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## Tower project cost going up

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Port Authority to issue bonds

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Details of how Western & Southern Financial Group will fund construction of Cincinnati's tallest office tower have emerged in a city memo about the project.

The document says that the project's cost has risen from original estimates of \$300 million to about \$322 million and that the bulk of the financing will come from bonds arranged by the publicly funded Port of Greater Cincinnati Development Authority.

When the 41-story Great American Insurance Building at Queen City Square was announced in December, Western & Southern executives said the financing would probably mirror that of an adjacent building that opened at 303 Broadway in 2005. That property was financed with proceeds from bonds issued by the port. Western & Southern eventually bought those bonds and is now responsible for making interest payments on them.

That blueprint will be followed for Queen City Square, said Mario San Marco, president of Eagle Realty Group, Western & Southern's real estate development arm.

Western & Southern will bring \$40 million in equity to the deal, and will buy \$225 million worth of bonds issued by the port authority as well as \$54 million in tax-increment financing, or TIF bonds, issued by the city of Cincinnati. In all, the company will be responsible for \$319 million of the construction costs.

The city will kick in another \$3.75 million for new sidewalks and other infrastructure around the project, which will include a 1,700-space parking garage and retail space and will rise 86 feet higher than the Carew Tower, Cincinnati's tallest structure.

City Council's finance committee voted 4-3 on Monday to recommend lease transfers associated with the deal to the full council, which could vote as early as today on that measure. Council must approve the financing arrangements separately, San Marco said.

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