

Tax credit wins for OTR hotel, apartments, offices, more



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The Little Miami bike trail runs along the outside of the old Peters Cartridge factory. (Photo: The Enquirer/Madison Schmidt) Buy Photo

Cincinnati developers may want to teach a master course in securing tax credits for renovating historic buildings.

More than one in two projects – 18 out of 34 – to obtain money in the most recent round of awards under the Ohio Historic Preservation Tax Credit program were located in Greater Cincinnati, state officials said Wednesday.

Fifteen area developers earned tax credits totaling \$13.4 million out of the \$37.8 million in credits awarded. Around the Buckeye State, the projects are expected to leverage more than a quarter of a billion dollars in private investment.

“This is public-private money coming together,” said David Goodman, director of the Ohio Development Services Agency. “Saving historic buildings strengthens Ohio’s communities which attracts businesses and visitors to the state.”

Cincinnati projects securing tax credits represent \$157 million of planned development in Downtown, East Walnut Hills, Hamilton Township, Lebanon, Northside, Over-the-Rhine, Pendleton, and Walnut Hills. Among the largest awards in this round: the \$76 million renovation of the Union Central Life Annex building at 309 Vine St.

Last year, Music Hall obtained a \$25 million "catalytic" tax credit award from the state. The once-a-year award is designed to support projects that could have a large and transforming impact on a neighborhood. Two projects in Cleveland and one in Akron applied for the award in this round.

After receiving feedback from applicants in the funding round completed earlier this year, Nathaniel Kaelin, program manager of the state's tax credit program, said the state made changes to ensure project developers at various sizes could obtain incentives.

Multiple projects obtained incentives in the portion of Over-the-Rhine north of Liberty Street, the most since the program launched several years ago.

Eric Haberthier, a developer leading the Rhine Group, said the neighborhood is primed for additional investment with the success of development happening south of Liberty. And with the

interest in being around Findlay Market, he said, there's an opportunity to create developments that do more than cater to young white professionals.

Haberthier also said he has a letter of intent from an East Coast restaurateur to locate in his project.

Wednesday was also the first time a tax credit project was funded in the East Walnut Hills neighborhood.

"This announcement marks a turning point for Walnut Hills and East Walnut Hills," said Kevin Wright, development director for the Walnut Hills Redevelopment Foundation. "Today will ultimately be remembered as the day we brought the heart of Walnut Hills back to life."

Here are the approved projects:

Union Central Life Annex, Downtown



The owner of 309 Vine St. is planning a more than \$70 million mixed-use development of the property. (Photo: Provided/Village Green)

Project cost - \$75,541,592

Tax credit - \$5,000,000

Address - 309 Vine St.

Developer - Village Green

Details - The former office building is expected to house 294 market-rate apartments on the upper floors, a main floor grocery store, business incubator and office space and a rooftop restaurant.

Peters Cartridge Factory, Hamilton Township



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Clouds hang over the old Peters Cartridge factory. (Photo: The Enquirer/Madison Schmidt)

Project cost - \$25,366,000

Tax credit - \$2,400,000

Address - 1415 Grandin Road

Developer - Bloomfield/Schon & Associates

Details - The former ammunition manufacturing facility could feature 128 residential lofts, creative office space and a restaurant.

Paramount Square, Walnut Hills



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Plans to renovate the Paramount Building in Walnut Hills are threatened by a possible city cut to funding for all of Cincinnati's community development corporations, according Patricia Garry, executive director of the CDC Association of Greater Cincinnati. The Walnut Hills Redevelopment Foundation is leading the project at Peebles Corner, in the heart of the neighborhood. (Photo: The Enquirer/Patrick Reddy)

Project cost - \$20,093,697

Tax credit - \$1,999,000

Address - 900-921 and 957 E. McMillan Ave., 2436-2454 Gilbert Ave., and 2363 St. James St.

Developer - Walnut Hills Redevelopment Foundation and Model Group

Details - Six historic buildings and two non-historic buildings centered around the former Paramount Theater are expected to feature 15 commercial spaces and 44 market-rate residential units.

Broadway Square II, Pendleton

Project cost - \$13,133,245

Tax credit - \$1,300,000

Address - 1126-1211 Broadway, 405-414 E. 12th St., and 331 E. 13th St.

Developer - Model Group

Details - The second phase of Broadway Square calls for renovating 10 historic buildings for retail space and 37 residential units.

Ophthalmic Hospital, Over-the-Rhine

Project cost - \$7,366,150

Tax credit - \$732,950

Address - 208-214 W. 12th St.

Developer - Cincinnati Center City Development Corp.

Details: The former Ophthalmic Hospital and Free Dispensary served as a medical facility for nearly 90 years, but is now vacant. The buildings are planned for renovations to house a 20-room boutique hotel with a bar and restaurant on the first floor.

Kauffman Building, Over-the-Rhine

Project cost - \$2,775,353

Tax credit - \$249,999

Address - 1725 Vine St.

Developer - Wael Safi

Details - Built to house brewery workers in 1863, the building sustained two fire in the last two decades. The property is expected to be redeveloped into commercial spaces on the first floor, six residential units above and a new addition housing six more apartments and parking.

1814 Race, Over-the-Rhine

Project cost - \$1,983,366

Tax credit - \$217,000

Address - 1814 Race St.

Developer - Model Group

Details - The property is expected to be rehabilitated to house five apartments and first-floor commercial space.

100 West Elder, Over-the-Rhine

Project cost - \$1,587,987

Tax Credit - \$220,000

Address - 100 W. Elder St.

Developer - Greg Badger

Details - The dilapidated mixed-use building is expected to be rehabilitated into first-floor retail or restaurant space with offices on the upper floors.

515 East 12th, Pendleton

Project cost - \$1,579,851

Tax credit - \$195,000

Address - 515 E. 12th St.

Developer - Model Group

Details - The small residential building is expected to be rehabilitated to feature six market-rate residential units. The project is part of the third phase of Broadway Square.

1737 Vine, Over-the-Rhine

Project cost - \$1,316,634

Tax credit - \$185,000

Address - 1737 Vine St.

Developer - Eric Haberthier, the Rhine Group

Details: The property could house seven market-rate residential units and restaurant users.

Central Trust Co. East Hills Branch, East Walnut Hills

Project cost - \$1,259,939

Tax credit - \$196,007

Address - 1535 Madison Road

Developer - South Block Properties

Details: A full rehabilitation could convert the structure into restaurant space. The property is the first within the Madison-Woodbury historic district to obtain a historic preservation tax incentive.

1737 Elm, Over-the-Rhine

Project cost - \$1,200,047

Tax credit - \$233,799

Address - 1737 Elm St.

Developer - Kim Starbuck and Kevin Pape

Details - Two buildings, which date back to the 1850s and 1880s, have been vacant for more than 10 years. One building is planned to house small market-rate apartments and first-floor retail space and the second building could have one apartment unit.

Rutemueller Building, Pendleton

Project cost - \$1,137,569

Tax credit - \$113,500

Address - 527 E. 13th St.

Developer - Urban Sites

Details - The vacant former grocery store and tenement-style apartments is expected to be renovated for seven market-rate apartments.

Fromm Building, Over-the-Rhine

Project cost - \$682,394

Tax credit - \$108,500

Address - 286 W. McMicken Ave.

Developer - Julie Fay

Details - The vacant Italianate building is expected to be rehabilitated to feature seven residential units. The unit with first-floor entry will be designed to be a live-work space.

Schmitthenner Building, Over-the-Rhine

Project cost - \$671,870

Tax credit - \$82,750

Address - 1527 Elm St.

Developer - Jim Uber

Details - The four-story building built in 1873 has been vacant for more than 30 years and could be rehabilitated to house seven market-rate apartments and one retail storefront.

3936 Spring Grove, Northside

Project cost - \$504,843

Tax Credit - \$71,608

Address - 3936 Spring Grove Ave.

Developer - South Block Properties

Details - The building, vacant since the 1980s, is expected to feature two market-rate apartments and space for a bar on the first floor.

205 West McMicken, Over-the-Rhine

Project cost - \$375,000

Tax credit - \$37,000

Address - 205 W. McMicken Ave.

Developer - OTR A.D.O.P.T.

Details - Vacant for more than 20 years, the property is envisioned to serve as first-floor commercial space with one three-bedroom apartment unit located on the upper floor.

320-322 North Mechanic, Lebanon

Project cost - \$315,993

Tax credit - \$51,372

Address - 320 N. Mechanic St.

Developer - Gabe Drake

Details - The first building to obtain tax credits within the North Broadway Historic District is expected to feature three rental units. The vacant multifamily building was built in 1826 and enlarged in 1858.

ABOUT THE PROGRAM

The State Historic Preservation Office reviewed each project proposal to ensure that the rehabilitation work will protect the integrity of each historic building.

Tax credits are not awarded until projects are completed and analyzed to ensure historic preservation and other standards are met. Credits can then be applied to certain Ohio taxes owed.

Here are Greater Cincinnati projects that failed to win credits -

- 1537 Race, Over-the-Rhine, applied for \$1,126,029.
- Crosley Building, Camp Washington, applied for \$5,000,000.
- Strietmann Biscuit Co. Building, Over-the-Rhine, applied for \$1,999,999.