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Developers roll the dice on casino-area sites

Premium content from Business Courier by Tom Demeropolis, Staff Reporter

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Developers and investors are snapping up property near the [Horseshoe Casino Cincinnati](#), even though the opening of the \$400 million project is more than a year away.

Twenty properties within a short walk of the downtown casino site have been purchased in the past year for a total of more than \$2.6 million, according to Hamilton County property records. The **Model Group**, a developer that has been working on condominium projects in Over-the-Rhine, has made the most acquisitions so far this year, buying up 11 pieces of property for a total of \$1.4 million.

Others buying up parcels nearby include former Cincinnati City Councilman [Jim Tarbell](#) and developers WMC Group LLC and Danridge Properties LLC.

Betting on residential demand

The new owners have a variety of intentions for the properties, and in some cases they aren't yet saying what those plans may entail. But the injection of investment and new ownership in this part of downtown could mean a wave of new economic development to a depressed area of the city.

[Ed Ratterman](#), senior development officer with the city of Cincinnati, said the number of properties that have already been purchased was more than he expected. At this point, the

main area of development potential is centered on adding residential spaces.

"Eventually, we expect spin-off development from the casino, mainly in the form of workforce housing in the Pendleton neighborhood," Ratterman said.

While properties are being acquired, Ratterman said he's seen no specific redevelopment plans.

Even though the properties are less than a mile away from the casino at Broadway Street and Reading Road, [Bobby Maly](#), principal with the Model Group, said the buildings its affiliate purchased were under contract before [the decision to put the casino at Broadway Commons was made](#).

Maly is betting on the increase in residential demand from casino workers who will want to live near where they work. The casino is expected to employ 1,700.

"People are not going to be living near the casino so they can walk to gamble," Maly said. "But workers, even if just a fraction want to live in housing nearby, that's a pretty powerful impact."

Model hopes to start on a renovation project before the end of next year, which would include about 60 apartment units. About half of these units are currently occupied, but as leases come up, Model is not re-renting them.

The developer is trying to figure out a way to first provide housing for existing residents and then provide housing for new residents, Maly said.

Model Group's apartment development would be along Broadway and 13th streets. It's too early to tell what the total cost of the project would be, Maly said.

"The apartment market is very strong and vacancy is way down," Maly said. "Even without the casino, our goal was to build there."

Tarbell: 'Very happy with the results'

For the better part of 40 years, Tarbell, the former owner of Arnold's and Grammer's bars, has bought and renovated a number of properties in the Pendleton neighborhood.

"My goal was to find properties that if I fixed them up, would stabilize the neighborhood," Tarbell said. "There's not very much money to be made, but I'm very happy with the results."

That was before Rock Gaming selected the Broadway Commons site to become home for the 100,000-square-foot gaming center.

"I hope it will be everything they say it will be," Tarbell said.

Tarbell has purchased three properties in the area, though he said they are not related to the casino. One, on Sycamore Street, is next to his wife's pottery studio. Another is next to his home on Broadway Street.

Tarbell wouldn't discuss his plans for a property he bought on Jackson Street in September.

Danridge Properties LLC bought two properties on Pendleton Street this July. It already owns three parcels on Danridge Street near the Pendleton Art Center.

[Gary Zakem](#), formerly with Gary Mark Custom Homes, said he's no longer [involved in building townhomes in Pendleton](#). In fact, he's in the process of selling his property within the next 60 days. He wouldn't disclose the name of the buyer and said he hasn't seen plans for the dozen properties Zakem owns on Spring and Pendleton streets.

"It will make some good property for somebody," Zakem said.

Redevelopment of the area depends on the city pitching in, Zakem said.

For its part, the city of Cincinnati has approved a development agreement [to cover more than \\$21 million in road, sidewalk and other infrastructure improvements](#) around the Horseshoe Casino Cincinnati. The city will pay for nearly \$17 million in improvements to Reading Road, Broadway and Court streets and Gilbert Avenue. The city also will spend \$4.6 million for street upgrades in the Pendleton area, adding trees, paving stones, public plazas and public art.

As for development between the central business district and the casino site, Maly said that's where retail development is likely.

Space southwest of the casino site could be a challenge, though, said Ratterman, because of [the location of the Hamilton County Justice Center and courthouse facilities](#).

"Maybe the casino will be an incentive," Ratterman said. "Maybe it's enough momentum to tip that to making it more valuable as a development than as a parking lot."

Demeropolis covers retail, real estate, Kroger and Macy's