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On June 1, Banks starts building up

But developer says grocery unlikely - for now

Business Courier of Cincinnati - by [Lucy May and Dan Monk](#) Senior Staff Reporters

Construction of the apartment buildings and retail in the first phase of the Banks riverfront development will start on or around June 1, a lead member of the development team said Thursday.



But don't expect a grocery store to be in the mix, said Trent Germano, vice chairman of Carter, the development firm that has teamed up with the Dawson Co. to develop the billion-dollar Banks project.

"We would love to have a grocery store, but the timing doesn't seem to be right right now," Germano said. He added that a grocery store could always be built in a later phase of the project. After all, it's expected to take more than a decade to fully develop the 18-acre site between Great American Ball Park and Paul Brown Stadium.



"The more residents we have down there, the more compelling it will be," he said.

Boutique hotel possible

Grocer or not, Germano stressed during a wide-ranging interview that the Banks is on track. Looking out a window from the 19th floor of the Atrium II office tower downtown, he pointed to the foundation work under way on the site and said the project is on schedule. Developers still plan 300 apartment units in the project's first phase, along with 70,000 square feet of retail space.

The development team is working on a deal for a boutique hotel there, too. Germano said it would be 200 rooms or fewer, and the team is "looking at some of the new, boutique hotel opportunities that are cool, a little bit edgy, with a great bar presence." Depending on pre-leasing, the first phase also could include anywhere from 250,000 to 300,000 square feet of office space, he said.

Germano said retail leasing efforts will start in earnest this year, and developers will start leasing apartments in spring of 2010.

"The retail and residential are 100 percent go – there's nothing in the way," he said. "We see nothing to derail this."

The team is looking at several entertainment concepts and is exploring the idea of a health club. Construction of two restaurants planned for just south of the National Underground Railroad Freedom Center could start even sooner, he said. But he

expects to have stronger prospects for those spots after restaurant operators can see the rest of the project coming out of the ground.

Germano said the developers have a solid agreement with National City Bank for a \$40 million senior loan, and that won't be affected by PNC's acquisition of National City. And, as was announced in October, the Carter-Dawson team has USAA Real Estate Co. as an institutional investment partner.

"USAA is one of the most financially solid companies in the United States," Germano said. "Thank you, Lord."

Praise from council members

The prospect of a June 1 start drew praise from City Councilman Chris Bortz, who previously has expressed concerns over a lack of details from developers.

"It's good to hear they're confident in their financing and they're putting some thought into how they're going to program the retail (space)," he said. "I'd still like to see a final budget for construction and a cash flow analysis so the city knows what we're going to have to come up with in 2009."

Bortz said he will press for answers in a Jan. 27 meeting of the council's Economic Development Committee, which he chairs.

Cincinnati Councilman Chris Monzel described the June 1 start date as great news but said the summer 2010 opening will require an aggressive schedule and regular monitoring by council to achieve.

Monzel was not bothered by the lack of a grocery tenant. "I've never envisioned the Banks as a 53rd neighborhood," Monzel said. "To me, it's more a destination for tourists. It's an entertainment center that connects the stadiums."

Hamilton County Commissioner David Pepper said the weak economy might help, as construction contractors aggressively bid to build publicly funded roads and garages. When the county opened bids on the fifth of eight packages Jan. 14, the \$5.7 million winner came in 33 percent below original estimates of \$8.5 million.

"Every bid ... has been under budget," Pepper said. "A lot of materials are cheaper than they would have been a year ago."

Germano said developers have been pleased with the cooperation from city and Hamilton County officials. He's confident the public funding to build the parking garages and roadways is in place or will be soon.

And Germano said the Banks developers feel very fortunate that all their financial agreements are in place.

“While this is a very difficult financial time for everyone, this project is a little bit of a shining light,” he said. “The Banks is alive and well and on schedule, and we’re coming out of the ground. And we’ll be open summer 2010.”