

Project Profile

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Project Name Cleveland Historic Warehouse District Location Cleveland, OH
Owner Public and Private
Project Use(s) Residential, Commercial and Retail
Project size Nine square blocks Total Development Cost \$125,000,000
Annual Operating Budget n/a
Date Initiated 1982 Percent Completed, December 1, 1996 65%
Project Completion Date: Ongoing rehabilitation & new infill development,
approx. completion, 2005

Application submitted by:

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Key Participants

<u>Organization</u>	<u>Key Person</u>	<u>Telephone</u>
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<u>Cleveland Landmark Commission</u>	<u>Robert Keiser</u>	<u>216/664-2531</u>
* <u>Developers</u> <u>Landmark Properties, Inc.</u>	<u>Robert N. Rains</u>	<u>216/781-8510</u>
<u>The Alexander Company</u>	<u>Randy Alexander</u>	
* <u>Professional consultants:</u>		
<u>Architects</u> <u>Sandvick Architects</u>	<u>Jonathan Sandvick</u>	<u>216/621-8055</u>
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<u>Planner</u> <u>Cleveland Planning Commission</u>	<u>Robert Brown</u>	<u>216/664-2210</u>
<u>Lawyer</u> <u>Arter & Hadden</u>	<u>Lee A. Chilcote</u>	<u>216/696-2297</u>
<u>Other</u> <u>National City Bank, Real Estate Div.</u>	<u>James Evans</u>	<u>216/575-2059</u>
<u>The John P. Murphy Foundation</u>	<u>Herbert Strawbridge</u>	<u>216/623-4770</u>
<u>The Lee & Katherine Chilcote Found.</u>	<u>Lee A. Chilcote</u>	<u>216/696-2297</u>
* <u>Community Group(s)</u> <u>Committee for Public Art</u>	<u>Kathleen Coakley</u>	<u>216/621-5330</u>
<u>Living in Cleveland Center</u>	<u>Anda Cook</u>	<u>216/781-5422</u>
<u>Cleveland Tomorrow</u>	<u>Joseph Roman</u>	<u>216/574-6276</u>
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* <u>Sponsor</u> <u>Historic Warehouse District</u>		
<u>Development Corp of Cleveland</u>	<u>Katherine Boruff</u>	<u>216/344-3937</u>

Please indicate how you learned of the Rudy Bruner Award in Urban excellence. (Check all that apply)

[x] mailing [x] media [] previous RBA entrant [] other

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Signature Kathleen Bernoff, Ex. Director, HWSAC

Abstract

Project Name Cleveland Historic Warehouse District
 Location Downtown Cleveland, West of Public Square, above the Cuyahoga River Flats, and Lake Erie to the North

1. Describe briefly the project's design and implementation.

With the approval of the Historic Warehouse District as a local Landmark and a National Register District in 1982, the historic preservation community began the process of saving Cleveland's oldest commercial buildings. A decision was made through master planning to convert this blighted, vacant Victorian commercial district into a vibrant residentially based neighborhood in the heart of downtown.

In 1991, as a result of the use of historic tax credits, rental market studies and the city of Cleveland's creative use of UDAG funds and other HUD funding sources, adaptive reuse housing projects began in earnest. Over the last four years:

- * 1,000 apartments in 16 vacant warehouses and 9 new buildings have been added to create a neighborhood with a residential base of 1,500 people.
- * Active proposals in the financing stage will add an additional 322 housing units and another 500 residents.
- * The success of the Warehouse District residential development has spurred similar development in other parts of downtown Cleveland.
- * In addition to housing, retail shops, restaurants, jazz clubs, and commercial tenants continue to seek out the Warehouse District as a unique place to work and play (see color brochure).
- * 30 buildings with a total of \$125 million in private and public investment have transformed the 9 block area

2. What local urban issues did this project address? What were its goals? Were there issues that, in your judgement, might have been addressed but were not?

The major local urban issues addressed through the revitalization of the Warehouse District are:

- * Protecting Cleveland's heritage through adaptive reuse of its oldest commercial buildings
- * Creating a vibrant mixed use residential neighborhood in the heart of downtown with a critical mass of 1,500 residents
- * Cleaning up slum and blight in downtown caused by under utilized older buildings and waning businesses
- * Adding market rate housing in a city which has become predominately lower income
- * Attracting middle class people back to the city

The goals reached as a by-product of creating a successful neighborhood are:

- * Creating new jobs in retail service and commercial businesses to the city
- * Attracting jobs back to the city from the suburbs
- * Attracting suburbanites to downtown for club and restaurant entertainment in a safe, clean environment
- * Adding tax revenue to the city to help rebuild the financial base
- * Creating neighborhood diversity through for sale housing, market rate and affordable apartments
- * Providing neighborhood services like small markets, coffee houses, dry cleaning in downtown
- * Creating green space in and around the neighborhood for residents and workers to enjoy
- * Attracting new residents into Cleveland, moving from out of state and outside of the region, who are looking for an urban lifestyle.

Issues we are still working on include ensuring there is adequate parking for residents and neighborhood visitors

in a town which is car driven; providing security and street cleaning to create a uniform level of service through the district. A business improvement district is currently being formed as well, led by the apartment building owners to self assess for clean and safe activities.

3. *Describe the financing of the Project. Do you think it could be replicated?*

The City of Cleveland, Cleveland Tomorrow and the Historic Warehouse District Development Corp. have been instrumental in supporting the renaissance of the city's first neighborhood into Cleveland's newest residential neighborhood. Through financial incentives and design controls, these organizations enticed local developers to convert old warehouses to retail, commercial and residential uses. Incentive packages for rehabilitation included:

- * Syndicated historic tax credits on every building rehabbed to date
- * City tax abatement on the all projects which include housing
- * Low interest city loans for gap financing from UDAG redirect and loan repayments, HUD Section 8 loan guarantees, city and county bond authorities
- * City CDBG storefront grants
- * Cleveland Tomorrow low interest loans for gap financing
- * Streetscape and greenspace improvements
- * Street cleaning
- * Market studies showing the demand for and the absorption rate of downtown living opportunities
- * Advocacy on behalf of individual projects to local lenders for construction and take out financing
- * Marketing of vacant retail, commercial and apartment space

In addition, these organizations are currently taking the lead on building the first new construction town housing in downtown Cleveland in over 100 years on the parking lots and vacant parcels in the Warehouse District. Yes, the Warehouse District model can be and is being replicated in other parts of downtown Cleveland and other cities in the Midwest

4. *Why does the project merit the Rudy Bruner Award for Excellence in the Urban Environment?*

- * The creation of a residential neighborhood where one did not exist for over 150 years
- * The successful private/public partnerships which together created this unique neighborhood in Cleveland to live, work and play
- * The city's creative use of the old UDAG funds to leverage adaptive reuse projects in close proximity to each other and its continued commitment to stabilizing the neighborhood through HUD Section 8 and CDBG funds
- * Cleveland's oldest commercial and warehouse buildings, dating from 1850 were protected and enhanced
- * The faith Cleveland's business community had to have to undertake the initial projects and the faith it took to continue to develop old buildings. The reward is a low financial rate of return, but a strong sense of pride in saving a building and creating a neighborhood.

COMMUNITY REPRESENTATIVE PERSPECTIVE

This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

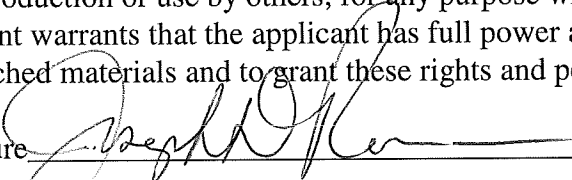
If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provide.

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E-mail #

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1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?

Cleveland Tomorrow's commitment to downtown housing began in 1986. Early on, the founders of Cleveland Tomorrow recognized the tie between downtown viability and downtown housing in order to create and sustain a healthy downtown. Cleveland Tomorrow created the Cleveland Development Partnership (CDP) in 1988 as its for-profit funding vehicle for downtown and neighborhood projects. CDP is now capitalized at over \$65 million with investments from Northeastern Ohio companies and foundations. CDP was a pioneer lender in the Warehouse District. Since 1992, it has invested \$3.75 million in five projects, mobilizing millions of dollars from other private investors. Cleveland Tomorrow was also heavily involved in the Civic Vision 2000 project, which targeted the Warehouse District for development. Cleveland Tomorrow also played a pivotal role in encouraging the Historic Warehouse District Development Corporation (HWDDC) to take on an intensive downtown marketing housing analysis in 1991 to determine the feasibility and demand for housing in the Warehouse District.

2. From the community's point of view, what were the major issues concerning this project?

The Warehouse District was one of the first projects in the late 1980's/early 1990's that attempted to draw and keep downtown residents. Building a sustainable downtown meant building a sustainable neighborhood with people living, dining, playing, shopping and BEING downtown. The District had to deal with varied perceptions of crime downtown. Many people had stopped coming downtown and had to be re-educated about the positive attributes of the Warehouse District. Banks and lenders perceived the District, and downtown in general, as too high of a risk. In the 1980's, disinvestment in downtown occurred as suburban development grew.

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3. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?

In order to pay back the debt on the projects, attracting higher-income residents was part of the strategy to build a neighborhood of residents with disposable income to live in the Warehouse District. This strategy has also led to the creation of many downtown amenities, as District residents have enough disposable income to demand them. Following this strategy has created the possibility that the Warehouse District community is more transient than other Cleveland neighborhoods, as residents are generally younger and single. The Warehouse District is a renter's market -- but at this point in time Cleveland Tomorrow (through CDP) is starting to catalyze lending for a buyer's market. What would we have done differently? Even though we are now encouraging a less transient neighborhood through the development of for-sale housing, perhaps we could have initially worked harder to encourage more families to move downtown. This might have helped to create a true neighborhood atmosphere with a better opportunity to build a downtown school as the anchor for families who choose to live in a sustainable downtown neighborhood.

4. How has this project made the community a better place to live? Why should it win this Award? Please be as specific as possible.

There are now people downtown in the Warehouse District living, dining, shopping and playing where there were once old, abandoned warehouses. People from around the region, as well as the world, are returning to Cleveland now because of developments like those in the Warehouse District. The structures that have been rehabilitated are gorgeous -- people are attracted to the uniqueness of their style. All of the projects that CDP has lent money to, such as the Perry-Payne, 425 Lakeside, and The Grand Arcade II, have been tastefully rehabilitated to take into consideration the history of Cleveland's downtown as well as the needs of the market. Downtown is a safer, cleaner and livelier place to be because of the Warehouse District. The redevelopment of this area acts as a catalyst for many other downtown developments--both commercial and residential. The spin-off from this success story can be felt in other Cleveland neighborhoods; the private sector is taking another look at projects that it once perceived as too risky and is now slowly starting to invest its money into neighborhood housing and economic development projects.

5. If a community group came to you for advice in carrying out a similar project, what would you tell them?

Know your market. For something of this scope to be successful, you've got to know who will demand your product and how you are going to supply it. Co-opt a broad, yet realistic, body of support. Include the community in your process--not just folks who live in your target neighborhood, but those who work there and could potentially live there. Learn to communicate your vision as well. If people felt as though they are a part of the process, they'll be more willing to work for it. Work diligently to encourage a public-private partnership whereby all sides are committed and dedicated. To achieve success, it is important to bring together those parties with the ability to make it happen.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The continued, comprehensive development in the Warehouse District--not just renovation of old buildings into housing, but commercial space as well. There will be a lot of activity during both the day and night -- it will continue to attract people for dining and leisure activities. More private investors will take on projects in Cleveland neighborhoods that are now devoid of investment because of perceived and real risks. The success of the Warehouse District will be the reason for this change. People will want to raise their kids in the District as it will be considered a safe and unique place to live and stay.

Rudy Bruner Award

Kathleen H. Coakley
Committee for Public Art
1220 W. 6th Street
Cleveland, OH 44113
FAX (216) 621-5423

Executive Director
(216) 621-5330

Signature Kathleen H. Coakley

1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?

Our organization was started because of the redevelopment activities in Cleveland's Historic Warehouse District. We began in an alternative space gallery (SPACES) which moved to the Warehouse District during the time I served as President of the Board of Trustees (1983). The gallery became the gathering place for many diverse interests: artists who led the way (illegally living in loft studios), developers, architects, long-time merchants (wholesalers of cravats and the like), and social service organizations (City Mission, Legal Aid Society). We formed a separate ad hoc group by the catchy name of the Committee for Public Art in the Warehouse District (now Committee for Public Art or CPA), to bring artists into the equation in rebuilding the neighborhood. Over the last ten years, I have also served as a Trustee of the Historic Warehouse District Development Corp, which has played the essential role in coordinating individual and collective efforts to greatest effect. As a Trustee, I also served as a member of the Design Review Committee which evaluates and guides all aspects of design related to the District's historic status.

2. From the community's point of view, what were the major issues concerning this project?

From CPA's perspective, our major issue was developing model projects that assembled a diverse range of players (artists, architects, historians, merchants, residents, city officials) to create vision, momentum, insure artistic excellence and the neighborhood buy-in to insure that projects get done. We successfully obtained funding from local and national sources, and were especially proud of funding from the National Endowment for the Arts. Trust was also a big issue. We were very pleased to work with artists of

exceptional skill, not only artistic skill, but the savvy to listen to all view points, explain visions and create the excitement necessary to bring people along.

3. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?

Over the last ten years, in our work in the Historic Warehouse District, a broad range of ideas have been proposed. Some of these were accomplished, some were not. The parts of projects that weren't adopted were sometimes due to financial constraints, but often were abandoned because of different priorities--of the City, developers, community activists and designers.

4. How has this project made the community a better place to live? Why should it win this Award? Please be as specific as possible.

CPA completed six projects in the District. All of them have added greatly to the unique quality of life in this neighborhood. They have been thoughtfully conceived and executed and have resulted in a great sense of pride.

W. 6th Streetscape. Artist Buster Simpson's sandstone seating elements provided an identity and a place to gather and sit in the area--where there was no public space. His greatest accomplishment was claiming the street for everyone--not just the owners of the buildings fronting on the streets.

Hidden City Revealed. This planning process brought together artists, archaeologists, botanists, city planners and developers to masterplan around sites and elements with historic significance. It resulted in a roadmap for the future for developers, marked what was significant, produced a self-guided walking tour as well as related free tours, and led to the development of a park on what was a landmark site turned junkyard.

Viaduct Gateway Garden. With one of the most commanding views of the riverfront, this forgotten site was reclaimed as a unique urban park. A design team of botanists, artists, planners, and landscape architects developed a plan to peel away layers of history, while adding minimum verbiage that told the history as a series of subtle clues--allowing for visitors' leisure discovery.

Signs of Life. Pedestrian-scale sidewalk signs enlivened W. 6th Street and allowed merchants to change their daily messages. 12 movable signs were designed through a unique collaboration of artists and ground-floor

merchants.

Art Behind Bars was a temporary exhibit space utilizing two windows in an immense empty warehouse on the main pedestrian path to the city's entertainment district. Two years of programming allowed individual artists and collaborative teams to experiment with messages and media, and added considerably to the street level interest of the building and its environs.

Romancing the District was an annual benefit fundraiser that drew suburbanites downtown and highlighted the art and architecture of the District. It drew urban pioneer types, young and old, who were looking for a unique area in which to live, or who wanted to celebrate old memories in a fresh context. It was a great means of spreading the word and fostering the idea that the Warehouse District was everyone's district, the first neighborhood in Cleveland.

The overall redevelopment planning of the Warehouse District, as facilitated by the Historic Warehouse District Development Corp is an award-winning project. It brought together many "highly-suspicious of each other" interests and made it all work. The project has ramifications across the country, but in my view, most importantly, it has shown people in this city what could be done, and is a model for the rebuilding of neglected neighborhoods throughout Cleveland.

5. If a community group came to you for advice in carrying out a similar project, what would you tell them?

Embrace the arts and artists with open arms. The creativity and problem solving with which they approach any issue works beautifully in rebuilding a neighborhood. Their efforts provide a sure-fire and relatively inexpensive way of forging an unique and powerful vision for a district. Under our umbrella (and others) we tried everything--and it all added up to a much greater whole--from performance art, music presentations, changing store front installations, to a new park--there was an immediate sense of vitality that attracted great notice. Embrace history the same way. By going back to the city's roots, any efforts related to making history visual, preserving and restoring buildings, and reenacting events, gave people accessibility to what was going on. Greater Clevelanders feel this neighborhood is theirs. Ultimately, they have a stake in our success.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The immediate answer is: more buildings renovated and full. And full of residents in higher proportion to businesses. This happens in annual increments. Actually it has been five years, twice over, since these efforts began in earnest. The artistic and historic vision of the District has persevered as well. There are new players and new visions, a very healthy sign of the momentum that continues.

COMMUNITY REPRESENTATIVE PERSPECTIVE

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If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

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Signature Thomas J. Yablonsky

1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?

The Growth Association's Director of Downtown Development was a founding board member of the Historic Warehouse District Development Corporation (HWDDC). The Director was a funder and participant in numerous Warehouse District studies: the 1993 Comprehensive Development Plan; the 1991 Housing Demand Study; and numerous individual building redevelopment feasibility analyses including those done for the National Terminal Building and Bardons and Oliver Building.

2. From the community's point of view, what were the major issues concerning this project?

The Warehouse District was and is the initial and best area to create a downtown neighborhood in Cleveland. Both adaptive reuse and housing efforts in the central business district are complex projects. Hurdles involving finance, building codes, protection of historic properties and design sensitivity are some of the many challenges faced by HWDDC.

3. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?

The Warehouse District's redevelopment has been a long term success. Design excellence has been a constant goal. The speed of development is a trade-off for rigorous and comprehensive design review. From the Chamber of Commerce perspective, winning complete civic, lender, and business support was a

long term process for the Warehouse District. That was why we viewed it important to fund the development studies that were the catalyst for housing efforts in the District.

4. How has this project made the community a better place to live? Why should it win this Award? Please be as specific as possible.

The Historic Warehouse District's redevelopment serves as a model for other communities. Cleveland is a leader among cities of its size in initiating new downtown housing through adaptive reuse, historic preservation and compatible new construction. What started as a grassroots efforts to combat the destruction of historic structures turned into a unified community effort that involved civic, political and corporate players to build a new center city Cleveland. This process has allowed a similar effort to start in another downtown area (Historic Gateway). The Warehouse District's success has been a learning laboratory for other development districts.

5. If a community group came to you for advice in carrying out a similar project, what would you tell them?

- 1). Set big goals; they inspire vision.
- 2). Don't compromise design; quality counts.
- 3). Be a consensus builder. Rebuilding cities is a long iterative process.
- 4). Don't be shy about stating your case. It is key to attracting investment.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

HWDDC is building a new downtown neighborhood. Success will be judged by continued housing growth, especially in the form of new construction and for-sale housing to complement historic adaptive reuse. Success will also be judged by the "pulse of the street." The vitality of the District is palpable. That feeling should even be stronger in five years as complementary commercial and retail uses become more fully developed.

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Name Anda S. Cook

Organization Living in Cleveland Center

Address 1530 St. Clair Avenue, Cleveland, OH 44114

FAX (216) 781-3994

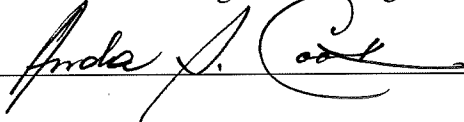
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1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?

The Living in Cleveland Center's mission is to promote Cleveland neighborhoods as viable residential choices. The development that has occurred in the Historic Warehouse District represents a successful rehabilitation of underused and vacant warehouses into desirable dwellings that add to the total revitalization efforts of urban Cleveland.

2. From the community's point of view, what were the major issues concerning this project?

Since downtown Cleveland had only a couple of residential buildings prior to the projects developed by the Historic Warehouse District Development Corporation, comprehensive attention needed to be given to preserving architectural integrity in the conversion process, attracting an economically and demographically mixed population, and creating an environment with amenities to serve the residents.

3. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?

In hindsight, it is amazing how well all the steps were planned. A cooperative process involving a broad community base and a professional staff contributed to a gradual emergence of a residential neighborhood where one did not exist before. The Living in Cleveland Center's primary role is to provide homeseekers with information about residential choices in the area, and monitoring consumer responses.

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4. How has this project made the community a better place to live? Why should it win this Award? Please be as specific as possible.

Over the years, cities around the country have experienced outward migration that has created a distressed core that negatively impacts the greater metropolitan area. While formerly used residences can effectively be replaced with newly constructed homes or rehabilitated, the demolition of unused industrial buildings in the heart of the city is economically inefficient and would rob the community of aesthetic and historic presence. The magnitude of the project can be measured by its impact on the Greater Cleveland community: the preservation of historic buildings, the creation of residential space that add a new dimension - residential downtown - as a neighborhood different from all others, and supportive services for new residents.

5. If a community group came to you for advice in carrying out a similar project, what would you tell them?

I would tell them to contact the Historic Warehouse District Development Corporation.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Several neighborhoods benefiting from major renewal efforts, unfortunately, have returned to their formerly dilapidated states. This can be observed from lack of building and grounds maintenance, but, most importantly, from decline for the units. In the Historic Warehouse District, continued improvements, responsible maintenance, and increasing demand would represent measures of success.

DEVELOPER PERSPECTIVE

This sheet is to be filled out by the person who took primary responsibility for project financing or is a representative of the group which did.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Randy Alexander Title President
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1. What role did you or your organization play in the development of this project? Describe the scope of involvement.

See Attached

2. What, if any, modifications were made to the original proposal as the project was developed? What trade-offs or compromises were required during the development of the project?

See Attached

3. What, if any, innovative means of financing the project were used?

See Attached

DEVELOPER PERSPECTIVE

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**1. What role did you or your organization play in the development of this project?
Describe the scope of involvement.**

The Alexander Company served as the developer, architect, construction manager and will assume the long term role of property manager on the \$28 million renovation of the historic National Terminal Building. 249 high quality apartment homes for families with a variety of income levels and 9000 square feet of prime, ground floor commercial space will be available. The scope of our activities included: undertaking feasibility analyses and market study; identifying and procuring a complex financing package in cooperation with the City of Cleveland and Cleveland Tomorrow; acquisition of property; responsibility for architectural design; acting as architectural consultant to nominate the building for the National Register of Historic Places and complete necessary submittal for Federal Investment Tax Credits; applying to the State of Ohio for Section 42 tax credits; procuring a private equity investor and serving as property manager for the National Terminal Apartments with responsibilities for marketing, leasing, maintenance and strategic asset management.

2. What, if any, modifications were made to the original proposal as the project was developed? What trade-offs or compromises were required during the development of the project?

No modifications were made or were necessary and no compromises are being made during the course of the development of this project.

3. What, if any, innovative means of financing the project were used?

We exploited every source of funds to make this project happen. The renovation of the historic National Terminal Building into apartments required a virtual puzzlebox of financing tools including the innovative

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use of federal historic tax credits; federal low income tax credits; a loan from the city of Cleveland; and a loan from a not for profit corporation, Cleveland Tomorrow and private sector equity investment.

4. How did the financial benefits and economic impacts of this project differ from other projects? How does the project's quality relate to the financial goals?

The National Terminal Building Apartments are unique in the sense that they provide mixed income housing. About 45% of the units are geared towards households earning low to moderate income. This housing development is the first of its kind in the Warehouse District and therefore the success of the project required investors and lenders with a pioneering vision for downtown. Given the unique architectural character of the apartments, the some 100 distinctive floor plans to choose from, the quality of the construction, the generous unit size, views and other amenities, the necessary investors and lenders were found. The project's quality is inextricably tied to our financial goals. We will provide housing at the National Terminal Building that appeals to individuals ranging from pensioners on retirement incomes to top executives with six figure incomes. To meet our goals, our standards require nothing short of excellence.

5. What was the most difficult task in the development of this project? What was the least successful aspect? With hindsight, would you do anything differently?

Our company has the extraordinary resources of a team of developers, experts in finance, architecture, development, construction, property management and marketing that was necessary to make this proposal for the National Terminal happen. We were also able to bring the experience of \$250 million worth of developments in other communities to the plate. We cannot point to a single unsuccessful aspect. Our approach was carefully and strategically planned and we would not have done it differently.

6. What about this project would be instructive to other developers?

Working with urban development and restoration projects provides an added value beyond economics. You cannot put a price tag on the satisfaction to be derived in restoring the heart and soul of a community and providing a catalyst for the economic resurgence of depressed urban areas.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

That the residents of the National Terminal Building would continue to be proud to call it HOME. That the community would consider our rehabilitation efforts of this architectural treasure as a source of civic pride. Secondly, that it provided a catalyst to strengthen and animate downtown and to stimulate spin-off development.

DEVELOPER PERSPECTIVE

This sheet is to be filled out by the person who took primary responsibility for project financing or is a representative of the group which did.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Robert N. Rains

Title

Organization

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E-mail #

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Signature 

**1. What role did you or your organization play in the development of this project?
Describe the scope of involvement.**

I was involved in every aspect of the following projects, including purchase, financing, construction, initial rent-up and management:

- The Grand Arcade Phase I, 408 West St. Clair Avenue
- The Grand Arcade Phase II, 408 West St. Clair Avenue
- Perry-Payne Building, 740 Superior Avenue
- Cort Shoe Building, West Sixth Street

I am currently involved with the rehabilitation of the Bardons and Oliver building which will include a combination of market rate and affordable housing.

2. What, if any, modifications were made to the original proposal as the project was developed? What trade-offs or compromises were required during the development of the project?

All projects were complete trade-offs and compromises. From the exterior facade to the suite layout, the entire development project involved dealing with conflicting interests and reaching compromises.

3. What, if any, innovative means of financing the project were used?

The projects that I undertook in the District used the following funding techniques:

- The first UDAG redirect in the county
- The first HUD Section 108 issued by the City of Cleveland
- The first residential developer to secure any financing from Cleveland Development Partnership (Cleveland Tomorrow)

4. How did the financial benefits and economic impacts of this project differ from other projects? How does the project's quality relate to the financial goals?

All of the projects in the Warehouse District have their own complications. However, in the four years we have been developing projects in the District, our public financing component has dropped from 40% to approximately 15%. This reflects the fact that the District has been able to achieve a viable neighborhood with conventional financing sources available.

5. What was the most difficult task in the development of this project? What was the least successful aspect? With hindsight, would you do anything differently?

The most difficult aspect of the project was getting the financing together and the least successful aspect was attaining the initially projected rents.

6. What about this project would be instructive to other developers?

The way in which financing packages were assembled and modified as conditions and sources changed.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Positive cash flow.

PROFESSIONAL CONSULTANT PERSPECTIVE

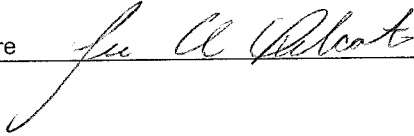
This sheet is to be filled out by a professional who worked as a consultant on the project, providing design, planning, legal, or other services. Copies may be given to other professionals if desired.

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Name	Lee Chilcote	Title	Partner
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1. What role did you or your organization play in the development of this project?

SEE ATTACHED

2. From your perspective, how was the project intended to benefit the urban environment?

SEE ATTACHED

3. Describe the project's impact on its surroundings and on the people in the area. Do you have data that document these effects? Attach supplementary material as appropriate.

SEE ATTACHED

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them?

SEE ATTACHED

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

SEE ATTACHED

6. How might this project be instructive to others in your profession?

SEE ATTACHED

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

SEE ATTACHED

PROFESSIONAL CONSULTANT PERSPECTIVE

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Name Lee A. Chilcote

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1. What role did you or your organization play in the development of this project?

I have been a Member of the Board of Trustees (1985 to present), was Vice Chairman (1988-1990) and was Chair (1991 - 1995) of the Historic Warehouse District Development Corporation. I also served as the first President of the Historic Warehouse Neighborhood Development Corporation (1994-1995), the wholly owned subsidiary which is currently undertaking development projects for the District. In addition, I am partner and was a co-developer of Lakeside Place, a unique office historic rehabilitation project within the District, and was a partner and one of the initial co-developers of Lakeside West, a key residential historic rehabilitation project. As a real estate lawyer, I provided legal and consulting services to the owners of seven completed projects totalling \$35,00,000. Finally, I helped to conceive and undertook the initial legal work (pro bono) for the six unit townhouse project, now underway in the District. While serving in these roles, I was extremely active, spending at times, 15-20% of my time to help the District remain financially capable of facilitating preservation and redevelopment, totalling \$125,000,000 between 1985 and 1995.

2. From your perspective, how was the project intended to benefit the urban environment?

The District lost many buildings between the 1930s and the 1980s. The creation of the development corporation and empowerment of a non-governmental entity to approach preservation and rehabilitation from a neighborhood vantage point was recognized as early as 1980 as the only and best way to preserve and restore the historic fabric of buildings that remained. The focus on the creation of a neighborhood in a highly urban setting was intended to, and did, in fact, stabilize and energize rehabilitation and preservation at a grass roots level. This important ingredient was recognized very early and became a powerful catalyst and symbol for the rebirth of downtown Cleveland.

3. Describe the project's impact on its surroundings and on the people in the area. Do you have data that document these effects? Attach supplementary material as appropriate.

The organizing principle of the neighborhood and power of privatization of urban redevelopment, which began in 1980 has spawned \$125,000,000 of redevelopment, in a unique blend of office, commercial and housing projects. All of these projects have complemented and reinforced each other. Not only is the District one of the best examples of neighborhood historic rehabilitation, but it has utilized, to a greater degree, more creative solutions than any other historic district that I am aware of.

Specific examples include the creation of state building code provisions that maintain high levels of fire safety protection but allow lower cost adaptive reuse; the use of tiered financing structures (blending conventional first mortgage financing, UDAG or FHA loans, indirect corporate financing, and housing bond funds); the creation of a development subsidiary for gap financing (off balance sheet financing) to facilitate otherwise stalled projects and; the creation and publication of market studies and surveys to influence and change perceptions concerning downtown conditions, particularly with regard to housing. The District has set the example for other districts in Cleveland and has gained national attention for its creative strategies.

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them?

The price of undertaking redevelopment of a district through a private non-governmental "grassroots" approach is that you must remain focused and utilize resources very wisely. There are no opportunities that can be wasted. The approach must be incremental. This strategy might prolong the project but it ensure success. Many early urban redevelopment approaches relied on government support. The Warehouse District effort relied almost exclusively on the commitment of the private sector. The quality of the result and strength of the neighborhood is greater, but it has taken much longer to achieve.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

We considered a voluntary assessment program as early as 1989 and now are attempting to implement a special improvement district (SID). Given the success of SIDs and BIDs around the country (i.e. Times Square), we should have stayed on course in 1989 and not waited for the implementation of legislation that was finally adopted in 1995.

6. How might this project be instructive to others in your profession?

The proactive use of state building code provisions, creatively tiered financing structures and market studies and surveys combined with a wholly privatized non-profit development corporation is one of most unusual success stories that I have seen in twenty-five years of involvement in urban redevelopment. My experiences in other cities (Baltimore, Seattle, Portland and Minneapolis-St. Paul) do not measure up to what has happened in Cleveland, although those stories are certainly good ones as well.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

If there is a neighborhood of young professional (artists, architects, lawyers, marketing consultants,

merchants, entrepreneurs and singles) even more committed to making the District a success, then the project would be still successful. The proof would be in the continued incremental conversion of warehouse space to residential, the addition of new construction (especially townhouse) projects, and the implementation of a SID with full owner support.

PROFESSIONAL CONSULTANT PERSPECTIVE

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Name Richard Y. Pace, AIA

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Organization van Dijk, Pace, Westlake / Architects

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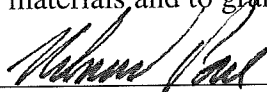
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1. What role did you or your organization play in the development of this project?

I have been involved in numerous roles with the Historic Warehouse District Development Corporation. My first role was as the architect who master planned and designed the adaptive reuse of 1,500,000 sq.ft. of historic warehouses within the District. I have also served as Chairman of the Historic Warehouse District Development Corporation's (HWDDC) board as well as chair of the Design Review Committee. Currently, my firm is providing design/build services for the District's new townhouse project, the first fee simple housing in downtown Cleveland in over 100 years.

2. From your perspective, how was the project intended to benefit the urban environment?

Cleveland, like most mid-size industrial cities, lacked significant downtown housing. Because of this, the downtown lacked the vitality of a true metropolitan city. HWDDC's vision is to create a vibrant mixed use downtown neighborhood through adaptive reuse of historic warehouses as well as the construction of new infill projects. This goal is being accomplished by facilitating development projects which preserve and enhance the residential scale and historic character of the District.

3. Describe the project's impact on its surroundings and on the people in the area. Do you have data that document these effects? Attach supplementary material as appropriate.

In the 1970s, Cleveland was a city that did not believe anyone would want to live downtown. In addition, it was a city that did not value its historic buildings and assumed that the Warehouse District's location adjacent to the core of the central business district predetermined its highest and best use as surface parking. Unfortunately, during this period, many of the wonderful historic buildings were demolished.

HWDDC has been successful in changing both attitudes in Cleveland. We now value our historic buildings and revitalize them. The city is proud of the success it has had in establishing a downtown neighborhood. The attitudes changed because of HWDDC's leadership. The District has served as a model for residential redevelopment of other downtown neighborhoods, most notably, the Historic Gateway Neighborhood.

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them?

Public funding for street improvements required city control of contracting. This forced costs higher and took longer than expected. Currently, we require each development to improve its own street frontage.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

We are still organizing the process to create a "Special Improvement District" (SID). In hindsight, I wish that we could have started the SID process much earlier. It will be a great tool to add value for the District and its stakeholders.

6. How might this project be instructive to others in your profession?

The redevelopment process can be a powerful case study. Of specific importance was the market analysis that was done to determine the market demand for downtown housing. The banking community was very skeptical. To overcome this hurdle, key bankers were involved in creating and validating the analysis in a format that was usable for them. After the data verified a significant demand for downtown housing, the entire lending community got behind the revitalization movement.

Secondly, the success of bringing local building code officials on board, which ultimately resulted in creating new model code standards, allowed adaptive reuse of older structures contingent upon "equivalent safety".

And finally, the use of what we call "baklava" financing, multiple thin layers of public and private funds to solve the funding gap, made the revitalization of the District possible.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The conversion of the remaining vacant warehouses to residential use, the addition of new residential infill construction, and the continuation of for-sale residential units to increase the stakeholder base in the neighborhood.

PROFESSIONAL CONSULTANT PERSPECTIVE

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Name Jonathan Sandvick

Title President

Organization Sandvick Architects

Telephone (216) 621-8055

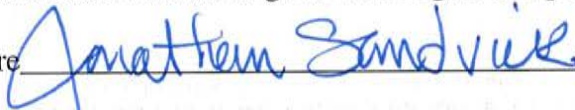
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Signature



1. What role did you or your organization play in the development of this project?

Over the years, I have been very involved with the redevelopment of the Warehouse District. I have provided architectural services for the adaptive reuse and rehabilitation of numerous buildings in the District. In order for developers to take advantage of the federal rehabilitation tax credit, I have provided technical assistance for those wishing to receive federal support. Additionally, I assisted with the production of the Warehouse District's award winning Master Plan and I serve on the District's Design Review Committee.

2. From your perspective, how was the project intended to benefit the urban environment?

The revitalization of the Warehouse District sought to accomplish the following goals:

- bring housing back to downtown Cleveland in order to renew life and vitality to the urban environment;
- rehabilitate significant historic buildings in order to improve the city's image as well as to develop a uniquely Cleveland sense of place and;
- demonstrate the economic viability of the rehabilitation and adaptive reuse of existing buildings.

3. Describe the project's impact on its surroundings and on the people in the area. Do you have data that document these effects? Attach supplementary material as appropriate.

The District has been able to successfully rehabilitate over 30 District buildings that were in a state of severe decay. The rehabilitation of seven existing structures and the new construction of downtown Cleveland's first apartment building in over 25 years has demonstrated the dramatic success of the housing

initiative undertaken in the Warehouse District. The District has been able to conclusively illustrate the economic viability of adaptive reuse and historic preservation. Today, the Warehouse District is a vibrant neighborhood that is home to art galleries, design professionals, lawyers, restaurants and night clubs. This represents a dramatic transformation of a previously decayed, mostly vacant urban setting. Perhaps the greatest accomplishment is the seeds it has spread to other areas in downtown where housing, historic preservation and adaptive reuse are blossoming.

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them?

Gap financing incentives were needed to strengthen lending institution confidence and developer involvement in order to overcome the unproven market potential for housing in downtown, generally, and revitalization of the District specifically. Creative gap financing loans, tax abatement and storefront grants and loans from the city were critical to bringing these projects to fruition.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

When the Warehouse District initiative began, it focused equally on new building construction as well as rehabilitations. But it soon became apparent that the most important way to change the image and marketability of the area was to deal with the rehabilitation of the decaying buildings first. Once the historic buildings were successfully renovated, developers who wanted to undertake new construction projects were enticed to do projects in the District.

Early in the process, a new construction for-sale housing project struggled because the surrounding buildings had not yet been renovated. However, after many of the buildings were restored, it became easier to sell housing in the District.

6. How might this project be instructive to others in your profession?

Adaptive reuse and historic preservation projects are highly marketable. Further, such projects for housing purposes cost less than new construction. In order to accomplish these goals, creative and strong support from the city is necessary. Fortunately the City of Cleveland provided such support. Finally, a strong local development corporation is critical to the leadership and successful implementation of the initiatives.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Success will be achieved by the following measures:

- All of the buildings in the District have been rehabilitated;
- A significant increase in the number of housing units in the District;
- Vacant lots, mostly used for surface parking, is filled with new infill construction;
- The District remains a mixed use neighborhood;
- Housing spreads to all of downtown, leading to the creation of a downtown residential population that exceeds 5,000 and;
- The demand for downtown housing becomes strong enough to eliminate the need for gap financing for housing projects.

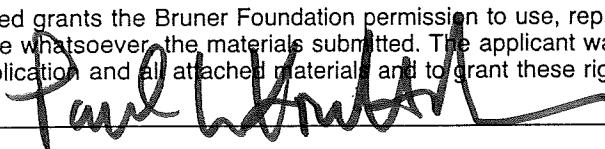
PUBLIC AGENCY PERSPECTIVE

This sheet is to be filled out by staff representative(s) of public agency(ies) who were directly involved in the financing, design review, or public approvals that affected this project.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Paul L. Krutko, Jr. Title Downtown Housing Manager
Organization City of Cleveland, Dept. of Community Development Telephone (216) 664-4034
Address 601 Lakeside Ave, Room 325, Cleveland, OH 44114
FAX (216) 420-7982 E-mail # Krutko@MSN.COM

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Signature 

1. What role did your organization play in the development of this project?

SEE ATTACHED

2. Describe what requirements were made of this project by your agency (e.g., zoning, public participation, public benefits, impact statements).

SEE ATTACHED

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, if at all, these intentions changed over the course of the project. What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

SEE ATTACHED

4. Describe any data you have that document the impact that this project has had on its surroundings and the people in the project area. Attach supplementary materials as appropriate. What have you observed of the project's impact?

SEE ATTACHED

5. What about this project would be instructive to agencies like yours in other cities?

SEE ATTACHED

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

SEE ATTACHED

Public Agency Perspective
Rudy Bruner Award - Bruner Foundation

Name: Paul Krutko
Title: Downtown Housing Manager
Organization: City of Cleveland, Department of Community Development
Office of Housing Construction
Address: 601 Lakeside Avenue, Room 325
Cleveland, Ohio 44114
Telephone: 216-664-4034
Fax: 216-420-7982
Email: Krutko@MSN.COM

1. What role did your organization play in the development of this project?

The City of Cleveland's Department of Community Development has played a pivotal role in the redevelopment of the Warehouse District. A key decision by Mayor White in 1994 was to create a separate Housing Construction Office within the Department of Community Development. This reorganization assembled a group of development professionals whose sole mission was to expand housing opportunities throughout the city. For downtown housing, this meant moving functional responsibility for this activity from the Department of Economic Development where it had been located as a vestige of various Urban Development Action Grants the city had received in the late 1970s.

For the first time, the city had staff devoting 100 percent of their time to supporting the development of housing projects in the downtown from the initial concept through completion, lease-up and beyond. This project manager works with owners, developers, financial institutions and federal, state and city staff to resolve financial and non financial problems and keep the projects on track. This single-minded focus is important because of the complexity of financing large-scale downtown housing developments and the complexity of interacting with a variety of city departments and disciplines.

This staff support was vital but so was the financing provided by the city. Through direct loans, redirection of old UDAGs and federal borrowing under the Section 108 program, the city is investing \$23.4 million in financing plus tax incentives in the form of real property tax abatement to support project by project redevelopment.

2. Describe what requirements were made of this project by your agency?

Requirements made by the Department of Community Development can be broken into three categories. As a subordinate lender, the City has repayment, valuation and security requirements comparable to conventional forms of financing. The City however because of its subordinate position does assume significant risk in filling gaps in project financing.

As a government agency, the Department implements many public policy goals. Principal among these are requirements that projects financed by the City ensure:

- 1) that 30% of the construction contracts and supplier purchase orders let on the project will be to minority businesses certified by the City of Cleveland.

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Department of Community Development
Page 2**

- 2) that 10% of the construction contracts and supplier purchase orders let on the project will be to female businesses certified by the City of Cleveland.
- 3) that at least 16.1% of all on-site construction jobs are provided to minorities, 6.9% of all on-site construction jobs to females and at least 50% of all on-site construction jobs to Cleveland residents.
- 4) that the City will require best efforts by the borrower to employ minority persons for 33 1/3% of the new permanent jobs they create at the project site across all salary ranges and workforce classifications.
- 5) That the City will require best efforts by the borrower to employ City of Cleveland residents for at least 50% of the new permanent jobs they create at the project site.

Lastly, the Department imposes design review requirements on projects in the Warehouse District to insure compatibility with other uses and the use of quality materials and workmanship.

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, if at all, these intentions changed over the course of the project? What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

By any measure, the city of Cleveland is in the midst of an unprecedented period of housing construction within its central business district. This boom is remarkable in that its focus has been on market rate development and by its ability to attract new residents who never lived in the city before. It is the result of the priority that Mayor Michael R. White has placed on creating a residential neighborhood downtown to complement its role as the regional business center and the investments made in visitor destination venues like the Rock and Roll Hall of Fame, Jacobs Field, Gund Arena, Tower City, Great Lakes Science Center and expanded water frontlight rail transit network. The goal is to bring "people with wallets" back into the City from the suburbs creating jobs and opportunity for City residents. Since 1992, the city's coordinated strategy has supported the development of 1,152 new downtown market rate rental units, one and one-half times the number of units available before that date. Developers are working on proposals that could create an additional 600 rental units in the next several years.

This effort has succeeded despite some daunting problems. The city had been experiencing growing vacancy and blight in Class C historic office and warehouse/light industrial buildings in the heart of downtown. This vacancy was the result of the out migration of some businesses to edge city locations, consolidations, technology advancements and obsolete buildings. Further, it began in the middle of the American real estate credit crunch where there was little interest by conventional commercial lenders to invest in commercial development in the central business district, let alone in housing projects. While market studies identified significant demand, easy commuting distances and affordable product in the suburbs did not create the economic rationale for living downtown found in larger cities like Boston, Chicago and New York with long histories of downtown housing.

The funding of the eleven downtown housing projects that have been put together since 1992 has been an incredibly complex endeavor. City staff work with the developer of each project to fashion a unique financial package for each deal. This approach is a variation of the public-private partnership for which Cleveland is renowned.

Trade pension funds and private corporations were also key actors. The initial projects were viewed by the commercial banks as pioneering efforts to be avoided. Into this breach stepped the local construction trade pension funds providing \$25 million in construction and permanent first mortgage financing. This was supplemented by subordinate financing by the Cleveland Development Partnership (CDP) of Cleveland Tomorrow. The partnership

**Rudy Bruner Award
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is a pool of funds created by the 50 largest corporations in Cleveland to invest in projects of strategic importance to the development of the metropolitan area. \$5.0 million was invested by CDP in downtown housing projects. As the first projects proved to be successful, the commercial banks are now willing to provide first mortgage loans to subsequent projects.

4. Describe any data you have that document the impact that this project has had on its surroundings and the people in the project area. Attach supplementary materials as appropriate. What have you observed of the project's impact?

Since 1992, the City of Cleveland has participated in the financing of 1,152 new housing units that are either completed or under construction in downtown Cleveland, primarily in the Warehouse District. Current vacancy in the downtown market rate rental market is 7.7%. While the City has consciously focused its efforts on market rate development to counter a forty year trend of out migration to the suburbs, 161 of these units will have affordable rents price at 60% of the County median income. Total investment in the eleven projects exceeds \$134 million, creating 1,265,000 square feet of new or converted residential and commercial space. The adaptive reuse of vacant blighted Class C commercial buildings in the Central Business District now exceeds 1.1 million square feet net leasable space.

5. What about this project would be instructive to agencies like yours in other cities?

Building on a sound organizational framework, a mayoral commitment to downtown living, key City investments, strong private sector partners and a growing demand for a special unique housing product, Cleveland's downtown has had the opportunity to begin to realize its full potential as a residential community offering unmatched quality of life. Other cities like Atlanta, Baltimore, Houston, Louisville, Buffalo, St. Louis, Miami and London, Ontario have come to Cleveland to see how they can replicate this success. The redevelopment of vacant substandard Class C commercial buildings and underutilized vacant land in central business districts is of vital interest to cities all over the U.S. and Canada.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The 1152 new units in downtown have helped spur additional restaurant and retail development on a 24-hour basis in areas that had looked like ghost towns after 5:00 p.m. Empty architectural gems are being brought back to life. On a macro scale downtown housing development is vital to the continuing renaissance of Cleveland. New downtown units in combination with 3000 new units in the City's neighborhoods, have helped to stabilize Cleveland's population after fifty years of decline. New residents were apart of a 6% increase in income tax revenues in 1995.

Survey data on new residents moving into downtown explains these macro effects-

- *Over 90% of the people moving into new downtown units did not live in Cleveland before the move.
- *These new residents are both from other areas of the country and from the suburbs.
- *One-third reverse commute to jobs in the suburbs.

**Rudy Bruner Award
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City of Cleveland
Department of Community Development
Page 4**

*74% of the households have incomes greater than \$40,000 per year.

The Department of Community Development would judge the project to be successful in five years if these trends hold as we strive to support the development of an additional 2000 or more units in and near the Warehouse District.

PUBLIC AGENCY PERSPECTIVE

This sheet is to be filled out by staff representative(s) of public agency (ies) who were directly involved in the financing, design review, or public approvals that affected this project.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Robert N. Brown

Title Assistant Director

Organization City Planning Commission

Telephone (216) 664-3467

Address Room 501 City Hall, 601 Lakeside Avenue, Cleveland, OH 44114

FAX (216) 664-3281

E-mail #

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Signature Robert N. Brown

1. What role did your organization play in the development of this project?

From a broader perspective, the City Planning Commission pursued a development strategy that made downtown Cleveland a much more significant "destination" for entertainment, sports, culture, shopping, and employment. The overall revitalization of downtown Cleveland helped to create the housing demand that fueled revitalization of the Warehouse District.

2. Describe what requirements were made of this project by your agency (e.g. zoning, public participation, public benefits, impact statements).

The City Planning Commission aided revitalization of the Warehouse District by adopting an innovative strategy that would allow redevelopment to occur. This strategy included assisting with a slum and blight survey and the District was rezoned as a limited retail district in the mid-1980s. Current zoning efforts include exploring the possibility of creating a residential overlay for the area.

3. From your perspective, how was the project intended to benefit the urban environment? Describe how, if at all, these intentions changed over the course of the project. What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

The revitalization of the Warehouse District has re-established a residential neighborhood in downtown Cleveland, helping to transform downtown from an 8-5 community to one that is active 24 hours. This has created a re-invigorated downtown economy that has seen the addition of nighttime, retail, and entertainment activity and a downtown more attractive to major employers.

4. Describe any data you have that document the impact that this project has had on its surrounding and the people in the project area. Attach supplementary materials as appropriate. What have you observed of the project's impact?

The revitalization of the Warehouse District has created the first residential community to exist in downtown Cleveland in many decades. The establishment of a substantial residential presence has helped to make downtown Cleveland a 24-hour community, bolstering evening activity at restaurants and entertainment centers.

5. What about this project would be instructive to agencies like yours in other cities?

Cleveland has been able to successfully demonstrate the economic value of preserving historic and architecturally significant warehouses. Revitalization efforts began when there was little demand for the space and other uses had to be found. The end result has been the creation of an urban environment that is full of life and activity. The District has become a vital asset to the City of Cleveland that future generations will be able to enjoy and appreciate. Additionally, the success of the Warehouse District has proven that there is a high demand for downtown living, not just in the Warehouse District but in downtown Cleveland as a whole.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The project will be deemed successful if the following occurs:

- A continued high rate of occupancy, along with rising rents, for the District's housing;
- Continued economic vitality with respect to retail and office uses and;
- A continuation of building renovation and an overall improvement in building conditions.

PUBLIC AGENCY PERSPECTIVE

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Name Bob Keiser **Title** Secretary of the Landmarks Commission
Organization Cleveland Landmarks Commission **Telephone** (216) 664-2531
Address Room 519 City Hall, 601 Lakeside Avenue, Cleveland, OH 44114
FAX (216)664-3281 **E-mail #**

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Signature Robert D. Keiser

1. What role did your organization play in the development of this project?

The Cleveland Landmarks Commission sponsored the Cleveland Warehouse District Plan 1977 which was prepared by William A. Gould and Associates. The publication recommended a method by which to preserve the historically and architecturally significant structures in the District. The intent of the plan was twofold: to re-establish the District's character and to recommend the creation of a mixed use neighborhood with residential and commercial space. The plan resulted in the Warehouse District being designated as a local historic district and was listed in the National Register of Historic Places in 1982. Local designation meant that the Landmarks commission would review all exterior changes prior to the issuance of a building permit while National Register designation meant that buildings in the District would be eligible for the investment tax credit.

2. Describe what requirements were made of this project by your agency (e.g. zoning, public participation, public benefits, impact statements.)

Prior to the issuance of an exterior building permit, the Landmarks Commission is required to grant a Certificate of Appropriateness. The District's Design Review Committee, which acts in an advisory capacity to the Landmarks Commission, approves or disapproves exterior changes to District buildings. In order to assist those coming through the design review process, the Committee established a set of design guidelines that were developed by Land Design Research to supplement the Secretary of the Interior's Standards for Rehabilitation.

3. From your perspective, how was the project intended to benefit the urban environment? Describe how, if at all, these intentions changed over the course of the project. What trade-offs and compromises were required? How did you participate in making them? With

hindsight, what would you now do differently?

The purpose of local designation was to protect the historically and architecturally significant structures as a means of re-establishing the character of a bustling and viable commercial district.

Although there have been some losses of buildings in the District, landmark designation has been overwhelmingly successful in preserving the District's historic character. Three new buildings that complement the older buildings in scale, materials, and setback have been constructed in the District since designation.

The Commission could have held out for a better design for the Crittenden apartment building, the first apartment building constructed in downtown Cleveland in over twenty years. The project went through several Commission and Design Review Committee meetings and plans for the building were revised so that the building is compatible with the existing Warehouse District building stock. However, the prominent site, with views overlooking the river and downtown Cleveland, could have called for a more innovative design.

4. Describe any data you have that document the impact that this project has had on its surrounding and the people in the project area. Attach supplementary materials as appropriate. What have you observed of the project's impact?

The District, prior to designation, was nearly abandoned. Many of the buildings were in a severe state of deterioration and unfortunately, quite a few were demolished. A majority of the buildings have been rehabilitated and their exteriors restored. Over the past two decades, the District has seen a dramatic increase in its residential population from less than 20 in 1970 to almost 1,000 today. New businesses continue to move into the District. Although there are many restaurants and entertainment uses that can be found throughout the District, businesses that are geared towards the residential population are beginning to move into the area, most notably a neighborhood grocery store.

5. What about this project would be instructive to agencies like yours in other cities?

The first important step was to get the District designated both a local landmark district and a National Register historic district. By so doing, the framework was in place whereby demolition of District properties could not occur without going through a review process. Historic designation also paved the path for developers to rehabilitate the buildings.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

In five years all of the existing buildings in the Warehouse District should be renovated, making the neighborhood home to two to three thousand people. Compatible newly constructed apartment buildings and townhouses will replace some of the surface parking lots. A large number of retailers, including art galleries, book, clothing, and furniture stores will join existing restaurants and night clubs. A parking garage with a mid-block location will improve the commercial viability of the area.



National City Bank
National City Center
Post Office Box 5756
Cleveland, OH 44101-0756
216 575 2000

December 9, 1996

The Historic Warehouse District
Development Corporation
614 Superior Avenue; Suite #714
Cleveland, Ohio 44113

Re: Bruner Foundation

Gentlemen:

Relative to your request, I am enclosing a disclaimer for the reference written relative to the subject.

Name: James D. Evans

Title: Vice President

Organization: National City Bank

Phone: 216/ 575-2059

Address: 1900 E. 9th Street; Cleveland, Ohio 44114

Fax: 216/ 575-2059

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Signature:

**THE RUDY BRUNER AWARD FOR EXCELLENCE
IN THE URBAN ENVIRONMENT
APPLICATION**

Name:	James D. Evans	Title:	Vice President
Organization:	National City Bank		
Address:	Real Estate Industries	Telephone:	216 575-2059
	1900 E. 9th Street	Fax:	216 575-3160
	Cleveland, Ohio 44114		

1. What role did you play in the development of this project?

National City Bank was the lead Cleveland Bank to take an active roll in providing financial commitments for the acquisition, renovation and permanent financing for the rehabilitation of The Warehouse District's initial projects. My involvement has been through the Bank as well as a Downtown Housing Task Force, from the inaugural phases. Nine separate transactions have been approved over the years, several loans remain outstanding and one new commitment is in the first stage of the disbursement process.

Previously, this area consisted of numerous older loft style buildings, many in a state of disrepair, some occupied at street level by second and third tier type tenants, upper floors were typically vacant, many not having been occupied for years and a perception prevailed that the area was not safe to walk through at certain times of the day. A significant amount of imagination and risk capital were required as the rebirth of this neighborhood began to take shape. The Bank, in conjunction with various established investor/developer relationships, agreed to pioneer financing the renovation of several of the early structures being converted for downtown residency.

2. From your perspective, how was this project intended to benefit the urban environment?

The Warehouse District, in the late 1800's and early 1900's, was the center of Cleveland's thriving business community, as well as residential. As some of the original companies outgrew their space, smaller businesses began to filter into the area, using only parts of existing buildings. The Postwar era saw the flight to suburbia and the demise of many of these large warehouse structures, as well as the homes. By the mid 1970's, the Warehouse District was an economically depressed market and many of the buildings were beginning to look very shabby.

The Warehouse District was prime for redevelopment for a number of reasons. Due to its location at the main entryways to the Central Business District from two of the west side's bridges over the Cuyahoga River, it was fast becoming an eyesore to the reemerging Cleveland public square area, several blocks away. Three of the main access routes to the rapidly developing Flats Entertainment area, along the Cuyahoga River, are through the Warehouse District. From a security and esthetic standpoint, something needed to happen within this area.

A combination of efforts, involving the City of Cleveland, the Greater Cleveland Growth Association, developers, investors, financial sources, interested citizens and prospective tenants, provided a potential window of opportunity for the beginning of the major restoration effort to return The Warehouse District to a viable neighborhood as part of the Central Business District.

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area.

From an appearance standpoint, before and after pictures, or before pictures, coupled with a walking tour through the District, best illustrates the evolution.

From a valuation standpoint, practically every single parcel, renovated or yet to be renovated, has experienced an increase in value. Most of the currently rehabbed properties have seen valuations escalate many times their prerenovation worth.

Today, the District is once again becoming a viable business center as one of the many neighborhoods comprising the Central Business District. Streets of vacant buildings, just 20 years ago, now flourish with traffic and pedestrians. Restaurants, retail and office employees move through the District on their way to and from work. Lunchtime fills the various restaurants and retail shops with people entering the District from outside, where formerly, the District was one place to be avoided.

Most important, the thought of living in The Warehouse District during the 70's had to be farthest from the minds of the very few residing in the entire downtown Cleveland area. Today, the number of residential tenants increases almost daily as the many renovated buildings fill with a middle management class of resident discovering the convenience of The Historic Warehouse District to their places of employment and the convenience to recreation and entertainment areas. Statistics indicate available units at 1838 (9/96), with occupancy being approximately 90% and growing, even as several new products come to market and others are in the planning stages.

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

From the lending side, considerable time and effort was required in educating Bank management to what was happening in the initial planning process within the District; who were likely to be the investors/developers; what motivated them in putting their equity capital at risk; understanding the proportionately very high proforma acquisition/renovation costs; relating to the economics of this area that was to attract potential residents at an approximate 15% rental premium compared to the near suburbs; recognizing the City's motivation for investing the extent of UDAG, Block Grant and Housing Trust Fund allocations to the District; justifying why this Bank should expose the projected level of loan dollars to potential risk, considering the 20 year prevailing economic climate of the District and what extent and total dollar commitment was to be considered, as the initial investment.

From this Bank's point of view, enough of us believed in the rebirth of The Historic Warehouse District to induce senior management to provide this commitment to the future of the area. Part of our initial task was made easier due to three well regarded, existing developer relationships presenting development plans for renovations of projects with end uses ranging from office apartments, and mixed use facilities.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

Being one of the initial believers in the rebirth of the District, hindsight would not cause me to react any differently. This Bank continues to look at several new requests, including two for-sale products, which will be the newest phase of the redevelopment process. In addition, this Bank, with recommendations from the Real Estate Division, has introduced the Corporation's National City Community Development Corp. as an equity participant in new redevelopment. We have also encouraged the investment of long term loan commitments to selected developers for renovation projects which were initially financed through the Bank.

6. What can others learn from this project?

We think that much of the success of this project has been derived through the community effort. This involves, in no order of importance, the City; the local Community Development Corporation; a small determined group of developers, who could have probably earned a much greater return on their investment by investing in new suburban projects; an open-minded financial community involving several banks and pension funds; and an initial receptive pool of prospective tenants, eager to relocate into the District while others were still sitting back trying to understand what was going on here and why.

7. What can others learn from this project?

I believe it could have been very easy to sit back and wait for someone else to become motivated to attempt such a project; or better yet, attempt to share in the success of the project after others have eliminated the initial risk. Whether that impetus would have initially come from the City, the local CDC, some existing owners attempting to improve their facilities or the eventual spread of redevelopment from the Flats Entertainment area on the west and the Central Business District redevelopment from the east, is uncertain.

The community, working as a group, was rewarded from the standpoint of achieving its common goal of accomplishing the initial redevelopment phase and more importantly to the extent of redevelopment experienced over the past five to ten year period.

OTHER PERSPECTIVE

Name HERBERT E. STRAWBRIDGE Title PRESIDENT, TREASURER
Organization JOHN P. MURPHY FOUNDATION Telephone (216) 623-4770
Address 50 PUBLIC SQUARE, 924 TERMINAL TOWER, CLEVELAND, OH 44113-2203
 (216) 623-4773 E-mail # _____

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Signature _____

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1. What role did you play in the development of this project?

IN 1970, AS C.E.O. OF CLEVELAND'S LEADING DEPARTMENT STORE, I DECIDED DOWNTOWN CLEVELAND COULD BE REESTABLISHED AS AN ATTRACTIVE LOCATION FOR PEOPLE TO LIVE, WORK, PLAY AND SHOP. THE FIRST STEP HAD ALREADY BEEN TAKEN BY THE HIGBEE COMPANY (MY DEPARTMENT STORE) IN ANNUALLY UPGRADING INTERIOR DEPARTMENTS AND BECOMING ONE OF AMERICA'S RECOGNIZED QUALITY AND FASHION LEADERS. THE SECOND STEP WAS TO BUY PROPERTY ALONG THE CUYAHOGA RIVER AND PLAN AN ENTERTAINMENT COMPLEX TO ENTICE THE YOUNG PEOPLE OF CLEVELAND TO COME TO THE FLATS FOR THEIR EXCITING EVENINGS. AS PART OF THIS SECOND PART, WE BUILT AND OPENED THE FIRST DISCO IN CLEVELAND, AND THE HIGBEE CO. AND THE JOHN P. MURPHY FOUNDATION (OF WHICH I AM NOW PRESIDENT) WERE THE FIRST MAJOR BACKERS OF THE HISTORIC WAREHOUSE DISTRICT.

2. From your perspective, how was this project intended to benefit the urban environment?

CLEVELAND'S DOWNTOWN AREA ONCE CENTERED IN THE HISTORIC WAREHOUSE DISTRICT, BUT AS CLEVELAND GREW AND BECAME MORE AFFLUENT, THIS AREA HAD BEEN ABANDONED AND ITS LOFT TYPE BUILDINGS CONVERTED TO WAREHOUSES. A MAJOR SECTION OF MODERN DOWNTOWN CLEVELAND, PUBLIC SQUARE, ADJUTS THE HISTORIC WAREHOUSE DISTRICT. THEREFORE, WITH NO OTHER LOGICAL PLACE TO CREATE INEXPENSIVE LIVING QUARTERS, THE AREA WAS SPOTTED AS A RENOVATIONAL PROJECT. IN 1972, LARRY HALPRIN WAS ENGAGED BY THE CLEVELAND FOUNDATION AND THE GREATER CLEVELAND GROWTH ASSOCIATION TO MAKE A MASTER PLAN FOR DOWNTOWN CLEVELAND. HE IDENTIFIED THE FLATS AND THE HISTORIC WAREHOUSE DISTRICT AS TWO OF THE AREAS TO BE REJUVENATED.

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

THE MAIN IMPACT THAT THE PROJECT HAS ACCOMPLISHED HAS BEEN TO BRING PEOPLE TO LIVE IN DOWNTOWN CLEVELAND WHERE HISTORICALLY THERE HAVE ONLY BEEN A FEW. BECAUSE OF THE SUCCESS OF THE HISTORIC WAREHOUSE DISTRICT IN THIS REGARD, THERE ARE NOW SEVERAL OTHER AREAS DEVELOPING, ON SMALLER SCALES, TO DO THE SAME SORT OF THING. IT HAS TAKEN 25 YEARS TO DEVELOP THE DISTRICT TO TODAY'S STATURE, BUT THE FULL IMPACT IS YET TO COME AS MORE AND MORE PEOPLE MOVE INTO THE MANY LIVING UNITS BEING BUILT

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

IN THE EARLY 1970'S AS THE HISTORIC WAREHOUSE DISTRICT WAS JUST GETTING UNDERWAY, THE ADMINISTRATION OF CITY HALL CHANGED HANDS AND SOON CLEVELAND'S FAMOUS DEFAULT TOOK PLACE. THE RESULTANT FINANCIAL SITUATION OF THE CITY OF CLEVELAND PROHIBITED FINANCIAL PARTICIPATION IN THE DEVELOPMENT FOR MANY YEARS. TODAY, THE PRESENT ADMINISTRATION IS PRODUCTIVELY HELPFUL TO THE VARIOUS DEVELOPERS. HAVING RELINQUISHED THE CEOSHIP OF THE HIGBEE COMPANY IN 1984, I HAVE NOT PARTICIPATED IN MAKING DECISIONS RELATIVE TO THE DOWNTOWN SINCE THEN.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

AFTER THE FIRST SEVERAL SUCCESSFUL CONVERSIONS OF OLD BUILDINGS INTO SHOPS AND OFFICES, A LARGE WHOLESALER VACATED A MASSIVE SQUARE FOOTAGE SPREAD BETWEEN SEVERAL BUILDINGS. A VERY WELL FINANCIAL BUT NEW DEVELOPMENT FIRM BOUGHT ALL OF THE NEWLY VACATED SPACE WITH THE INTENT OF REHABILITATING IT. THE HIGBEE CO'S VICE PRESIDENT FOR REAL ESTATE SAT ON THE BOARD OF TRUSTEES OF THE HISTORIC WAREHOUSE DISTRICT AND SUGGESTED THAT I ATTEMPT TO CONVINCE THIS NEW DEVELOPMENT FIRM THAT THEY HAD BITTEN OFF MORE THAN THEY COULD CHEW. HE FELT THAT THEY WOULD LOSE THEIR APPETITE FOR RECONSTRUCTION AND RENOVATION BEFORE THEY BEGAN TO REAP ANY BENEFITS. HE WAS ABSOLUTELY CORRECT. I DIDN'T FEEL IT WAS MY RESPONSIBILITY AT THE TIME TO INTERFERE, BUT IF I HAD AND HAD BEEN SUCCESSFUL IN GETTING THE DEVELOPMENT FIRM TO SELL OFF HALF OR MORE OF WHAT THEY HAD BOUGHT, BY THIS TIME, THE HISTORIC WAREHOUSE DISTRICT WOULD HAVE BEEN MUCH MORE FULLY DEVELOPED.

6. What can others learn from this project?

TODAY'S DOWNTOWN CLEVELAND IS AN EXCITING CENTER IN WHICH TO BE. THERE ARE LOTS OF PIECES TO THE PUZZLE AS TO HOW THIS DEVELOPED BUT CERTAINLY THE DEVELOPMENT OF OFFICES, RESTAURANTS AND LIVING QUARTERS IN THE HISTORIC WAREHOUSE DISTRICT HAS BEEN VERY IMPORTANT. IF THERE IS ONE LESSON TO BE LEARNED, IT IS THE FACT THAT IT SOMETIMES TAKES LOTS OF TIME AND PATIENCE AS WELL AS DESIRE AND MONEY TO REHABILITATE A MAJOR SECTION OF AN URBAN CENTRAL CITY.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

IF MORE LIVING UNITS, OFFICE SPACES, RESTAURANTS AND SUPPORTING SERVICES ARE STILL POPPING UP IN THE HISTORIC WAREHOUSE DISTRICT, IT WILL BE A SUCCESS. IF NEW BUILDINGS ARE BUILT TO DO THE SAME THING, THEN IT WILL BE CONSIDERED VERY SUCCESSFUL.

I BELIEVE IT WILL BE "VERY SUCCESSFUL"