new façade

- Build-to-suit opportunity with generous TI
- Proximity to Fountain Square
- Ability to purchase monthly parking at the 1,700+ parking spaces 3CDC controls within one block
- Exciting ground-floor commercial tenants

This space will be even more desirable because it will be single-tenanted—true trophy space in the CBD that can attract and retain major employers.





## Scope of Renovations

### **Project Scope**

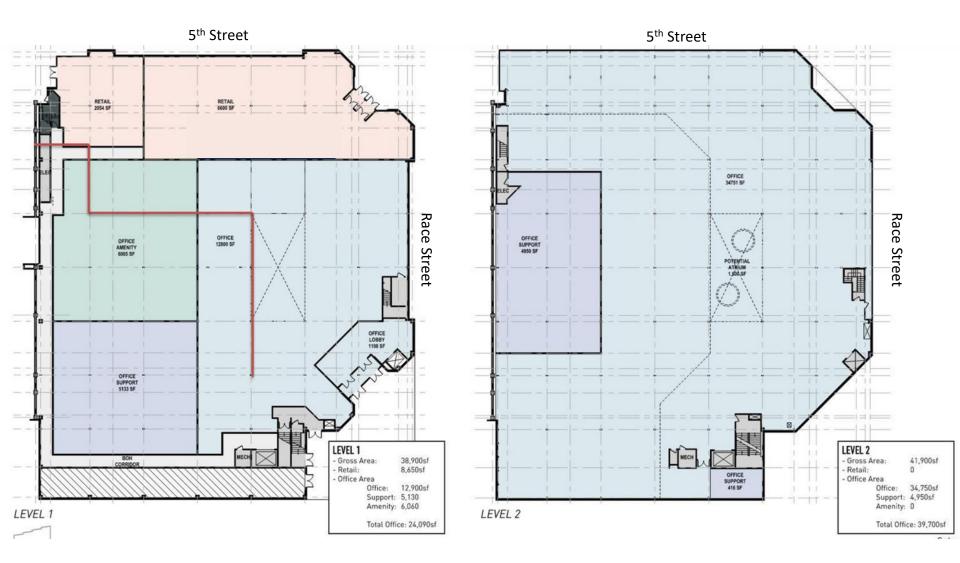
- Façade renovation and new window openings
- Skywalk removal, including demolition of the bridge over Race Street
- Streetscape improvements, including sidewalk enhancement and expansion, landscaping, and outdoor dining.
  - 3CDC will also approach Hyatt to determine their interest in replacing the sidewalk around their property as well.

- New roof
- New interior building systems, including mechanical, electrical, plumbing, and fire protection
- Elevator upgrades
- Access control
- Additional upgrades for LEED certification





### Preliminary Floor Plan



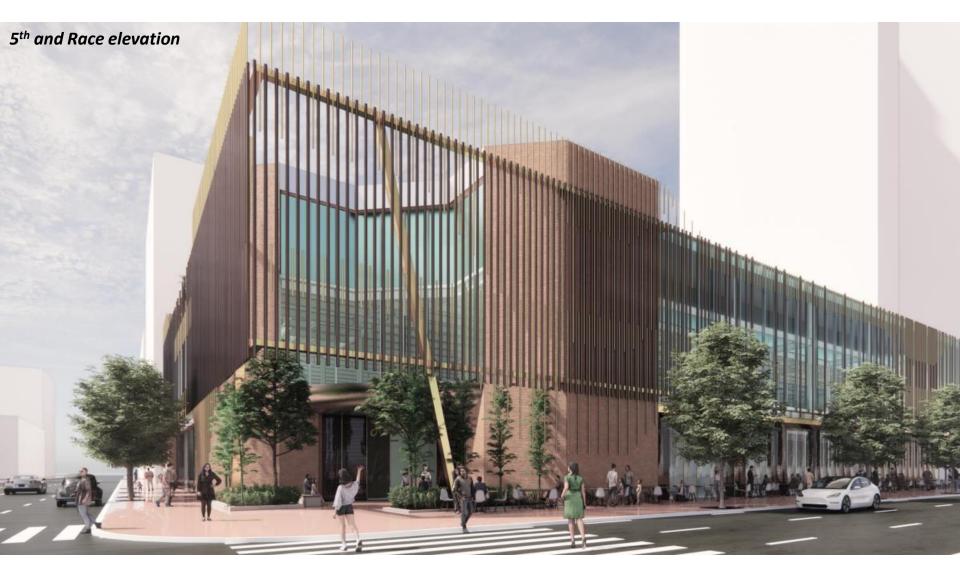
### Existing – 5<sup>th</sup> and Race







# Preliminary Renderings



# Preliminary Renderings





## Existing – 5<sup>th</sup> Street







# Preliminary Renderings





### Existing – Race Street





# Preliminary Renderings





# **Preliminary Budget**

Uses	
Acquisition	1
Hard Costs	9,940,000
Tenant Improvements	7,637,400
Soft Costs	7,152,059
Total	\$ 24,729,459
Sources	
1st Mortgage	16,000,000
2nd Mortgage – CEF III/3CDC	3,729,459
JobsOhio Grant	2,000,000
JobsOhio Loan	3,000,000
Total	\$ 24,729,459

3CDC is in discussions with REDI and JobsOhio to secure \$5 million from the State's Ohio Site Inventory Program.



## **Engagement & Inclusion**

### **Community Engagement**

- 7/10: 3CDC presented project to the Board of the Downtown Residents Council for their support. Motion for a letter of support was unanimously approved.
- 7/11: 3CDC presented project to the Downtown Residents Council general membership.

### **Inclusion Efforts**

- Kaiker Development + Construction, an MBE contractor, is providing staff support to Turner during the project estimating phase.
- The project will be posted on 3CDC's website under "Current Bid Opportunities."
- Early fall: 3CDC will host an open house for interested subcontractors to learn more about the project and upcoming bid opportunities. Invitations will be sent to the minority, female, and locally owned businesses as well as trade unions in the City's SBE directory.
- Early fall: 3CDC will host a Meet and Confer to discuss bid opportunities with interested subcontractors.





# **Project Timeline**

- August:
  - Get initial construction pricing
  - Continue to advance design
  - Community engagement session with DCED
  - 8/18 City Planning Commission
- September:
  - 9/7 First City Council reading
  - 9/11 Budget & Finance Committee
  - 9/18 Budget & Finance Committee 2<sup>nd</sup> reading
  - 9/20 City Council vote to approve property transfer and commercial tax abatement
- October: Close on full project financing
- Late fall: Start construction
  - Core/shell construction is expected to take 15 months
  - Tenant buildouts will follow core/shell work, or may be done in parallel





#### Downtown Residents' Council, Inc.

July 11, 2023

(all via email)

Hon. Aftab Pureval Mayor, City of Cincin

Hon. Jan-Michelle Le arnev Vice Mayor, City of rati

Cincinnati City Cou embers Cramerding, Ha ffries, Johnson, Keating, Owens, Parks, and Walsh

#### Subject: town Residents' Council Support for Transfer of Saks Fifth Avenue to 3CDC onversion

Vice Mayor Lemon Kearney, and Cincinnati City Council Members: Dear Mayor Pu

This letter is to ss the Downtown Residents' Council's support for the transfer of the former Saks Fine venue department store property located at 101 W 5th Street from the City of Cincinnati to 3CDC for redevelopment. This letter is also to express our support for the proposed conversion of the property into new office and retail/restaurant space and the associated improvements, including facade improvements, skywalk removal, replacement of building systems, streetscape upgrades, and sidewalk expansion on 5<sup>th</sup> Street.

3CDC presented their redevelopment plans to the Downtown Residents' Council Board of Trustees on July 10, 2023, and to the membership on July 11, 2023. The Board voted unanimously in favor of supporting this project.

The project will revitalize a highly visible corner; increase the number of jobs downtown; and expand retail/restaurant options for workers, residents, and visitors. It will also stitch together the Fountain Square area with the Convention Center District. This will further the ongoing revitalization of downtown Cincinnati and benefit all of us.

For these reasons, we fully support the proposed transfer and conversion of the former Saks property and ask our elected officials to do the same.

Sincerely,

Jackie Bryson

resident

CC: Clare Healy and Lann Field (3CDC)



Saks Fifth Avenue Transfer and Conversion July 11, 2023 Page 2

Email Address List:

Mayor Aftab Pureval (<u>mayor.aftab@cincinnati-oh.gov</u>) Vice Mayor Lemon Kearney (jan-michele.kearney@cincinnati-oh.gov) All Council Members (<u>CityCouncil@cincinnati-oh.gov</u>) Council Members Cramerding, Harris, Jeffries, Johnson, Keating, Owens, Parks, and Walsh (jeff.cramerding@cincinnati-oh.gov; reggie.harris@cincinnati-oh.gov; mark.jeffreys@cincinnati-oh.gov; scotty.johnson@cincinnati-oh.gov; liz.keating@cincinnatioh.gov; meeka.owens@cincinnati-oh.gov; Victoria.parks@cincinnati-oh.gov; seth.walsh@cincinnati-oh.gov) Clare Healy (chealy@3cdc.org) and Lann Field (lfield@3cdc.org) July 30, 2023

Dear Mayor Pureval, City Councilmembers, and Cincinnati City Planning Commission Members:

This letter is to express the Hyatt Regency's support for the transfer of the former Saks Fifth Avenue department store property located at 101 W 5<sup>th</sup> Street from the City of Cincinnati to 3CDC for redevelopment. This letter is also to express our support for the proposed conversion of the property into new office and retail/restaurant space and the associated improvements, including façade improvements, skywalk removal, replacement of building systems, streetscape upgrades, and sidewalk expansion on 5<sup>th</sup> Street.

3CDC has been in contact with us regarding the proposed construction with a focus on mitigating impacts to our ballroom, construction noise, and work hours. Given the proximity and shared walls of the two buildings we will be uniquely impacted by the proposed construction. *Despite this we are still fully supportive of this project moving forward*.

The project will revitalize a highly visible corner; increase the number of jobs downtown; and expand retail/restaurant options for workers, residents, and visitors. It will also stitch together the Fountain Square area with the Convention Center District. This will further the ongoing revitalization of downtown Cincinnati and benefit all of us.

For these reasons, we fully support the proposed conversion of the former Saks property and ask our city officials to do the same.

Sincerely,

Jõe Pinto General Manager Hyatt Regency Cincinnati

From:	<u>G W</u>
Sent:	Tuesday, August 8, 2023 7:45 PM
То:	Hairston, Jeremiyah
Subject:	[External Email] Written comment for 101 West 5th Sale to 3CDC

You don't often get email from lunamassageandwellness@gmail.com. Learn why this is important

**External Email Communication** 

Allowing 3CDC to purchase this building for \$1 is a slap in the face to every person who has to build their own wealth. Not only that but a 52% tax abatement for 15 years?! This is outstanding. Make them pay the full \$3,000,000 like the rest of us would.

The general public doesn't care how many jobs this creates in the short term, they can pay the three million and earn it back in their first few years of rent.

Cheers,

G. Williams

From:	Not Yourbusiness
Sent:	Tuesday, August 8, 2023 3:12 PM
То:	<u>Hairston, Jeremiyah</u>
Cc:	<u>newsdesk@wlwt.com.may</u>
Subject:	[External Email] Sale of 101 West 5th Avenue in the Central Business
	District

You don't often get email from goodcitizen513@gmail.com. Learn why this is important

**External Email Communication** 

Stop giving away City properties for nothing. There is ABSOLUTELY NO REASON to sell this property to 3cdc for \$1.

You could lease the property without giving away all the city's assets. What you're doing should be criminal.