

EXCLUSIVE: Developers to spend \$9 million on major Walnut Hills project

Oct 8, 2014, 2:34pm EDT



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Walnut Hills Redevelopment Foundation and Model Group are partnering on a multi-phase redevelopment project that will transform the Walnut Hills business district.

The project, Trevarren Flats, will start with a \$9 million redevelopment of three buildings along East McMillan Street into 30 market-rate apartments and first-floor commercial space. Kevin Wright, executive director of the Walnut Hills Redevelopment Foundation, said this project will be a catalyst for redevelopment of the neighborhood.

“It will change the idea of what people think is possible up here,” Wright told me as we walked through Walnut Hills’ business district. “It will show other investors and developers that East McMillan is a place they can invest in and be part of.”

Bobby Maly, Model Group’s chief operating officer, said the apartments will attract residents who want to live in an urban area but can’t afford downtown, Over-the-Rhine and parts of Uptown.

“Renters will get a pretty good bang for their buck,” Maly said.

Phase I of Trevarren Flats is scheduled to start in November, with construction expected to be complete by fall 2015.

The first phase will redevelop the five-story Hauck Building on the corner of East McMillan Street and Kemper Lane, the Trevarren Building, a seven-story building at 965 E. McMillan St., and an adjacent three-story building. The project will have about 50 to 60 parking spaces behind the buildings.

The apartments, a mix of one- and two-bedroom units, will be large, urban-style units very similar to what the developer is building at Broadway Square. Rents will be about \$1 per square foot. The apartments on the top floors of the taller buildings will have views of downtown Cincinnati.

The 7,200 square feet of commercial space in the first phase could be divided into five spaces, but Maly is hoping to find three users to take all of the space. Wright hopes to bring in one retail tenant for the Hauck Building commercial space that could open a restaurant in one part of the space and a bar concept in another that connects to an outdoor seating space.



Courtesy Model Group

A rendering of the first phase of Trevarren Flats shows the return of glass store fronts and activity along East McMillan Street.

Walnut Hills Redevelopment Foundation purchased the buildings in the first phase and stabilized them. Going forward, Model Group will serve as the developer, but the firm hasn't decided on who will oversee construction. Graham Kalbli – a former architect at CR Architecture + Design who started his own firm, New Republic Architecture + Planning, earlier this year – is the project architect.

Local Initiatives Support Corp. provided a pre-development loan for Trevarren Flats to help secure state historic tax credits. Phase I of Trevarren Flats is being funded by a mix of capital dollars and TIF money from the city of Cincinnati and state historic tax credits, and the rest is coming from Model Group's private debt and equity.

While the foundation has handled the majority of the work on Trevarren so far, the bulk of the work will shift to Model Group once construction starts. However, the foundation will continue to work on the project.

Wright and the foundation, a nonprofit community development corporation, have been working on the Trevarren Flats project for three years.

Two things attracted Model Group to the project.

“Walnut Hills is one of the neighborhoods that is in a prime position because of its location and proximity to downtown and Uptown. In the short-term, it's an area that has a lot of blight and negative activity. But it's positioned in the long run to reemerge as a strong asset for the city,” Maly said. “Kevin's persistence is the second reason. We're interested because they already have a much bigger vision.”

In addition to the first phase, Walnut Hills Redevelopment Foundation plans to redevelop another group of buildings on the southeast corner of East McMillan Street and Gilbert Avenue and tear down a group of buildings between the first phase of Trevarren and St. James Avenue for a new construction mixed-use building. In total, Trevarren Flats will be a \$21 million project that creates 36,000 square feet of commercial space and 78 market-rate apartments.

Wright envisions Trevarren Flats building on the interest and excitement created by the opening of Fireside Pizza in September.

Aside from the Trevarren Flats project, Wright said a number of other redevelopment projects are in the works.

“This is the beginning of starting a new story for the neighborhood,” Wright said. “Unfortunately, the area has been defined by blight and crime. This, more than anything, is the beginning of that new story.”