

THE PLAIN DEALER

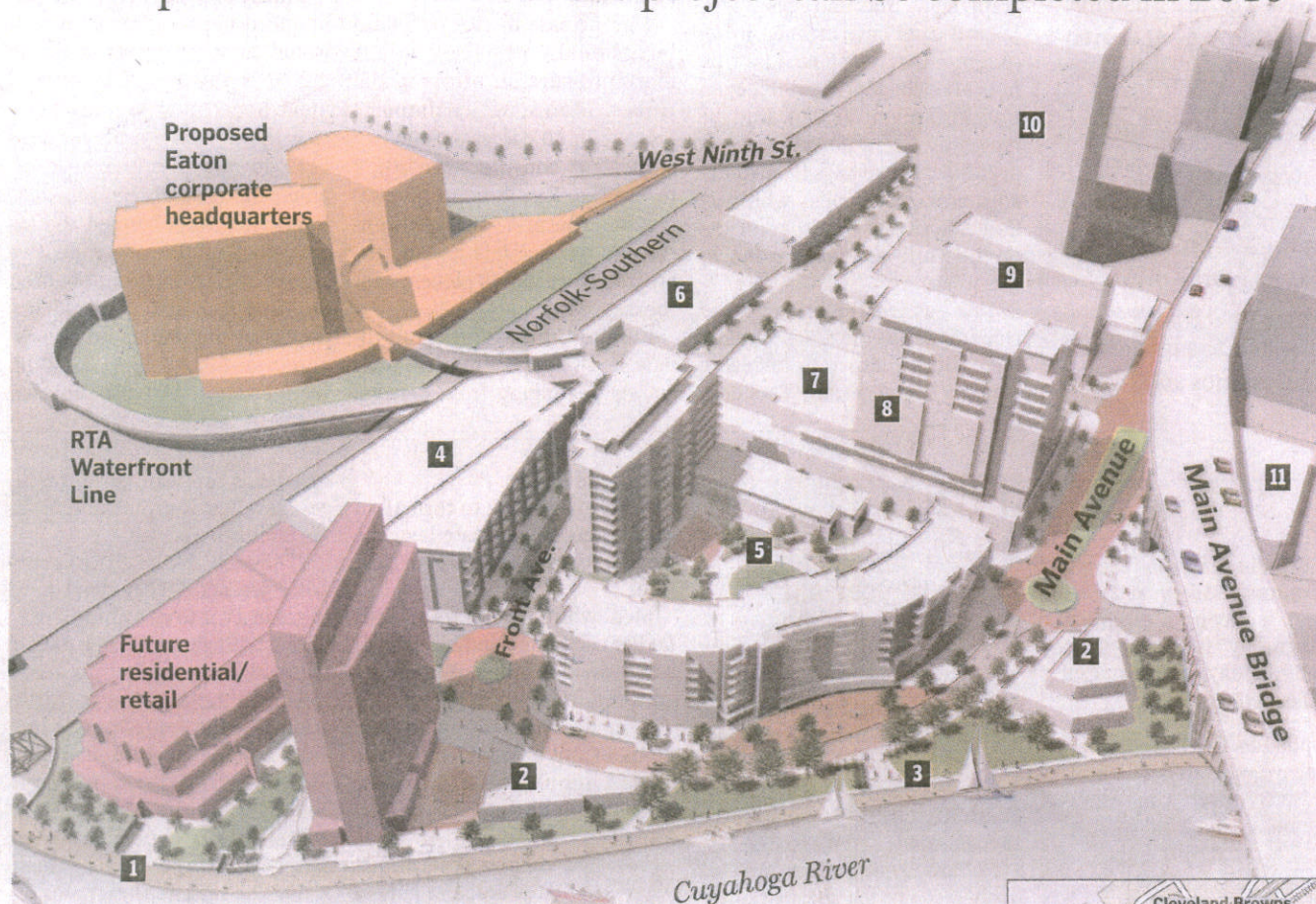
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CLEVELAND DEVELOPMENT

BIGGER PLANS FOR THE FLATS

Developer believes much of the project can be completed in 2010



- 1 1,200 lineal feet of new public boardwalk
- 2 Riverside dining and entertainment
- 3 New riverfront public park and event venue
- 4 Residences over galleries and boutiques

- 5 Residences with landscaped roof garden over restaurants and specialty shops
- 6 27,000-square-foot gourmet market
- 7 Ten-screen cinema with dining and entertainment

- 8 150-room European-inspired boutique hotel with high-end condos above
- 9 Residences over neighborhood retail
- 10 20- or 21-story Class A office building
- 11 Entertainment venue

Drawing shows size and location of buildings, but the final design has not been released.

SOURCE: Image and information: Forum Architects; ESRI: TeleAtlas



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MICHELLE JARBOE | PLAIN DEALER REPORTER

A developer's vision for the east bank of the Flats has grown dramatically, driven by demand for new downtown space for offices, hotels and other businesses.

A project expected three years ago to cost \$230 million now has a price tag twice as high. Plans for 300 residences have become designs for 430 apartments, lofts and condominiums. And a single office building has been transformed into a possible lakeside corporate campus, plus a 20-story tower on the edge of the Warehouse District.

"I am very optimistic that this is going to be much more spectacular than I had originally envisioned," said developer Scott Wolstein, who is rebuilding a chunk of the Flats with his mother, Iris, and Cleveland-based Fairmount Properties.

The \$522 million budget includes about \$147 million in

public funding to help build a vibrant residential and business community where the heart of Cleveland's nightlife beat more than a decade ago.

The project is among more than a dozen that planners hope will energize the central city and attract thousands more people to downtown living.

Updated plans for the east

bank show new roads and curved buildings that direct attention to the water, where a public park frames a view of the Cuyahoga River and leads to pedestrian access along a 1,200-foot boardwalk.

Most of this — all but a pair of residential buildings at the northwest corner of the site — could be finished by late 2010,

the developers said.

That's an aggressive schedule, one that surprised members of the Cleveland City Planning Commission when they got their first look at the new plans Friday.

Their comments largely were favorable, but officials did allude to some concerns.

SEE FLATS | A3



GUS CHAN | PLAIN DEALER FILE PHOTOGRAPH

This picture from March 2007 shows demolition of part of the east bank of the Flats.

FLATS

FROM A1
Bigger plans for the Flats

They were particularly concerned that the large development will poach businesses from other parts of downtown. Some downtown boosters also worry that existing businesses will suffer in the face of a new movie theater, gourmet market and shops. Others insist that office space is not the best use of waterfront property.

Creating a blend of businesses and homes all at once is essential to building a center of round-the-clock activity that will help invigorate downtown, Adam Fishman of Fairmount Properties said during an interview.

"I think the more we studied the great waterfront urban districts in the world, the more we came to believe that for this project to help redefine the future of the city, it needed to have a real critical mass," Fishman said.

That means bringing together about 975,000 square feet of offices — nearly half of which could be a two-building corporate campus for manufacturing giant Eaton Corp. It requires opening about 300,000 square feet of shops and restaurants.

And it involves building about 240 apartments and about 190 homes — for sale starting at roughly \$200,000 and heading into the millions for one of the luxury condos perched atop the hotel. Rental rates for the apartments are not yet available.

Wolstein seems confident that he can fill the space, though he said it's too early to tell how many people are interested in condos and apartments. Leasing talks with retailers are going well, and developers are in advanced negotiations over the hotel, market and movie theater, he said.

On the office front, law firm Tucker Ellis & West LLP plans to move to the Flats from the Huntington Building. Ernst & Young, also currently in the Huntington Building, is looking at Wolstein's office tower, though the accounting firm has made no announcement about where — or whether — it will move. And talks continue among the developers, Eaton and the Cleveland-Cuyahoga County Port Authority, which owns the land where Eaton might build.

"Our objective has been to at least gain some sort of site control in discussions with the port so we can sit down with Eaton and hammer out a deal," Wolstein said, "and I think we're just about there."

cleveland.com/flats



A look at the newest plan for reviving Cleveland's downtown entertainment district

In fact, the Flats project has garnered so much attention from downtown office tenants that some people worry about the future of existing office buildings. The city, which will need to approve the growth of the office and residential parts of Wolstein's project, has asked the developer to allot no more than 250,000 square feet of the office tower to large tenants who are already downtown.

That restriction, which could last three years, is still under discussion, said Chris Warren, the city's chief of regional development.

Wolstein said he does not need another large office tenant if the deals he's discussing come through. And he believes companies might move from the suburbs to downtown buildings if major tenants move around in the center city, to the Flats and other proposed office projects.

David Browning, managing director at the CB Richard Ellis brokerage office in Cleveland, said the timing, location and mix of uses in the Flats project have given Wolstein an advantage over other developers pitching large downtown developments.

"This project seemed to hit at the best time, when all of a sudden there's multiple tenants that are out there in the market, that have real requirements," said Browning, whose firm represents a handful of downtown office tenants who might move.

"It was further along," he said.

"They had done all of the detail work related to things that you and I don't care about, like sewers. But you've got to get that figured out."

Developers including Bob Stark, the Richard E. Jacobs Group and the K&D Group have proposed office buildings, either standing alone or as part of larger projects. Real estate brokers say there probably is room for one or two other new office buildings downtown during the next few years.

Potential competition isn't ruffling Wolstein, who maintains that any other downtown growth will be good for the Flats.

"We do live in a capitalist society," he said. "That's how markets work, and people compete and people make decisions based on what serves their best interest both functionally and economically. We're not afraid of competing on a level playing field with everybody else."

"We think what we're offering is pretty spectacular."

Demolition of the remaining buildings along the east bank could start within 30 days, followed by grading of the property. Foundation work for a residential building near the river and the office tower could start before the end of summer.

The Wolstein Group and Fairmount Properties hope to release details about their building designs within the next few months. The developers are working with NBBJ, Cleveland-based Forum Architects, RTKL, Lakewood-based Dimit Architects and Eppstein Uhen on architectural and design aspects of the project.

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