



Leaders at the Core of Better Communities

2015 Local Government Excellence Awards Program Program Excellence Awards Nomination Form

(All programs nominated must have been fully operational for a minimum of 12 months, prior to January 31, 2015)

Deadline for Nominations: March 3, 2015

Complete this form (sections 1 and 2) and submit with your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (select only one):

- Community Health and Safety
- Community Partnership**
- Community Sustainability
- Strategic Leadership and Governance

Name of program being nominated: The Consortium for Ongoing Reinvestment Efforts (CORE) Fund

Jurisdiction(s) where program originated: The City of Hamilton, Ohio

Jurisdiction population(s): 62,258

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented for at least 12 months prior to January 31, 2015, to be eligible. The start date [on or before January 31, 2014] should not include the initial planning phase.)

Month: December Year: 2012

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Seattle, Washington, September 2015. (Each individual listed MUST be an ICMA member to be recognized.):

Name: Joshua A. Smith

Title: City Manager Jurisdiction: The City of Hamilton, Ohio

Name: Mike Dingeldein

Title: Executive Director, CORE Jurisdiction: The City of Hamilton, Ohio

Name: Tim Werdmann

Title: Deputy City Manager Jurisdiction: The City of Hamilton, Ohio

SECTION 2: Information About the Nominator/Primary Contact

Name of contact: Shamima Jahan

Title: Fellow Jurisdiction: The City of Hamilton, Ohio

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2015 ICMA - Community Partnership Awards

Nominated Program: The Consortium for Ongoing Reinvestment Efforts (CORE) Fund

Jurisdiction: The City of Hamilton, Oh

The challenge, Program Initiation, Implementation and Costs

Hamilton is a rust belt city in southwest Ohio with 62,258 residents. Hamilton has been an industrial city for over 150 years. However, in the last twenty years, the city's paper mills have closed along with a number of other key businesses, leaving a struggling downtown behind. The closing of Mercy Hospital in 2001 caused the city lose \$400,000 per year in taxes and added fuel to the declining economy. Revitalization of Hamilton's downtown has been a concern of city leaders since the early 2000s, but all the efforts faced many challenges. Prior to 2013, few revitalization projects were undertaken. Those projects took years to develop financing and required a significant amount of financial risk. For example, the Mercantile Lofts and ArtSpace Hamilton projects took ten years to be completed. While these projects were transformative, Hamilton could not afford that much time for redevelopment. Therefore, the city needed efforts to reverse the trend of declining by timely completed and successful projects.

Often times, downtown redevelopment is speculative, which makes it harder to qualify for a conventional loan. The biggest barrier to downtown redevelopment projects is limited access to capital. Hamilton needed a proactive approach for the brighter future of its downtown. From that need, the Consortium for Ongoing Reinvestment Efforts (CORE) Fund was founded in December 2012. Its mission is to accelerate Hamilton's urban renaissance through targeted capital investments in real estate redevelopment projects in the city's downtown. It is a public-

private partnership between the City of Hamilton, the Hamilton Community Foundation, First Financial Bank, and US Bank.

U.S. Bank, First Financial Bank and Hamilton Community Foundation invested \$3 million to the CORE fund. The City of Hamilton and the Foundation invested more than \$2.4 million combined to the Strategic Acquisition Fund. The Foundation contributed an additional \$625,000 to the residential redevelopment fund. The CORE Fund is capitalized with \$6.2 million in 2014 with ultimate goal of maintaining a \$10 million revolving fund.

The original concept of the CORE was the Investment Fund to provide gap financing for projects. However, two obstacles became clear immediately. The first challenge was to get commercial properties under local control, because many large-scale properties have out-of-town owners who are not actively marketing or developing the properties. The second challenge was ensuring that there is a population to support the projects. To jumpstart Hamilton's downtown economy, the number of residents in the urban core must increase, especially homeowners. To address these issues, in 2013 the Hamilton CORE Fund added two new arms – the CORE Strategic Acquisition Fund arm for property purchase and building improvements and the Residential Redevelopment Fund arm for acquisition of historic residential property and property improvements. Now the CORE Fund consists of three funds: the Investment Fund; the Strategic Acquisition Fund; and the Residential Redevelopment Fund. The focus area is Hamilton's urban core, which includes the central business district and the immediately surrounding areas. The fund provides lower-interest capital with lengthier payback terms than traditional business loans, which go to the qualified applicants. The loan covers up to 10 percent of a project's cost. The CORE Fund not only facilitates the necessary arrangements to reduce financial risk, but also offers a strategic framework to initiate the projects.

The CORE Strategic Acquisition arm is designed to acknowledge that the first few properties may lose money, recognizing that this is what is required to jump start the economy and pave the way for future for more profitable investments. Through this arm, the Hamilton CORE Fund has purchased several key downtown Hamilton properties including the 167,000 sq. ft. former Elder Beerman store, and the 5 story former Fifth Third. The purchasing the former Elder Beerman building was not easy. This building is one of the most prominent symbols of the city's decline and getting it back into productive use would have a significant impact on the psyche of the community. However, the realtor for the building was unwilling to negotiate, resulting in a stalemate. The CORE Fund members had figured out that the owners of the property live in New York. Then they attempted to negotiate with the owner directly, as the realtor was not willing to make a deal. The owners did not even know they owned property in Hamilton and were happy to make a deal on the purchase price as long as they were able to write off the total appraised value of the property.

Since the development of the CORE Fund, seven commercial and residential properties have been purchased and then cleaned-up along with some restoration work, liens settled and environmental studies completed to prepare those for redevelopment. By reclaiming local ownership and making necessary investments that others were not willing to make, the Hamilton CORE Fund has advanced the city more in the last two years than in prior fifteen.

The CORE Fund also has helped Hamilton become more aggressive at attracting regional developers. The CORE Fund and the City of Hamilton co-hosted the city's first ever 'Downtown Developer Day' in September 2014 to showcase completed, current, and potential projects in an effort to find new developers to partner with. This resulted in 15 developers from across the Midwest visiting Hamilton and conversations with 3 are ongoing.

Tangible Results of the Program

The most important result is that for the first time, Hamilton's urban core has an organization intervening in its market failure that is equipped with the capital and willingness to take risks necessary to make an impact. One of the CORE Funds earliest projects was the purchase of the Hungry Bunny Building, which has been transformed into a home décor, and gifts shop Sara's House on High Street. The building was showing the face of an economically declining community at the city entrance. "We are consistently performing better in Hamilton as an independent store than we did in Bridgewater as part of a large shopping center," said Sara Vallandingham, the owner of Sara's House. "In turn I hope (Hamilton) gained a really great stable business and it's going to continue to flourish and encourage other businesses to do the same," she added. This success sends a message to other interested tenants and to wary owners that there is a market for development. This investment has already resulted in new private investments. Within the three months of Sara's House opening, the building next door, which was vacant for seven years, was purchased by a couple renovating it into a new restaurant.

The largest CORE Fund project is the Feb 2015 announcement that StarTek Inc., a multinational call center, has signed a lease for the top of the former Elder-Beerman building. This is their second largest center in North America. The company will be hiring immediately for 682 positions, which is the largest job announcement in Hamilton in at least a decade. This became reality only because of CORE's site control, quick, on time and flexible response.

The Residential Redevelopment Fund has found initial success in Hamilton's historic German Village on getting new homeowners into the community by purchasing a number of underutilized homes, collaborating with committed homeowners, and financing the

redevelopment costs. One family has already moved in. A major obstacle is that many of these properties need construction loans to be habitable, which are be difficult to obtain. The CORE Fund allows the homeowner to avoid the challenges of a construction loan and to obtain a traditional loan for the renovated property.

Lessons learned during planning, implementation, and analysis of the program.

The CORE Fund is Hamilton's new chapter, a new generation's approach towards the remaking of Hamilton. The CORE Fund was developed by using models from the successful urban redevelopment initiatives from across the country. For three main reasons, it was the right time to start the CORE fund. First is the fact that American cities are starting to rediscover the value of the 'urban fabric'. The second thread is the existence of a number of existing buildings that are ripe for development in a way that is less expensive and have a greater return than destroying and rebuilding. The third thread is good timing. The city has an economic development department of young, energetic and hardworking people who are very passionate to develop the city.

The Hamilton CORE Fund is executing its mission to revitalize the downtown as well as achieving the city's strategic goals. Its mission is complicated, requiring it to be fast acting, adaptive, and to employ many different strategies that are founded in a willingness to take risks, explore unconventional ideas, and challenge the status quo.

Change is not easy in a mid-size Rust Belt city and not all of the projects undertaken have been successful, but the CORE Fund's impact in downtown since its existence is undeniable. Through the CORE Fund, Hamilton is taking ownership over the future of its downtown, and for the first time in a long time, the future looks hopeful.

CORE Fund photos



Former Hungry Bunny Building at the city entrance before redeveloped by the CORE Fund, 254 High St, Hamilton, OH 45011



Current photo, Sara's House, 254 High St, Hamilton, OH 45011



Former Elder Beerman Building in 2014

150 high St, Hamilton, Oh



Former Elder Beerman Building in 2015 (rendered image)

150 high St, Hamilton, Oh



Before and after photos, 216 Buckeye St, Hamilton, Oh