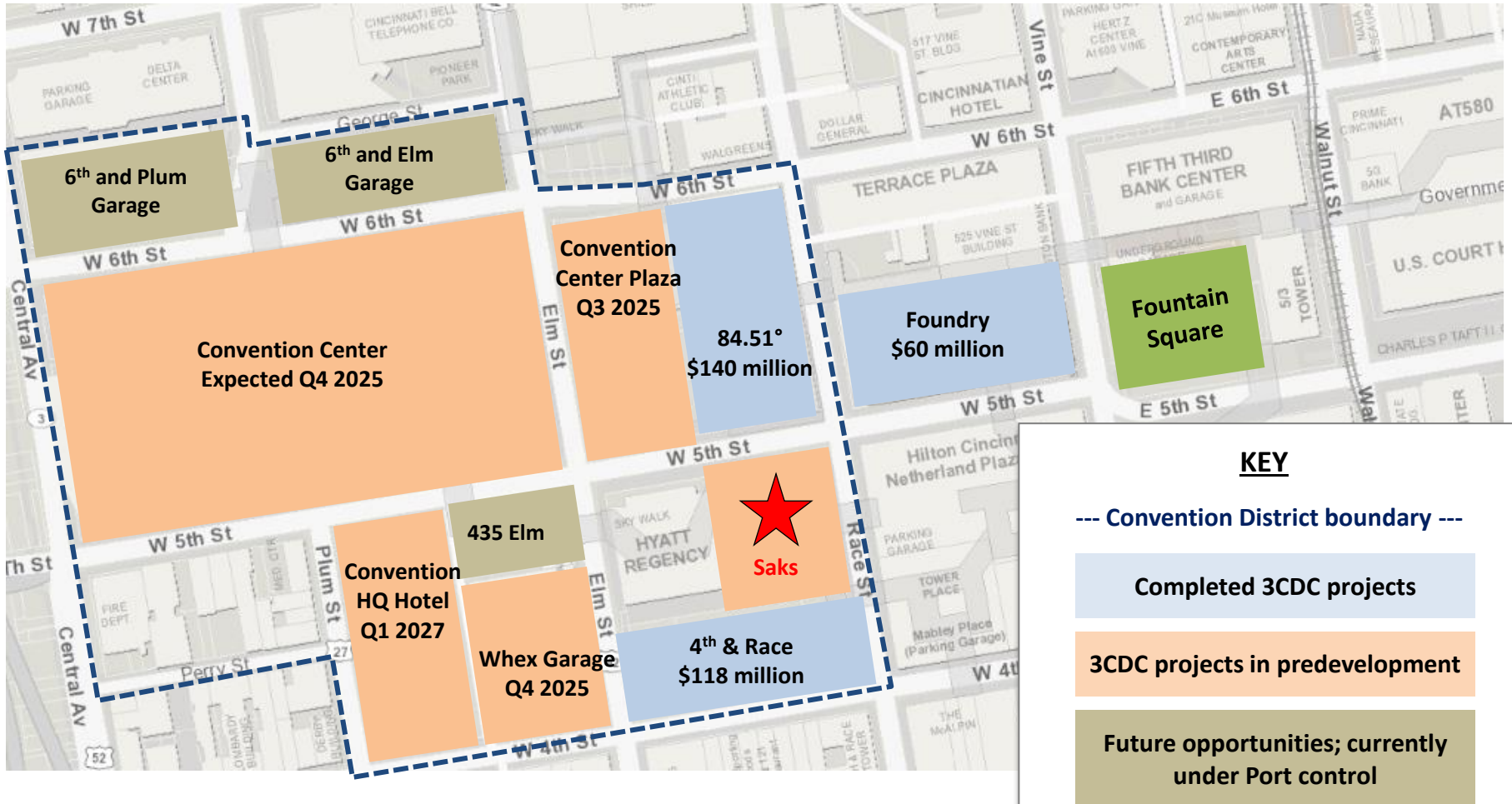




Saks Fifth Avenue Redevelopment

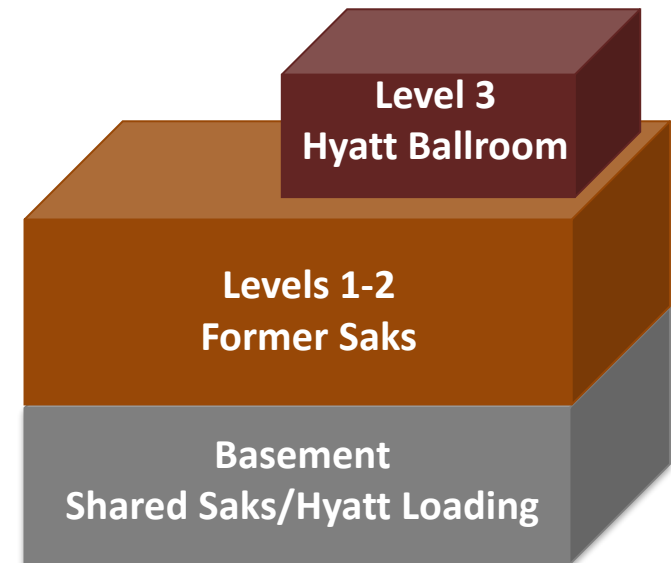
101 West Fifth Street

Renovating the former Saks department store is an opportunity to stitch together Fountain Square with the Convention Center and create a dynamic downtown district.



3CDC has worked through several challenges to arrive at a feasible development plan:

- **The building is sandwiched between two Hyatt easement areas.** There are shared egress areas and building systems, and these must be maintained to avoid impacting Hyatt's operations. This limits the redevelopment options for Saks.
- **The boxy shape of the building and the way it abuts neighboring properties limits natural light.** This makes the property a poor candidate for residential conversion.
- **Construction costs and interest rates have risen significantly since COVID.**



Why should 3CDC be the developer? First and foremost, 3CDC is carrying out this project on behalf of the City. This is a complicated project that only an experienced, well capitalized, nonprofit developer like 3CDC can undertake.

- **3CDC has pledged a total of \$7.6 million to the project and has spent \$885,000 to advance the project to date.**
- **Since 3CDC is a nonprofit, future cash flow generated after financial obligations are met will be reinvested in the property** so that it is maintained at a high standard for years to come.
- **The property's projected operating margins are very slim. The project does not generate the returns that a private developer would need** to meet to be interested in the deal.
- **As a nonprofit developer with a mission to strategically revitalize Cincinnati's urban core, 3CDC's primary motivation is reactivating the space** – not generating a substantial financial gain – though any such gain would be shared with the City, which would not be the case if the City worked with a for-profit developer.
- **Few banks are willing to lend on office projects at this time, so the project requires a developer like 3CDC with experience in cobbling together multiple nontraditional funding sources** and utilizing existing lender relationships.
- **3CDC partnered with the City on a similar project** to redevelop the former downtown Macy's into the Foundry.
- **3CDC has already done significant legwork** in identifying tenants and will be able to execute agreements and move into the construction phase immediately.

3CDC is committed to community engagement and the City's inclusion goals.

Community Engagement

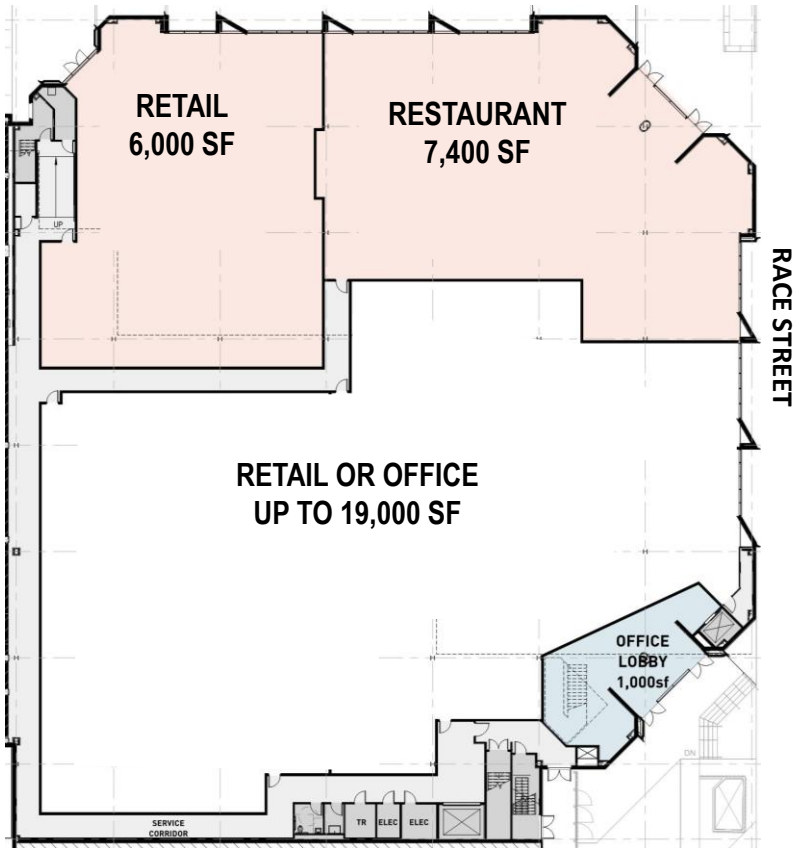
- 3CDC has the support of the Downtown Residents Council for this project.
- 3CDC has participated in multiple public meetings hosted by the Department of City Planning for this project.

Diversity, Equity, and Inclusion

- 3CDC is committed to the same participation goals for this project as the Convention Center (20% MBE, 10% WBE, and additional 5% reach goals for each).
- The core/shell work will be done at prevailing wage.
- 3CDC has done significant outreach to solicit bids from MBE, WBE, and union subcontractors.
- Kaiker Development + Construction, an MBE contractor, has provided estimating support to Turner Construction and will also have a superintendent presence during construction.

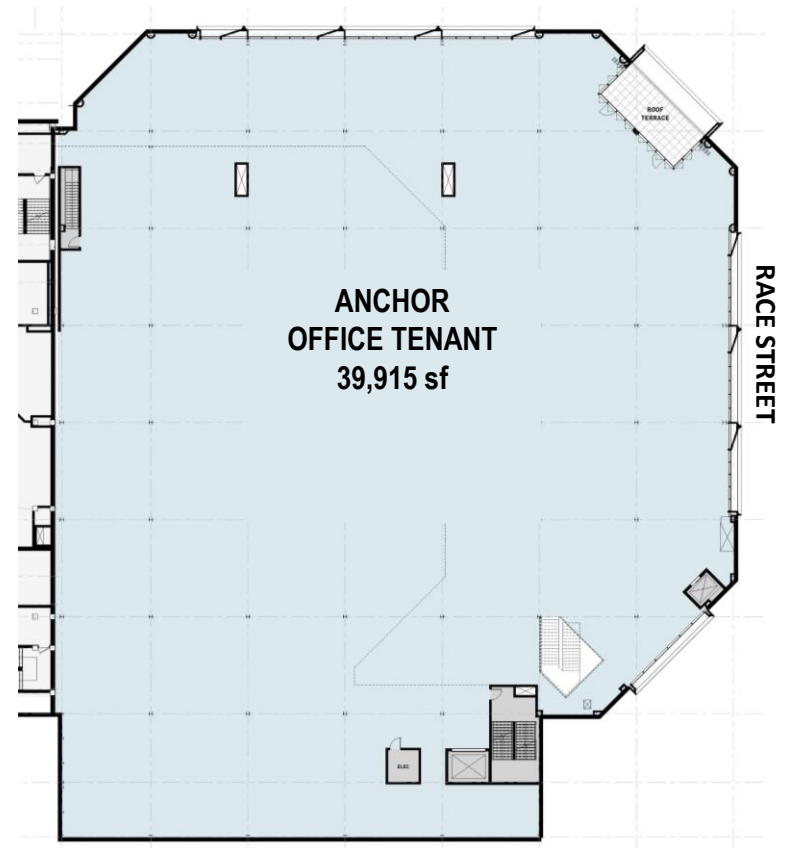
Level 1

FIFTH STREET



Level 2

FIFTH STREET



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.
- New roof
- New interior building systems, including mechanical, electrical, plumbing, and fire protection
- Access control







Northeast corner at Fifth and Race Streets





Race Street





Office entrance on Race Street
(former Saks valet turnaround)



Office view looking north on Fifth Street

USES	
Acquisition	1
Hard Costs	14,150,381
Tenant Improvements	8,877,679
Soft Costs	7,003,239
Total Uses	\$30,031,300

SOURCES	
Ohio Enterprise Bond Fund	15,400,000
CEF III Loan (3CDC-Managed Fund)	7,631,300
JobsOhio	5,000,000
City of Cincinnati District TIF Funds	2,000,000
Total Sources	\$30,031,300



THANK YOU

