



For Immediate Release

Contact: Andrea Taylor, City of Cleveland, 216.664.4017  
Amanda Wurst, Governor's Office, 614.644.0957  
Nancy Lesic, Flats East Bank LLC, 216.696.7686

## **FLATS EAST BANK PROJECT REVIVED** *City, State help restart stalled project*

**CLEVELAND – September 15, 2009** –Today Mayor Frank G. Jackson and Governor Ted Strickland announced a breakthrough in their efforts to significantly close the funding gap created by the global economic crisis that will allow the much anticipated Flats East Bank project to move forward. The \$270 million first phase of the development will keep more than 1,200 employees in downtown Cleveland with a new office tower and other new amenities including a hotel, retail, restaurants, entertainment venues and 14 acres of parks and greenspace.

“This project showcases the unique amenities that Cleveland has to offer and will help to spur additional economic development projects in the Flats. The fact that we are breaking through financial barriers during this critical time, signals to businesses and developers that Cleveland is a good place to do business and that the City is a willing partner,” said Mayor Jackson.

The Flats East Bank project, being developed by The Wolstein Group and Fairmount Properties, was suspended last fall when the global credit crisis put a freeze on most commercial developments. In order to restart this critical development, public partners worked diligently to find a combination of resources that will infuse the project with an extra \$54 million, primarily in the form of loans to the development.

Gov. Strickland added: “This is great news for the people of Cleveland and northeast Ohio. The Flats East Bank project is an example of collaborative partnerships revitalizing an area and retaining valuable jobs. I look forward to continue working closely with Mayor Jackson and our private partners to protect jobs, keep a strong corporate presence in Cleveland and encourage redevelopment for a more vibrant urban community.”

Iris S. Wolstein, who along with her son Scott (both lifelong Clevelanders), has remained determined and dedicated to this project. Mrs. Wolstein has continued to provide economic support to keep this project alive. “I am pleased to persevere in spite of these challenging economic times to ensure development of this Flats East project my late husband Bart envisioned so many years ago. Our family is devoted to the completion of the revitalized vibrant riverfront,” she said.

The updated development plans will include a 450,000 s.f. office tower with spectacular views for tenants including Ernst & Young and Tucker Ellis & West. The office tower will have a rooftop terrace and connect to a 150-room business class hotel featuring top-quality room design and a high-tech conference center.

Plans also include a 14,000 s.f. health club, 15,000 s.f. of retail, riverfront dining and seasonal pavilions for festivals, programs and activities.

Developer Scott Wolstein said: “We refused to abandon this effort because we want to see the community thrive. This project will ignite our downtown and enhance the image of the Flats, the city of Cleveland and all of northeast Ohio.

“With any project of this magnitude there will be hurdles,” he continued. “Being able to clear hurdles is a testament to the strength of the project and the fortitude of the good team that stands behind it. Flats East Bank is today moving forward because of the ongoing efforts and strategic collaboration of our public and private partners.”

Visitors and nearby downtown residents – who currently have little access to outdoor public space – will be able to take advantage of a 14-acre public park with plush green space, open recreational fields, and a 1,200-foot riverfront boardwalk.

The development plans offer some new, exciting components as well – most notably a three-acre riverfront beach for lounging, sun-bathing and sand volleyball.

While signature parks and plazas were always contemplated along the riverfront, the park will be larger in the initial phase of the development. When the housing markets recovers, developers will expand on the mixed-use development, with a focus on residential opportunities, including condos, apartments and townhomes -- all with exceptional views of the downtown skyline, Lake Erie and the Cuyahoga River. But green space, a riverfront boardwalk and other public amenities will continue to be a draw to the waterfront as plans progress.

The developers thanked their anchor office tenants – Ernst & Young and Tucker, Ellis & West LLP – for their patience and continued commitment to Flats East Bank and the city in the face of the nation’s economic challenges.

“The Wolstein family has a very deep and personal interest in the Flats and I know that it’s going to be a gleaming showpiece when it’s done,” said Don Misheff, Ernst & Young’s Northeast Ohio managing partner. “We believe that it’s going to be a great place to conduct business and an asset in our efforts to recruit the best and brightest young talent. I think it will become the most sought after office location in northeast Ohio.”

Curt Isler, managing partner of Tucker Ellis & West, reaffirmed the law firm’s commitment to the development as well: “We committed to this project early because we saw it as a first class, high-energy waterfront development that will define Cleveland’s future. When the downturn came, the developers won our respect with their candid and honorable approach to the new challenges. We have reaffirmed our commitment. This will be a stunning setting for our flagship office. We can’t wait to move in.”

To move the project forward, the State committed an additional \$24 million through a combination of sources, \$23 million of which are loans.

The City, through its Economic Development Department, will introduce legislation to City Council committing an additional \$30 million loan, as well as the use of its Recovery Zone Bond allocation, a federal stimulus incentive which allows taxable bonds to be issued as tax exempt. In addition, the City has submitted to the schools a restructuring of the Tax Increment Financing with the Cleveland schools, which would achieve the same percentage of taxes to be received by the schools as previously agreed to, but will adjust the timing and method of payments.

Many other public partners and programs also contributed to push this unique and defining project forward, including a recent Cuyahoga County loan of 1.5 million for brownfield remediation. The County also previously provided a \$4 million loan and secured State and Federal Funding sources totaling \$7 million.

### ***About Flats East Bank***

Flats East Bank is a joint venture between The Wolstein Group and Fairmount Properties. The site has undergone extensive environmental remediation and is ready for new construction. Phase I of the project will begin this fall and is anticipated for completion in Spring 2012. The subsequent development phases will include extensive waterfront housing as well as additional shops, restaurants and entertainment.



**Every great city has a vibrant one-of-a-kind destination point.**

**In Cleveland, that place will be Flats East Bank.**

The \$270+ million Phase 1 riverfront development will offer:

- 450,000 sq. ft. of Class A office space featuring a green rooftop terrace for anchor tenants including Ernst & Young and Tucker Ellis & West
- A 150-room business class hotel featuring top-quality room design, a high-tech conference center, as well as a landscaped terrace and covered pathways with direct connectivity to the office tower
- Energetic architecture and design, innovative lighting, bold color, sculpture and public art—all with breathtaking waterfront and skyline views
- An inviting 14-acre public park with plush green space, open recreational fields, a 1200 ft. riverfront boardwalk with riverfront dining and a 3-acre urban beach for lounging or sand volleyball
- A 14,000 sq. ft. regional state-of-the-art health club and 15,000 sq. ft. of unique retailing as well as casual and fine dining options
- Seasonal pavilions for festivals, programs and activities
- Plentiful parking balanced between a structured parking facility and appropriately designed surface parking lots
- Future phases to include extensive waterfront housing as well as additional shops, restaurants and entertainment

Flats East Bank is a joint venture between The Wolstein Group and Fairmount Properties. Phase I of the project (as outlined above) is anticipated for completion in Spring 2012.



## **Project Partners**

The development team thanks the following partners for playing an integral role in the creation of the new Flats East Bank district:

### **Public Partners**

City of Cleveland  
State of Ohio  
Cleveland-Cuyahoga County Port Authority  
Cleveland Municipal Schools  
Cuyahoga County  
Greater Cleveland Partnership (Cleveland Development Advisors)  
Northeast Ohio Regional Sewer District  
Army Corps of Engineers  
Greater Cleveland Regional Transit Authority  
U.S. Department of Commerce  
U.S. EPA  
U.S. Department of Housing and Urban Development  
U.S. Department of Transportation

### **Private Partners**

National City Bank  
Charter One

### **Civic Partners**

The Greater Cleveland Partnership