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Cincinnati's Streetcar and a Downtown Revival.

By the time the first passengers boarded Cincinnati's streetcar in September, its advocates had already been on a wild 15-year ride that included surviving two ballot initiatives to derail the project.

With political battles now largely in its rearview mirror, the streetcar has arrived at a key time in Cincinnati, where a revival of the city center is already well underway. The streetcar logged its first 250,000 rides in just over two months, helped by curiosity over the streetcar and an ongoing real estate development boom in the neighborhoods along the 3.6-mile (5.8 km) route: the Banks, downtown, and Over-the-Rhine.

"They had the paddles out on the operating table," longtime streetcar advocate John Schneider says of its several near-death experiences. "It's been a long effort to bring rail here. The politics were ugly, but once the politics got out of it, the result was really good."

The Cincinnati Bell Connector—the streetcar's formal name, thanks to that company's ten-year, \$3.4 million naming-rights deal signed in August—began clanging through Cincinnati's streets at a time when construction continues ramping up in the city center. There has already been about \$1.5 billion in public and private investment along the figure-eight streetcar route in the past five years, says Harry Black, city manager.

"All of these things working together have propelled us to a point of critical mass," Black says of efforts to enliven the city center. "I believe we're just at the beginning of that critical mass. The streetcar is one of those major elements, but it's not the only element."

The \$1.5 billion figure includes the \$148 million streetcar project, about \$45 million of which was funded by federal grants. Long before the city-owned streetcar was a sure thing, other efforts were underway to spruce up the city's core, starting with major investments in the Banks, an area along the Ohio River near the Cincinnati Reds' ballpark and the Bengals' football stadium. That area is on the southern tip of the streetcar line.

Perhaps most dramatic has been the gentrification of Over-the-Rhine, a one-time German enclave that in more recent years had become notorious as one of the nation's most dangerous neighborhoods. It is at the northern end of the streetcar route.

Cincinnati Center City Development Corp., a nonprofit real estate development and finance organization known to locals as 3CDC, has completed \$1.1 billion in real estate projects in the past decade in Over-the-Rhine and downtown, says executive vice president Adam Gelter, who oversees all of 3CDC's real estate development. That includes the purchase and rehabilitation of more than 250 dilapidated buildings, many of them with Italianate architecture, as well as larger projects such as a \$48 million overhaul of Washington Park.

Over-the-Rhine is now known for breweries, boutiques, Findlay Market, bars, and restaurants. 3CDC and others are focused on attracting a broader range of retail to the area, as well as rehabbing broad areas of Over-the-Rhine still in disrepair.

“The streetcar is a strong complement to efforts we’ve already been making to build up the retail in Over-the-Rhine,” Gelter says. “Being able to get more people here is ultimately what’s going to attract retailers.”

Cincinnati had been without a streetcar since 1951, and in the decades since many residents moved to areas outside the city’s core or to suburbs. Cincinnati became more and more driving-centric.

Schneider, known to many in Ohio’s third-largest city as “Mr. Streetcar,” has lived downtown for 40 years. He began pushing municipal officials to pursue a streetcar in 2001, and by 2007 the city began formal planning.

Streetcar proponents fought back votes to kill off the idea in 2009 and 2011 and overcame several other obstacles—including Ohio Governor John Kasich pulling \$52 million in state funding over doubts about the project’s potential economic impact in 2011.

In the early going, the Cincinnati Bell Connector has encountered glitches including difficult-to-use ticket machines, and the initial ridership numbers have declined, particularly on weekdays and as the weather has gotten colder. Because traffic lights are timed for an east-west flow and the streetcar travels north and south, the streetcar also often becomes bogged down in traffic.

While solutions to those issues are examined, longer-term challenges also loom. Cost estimates and potential funding sources for potential expansions of the route have yet to be determined. Expansion likely would be targeted for uphill to the University of Cincinnati or across the river to Newport, Kentucky.

Despite early hiccups, the streetcar’s usage rate has been a pleasant surprise, says Derek Bauman, southwest Ohio director and vice chair for statewide transportation advocacy group All Aboard Ohio.

“We’ve blown projections out of the water, especially on the weekends,” says Bauman, who lives in Over-the-Rhine. “It’s part of the revival of the city center. There’s just a buzz, and people are out on the streets. There are families with strollers, which wasn’t the case four or five years ago.”

Anecdotally, streetcar riders are a diverse mix that includes young professionals, families, empty-nesters, and out-of-towners staying in nearby hotels, Schneider says.

“It’s not all millennials,” he says. “A friend told me he’s seeing more hip replacements than hipsters on the streetcar.”

It is too early to assess the long-term economic impact along the streetcar, but property values already appear to be on the rise, according to commercial real estate brokerage CBRE. In 2012, developers were paying an average of \$17 per square foot (\$183 per sq m) for adaptive-use buildings in Over-the-Rhine, says retail broker Chris Hodge, a CBRE senior vice president. By late 2015 and early 2016, the average had risen to \$78 per square foot (\$839 per sq m), he says.

“I think the biggest impact the streetcar has had is in Over-the-Rhine,” Hodge says. “The development really started on the east side of Over-the-Rhine, and now it’s moving west and north.”

Rhinegeist Brewery, which opened in a former Christian Moerlein Brewing bottling plant on Elm Street in 2013, is one business likely cashing in on the streetcar. President and cofounder Bob Bonder says that revenue from visits to the brewery is up more than 30 percent in 2016 from last year.

“I couldn’t tell you how much of that increase is due to the streetcar and how much is us being a

new, fresh brand three years into existence,” Bonder says. “But all you have to do is stand there and watch the streetcar to see that, wow, this is working. It seems like every time the streetcar stops by, it drops off 20 people and picks up ten.”

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By Ryan Ori

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