Cleveland Architecture Foundation
Vol. 5, No. 10, Winter 2025: Section A

Bedrock's Riverfront Project Needs More Scrutiny:

The City of Cleveland has alredy rolled out its Red Carpet and opened its vault for Bedrock's Riverfront Master Plan, despite the vague and fuzzy content of that master plan and Bedrock's previous uneven history in delivering on its promnises in Cleveland.

Bedrock's Current Phases IA, IB:

In November 2024, Bedrock announced that Phase I – actually Phase IB - of its riverfront project would be a 17-story Rock and Roll Land entertainment complex hotel with a rock-n-roll theme and an immersive music and theater experience with retail atop a 268,000-square foot 800-car parking garage. The 560,000 sf building is projected to cost more than $488 million and be eligible for $40 million in TMUD tax credits. In early 2025, the hotel won a $9.1 million Ohio TMUD tax credit.

Bedrock said that the building's central lobby would serve as "the vortex where guests and music fans will be able to dine, socialize and see performances. From arrival to departure, guests will be treated to a full rock and roll experience."

"What has consistently been missing is a centerpiece of our community for the benefit of all Clevelanders," the application stated, "and what has been continuously communicated and demand is embracement of and access to our waterfronts." The number of seats in the entertainment venues as well as the number of rooms and brand of the proposed hotel are not included in the application.

Bedrock's TMUD application indicated that Bedrock *in the future* would revitalize the retail section of Tower City with a "central eatery and food hall" combined with undisclosed entertainment destinations. No timetable, other narratives or visuals defining the work scope has been released by Bedrock.

Stan Bullard's article in *Crain's Cleveland Business* referenced infrastructure needs and costs as well as the 100-foot drop from Public Square to the river. Neither Bedrock nor their architect Adjaye have even seriously addressed this issue except to show a mountain of steps at three locations. That is a very long climb down and an even longer climb back up. This is unacceptable.

If the city and Bedrock are at all sincere about creating assets for public use, multiple elevator elements need to be incorporated at multiple locations for everyone – especially seniors, the handicapped and mothers with infants in strollers to get from Public Square/ Tower City to and from the riverwalk.

This is a more flagrant omission than the absence of rest rooms and storage lockers at the so-called Kayak Launch, which is just a product of being cheap and lazy. For all the TIFF and TMUD benefits being handed to Bedrock, they need to step up and do this project correctly.

Where are Developed Conceptual Designs?

A conceptual plan by Bedrock was approved in July 2024. In February 2025, the Cleveland Planning Commission provided another approval but asked pointed questions for Bedrock to address as the city looked to approve a $1 billion tax-increment-financing agreement for infrastructure work to begin. Details on the connection of Tower City, the GCRTA train station and the lakefront and the re-tenanting of Tower City were still being worked out.

Those details have still not been presented for review though it has been reported that Cleveland has given "final approval."

In June 2025, Bedrock asked to demolish the Cleveland Thermal steam plant on Canal Road that has been there since 1894.

The Cavalier/ Cleveland Clinic Peak Performance Center (PPC) previously reported by *NEOTrans* to be a $200 million project, is actually more like a $75 million project, is currently under

Bedrock's Riverfront Project Needs More Scrutiny:

construction. The PPC has few windows and at the level of the riverwalk, will be opaque because it is where the Cavaliers will park their cars. The PPC's design is a disappointment in many respects.

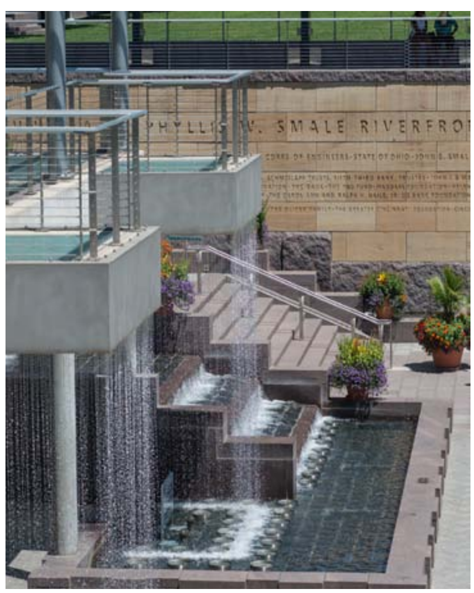
The History of Gilbert and Bedrock in Cleveland is Spotty:

Dan Gilbert has a very checkered history in Cleveland. His promises and guarantees have been meaningless with regard to the $600 million riverfront casino he promised Cleveland in 2010, the 34,000 casino jobs he promised Ohio and Clevelanders, and the tens of millions of dollars in tax revenues from the casino and casino workers. And then there is the charade with

CONTENTS:

Above: Bedrock and its Design Team expect Cleveland to be satisfied with going through Tower City and taking steps 100' down to the riverwalk. The handicapped and elderly need not attempt.

Above: Cleveland gets steel bulkheads.
Below: Cincinnati Sawyer Point Steps include Fountaains and Elevator Access.



the renovation of Quicken Loans Arena – now called Rocket Fieldhouse.

And yet the city of Cleveland rolled over and gave Gilbert and Bedrock an enormous TIFF package that will run for 42 years to motivate him to redevelop the Cuyahoga Riverfront behind Terminal Tower, supposedly spending $3.5 billion.

Gilbert's Cleveland Casino Charade:

In 2009, Gilbert and Penn National Gaming spent $47 million on a PR campaign to allow them to operate new casinos in Cleveland, Cincinnati, Columbus, and Toledo. **They guaranteed 34,000 jobs.** Guaranteed. *The Columbus Dispatch* reported that they ultimately created 10,600 temporary jobs and 4,844 permanent ones – **18,556 fewer than guaranteed.** In Cleveland, they reportedly created 400 permanent jobs. They promised an expansive $600 million riverside casino in Cleveland.

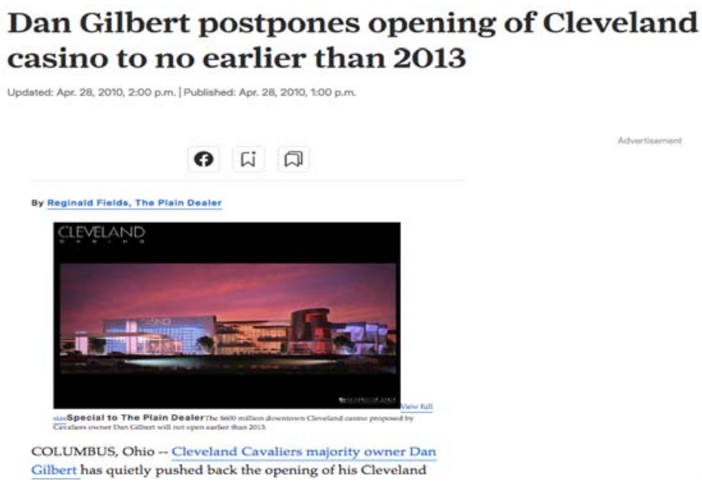
In 2010, Dan Gilbert announced a Phase I casino development in the Higbee Building as a purely temporary move as he told Positively Cleveland and the Greater Cleveland Partnership to find another location and be out by October. Gilbert then claimed at that time that delays in acquiring land for the casino on the river would delay its opening until 2013.

Gilbert produced rough conceptual drawings of his casino that could never have been construed to represent a cost of $100 million, let alone the $600 million Gilbert promised.

In Brent Larkin's 9-12-14 article in *Cleveland.com.*, he observed, "They instead crammed the machines and tables into the refurbished Higbee's department store. Worst of all, they sold the state of Ohio on massive tax revenues and then predictably under-delivered, overestimating the money that would go to schools and hospitals by tens of millions of dollars."

In 2019, Gilbert sold his Jack casino, the Higbee Building and the Thistledown racino to Vici Properties for $843 million.

Bedrock's Riverfront Project Needs More Scrutiny:



Dan Gilbert postpones opening of Cleveland casino to no earlier than 2013

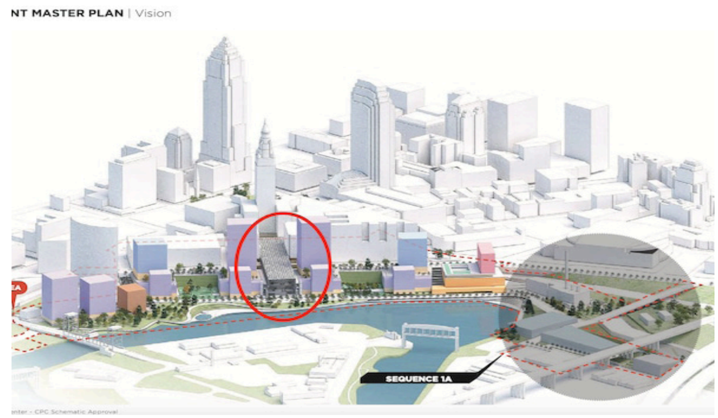
Updated: Apr. 28, 2010, 2:00 p.m. | Published: Apr. 28, 2010, 1:00 p.m.

Advertisement

By Reginald Fields, The Plain Dealer

View full size Special to The Plain Dealer The $600 million downtown Cleveland casino proposed by Cavaliers owner Dan Gilbert will not open earlier than 2013.

COLUMBUS, Ohio -- Cleveland Cavaliers majority owner Dan Gilbert has quietly pushed back the opening of his Cleveland



How enforceable were Gilbert's guarantees? Not. Did they mean anything? No.

The Quicken Loans Arena Renovation Charade:

A renovated Quicken Loans Arena opened in 2019. The arena originally opened as Gund Arena in 1994 as a key element of the Gateway District. Gilbert wanted to update the facility that had not had a major overhaul in 22 years. What resulted was another deal hatched in secret with zero public input to compel taxpayers to shoulder 50% of the proposed cost which lead to a citizen's revolt that took the $140 million project to the Supreme Court over whether to accept petitions for a referendum. Then Gilbert and the Cavs withdrew their plan before resuming the project a week later.

At the time, the Cavs CEO Len Komorowski claimed the facility was "the 27th most active arena in the world for live entertainment activity." **That was a very big lie. The arena was then actually the seventh most active sports/ entertainment facility in the US.**

The original secret plan called for a 50/50 split between the public and the Cavs, but the project's cost spiked up to $185 million so the Cavs had more room to sell beer and T-shirts, so the team ended up kicking in the extra $45 million to take on 62% of the total cost.

As *Scene* editor-in-chief Vince Grzegorek noted in 2019, "But for us and those who have taken the time to actually learn about the deal, the glittering façade and introduction of something called the South Neighborhood, among other uplifts, are a totem not of how Cleveland has succeeded but of how it has once again failed and how deals exactly like this one are hatched in secret with no public input. How the corridors of power aligned to squash a ballot initiative that dared ask whether it was in the region's best interest to hand over tens of millions of dollars that would better be allocated elsewhere. How thoroughly and blindly the city and the county display absolute fealty to the business community.

When Gilbert hesitated to give the arena a new nickname after the renovation, the local press suggested "an appropriate moniker: The Rock Bottom Fraudhouse."

Quicken's Mortgage Business:

When the mortgage crisis hit in 2008, Gilbert's Quicken Loans made it a point to repeatedly profess that they did not traffic in the subprime loans that were widely blamed for the market's collapse. **But Gilbert's and Quicken's claims that they do not do subprime loans was a canard – an unfounded rumor that has been proven false.**

Quicken sold off approximately **$25 billion** in bad loans to the now-defunct Countrywide Financial, who then repackaged them and sold them to major lenders and government-sponsored enterprises. Quicken also offered - and continues to offer - interest-only loans and negative amortization loans, in which the homeowner makes increasingly steeper interest payments without paying down their actual debt. The federal government's General Accounting Office considers such negative amortization loans to be predatory.

Quicken has not been clean following the mortgage crisis either. In 2011, the company was successfully sued for $2 million by homeowners in Ohio and $3 million by homeowners in West Virginia for appraising homes at nearly 300 percent of their market value. Managers also encouraged salespeople to lock folks into higher interest rate[s], even if they qualified for lower rates, and rolling hidden fees into a loan, according to a sworn statement from a former Quicken employee.

The Department of Justice has been litigating a charge it filed in 2015 that Quicken has misrepresented borrowers' income and credit scores in order to qualify for Federal Housing Authority insurance. In 2016, a National Labor Relations Board judge ruled that the Quicken Loans employee handbook had illegal

Bedrock's Riverfront Project Needs More Scrutiny:

restrictions in it: namely, it stated that workers could not so much as sniff around unions or unionizing without being disciplined or terminated.

In 2019, Gilbert and Quicken Loans agreed to a $32 million fine settlement in the Justice Department's federal mortgage loan fraud lawsuit. The government said the company approved loans that should have been denied by sometimes asking property appraisers to inflate home values after an initial appraisal was too low to get a loan approved, according to the lawsuit. The lawsuit said Quicken Loans knowingly violated mortgage underwriting practices in order to close bad loans insured by the Federal Housing Administration. It also claimed the company's senior leadership knew about the issues, which cost taxpayers millions of dollars.

Cleveland Trusts:

Yet Cleveland trusts Gilbert and Bedrock because they can and do spend *some* money here and are viewed far more favorably than are the Haslams. Part of that may be somewhat attributable to the many worthwhile things Gilbert has done in Detroit, his hometown, where he has virtually single-handedly rebuilt downtown Detroit. And so Cleveland has put together local and state money for Riverfront Phase I infrastructure repairs, which is being spent while Gilbert's money stays in his bank. Cleveland also rolled out the 42-year $1 billion TIFF financing package for Gilbert and Bedrock – without commitments or even much detail at all on exactly what Bedrock will be delivering, or when. When Gilbert has provided details in the past, they were subsequently downsized and/or delayed. Remember the casino.

Bedrock's Detroit Accomplishments:

Bedrock's efforts in Detroit have demonstrated genuine commitment, perseverance and an earnest effort to attempt design excellence that we can only hope is sustained in their efforts here. After all, their capable renovation of the 1920 Art Deco Book Tower took seven years and cost $300 million.

Detroit's City Modern neighborhood is now complete. Architecture studios Hamilton Anderson Associates (HAA), Merge Architects, Lorcan O'Herlihy Architects (LOHA), Studio Dwell, McIntosh Poris Architects (MPA), and Christian Hurttienne contributed to its master plan, as well as individual buildings or clusters of housing. The majority of the scheme was developed by Bedrock, with some individual buildings developed by Hunter Pasteur.

The project represents a scaled urban redevelopment effort that over an entire city block delivers a diversity of housing types and designs. It contains "market-rate, affordable, and workforce housing" – including senior housing – across a mixture of apartments, townhomes, carriage homes and condominiums, as well as retail space. It is well done.

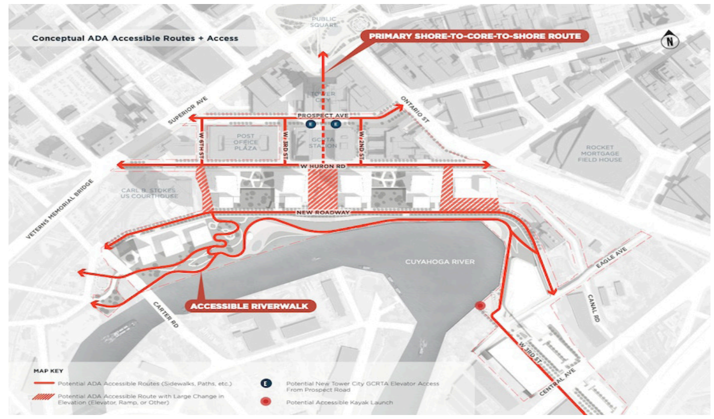
Bedrock's Hudson development (above left) at the historic Liberty Square intends on delivering Class A office space and retail with a seven-story atrium and a range of restaurants, bars and cafes to reinvigorate downtown Detroit. General Motors has selected Hudson's Detroit as its new global HQ location.

Any hope that Cleveland's Cosm project (above right) would be designed to a higher standard than their previous efforts has been dashed by the Downtown Design Review Committee's approval of the sophomoric design now under construction. The design is a cookie-cutter of its other locations with zero compatibility to its surroundings here. As a painful example of the design's many failures, Cosm's dock faces the arena's primary entry. Their Detroit Cosm is to anchor a $1.5 billion redevelopment at Cadillac Square and its design falls far short of the standards of the other components of that development.

Cosm's existing venues elsewhere host three programs each day, including movies, educational programs and live sporting events. On weekends, each location hosts up to seven programs in a single day. Each site offeres food and everage service, including at-seat service.

Cosm's renderings reflect that one entrance will be at the corner of E. 4th and Huron and the orther will be at the opposite northeast corner where a pedestrian-only public space will be expanded

Bedrock's Riverfront Project Needs More Scrutiny:



from the existing walkway that has been the E. 6th St. alley. Cosm wants to utilize those public spaces during events at Cosm, nearby Rocket Arena and Progressive Field.

According to William Smith, lead design associate at Detroit's Rossetti Architects, this is supposedly why the Bedrock Cosm team has made the "difficult decision" to locate Cosm's loading dock on Huron Rd. directly acress from the primary pedestrian entry to Rocket Arena.

This is simply poor architectural and urban design that we should not be tolerating.

Cleveland's So-Called 15-Minute City Concept:

A 15-minute city is one where residents can get most/ all of the things they need – home, work, school, church, grocery – within a 15-minute walk, bike ride or transit ride. It does not exclude cars, but the concept emphasizes car-free modes of transport.

In Cleveland, the achievement of such a standard implies improvements to the transit authority, more bike routes and zoning changes. In late 2023, Cleveland rolled out a $24.5 million landscaped median for bikes, physically separated from vehicular traffic for Superior Avenue on the city's east side. The Lorain Ave. Midway project on the west side is projected to cost $30 million. Cleveland's Midway concept effectively eliminates on-street parking that will result in a commercial and social cost. In 2023, 550 people were hit by cars while cycling or walking in Cleveland. Nine were killed. Cleveland is far from a model city for bikes, behind Madison, WI, Milwaukee, WI and Paris, France.

"Final Approvals" From Cleveland:

Adjaye's Bedrock Riverfront Master Plan was released on May 19, 2023. The Master Development Plan from MSK and Bialosky dated February 7, 2025 states that it is adopted by the City of Cleveland Planning Commission as of that date.

It is concerning that city officials here have reportedly approved Bedrock's riverfront project with VERY little detail and no actual commitments of what precisely Bedrock will do, in what manner, where and when.

In February 2025, the Cleveland Planning Commission approved Bedrock's $3.5 billion master plan, which was reportedly more detailed that the conceptual master plan they had presented to the Planning Commission in July 2024. But the landscape architect cautioned that the plan presented "is to provide guidance and not be a prescriptive path for the neighborhood." In other words, this is going to change – for certain. So Bedrock is not actually bound by any of the approved master plan's content. Is the Cleveland Planning Commission's 'final approval' apparently meaningless?

A study to extend the Cuyahoga Valley Scenic Railroad passenger trains into downtown has been completed. However, *NEOTrans* reports that the study team concluded that "such an extension is not feasible – for now," apparently due to excessive demands from CSX. The railroad refused to participate in the study and refused to even provide a right-of-entry permit to the study engineers to access CSX's property.

The light traffic of the CVSR operation and CSX's lack of cooperation means that replacing nine miles of CSX tracks between CVSR's Rockside Station in suburban Independence and a potential station site in the Flats south of Downtown Cleveland along with installing the costly, interactive, satellite-based traffic control system will increase the start-up capital cost for the project to balloon up to $194.1 million in 2025 dollars. CSX's demand for a Positive Train Control System needlessly increases the cost by $65 million when CVSR trains travel at only 25 mph. The CVSR team continues to try and work with CSX who, with very light freight traffic on the path, is clearly behaving badly.

At the February Planning Commission presentation, Planning Commission member August Fluker wanted more detail on the transportation and pedestrian movement in the Bedrock Riverfront plan – the project's "connective tissue." We all do. Where is it?

Bedrock's Riverfront Project Needs More Scrutiny:

Changes in Grade/ "Shore-to-Core-Shore:"

Cleveland's Shore-to-Core-to-Shore slogan attempts to sell the public on the notion that connecting the river and lake involves a walk from the riverfront that crosses Public Square, heads over to East 9th Street and goes north to the harbor to fulfill the semantic. The implication is that Cleveland is a better city if and when we achieve that. And that is surely true, IF we do it right.

The current design of the Riverfront Master Plan – let alone the path through Public Square to the lakefront - leaves many issues and challenges unresolved.

Routing and Changes in Grade:

One of the Riverfront plan's major shortcomings at present is the actual routing and design of pedestrian movement to/ from Public Square down to the Riverwalk. The MP's site plan labeled "Conceptual ADA Accessible Routes + Access" shows pedestrian paths moving *around* Tower City on Prospect Ave. to arrive at Huron Road to then *back* to the monumental steps that are centered on Terminal Tower and Tower City to travel down to the new roadway and riverfront park.

Courtyard Steps to the North: A kiosk café and rest rooms "may" be included – but not until the last phase – 20 years in the future?! A small splash pad is indicated next to the Riverwalk. The Plan shows a stepped lawn dropping down to a "grove" – eight trees, quite an exaggeration. Covering the steep grade change from Huron Rd. at the Superior Bridge to the Riverwalk is a dense cluster of trees. Safety is a concern.

If and only if the café and rest rooms are provided, this element has the potential to serve as a legitimate destination for users of the Riverwalk by providing a beginning and an end. Renderings show no seating here which is an obvious necessity, particularly if the small splash pad is provided. And for the wading pool (above left) to function as an ice rink in the winter, its size needs to be increased.

The Porch and the Belvedere: Conceptually, the ADA Access route site pan shows a line and arrows at each end that connect Public Square with the Riverwalk. But that line goes through Terminal Tower and then Tower City - and the GCRTA station – to exit on West Huron to then descend on the main step elements. For this to be successful, **all** levels of Terminal Tower and Tower City need to be open and accessible for extended hours every day and the primary level – that with ramps to/ from Public Square – should be accessible 24/7.

The problem with this path is that without elevator transportation, there is nothing about this plan or section that is truly functional and ADA accessible. That grade change – it is defined at 50' in one location and 100' in another – will be a challenge for over half of the population.

Bedrock and its team have yet to successfully and clearly address what they acknowledge is a major change in grade from Public Square to the Riverwalk. So far, all they have proposed is steps - lots of steps - at three locations. And this has been given 'final approval?' This is irresponsible and unacceptable.

Bedrock's Riverfront Project Needs More Scrutiny:

It looks to be as big a drop as the Browns' stadium in Brook Park from entry at grade to the field. Climbing back up will need oxygen stations every 30 feet. Elevators need to be incorporated at each step segment if for no other reason to accommodate the elderly and the handicapped. How is it that a design of this magnitude has been developed, presented and approved and it is not even compliant with the ADA? That manifests incompetence From Bedrock, its architects and the Planning Commission.

So far the public is paying handsomely for infrastructure upgrades, namely the riverfront with $75 million in Phase I money - with no Bedrock contribution - plus $10 million more from the state. The design team has at least acknowledged the grading issue but has not designed any solution yet, let alone an acceptable one. On page 67 of the Cuyahoga Riverfront Master Plan, it states, "Where changes in vertical elevation are severe, provide all-abilities access through a combination of elevators, ramps, and sloped walkways or other creative solutions that provide for a similar level of effort and route to other options available." **The three primary pedestrian access points – one in each phase – are all severe in grade change, necessitating such vertical transportation elements.**

Bedrock owes Clevelanders a design that works - *before* final approval is given.

Zig-zag ramps like San Francisco's Lombard Street will be too unfriendly for wheelchair users going down, to say nothing about trying to get back up. But the MP's Conceptual Pedestrian Network + Circulation Plan shows a zig-zag graphic on the three connection splines from Huron Road to the riverwalk.

Hopefully this is simply a graphic illustrating only a 'large change in elevation.' Continuous steps like the Spanish Steps in Rome are less costly but also a challenge. That slope between Piazza di Spagna at the bottom and Piazza Trina dei Monti at the top is 95 feet which involves 136 steps, averaging 8.44" each. It is illegal to sit on the Spanish Steps in Rome, which would inhibit movement. **There are only three access points in the MP for pedestrians to move from 'core' to 'shore'** – one just west of where Huron meets Ontario that is to be incorporated into Phase IB.

But the second – the major path that aligns with Tower city and Terminal Tower is not even planned until Phase II. This omission is a serious problem. The third is at West 6th Street and is in Phase III. The reconstruction of Eagle Avenue at the southeast has been depicted as quite a steep and continuous slope that is not ADA compliant, so it is not coded as an accessible route on the MP.

The city needs to demand much more detail and an exemplary design for these connections from the Bedrock design team. Until such success is achieved in design, there should be no more mention of 'shore-to-core-to-shore.' Until such matters and details are addressed successfully, there can really be no 'final approval.'

The Riverwalk:

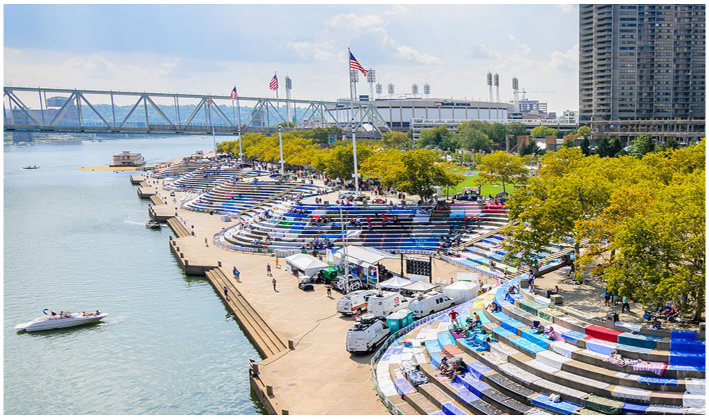
The Riverwalk is to be completed in fragments. That is unfortunate, particularly if Bedrock's project phases are going to take 20 years to realize, though recent comments idicate Bedrock is growing in confidence it will progress more rapidly than originally stated. The Riverwalk will not be successful in fragments that lack a genuine beginning and end.

It is most logical that the new lower roadway be completed in Phase I. But it is indicated as a Phase II work scope. It also seems most logical – if we want to provide Cleveland with an amenity that is worth the effort to park or ride and get there - then the Riverwalk should be similarly addressed and completed in Phase I - at least as far as West 6th Street.

If so, Bedrock's previously stated commitment that each phase will be a complete execution rings hollow. With Phase IA only involving the Peak Performance Center to the south and whatever the latest revision is to Phase IB, the only pedestrian access will be the Huron-Ontario steps to the south that arrive in the middle of the south segment of the Phase IA Riverwalk.

To be successful, the Riverwalk – albeit in segments – needs to have beginnings and ends that are legitimate destinations. They need to be developed places of arrival and departure that deliver more than a bench or two. And at some point(s), public rest rooms need to be

Bedrock's Riverfront Project Needs More Scrutiny:



incorporated.

The Belvedere is the catchy name the team has assigned to a small plaza area at the foot of the widest section of step – the middle segment, centered on Tower City and Terminal Tower. At present the Master Plan shows a sloped park-like garden/ arboretum at the north end of the Riverwalk, while the south end putters out at the kayak launch ramp.

Given that none of the renderings to date illustrate lighting, it appears that night safety and security have also not yet been addressed by planners. The plaza area is shown with café furniture (which will walk away) and sits well above and back from the Riverwalk with a sloping lawn connecting them– who is maintaining these green spaces?

The Greater Cleveland Partnership's cheerleading poster (page 6, top right) announcing the Planning Commission's "final design approval" of a design that is not even conceptual does not show the steel bulkheads being installed. Nor does it address and successfully reconcile access from the 'core' elevation to the 'shore' destination. And it had better not truly be a final approval with so much detail yet to disclose.

So the renderings shown to us and to the Landmarks Commission are apparently not accurate, just like the Cavaliers' Performance Facility renderings did not accurately show that facility's design. However, the latest Peak facility renderings now show steel bulkheads. It appears that there is little accountability for design and approvals in Cleveland.

Phase I Work in Progress:

The Bulkheads: The construction of the Cuyahoga River bulkhead at the Bedrock riverfront development is progressing – unfortunately.

The bulkhead is steel – the lowest cost type out there. It is being paid for completely with taxpayer money – another give-away to a wealthy developer to enable the developer's own work for the developer's own profit. Steel bulkheads rust and look like the inexpensive corrugated metal they are.

Columbus, Cincinnati (above left) and Pittsburgh (above right) all have handsome downtown riverfront parks and riverwalks – and have for years – a sign that Cleveland is always a bit behind.

All three have stone bulkheads.

Unlike the designs for our Riverwalk, Cincinnati's (page 9 right) also has swings, dedicated overlooks, shaded canopies, splash zones for children and other amenities, which is why it was voted the Best Riverfront Park – Sawyer Point - in America by *USA Today*. The Columbus Riverwalk came in at Number 8. What is commendable about Cincinnati's accomplishment is the fact that their entire downtown riverfront frontage is subjected to serious flooding every spring along the Ohio River.

This past spring in Cincinnati saw the Ohio River rise to an incredible 60.75 feet level (page 9 left) requiring water rescues. The normal water elevation of the Ohio River at Sawyer Point is 26.0 feet, so in spring, the river was 34.75 feet above that. At 42 feet, the Ohio River starts to encroach on Riverbend Music Center, Cincinnati's version of Blossom Music Center. Official flood stage is 52 feet.

Bedrock's Architect:

Bedrock's conceptual design has been authored by David Adjaye, who in 2023 was accused of a number of sexual assaults of employees that allegedly happened in 2018 and 2019. Many of Adjaye's clients then dropped him like a hot potato but Bedrock has continued pushing the project for the past three years - without mentioning him - until recently. Bedrock subsequently engaged Bialosky Cleveland and landscape architects MSK from Columbus to address site-planning issues regarding roads and riverfront green space.

Adjaye took a low profile after the allegations against him were made public. Adjaye Associates confirmed he would no longer

Gilbert & Bedrock's Riverfront Project Need More

be involved with their London Holocaust Memorial Center, or Chicago's Fern Hill project. The Harlem Studio Museum, the East County Library in Oregon, Liverpool's International Slavery Museum and Vermont's Shelburne Museum fired him. The Sharjah's Africa Institute project in UAE was cancelled. In addition, Adjaye resigned from his positions as a Serpentine Galleries trustee, a design advisor to London's mayor Sadiq Khan, his association with Venice Architecture Biennale 2023 and as curator of Lesley Lokko's African Futures Institute.

Adjaye has maintained his innocence, but has admitted that he has sought counseling, which sounded and felt like some sort of an admission of wrongdoing. His alleged victims have remained anonymous but Britain's *Financial Times* has corroborated their claims. Following the story breaking Adjaye's misconduct, numerous current and former employees went public, condemning Adjaye and the firm's culture.

Cleveland's "Shore-to-Core-to Shore" PR:

In March 2024, Cleveland trotted out its latest slogan and PR campaign: The "Shore-to-Core-to-Shore" (SCS) tax increment financing district is intended to help fund Cleveland's riverfront and lakefront plans with a downtown tax increment finance district. That TIF district - an economic development tool that uses increases in property taxes to fund further development - is expected to generate between $3.5 billion - $7.5 billion in new revenue over the next 42 years. Given the cratering of downtown Cleveland's real estate market in the last few years, those projections appear to be exaggerated folly or excessively optimistic or both.

The bulk of that money may be used to pay for Cleveland's Shore-to-Core-to-Shore plan, which includes lake and riverfront access, multimodal transit options, residential and retail development and more than 20 acres of recreational green space and more. Unlike other city-approved TIFs which target one building that typically feeds back to that specific project, the SCS TIF district encompasses a larger geographic boundary and is designed to generate revenue that can be used to fund multiple public infrastructure improvements both inside of and outside of the district.

The district's boundaries stretch from the lakefront to the Cuyahoga River in the south and between the Innerbelt to the east to parts of the Ohio City neighborhood to the west. The existing Downtown TIFs will not be impacted. Cleveland's vision for the Downtown lakefront includes viewing vistas, a beach and more access to the city's waterways. Columbus and Cincinnati already utilize TIF districts, some of which were established decades ago and used to pay for public infrastructure.

Some council members questioned where the TIF money would go, with concerns about development in their own neighborhoods that the city has ignored for decades, while the focus on Downtown development continues. However the TIFF district only defines the district and its geography. It does not authorize spending. The city will have to go back to council to allocate the funds and seek approval for bonds and other debt issuance. Previously, Bibb and the City Council struck a deal ensuring 35% of proceeds will go city neighborhoods. Council initially asked for half.

Phase IB:

Phase 1B was to include "separate buildings for entertainment, hotel/hospitality, mixed-use retail, affordable and market-rate housing, Class A office space and community facilities" per *NEOTrans'* August 2024 story.

Bedrock has promised a "walkable and complete neighborhood at the end of each phase."

The 17-story "Rock and Roll Land" tower is to include 560,000 square feet and an 800-car parking garage at the southwest corner of Ontario Street and West Huron Road. The building is to include a hotel and an "immersive music and theater" entertainment venue that will share a common lobby with a rock-and-roll experience.

With the recent decision locating the Cosm entertainment venue just east of Bedrock's riverfront work and just north of Rocket Arena, that now seems redundant and unlikely. The infrastructure

Bedrock's Riverfront Project Need More Scrutiny:

improvements associated with this work were somehow projected to cost more than $424 million - unlikely! - which are to be eligible for $40 million in TMUD tax credits from the Ohio Department of Development.

In November 2024, Bedrock said that the tower would be connected to Tower City's retail center and Rocket Arena. Bedrock has also pledged to revitalize the retail section of Tower City with a "central eatery and food hall" combined with undisclosed entertainment destinations. "Undisclosed" in a Bedrock announcement justify skepticism. In January, Bedrock removed the Tower City atrium fountains, promising to create a space (above left) to be used for events, implying the large open area will instead contain nothing.

Timing:

Work on Cosm has begun.

In December 2022, Steven Litt questioned whether Gilbert's "ambitious" proposal for the Cuyahoga riverfront would happen; "But Clevelanders are used to seeing grand plans, many of which have fizzled. Will this time be different?" Given that Cleveland offered Gilbert an incentive package worth over one billion dollars from property tax increases, it seems plausible this time. Likely may be another matter.

Council members challenged Bedrock to make sure that Downtown was not the only beneficiary of the TIFF financing. City neighborhoods also needed to benefit. So part of the deal requires jobs and affordable housing opportunities. Out of its $3.5 billion budget, Bedrock committed a measly $25 million for city projects and initiatives such as workforce development, plus $15 million for neighborhoods outside of downtown. **That is 0.007% of the project's budget. To characterize that as a "cheap buy" for a $1 billion TIFF financing package is simply too polite.**

Bedrock told the city that its projects – over 42 years! – would produce 7,000 annual jobs! We have previously debunked this ridiculous claim from Gilbert based on his original statement of the different elements planned. Remember Gilbert's the number of casino jobs he "guaranteed?"

Bedrock's deal with the city stipulates that 30% of all contractors are women- or minority-owned, with a hiring goal of 40%. Those goals are higher than ANY of the previous goals the city has ever pitched – and there have been many over the last 30 years. And none of the prior projects have hit those lower targets because there just are not enough qualified minority tradespersons out there. And those high targets have previously led to minority fronts created and hired that make a sham of these targets. So this is another BS narrative that Council sticks in these deals to try and look good, but they end up being meaningless - and they have no teeth. And developers agree to the goals because they know they are essentially unenforceable. They just have to make an effort.

Trusting Gilbert and Bedrock:

In 2014, Brent Larkin noted how Gilbert's value of his Cavs purchase in 2005 for $375 million grew to $1 billion when LeBron James agreed to return to town. And Larkin pointed out that taxpayers had given Gilbert $80 million – 12 years ago - in cigarette and alcohol taxes to keep up the arena he ran.

Larkin added, "No one should begrudge Gilbert his wealth. He's obviously a shrewd businessman willing to take risks. But the people of Northeast Ohio have a right to expect Gilbert to tell them the truth and keep his promises. And when it comes to his downtown casino, Gilbert has done neither."

"On May 3, 2009, Gilbert and his partners from Penn National Gaming were part of what was probably the biggest ballot-issue swindle in Ohio history." First came the campaign, or what might best be titled, "Promises Made. Promises broken."

To hoodwink voters into approving one of the sweetest casino deals ever handed out in the United States, Gilbert and his partner, Penn National Gaming, orchestrated a $47 million campaign that promised millions in taxes for schools and local governments.

Bedrock's Riverfront Project Need More Scrutiny:

In return for helping children learn and municipalities better serve their citizens, Gilbert would get to own and operate a full-service casinos in Cleveland and Cincinnati. Penn National would do the same in Columbus and Toledo. Voters fell for it. But as Ohio's news organizations - especially *The Plain Dealer* and *The Columbus Dispatch* - have reported, **it was all a gigantic exaggeration that relied, in part, on patently absurd revenue projections.**

In Gilbert's defense, it must be acknowledged that Gov. John Kasich rightly demanded, and got, a bit more up-front money. And the opening of seven slots-only racinos at seven Ohio racetracks did reduce the take at the four full-service casinos.

But even without the racinos, the campaign promises of $2 billion in annual revenue would have never been met -- not in a market where there are 30 casinos within a four-hour drive of every Ohioan. **Promised revenue was not the only bogus claim used to fool voters. So, too, were the guarantees of 34,000 jobs.** That was **way beyond** a large pile of BS. Gilbert's casino here – since sold and now operating as Jack's – delivers 400 jobs according to Jack Entertainment – **that is 1.2% of what Gilbert guaranteed.** What was the penalty for failing to deliver on that guaranty? Zero.

Gilbert claimed the casinos would deliver 9,500 temporary jobs – 5,300 construction jobs, 2,800 casino jobs and 1,300 jobs at the 'periphery' of the casino site. Gilbert projected his casino would generate $71 million in annual tax revenue for Cleveland alone, with $29.7 million going to the city, $18.8 to the county and $22.5 to local school districts. The fact is that Cleveland has received roughly $13 million annually from the casino – less than half of Gilbert's representation. A *Columbus Dispatch* series said the casinos created 10,600 temporary jobs and now employ 4,844 Ohioans. **That is 18,556 fewer than Gilbert promised.**

It seems that when Gilbert/ Bedrock throw out a number on anticipated jobs, we must all divide by half - or four – or ten.

Riverfront Development's Job Creation:

In our CAF Winter 2024 Newsletter, we addressed Bedrock's wild claims for job creation and tax income. The Greater Cleveland Partnership reprinted and respread Bedrock's exaggerated claims from an alleged economic impact study commissioned by Bedrock. Bedrock's alleged economic impact study – which cannot be found – we asked for it last fall - projects 30,000 new jobs and an eventual increase of $1.2 billion in property taxes for CMSD, $5.1 billion in city income taxes and $4.6 billion in other taxes across the next two decades. We asked Bedrock's director of communications Nora Romanoff for the data that supports their claims. Her response was to ask which economic impact study we were asking about and where it was published. We did not expect to have to point it out, but we did. She has still never provided it. To summarize:

30,000 New Jobs:

Other than the construction jobs which are temporary, the only actual permanent jobs that the apartments, restaurants, hotel and entertainment elements create will be low-wage service sector jobs, which will be few in number.

Restaurants: A full-service casual restaurant will typically need approximately 52 employees, assuming two shifts, though it is doubtful that all restaurants on the river will sustain adequate traffic for two shifts to serve lunch and dinner every day. If we assume that Bedrock eventually has eight 100-seat full-service restaurants with bars on the river with two operating with one shift and six with two shifts, that represents 364 jobs.

Hotels: It is doubtful that Cleveland can justify demand for an additional hotel. *Crain's* reports that the Doubletree on Lakeside is going under, unable to meet the industry baseline of 55% occupancy. To achieve 67% occupancy, more downtown events are needed, and if the Browns move to Brookpark, existing hotels will fall even further below their current 55% occupancy and additional existing hotels will be forced to close. Conventional ratios in the hospitality industry suggest that a 150-room hotel will need to employ a staff of 121.

Apartments/ Condominiums: Assuming Bedrock phases

Bedrock's Riverfront Project Need More Scrutiny:

its projected 2,000 apartments in 500-unit increments, each will generate 625 construction jobs, which are expected to produce $28 million in taxes and revenue for local, state and federal governments – for the short term it takes to construct these projects. A 500-unit multi-family project that is likely to cost $125 - $175 million will generate $7 - $8 million for architectural and engineering services which will translate to 75 jobs for the short term of those services - typically up front in a single year.

Permanent Multi-Family Jobs: The apartments proposed by Bedrock will require housekeeping and property management staff. One maintenance person is required for every 100 units. A property manager and leasing manager are required when units exceed 200. For Bedrock's 2000 units, 30 such jobs are likely to be created when complete.

New Office Space: Bedrock's master plan calls for 1.4 million square feet of office, hotel, entertainment and mixed-use space. With nearly three million square feet of downtown office space currently vacant and half the downtown offie buildings in or headed to foreclosure, no lender will finance this portion of Bedrock's master plan. Downtown Cleveland is experiencing 'negative absorption' which means that more space is vacated than is leased each year.

Bedrock has stated that its plan calls for 850,000 sf of new office space. The only tenant on the horizon with any appetite is Bedrock itself who is paying rent on its Higbee space for its Rocket Mortgage operations having sold the building and the casino to Vici Properties in 2019. So Bedrock could conceivably occupy approximately 200,000 sf of a new office facility. **At current absorption rates assuming Bedrock would land every tenant relocation or lease in the market – which it will not, it would take over 30 years for a new 850,000 sf office building to become fully occupied.**

Bedrock's only real hopes for developing office space that gets leased is to 1). land a chunk of the Federal government's 4,000 people who will supposedly need to exit the Celebrezze building to enable GSA to sell it, or 2). Relocate to Cleveland's riverfront soe of the 133 companies now under his umbrella.

Assuming that Bedrock constructs and though very unlikely somehow leases to 90%+ a 850,000 sf office component, two leasing managers, one accounting/ bookkeeping staff and one property manager will be required to run the facility. Four maintenance workers will be required over three shifts and six security personnel will be required over three shifts. That totals 14 jobs.

Entertainment and retail jobs are low-wage and their strength is suspect given the extreme vacancies at Tower City across the street for the past four decades.

Bedrock Riverfront Jobs Summary:

Cleveland MAGAZINE

FOOD & DRINK | THINGS TO DO | IN THE CLE | ENTERTAINMENT | AT HOME | STYLE | HEALT

DEVELOPMENT

10:54 AM EST

July 12, 2024

Story: Ken Prendergast, NEOTrans

Art: Ken Prendergast, NEOTrans

Infrastructure Remains Main Topic in Cavaliers Construction Site Along Cuyahoga River

Next steps for Bedrock's riverfront development along the Cuyahoga River are coming together in a $3.5 billon plan. By Ken Prendergast, NEO Trans

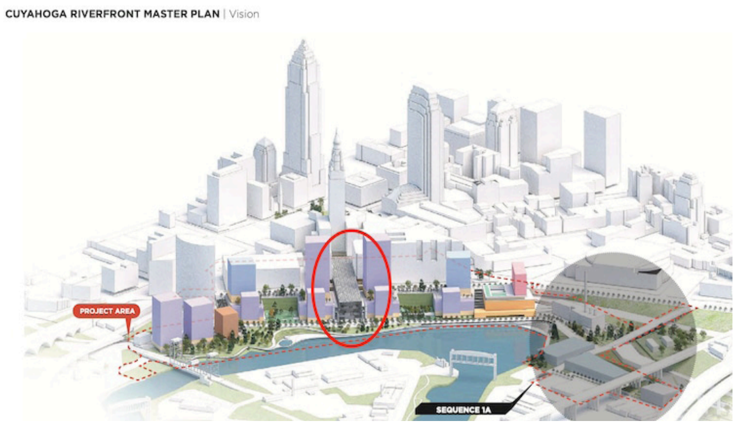
Apartment/ Condo Jobs:	30 Jobs
Food Service Jobs:	364 Jobs
Hotel Jobs:	121 Jobs
Office Jobs:	14 jobs
Retail/ Entertainment:	40 Jobs
Sub-Total	569 Jobs

Most economic impact studies utilize multipliers to define impact with the belief that the money from jobs turns over 5-7 times in a community as employees in those new jobs spend their money on housing, food, autos/ gas, utilities, entertainment, clothing, etc. In the case of Bedrock, ignoring the short-term construction jobs their development is likely to produce, the operation of the space they propose to develop appears to produce 569 jobs when complete.

With a charitable multiplier of seven, by this analysis, **Bedrock's riverfront project will deliver 3,983 jobs, not 30,000.** But these jobs are low-wage jobs and these employees are likely to, in a good year, generate a five-fold turnover, or 2,845 jobs, **less than 10% of Bedrock's claimed 30,000 jobs.**

James Trutko is an economist, market research professional and public policy analyst. He has held these positions at *the Plain Dealer* and Greater Cleveland Growth Association. His article, Score Board, in the August 2024 issue of *Cleveland magazine's Community Leader* identified our community's job growth by industry based on data from the US Bureau of Labor Statistics. Trutko tracked employment from 2010 – 2023.

Bedrock's Riverfront Project Need More Scrutiny:



Trutko observed that many economic development professionals do not pay enough attention to historical facts in crafting their forward-looking projections; "They should add more analysis of existing strategic industries that have consistent, positive local employment growth over a reasonable length of time."

Overall, Truthko found employment growth of 9% over 14 years, and Trutko noted that this "modest" growth over a long period included "a large number of part-time jobs." Columbus' employment growth from 2010 – 2024 is 20.5% - more than double ours. Even taking Cleveland's entire Metro area into the survey, we grew by 71,400 jobs – a change of only 7.2%. Columbus - taking only Franklin County into the calculation - grew by 143,525 jobs.

Here, the Food & Beverage sector lost 2500 jobs (11%), Metal Manufacturing lost 1900 jobs (24%), Finance/ Credit lost 2800 jobs (14%) and Local Government/ Education lost 4500 jobs (9%).
We asked Trutko to examine Bedrock's job growth claims. **Trutko identified direct and indirect jobs, which totaled 2,916 jobs with a total payroll of $132 million. That is within 2.4% of our projections.**

Trutko also included architectural and engineering jobs, which identified 3062 "job years." These are not permanent jobs. These job years will produce $142.7 million in personal income, or an average of $45k per year. This income will produce $2.854 million in local taxes at 2% and $4.1 million in State taxes at 2.88%. This translates to 4.3 jobs per million dollars of construction activity.

Bedrock's claim that their 3.5 million square foot project will cost $3.5 billion ($1,000/sf! - not likely) and produce 30,000 jobs is simply not credible and constitutes blatant disinformation. **Shame on the City, local media, the Greater Cleveland Partnership for publishing such fraudulent claims without bothering to vet them in any way** or require Bedrock to produce their alleged economic impact study from a credible source to substantiate them.

$5.6 Billion in City Income Taxes:

With the mix of direct and indirect jobs, Trutko calculates the average construction worker assumed payroll per employee is $47k. Over four years of construction for the entire project, that equates to $2.853 million in local payroll taxes paid. The 400 low-wage jobs previously defined will, assuming a $50k annual payroll per employee yield annual payroll taxes of $400k. For 20 years, that amounts to $8 million in city income taxes.

The people occupying Bedrock's 2000 new housing units are not new people. Only a percentage are likely relocations from out of the area. According to Point 2 Homes analysis of downtown residents, 47% who moved to downtown Cleveland last year were from out of the county, state or country. Assuming those dynamics continue, 940 of Bedrock's 2000 units will be residents new to the community who will therefore be paying 'new' money in city income taxes.

With an average household income for downtown Cleveland residents of $67,392 at 2%, $1.267 million in additional city income taxes will be paid annually from these 940 new residents which for 20 years tracks to $25.34 million. Counting prospective residents who are already paying income tax is a distortion of the riverfront development's contribution to the community.

So $8 million and $25.34 million track to $33.34 million, which is $4,566,600 short of Bedrock's claim, which amounts to .007% of Bedrock's claim.

$1.2 Billion in Property Taxes:

If Bedrock actually spends $3.5 billion to develop its riverfront master plan, its assessed value for tax purposes is 35% of its cost or $1.225 billion. With Cleveland's tax rate of 2.33%, that translates to $28.54 million annually. For 20 years, that amounts to $570,800,000, or **53% - short of Bedrock's claim.**

Gilbert's Broken Promises:

In a 2017 article in *The Nation*, Dave Zirin scorched Gilbert by referring to him as "Subprime" Dan who "became billionaire-rich through his predatory mortgage company, Quicken Loans." Zirin bashed Gilbert for firing general manager David Griffin after the Cavs 2016 championship season and low-balling LeBron James, forcing him to leave town.

Zirin noted that Gilbert's oversight of the Cavs was poor, with James' departure after his contract expired in 2018 marking "the second time that Gilbert has, through his own egotism, forced out the greatest athlete to come from Ohio since Jesse Owens. Twice destroying LeBron-led championship-caliber teams is a hell of a legacy, yet not the worst of Gilbert's crimes this calendar year. Like the president he admires, Gilbert is so arrogant and petty that he feels immune to the public's disdain."

Zirin called out Gilbert for "fleecing Cuyahoga County and the City of Cleveland for anywhere between $140 million and

Gilbert & Bedrock's Riverfront Project Need More Scrutiny:

$200 million—depending upon whose accounting you believe—to refurbish the home of the Cavaliers, Quicken Loans Arena? Gilbert's representatives went to the county and city councils with promises that the money will be partially paid back with funds generated not from regular-season revenue but from playoff revenues to be earned until 2023."

Yes, Gilbert promised six more years of playoff appearances in return for starving the cash-strapped county and city of desperately needed public funds. Zirin: "From a basketball standpoint, this is a joke, especially if, as expected, LeBron bolts the mismanaged team after next year (which he did). From the perspective of the county and city councils, banking the financial health of your city on whether the local hoops team makes the playoffs is a farcical obscenity. **Gilbert's accountants, appearing before the county council, claimed that they will cover any shortfalls if these playoff projections fail to materialize."**

But, as Sam Allard broke down mercilessly for the *Cleveland Scene*, **"The Cavs lie, repeatedly and shamelessly"** about what will be covered, as well as the positive economic impact of the Quicken Loans facelift."" Was there any "positive economic impact" of the Quicken Loans arena facelift? Of course not.

When a public-private partnership was proposed with a major taxpayer contribution to 'renovate' the arena, a group of concerned citizens approached City Council with a demand for a public referendum on the allocation of tax dollars. The group needed 66,000 signatures to trigger the referendum on Gilbert's corporate welfare bill. They showed up with 20,000 signatures, which was quite a demonstration of public resistance in a city with less than 300,000 of voting age. Council said, 'Too late - we already signed a contract with Gilbert. We are taking your petitions to the Supreme Court.' The attorney for the petitioners, Subodh Chandra, said to *the Cleveland Plain Dealer*, "People have decided that rules and fairness and democracy don't matter. This is the kind of thing that happens in banana republics that America mocks where politicians try to subvert the democratic process."

Summary:

The complexity of the Riverfront project proposed by Bedrock is sufficiently substantial that when compared to the few conceptual renderings and plans submitted to date, that the City needs to require Bedrock to submit substantial additional detail to flush out the range of issues – grading, pedestrian movement, lighting, security, amenities, etc. - that have not yet been successfully addressed, let alone successfully reconciled before bestowing a "final approval" that GCP is obviously anxious to broadcast has been successfully received, in the hopes of ending all necessary evaluation and debate on the scope and quality of the endeavor.

GCP and City Hall need to learn to pimp for the well-being of the community and its citizens, not just developers, particularly those who have a history of being unable to tell the truth and build what they get approved.

CLE Approves Another Mediocre Tower for University Circle

The 24-story Circle Square apartment tower has been approved by the Cleveland Planning Commission after revisions that lower the project's quality and cost. The Seattle office of SCB, architects of the Artisan Tower, is responsible for the mediocre design.

From its original presentation, the all-glass tower grew by 20 units to 281, ranging from 590 - 2400 square feet. Balconies have been removed "for a cleaner face" that just happened to save a ton of money. The parking garage was reduced from seven floors to four while adding 50 spaces for a total of 315.

For-sale townhouses next to the tower (below) are planned. Tower amenities are to include a rooftop pool, game room, co-working spaces, fitness room and a spa. Developers intend to create a retail street presence with small tenants. The tower's substantial mass is simply reflective glass like the Artisan, ignoring the stone and masonry buildings that have comprised University Circle for over 100 years.

Unlike the Artisan which has different colors of glass and vertical offsets and balconies to break up its mass, the larger Circle Square tower has two small vertical stepbacks and has been stripped of its balconies.

The Cleveland Planning Commission members include Andrew Sargeant, August Fluker Vice Chair, Charles Slife (Ward 17 Councilmember), Lillian Kuri (Chairwoman, Cleveland Foundation), Dr. Denise McCray-Scott, Erika Anthony (Executive Director of Cleveland VOTES) and Isabella McKnight (Assistant General Counsel, Earthrise Energy). The developers are Midwest Development Partners and PCP Voyager, both of Cleveland who built the Artisan with Chicago's Power Construction.

Is the Rockefeller Building Too Far Gone to Save?

Constructed by John D. Rockefeller in 1905, and then added on to by JDR just five years later, the Rockefeller Building may have accommodated its last tenant. Constructed on the site of the city's former 1847 Weddell House hotel, the building originally housed iron, coal and shipping businesses.

Designed by architects Knox and Elliott in a Sullivan-esque style, the seven-bay building was added on to in 1910 with an additional four bays to the west. In 1920, Josiah Kirby acquired the building, changing the name to the Kirby Building, which did not suit JDR. Rockefeller bought the building back and restored the Rockefeller name in 1923.

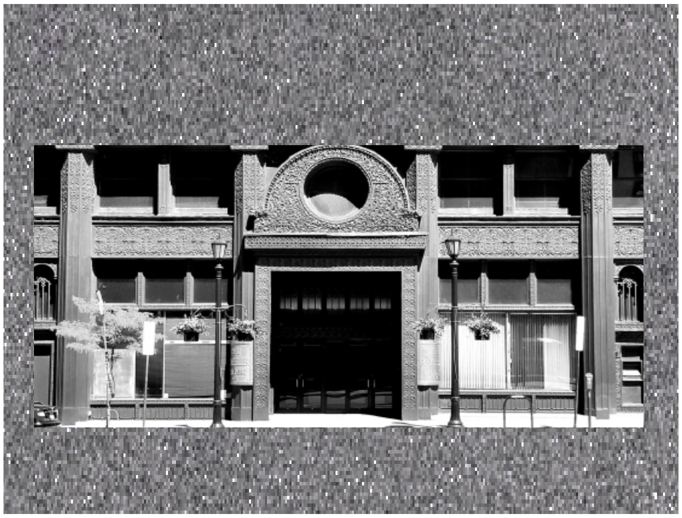
The building's vertical columns emphasize the structural frame underneath with interlacing organic cast-iron ornament, resembling Louis Sullivan's 1885 Guaranty Building in Buffalo.

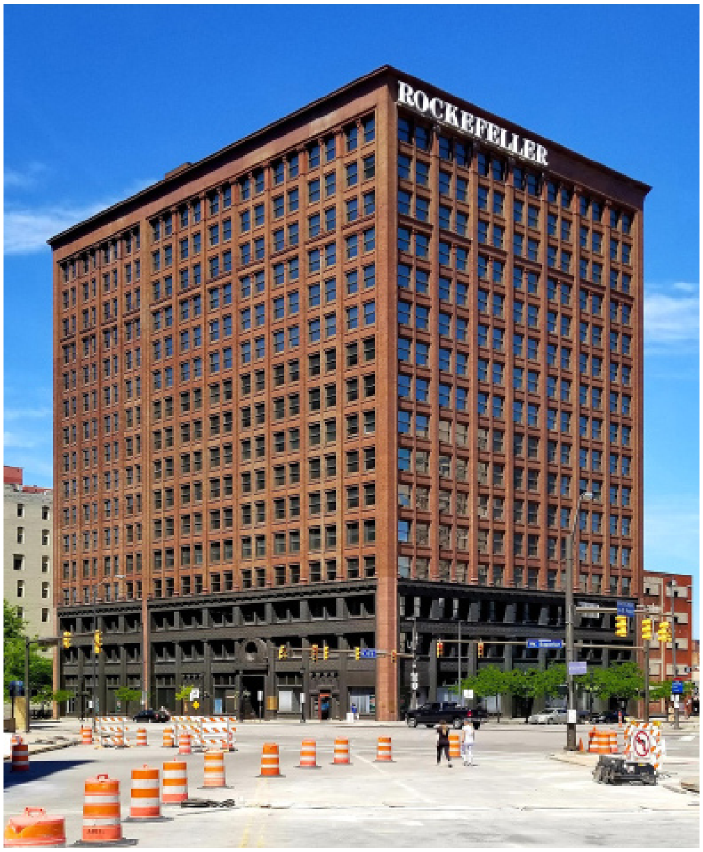
The building was acquired in August 2020 when it was 60% vacant. Unable to overcome the mutiple hurdles of a Perfect Storm in real estate, developer Kenny Wolfe of Wolfe Investments gave up on converting the building to apartments when "debt and equity markets deteriorated from COVID," and listed the property for sale. Wolfe also had to contend with a diminished market for incentives after COVID.

A July 21 *Crain's Cleveland Business* article noted that a number of potential users have looked at the property – affordable housing groups, apartment developers and hotels operators. But they all have been soured on the building's very poor condition.

Downtown's biggest multi-family developer K+D Management CEO Doug Price III observes, "It needs extensive exterior work, and after that, you've got the windows, the elevators…every single system is gone. Plus the parking garage is a teardown. It's unfortunate."

Price's lens is an informed one. He has taken on a number of downtown's toughest adaptive reuse projects including 668





Euclid which was also in poor shape in 2008. But he had $16 million in historic tax credits and new market tax credits. Today, there are fewer financial vehicles and incentives available. After 2024, Cleveland no longer freely offers a 15-year tax abatement for residential developments, now targeting those abatements in more distressed neighborhoods.

None of the interested parties have been able make the purchase and renovation of the building 'pencil out.' Sadly, the property appears to have a brighter future if the building and parking garage are demolished instead for potential redevelopment.

One interested bidder may be the Sherwin-Williams Company. *NEOTrans* has reported that S-W has admitted regret at not building a bigger building and larger parking garage for its new HQ. The company's headcount growth has significantly exceeded projections by senior management and their design team.

A second phase 21-story tower was planned for S-W's suppliers to maximize efficiencies for both parties. But now, S-W's management has admitted that not only will they not likely entertain suppliers for phase two, but the size of the second building may have to be increased to 27-stories or so to accommodate S-W's greater number of employees. A vacant Rockefeller site would enable S-W to build its extra tower for suppliers and vendors after all – and develop more needed parking for employees, guests and tenants.

GSA Should Sell Celebrezze to Cuyahoga County for New Justice Center:

Trump put Cleveland's Anthony J. Celebrezze Building in downtown Cleveland on the non-core property list last March, which identified the building as one of a number of federal facilities "that are not core to government operations." That means that GSA is now planning move its occupants out within two years and then try to sell the building. Local lawmakers and officials are urging federal authorities not to sell it. But if handled properly, selling Celebrezze to Cuyahoga County could be a big win-win.

1. Size: Celebrezze is too large for the 4,000 federal employees now working here. GSA says that it needs only 650,000 sf for those 4,000 employees. That is only 162.5 square feet per employee. That is unrealistic. But Celebrezze is 1,195,000 square feet – and it is simply today too large a facility to occupy and maintain by GSA for the government's 4,000 employees. Our government should be efficient. It should also not be irresponsible in its spending.

2. GSA will get very, very little for the sale of Celebrezze: Given the expenditure of $121 million for the building's new roof, its second exterior skin and other improvements in 2017, those funds will not be recovered in the sale as they did nothing to actually enhance Celebrezze's asset value in real estate terms.

Furthermore, GSA has stated that Celebrezze needs a massive expenditure for repairs. It has not been clear if this is GSA's projected cost to simply reconfigure the interior for the 4,000 employees' functionality or if there are other major issues and systems to be addressed. Given the building's age, it can be safely assumed that the elevators require replacement. Mechanical and Electrical systems that are 50 years old typically do not provide today's code-required mechanical air changes per hour for proper ventilation.

Perhaps of equal significance, the amount of power required in 1968 before technology has expanded logarithmically in the decades since mean that modern use requires a far greater connected load today. But Celebrezze would not be in effective use today had the electrical, telephone and networking systems not been routinely upgraded in the decades since.

A due diligence will determine if Celebrezze actually needs the degree of expenditures GSA has stated in its unverified attempt to assert that selling the building will save taxpayers that amount by deferring the maintenance. If such an expenditure is required to keep the building in service for today's needs, that amount will be deducted from the asking/ proposed sell price and consequently, and taxpayers will not likely be saving a dime to sell the tower.

3. GSA's Published Projected Space Needs are Incorrect: The existing 4,000 federal employees will not fit in one existing Cleveland location and GSA says it wants to do this within the next two years. And it would be financially irresponsible for GSA to find a location large enough and accessible to public transit and then build a new smaller federal building here. A central location near a transit hub exists nowhere but in the Bedrock Riverfront master

plan, or when the existing Justice Center is eventually demolished.

It would be a win-win for GSA and Bedrock for GSA to buy or lease space in Bedrock's proposed development. It would pull Bedrock's two proposed office towers into Phase IB and likely increase their surface area and heights. The only other likely tenant for those towers is Bedrock's own mortgage office occupancy currently in the Higbee Building which Bedrock sold in 2013 where their tenancy is on a lease that expires the end of 2026.

An even better win-win for Cleveland and GSA is for GSA to locate a portion – say half – of its space needs in one of Bedrock's riverfront towers and locate the balance in the immediate vicinity – namely the Higbee Building or the Old Post Office. Sherwin-Williams will soon be vacating a large chuck of space in the Landmark Office Towers, but that is lousy space on irregular floor plates with columns every 20-25 feet and very low ceiling heights. The Landmark space is much more appropriate for apartments, though their views will be hardly exciting.

That 650k square footage projected by GSA also assumes no duplication of support elements which will be necessary when the local employees are divided into sepatate locations and separate departments and provided with their necessary conference rooms, reception areas, copy centers, network rooms, coffee stations and collaboration areas.

The average square footage for employees for non-desking warehouse-like environments – which are notoriously incapable of supporting employee health and productivity – is at or above 200 sf/ employee. So GSA's 650k number is likely far too optimistic and it is more than probable that dispersing the 4,000 staff into the downtown CBD vacancies will require 800k – 900k square feet. In the happening 1980's, that was two years of Cleveland's CBD office space absorption.

GSA Should Sell Celebrezze to Cuyahoga County for New Justice Center:

4. The relocation of 800,000 - 900,000 square feet for 4,000 federal employees would be a huge Christmas present for Cleveland's ailing downtown office market. And if half of that square footage should become part of Bedrock's riverfront master plan, GSA's move represents legitimate downtown economic development with a greater economic and social benefit than just delivering office space - it moves the riverfront revitalization forward and helps assure its success.

Cleveland's office market continues to experience "sluggish times" according to Newmark's latest market report: "As calls for employees to return to the office increase across the country and in the Cleveland market, those policy readjustments have had minimal affect on decisions to expand footprints, though there have been exceptions." The words 'sluggish times' translate into 'the Downtown Cleveland office market sucks.'

Greater Cleveland's office market saw 131,373 square feet of **negative absorption** in the second quarter of 2025, breaking its streak of four quarters in a row in the positive - albeit in very small increments. The negative absorption caused the quarterly overall total vacancy rate to increase to 23.1 percent, up 30 basis points from the prior quarter, Newmark noted. And when Sherwin-Williams moves into its new HQ, those statistics will be further exacerbated by the 900,000 square feet S-W will vacate at Landmark Office Towers.

The recent auction of 1111 Superior Ave. for only $8 million - $14.10/sf! - valued at $70M in 2014 and $15.5M in 2025 -is a telling indicator of the value of downtown office buildings, though 1111 is not completely vacant as Celebrezze would be. So the GSA should expect Celebrezze to sell for even less.

5. The Celebrezze Federal Building is ideally located downtown, three blocks from the existing Justice Center, which has been a functional and maintenance challenge for five decades.

6. The two GSA office relocation projects would provide a boat-load of construction jobs for the next decade: While never a good primary justification to do anything, the collateral benefit to the local economy would be that the cost of relocating Celebrezze's employees would come from the federal treasury in Washington, not the local economy.

7. Renovating Celebrezze for our Justice Center will save local taxpayers money: A renovation of the Celebrezze will cost far less than finding a new site to construct a new Justice Center, hiring yet another out-of-town architect, taking years for design and engineering and years for construction to be completed with the typical cost overruns, particularly on federal projects. With the county jail costs already rising to $1B, the county can ill afford yet another billion-dollar capitol cost for the justice center replacement.

8. Renovating Celebrezze for the Cuyahoga County Justice Center will take much less time than finding a new site and designing and building a new one.

9. The Design of Celebrezze is Advantageous for the Justice Center's Functional Needs: Celebrezze has above-average large floor plates. This means that the programmatic challenge of arranging courtrooms with their need for contiguous separate and secured access and work space for judges' chambers, prosecutors' offices and support staff can - in the hands of a capable architect - be effectively arranged without functional compromise.

Culturally and architecturally, courtrooms require taller volumes in area than that of offices in a typical office building. But given the size of Celebrezze, it seems likely – though a responsible analysis of this and other factors is essential before pulling the trigger – that as is often done in high-rise office buildings for connecting stairs between floors, floor slab areas can be selectively removed and structural frames stiffened where appropriate to accommodate such modifications. Such renovations are far less costly that starting to construct such spaces from scratch.

Celebrezze also has a newer lobby - $1.8 million in 2014 – with state-of-the-art access control technology that the County's Justice Center will also require.

10. Retaining Celebrezze in the public realm achieves an objective that has been floated in opposition to the sale: It retains an important part of Cleveland's civic and architectural history and urban form, particularly if put to use by a public political subdivision.

Duress Continues for Downtown CLE's Multi-Family & Office Markets

While the Greater Cleveland Partnership brags about Cleveland's nation-leading number of conversions of multi-tenant office buildings into apartments – failing to recognize the tragedy of the 40,000 - 50,000 office worker jobs that are now gone that have enabled the changes in occupancy – the resulting apartment developments are hardly an assured goldmine for developers.

Despite in-progress renovations to the Rose Building, former home of Medical Mutual, the United Church of Christ HQ and others, two of downtown's most significant developers have stumbled of late, reflecting thye market's instability.

Properties magazine, known for its puff pieces, featured a January 2026 article by NAIOP president Charlie Filisko which stated, "The Northeast Ohio CRE market has demonstrated remarkable adaptability over recent years, weathering economic fluctuations, demographic shifts and evolving market dynamics. As the new year begins, the outlook remains cautiosly optimistic..." If excessivve and misleading optimism was a crime, Filisko would be in jail.

Cain's Cleveland Business' Dan Shingler was more accurate in his January 12 article, sumarizing the long list of downtown multi-tenant propertis in foreclosure and observing that the huge reductions in their valuation made their prior loans and current depressed values serious problems for refinancing. Shindler quoted Broker Alex Jelepis who observed, "It's becoming tougher to finance office buildings in Cleveland with national lenders... because many of them view the city as a smaller and less desirable market than they did a few years ago, putting buildings here in a more competitive environment for loans." Jelepis added, **"I think as an office market we're third tier now."**

Cleveland's most distressed and vulnerable properties include significant historical structures aswell as the city's newer and most glamorous properties as well.

Millennia Companies, owner of Key Tower and the Huntington/ Union Commerce Building at East Ninth St. and Euclid Ave., and K+D Group, owner of virtually everything else, have defaulted on significant loans on major multi-tenant properties.

Millennia's owner, Frank Sinito, has been found guilty by a HUD administrative judge of 115 unauthorized money transfers of $3.1 million and has been sued multiple times for failing to maintain conditions in his low income housing. Millennia Cos. is reportedly the largest owner of low-income housing in the United States. Yet Sinito told the administrative judge that he could not afford to pay the $7 million fine for his misappropriations.

In September, Millennia defaulted on its $52 million loan for the **Statler Apartments**, which is now facing foreclosure. Millennia was sued in late September for the $60.7 million it owes the Union Labor Life Insurance Company, who asked the judge to order foreclosure with the proceeds used to pay off the debt.

The Statler (above) is a formidable landmark, built in 1912 as an upscale hotel in Cleveland's Golden Age. New York's George B. Post designed the building, architect also of the Williamson Building (1900), and the Cleveland Trust/ Ameritrust/ Heinen's Building (1908) at East 9th St. and Euclid Avenue. The Statler Hotel's design has been called the first complete expression in the US of the large modern hotel.

The Statler achieved national notoriety for its status as a favorite among the mafia. In 1928, a meeting among the heads of mafia families from seven cities was held at the Statler, which opened in 1912 and was the flagship of a small chain of hotels from Buffalo to New York City.

On December 5, 1928, Cleveland patrol officer Frank Osowski noticed a dusty car pull up to the Statler at sunrise and eleven "tough" boys get out and sign in at the desk. Osowski became suspicious, jotted down the names of the men from the hotel register and gave the list to the detective bureau. Captain Emmet Potts recognized gangland names and having just received a telegram from Chicago informing him that a number of Al Capone's men were en route to Cleveland for a meeting, so Potts gathered 75 officers.

At the hotel, the police split into groups and rounded up the men and their roommates. The 23 well-dressed men carried 17 pistols. Initially held for 'investigation,' they were booked on 'suspicious person' charges and had their pictures taken. Among those detained were New York mob powers Joe Profaci and Vincent Magnano and Al Capone's Joseph Giunta and Pasquale Lorlodo. Efforts by the police to interrogate the men were unsuccessful and a call to Cleveland Mob Boss Joe Porello resulted in $200k in bail money raised for all but one – an outstanding New Jersey murder warrant form Salvatore

Duress Continues for Downtown Cleveland's Multi-Family & Office Markets

Lombardino - to post bond and achieve release by December 7.

The exact purpose of the meeting went uncovered for decades with Profaci claiming to the Kefauver Committee in 1951 that he was there to sell his olive oil. But researcher David Critchley believes that the purpose of the "alleged meeting of the Grand Council of America" was, according to police informants, to prevent further upheaval in the corn-sugar business rivalries after the killings of Brooklyn mafia boss Salvatore D'Aquila and other Chicago assassinations. Chicago police believe the purpose of the "meeting of 'captains of industry' to elect a successor to Tony Lombardo" was had because Lombardo had been killed three months earlier. After the release of the men, the Cleveland courts dismissed most of the charges but told the men to get out of town.

Millennia Cos. bought the Statler for $40 million in 2018 with a projected cost to acquire and upgrade it to upscale apartments of $53 million. That translates into a mere $44k per unit for renovations of all apartments and common areas – a low number by current standards. City Council approved tax increment financing to help pay for improvements. A subsidiary, Statler Holding LLC took out the $52 million mortgage in 2022.

In October, Millennia suffered yet another blow when the renamed **Centennial at East Ninth and Euclid Avenue** (above left) also went into default when lender Deutsche Bank asked a federal judge to take control to manage the property with $33.4 million still owed by Millennia on its loan. When constructed in 1924, the former Union Trust/ Union Commerce/ Huntington Bank Building was the second largest office building in the world. Millennia bought the building in 2018 for $40 million, planning to convert the complex into 870 apartments.

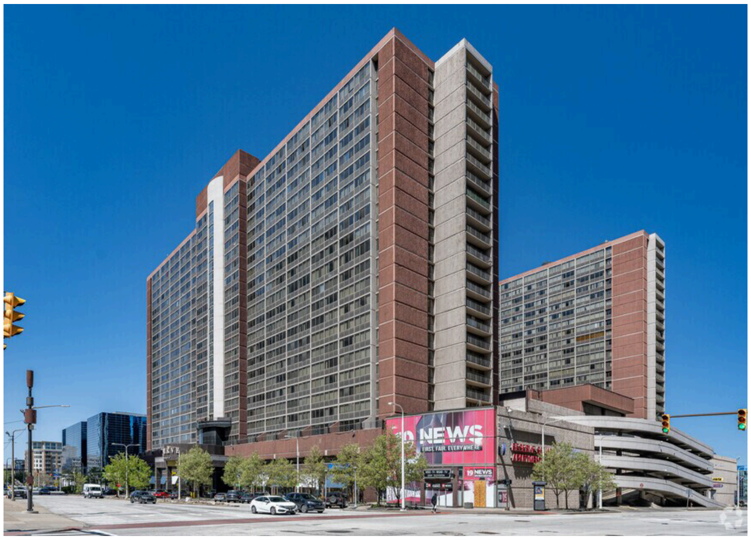
Deutsche Bank noted in its suit against Millennia that they had agreed on multiple occasions to accept delayed payments, but that roof leaks, HVAC system deficiencies and black mold were now present, warranting receivership. But there is also public money in the Centennial financing package, including a $5 million loan from Cuyahoga County, a $15 million HUD loan backed by tax-increment financing that Cleveland approved, a $40 million Ohio tax credit for mixed-use development and a $10 million state grant meant for remediation, totalling $78M. If the building is foreclosed, the government agencies that poured millions of taxpayer dollars into the project may never see their money again.

Cuyahoga County spokeswoman Jennifer Ciaccia said that Millennia is up-to-date on its interest-only Huntington loan payments. The $5 million principle remains outstanding. Ciaccia also said that the building's property taxes are delinquent to the tune of $4 million is owed in property taxes dating back to 2019.

Millennia CEO Frank Sinito stepped down as CEO of the company in June but maintains ownership of the enterprise. In 2024, federal agents raided Sinito's home after the US HUD accused Millennia of misappropriating $4.7 million. HUD then barred Millennia from any federal contracts for five years.

In October, it was announced that Millennia is also losing **75 Public Square** (above center) to foreclosure. Millennia secured a mortgage for $27 million in 2020 to convert the 144,000 square foot, 15-story office building to 114 apartments, *Crain's* reported at that time and records show

Duress Continues for Downtown Cleveland's Multi-Family & Office Markets



that financing included a $21 million loan from Tristate Capital Bank in Pittsburgh, $3 million from the Advance Cleveland Development Fund, and another $3 million loan from the State of Ohio.

In July, Cleveland's largest apartment complex, **Reserve Square** (above left), owned by Cleveland's largest apartment developer, the K+D Group, was hit with a foreclosure lawsuit with $78 million owed from a mortgage that matured on January 1, 2025.

K+D CEO Doug Price has reported that the 1000 apartments at Reserve Square are now more than half-empty. The complex was 93% full two years ago, but hundreds of CSU's international students who were scheduled to move in late last year never showed up, Price said. Other international students left as their leases came up for renewal. "A lot of it was the new administration's stance on immigration," Price said, referring to President Donald Trump.

Price said Reserve Square, an early-1970s behemoth where rents start around $1,100 a month, has become increasingly reliant on international students. Many of those students attend nearby Cleveland State University who saw international-student enrollment drop last year and is bracing for more declines amid visa crackdowns and federal policy shifts.

When that pipeline of renters dried up, it was impossible to fill the void at Reserve Square fast enough. Price said K&D had a new loan lined up late last year but ultimately could not move forward. "We were ready to go into closing and then all the vacancy happened, and both of us knew … we would be in default immediately," he said of discussions with the lender.

The foreclosure will not impact existing tenants at the apartments or in the storefronts and offices downstairs, which are about 50% occupied. K&D is still marketing units and signing leases. "We're running it just as we would, up to the day we're not there," Price said. "We're gonna turn over a well-run operation to the receiver, whoever gets appointed."

K+D Group's other downtown apartment properties include The Residences at Hanna, the Halle Building, 668 Euclid, the Leader Building, 1717 East 9th St., 33 Public Square, Stonebridge Waterfront, and the Terminal Tower Residences.

The **1100 Superior Building's** recent fire sale for a tragic $8 million has its new owner planning a conversion of half the property's 576,6500 square feet to apartments while retaining existing office tenants. The building's large 25,000 square foot floorplates are too large for efficient apartment units and will create long and narrow units.

Ohio Savings Plaza and **Park Plaza** will again be offered for sale as prospective conversion candidates to apartments. The small floor plates in 167,000 square foot Park Plaza will adapt well for apartments, but the larger floorplates of the 335,000 square foot Ohio Savings Plaza will be less successful.

The three buildings alone will take another 780,000 square feet of office space off of downtown's office inventory.

North Point I and II and **Fifth Third Center** have slipped into receivership. **Oswold Tower** on the Flats East Bank still owes $67.5 million on a $75 million loan from 2018 that has a balloon payment due this June.

One Cleveland Center still owes $50.6 million on a 2017 $57 million loan. Ten-year loans could be had for 3.0% - 3.5% ten years ago, but are now priced at 6% to 6.5%.

Newmark executive vice chairman Terry Coyne is candid: "It's not the martket; a lot of times it's the debt. In fact, all the time, it's the debt. That's why we have issues with all these downtown buildings. All these idiots decided to go with floating-rate ebt which is crushing them ... I never, ever do floating-rate debt."

Duress Continues for Downtown Cleveland's Multi-Family & Office Markets

Left: 800 Superior; Fifth Third Center; One Cleveland Center; North Point I and II; 1100 Superior

Downtown Cleveland skyscraper sells for more than $8 million

After an auction at the end of July, the sale of 1100 Superior closed on Monday, Sept. 29, at a price of $8.13 million, or $14.10 per square foot, CoStar's real estate data website shows.

Downtown Office Market Continues Hemorrhaging:

Dan Shingler quoted Newmark EVP Terry Coyne in October saying that the city's 25 million square feet of the downtown office market of the 1990's has shrunk to only 10 - 13 million square feet now. JLL pegs that number at 16.1 million square feet. CBRE's research analyst Allison Clark notes that 2.6 million square feet have been lost to apartment conversions just since 2019. JLL's analyst Luke Brower notes 1.5 million square feet have been lost since 2020, and "another 1.8 million square feet has been proposed for renovation."

With an historical national average off 250 square feet of office space per worker per the Building Officials Management Association's annual surveys, Cleveland's loss of 10 - 15 million square feet of office space means that the downtown market has lost 40,000 - 60,000 workers, which translates to the removal of $2 billion - $3 billion in annual wage income.

So while the Greater Cleveland Partnership regularly cheers the city's apartment conversions as some sort of accomplishment, the economic reality is far from any form of glory to cheer.

The city's 'success' in converting its office building inventory to apartments can only last as long as there are jobs available that produce tenants willing to pay rents to live downtown. The supply is not endless which is why some projects of consequence have stalled or been abandoned.

And despite the shrinking inventory of office space, downtown's vacant rate has continued to grow, and is currently 17.5%. Cushman & Wakefield/ CRESCO's Rico Pietro observes, "There are just too many buildings for the number of people downtown."

Cleveland's office market continues its slide. The suburbs also show signs of stress. The former Progressive Insurance Parkland Building in Mayfield Heights with 104,000 square feet was purchased for a mere $3.5 million - $33.65/ square foot - in 2025 by Lyndhurst's RHM Real Estate and Time Equities of New York. Time Equities Jonathan Dulberg observed, **"Its a fraction of a fraction of replacement cost."**

Is Am Trust Leaving Downtown?

At 800 Superior, with its deteriorating parking garage, anchor tenant AmTrust Financial Services has its lease of 150,000 square feet expiring in early 2027. *NEOTrans* reported in late November that the company admits that it is "exploring several options" for its relocation.

800 Superior supposedly has a new buyer who wants to convert half of the building to apartments, despite the large floor plate. Allstate acquired the property 15 years ago. Rumors that the AmTrust will relocate to one of the many Progressive Insurance properties available on the east side's I-271 corridor have not been confirmed.

Key Tower's Coming Rubicon for Millennia Companies:

Millenia Company's recent foreclosures of signature properties in downtown Cleveland indicate cash flow problems for the nation's largest apartment owner.

Millennia still owes $187 million on its $220 million loan it took out to buy the Key Tower building complex for $231.5 million in 2017. That balloon payment is due in February 2027. With a spectacularly soft office market, Millennia faces a serious challenge to make the balloon payment or arrange refinancing of such a large sum with current interest rates in a seriously distressed office market.

Since 2020, office buildings everywhere - particularly in Cleveland - have struggled to retain their market value. Greg West SVP at Hanna Commercial observes that "Since COVID, I think office buildings have taken a 20% to 30% hit to their value." CBRE VP Jamie Dunford puts it even higher: "I bet valuations have been hit by 30% to 40% across the board."

Duress Continues for Downtown Cleveland's Multi-Family & Office Markets

With a property worth perhaps only $139 million - or less, Millennia will be hard pressed to refinance $220 million and may well lose the property, Cleveland's signature high-rise.

But Millennia reports that it has already placed some of its collateral with other assets so that if Millenia can contribute $26 million in additional equity, it can close its financing gap. With operating income from the property of $25.9 million annually, Millennia says it is not worried.

The Suburbs Are Not Exempt:

CAF previously reported that Progressive Insurance discovered after the Pandemic that on any given day, only 500 of its 50,000 employees across the country actually came into the office. Progressive discovered that remote working was effective for them and that maintaining their substantial portfolio of office buildings was no longer financially appropriate.

Progressive has been a major backbone of the east side Cleveland suburban office market over the last 40 years. The company almost constantly was leasing or building office buildings for its growing population of workers and their cubicles.

On December 30, Progressive announced that the two years that have passed since they listed the entire main campus on Wilson Mills Boulevard (above left) for sale have produced no credible offers, so the property would be auctioned off on February 2, 2026.

The campus was consructed betwen 1973 - 1994 for an estimated $150+ millionand contains 640,736 square feet and 2,584 parking spaces in three-level garage structures that sit on 42 acres. The HQ campus office buildings are connected at grade and below-grade levels.

Given the sweatheart deal Progressive made with Park Place Technologues to get rid of its Apha Drive mini-campus, they should have low or no expetations for the yield from the disposal of their main campus.

NEOTrans put it politely in their December 30, 2025 article that broke the news of the sale; "Progressive's massive reduction of office space and its delivery to an already supply-saturated office market will strain the creativity of potential buyers and developers in deciding how best to repurpose it."

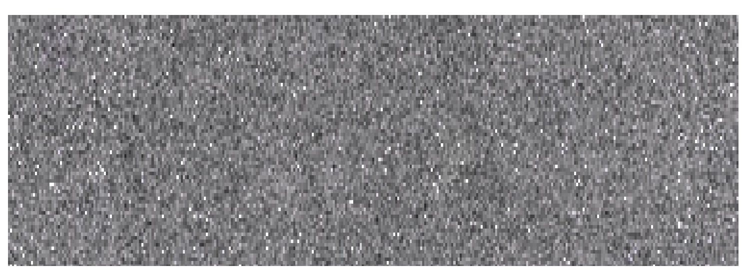
The global data center and networking optimization enterprise Park Place Technologies paid Progressive only $17 million for the three buildings and structured parking on 23 acres just west of I-271 at the Wilson Mills Rd. exit (above right).

With 230,000 square feet of office space, according to *Building Design & Construruction's* national suvey pubished in December 2025, it would cost over $54 million to construct that same office space today - if you owned the land. The 164,000 sf parking garage built in 2020 for 569 spaces would itself cost $17 million today. Park Place immdiately set about renovating the Alpha Park campus facilities.

The design of Progressive's main campus makes breaking its occupancy in to smaller pieces possible, but only to a point. The four massive five-level office blocks sit to the east of the support and amenity buildings to the west on the site immediately adjecent to I-271.

Terry Coyne, executive vice chairman in the Cleveland office of Newmark said it candidly, "They gave away the other building to make a deal, so clearly Progressive wants to make a deal," Coyne added.

Progressive's bid for its Wilson Mills HQ was a staggeringly low $6.75 million - $10.41/ sf, indicative of not only the terrible Cleveland market for existring office buiildiongs but the challenges assocated with demising and re-leasing the massive facility.



SUPERWOOD - STRONGER THAN STEEL!

American start-up InventWood claims to have "reinvented wood from the inside out" with a patented process that restructures wood's molecules to make it ten times stronger than regular wood, six times lighter than steel and with a Class A fire rating.

InventWood has begun producing Superwood as a more sustainable, lightweight alternative to concrete and steel for architectural applications. The company claims that the material is up to ten times stronger than regular wood and six times lighter than steel, as well as being resistant to water, insects, mould and mildew.

The process used to create Superwood begins with the chemical modification of regular wood, which removes most of its lignin and hemicellulose while preserving the cellulose structure. The wood is then compressed via a precision-controlled process that creates hydrogen bonds between the wood's cellulose fibers, improving its strength, while enhancing moisture and rot resistance.

InventWood secured $15 million in its Series A funding in July, bringing their capital to $50 million which has enabled the construction of its first production facility in Frederick, MD which began shipments in the third quarter of 2025. The Series A funding was led by the Grantham Foundation with participation from Baruch Future Ventures, Builders Vision, and Muus Climate Partners.

In 2018, Liangbing Hu, a materials scientist at the University of Maryland, devised a way to make ordinary wood stronger than steel. He spent the following years refining the technology to reduce the time it took to make the new material from over a week to a few hours. Ready to commercialize his work, he licensed his technology to InventWood.

InventWood's CEO Alex Lau is a university professor who explains that the Superwood product starts with regular timber, which is mostly composed of two compounds, cellulose and lignin. The goal is to strengthen the cellulose already present in the wood. "The cellulose nanocrystal is actually stronger than a carbon fiber," Lau said. The company treats it with "food industry" chemicals to modify the molecular structure of the wood, and then compresses the result to increase the hydrogen bonds between cellulose molecules. "We might densify the material by 4x and you might think, 'Oh, it'll be four times as strong, because it has four times the fiber.' But it's actually more like 10 times stronger because of all these extra bonds that get created," Lau said.

The wood is then compressed to squeeze out all of the air and imperfections. This stage causes hydrogen bonds to form between the cellulose fibers, increasing the wood's density. InventWood's COO Allan Bradshaw claims that the material's main benefit is a strength-to-weight ratio that is up to ten times greater than that of steel.

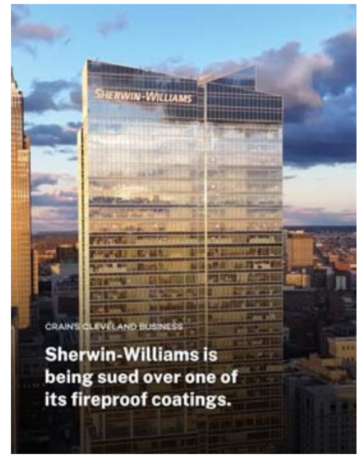
"What that does is it allows you to reduce volume so you can get the same strength in a smaller piece," said Bradshaw. "That allows for much more open space in construction."

The result is a material that has 50% more tensile strength than steel with a strength-to-weight ratio that's 10 times better, the company said. It's also Class A fire rated, highly resistant to flame, and resistant to rot and pests. With some polymer impregnated, it can be stabilized for outdoor use like siding, decking, or roofing. InventWood's first products will be facade materials for commercial and high-end residential buildings, Lau said.

Compressing the material also concentrates the colors. "You end up with something that looks like these richer, tropical hardwoods," he added. Ultimately, InventWood is planning to use wood chips to create structural beams of any dimension that won't need finishing. "Imagine your I-beams look like this," Lau said, holding up a sample of Superwood. "They're beautiful, like walnut, ipe. These are the natural colors. We haven't stained any of this."

The company has not yet responded to our inquiries regarding the sizes and species of material they will first be producing or when and how the material will be distributed and priced.

Sherwin-Williams Sued Over Its Fireproofing



Carboline Global Inc., a Missouri-based manufacturer of coatings, linings and other products, is suing the Sherwin-Williams Co. over allegations of false advertising related to one of its fireproof coatings that Garboline alleges gave the Cleveland company an unfair market advantage. Carboline is a subsidiary of Medina-based RPM International Inc.

Sherwin-Williams called the suit "opportunistic" and said it was an attempt to hold the company responsible for a mistake made by its third-party testing agency that certified the coating.

In a complaint filed Sept. 2 in U.S. District Court for the Eastern District of Missouri via case number 4:25-cv-0131. Carboline alleges that from 2021 to 2024, Sherwin-Williams described its Firetex FX9502 epoxy intumescent coating — a coating that expands in heat to protect steel — as providing the "same life-saving protection as rival products with far less material, labor, and cost."

However, these claims, which purportedly enabled Sherwin-Williams to dominate the market for intumescent coatings, were "built on falsehoods," according to Carboline, who manufactures a direct competitor, Thermo-Lag E100.

Firetex FX 5090 and 5120 have appeal because:

1). They are one-part coatings – they do not require the time and labor to mix in the field;
2). They are water-based so they clean up fast and easy;
3). It can provide a two-hour coating;
4). It is thin so it can go on quickly with good coverage unlike a number of competitors' products whose applications require a thick application.

Firetex 9502 is a two-part coating.

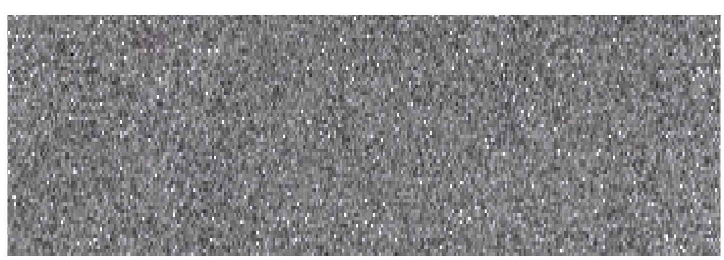
Carboline's suit alleges that from 2021 – 2024, Sherwin-Williams knowingly falsified the results of third party testing on its paint to expand sales with an advertising campaign that claimed the paint would adequately protect with only half the actual recommended thickness.

S-W's use of its own fireproofing product on its Cleveland HQ was found to have not been installed in the required thickness to provide the degree of fireproofing required by code. The resultant remedial construction has delayed S-W's occupancy of its tower by nearly one year.

Sherwin-Williams has acknowledged errors in some third-party reports and it claims that it notified customers as soon as it became aware and worked swiftly to overcome issues. In a statement to the *Business Journal*, Sherwin-Williams dismissed Carboline's suit as "an opportunistic attempt to leverage litigation as a means to gain a competitive advantage" and pledged to "vigorously defend" against the claims in court.

Founded in 1947, Carboline is a St. Louis-based coatings manufacturer known for producing performance coatings, linings and fireproofing products for construction throughout the world. Sherwin-Williams is the largest paint and coatings company in the world by revenue, especially after its 2017 acquisition of Valspar.

It holds the leading share in the North American architectural coatings market (paints, stains and finishes for residential and commercial buildings), where its brand and company-owned retail stores give it a powerful distribution advantage. Both companies are significant competitors in the North American marine coatings markets, along with AkzoNobel (International Paint), PPG Industries, Jotun, Hempel and Nippon Paint Marine.



Sherwin-Williams Starts Moving, Spends a Little $ in Higbees

On the same day that Sherwin-Williams finally announced move-in dates for its new downtown headquarters and suburban research facility, it announced that its solution to shorting the size needed to accommodate its headquarters staff was to lease three floors in the Higbee Building.

S-W vp of global corporate communications Julie Young said that the moves which began on 9-22-25 should be complete by the end of the first quarter in 2026 downtown and mid-December in Brecksville.

The company's 1.1 million square foot headquarters tower is too small to house the company's essential HQ employees. Instead of bringing its entire staff to the new HQ, the company will also retain the 152,000 square foot office at Hinckley Industrial Parkway and the 212,742 square feet of space in the Higbee Building.

S-W occupies the entire 77,322-square-foot sixth floor, the 67,713-square-foot eighth floor and the 67,707-square-foot ninth floor. The rentable areas on those floors are over 80,000 square feet. A permit application filed in early October indicates that S-W intends to renovate 12,000 square feet of Higbee common area amenity spaces at a cost of $500k, indicating that the staff being housed there will continue to remain there for some time.

The Higbee improvements come at a time when the $23 billion company decided in September to temporarily suspend the company's matching contributions to employee 401(k) plans due to weak sales from a slowing economy and federal tariffs. S-W also instituted a hiring freeze.

S-W's HQ move will finally vacate its long-standing occupancy of the 900,000 sf Landmark Building, which Bedrock Real Estate acquired in 2023. Bedrock hopes to repurpose Landmark to apartments above commercial space or see it put to use as a new home for Cuyahoga County's new justice center. But Landmark's tight column spacing and low floor-to-floor heights should make the idea of its use as a Justice Center dead in the water.

Since Bedrock sold the 1931 Higbee Building to VICI Properties of New York in 2020, Bedrock has been paying rent to house its mortgage operation, leasing 200,000 sf on floors three, four and five. That lease expires at the end of 2026. It has been assumed that Bedrock would relocate its Rocket Mortgage operations to the first office tower built as part of its Phase 1B Riverfront development master plan. Now that phase has been redefined to be a 17-story Rock and Roll Land hotel and theater at the southwest corner of Huron Road and Ontario Street, with a new office building instead proposed at the northeast corner of Huron and Ontario.

NEOTrans has reported that real estate sources say Vici is seeking to attract a data center for the upper floors of the Higbee Building. Its high ceilings, thick concrete floors and access to electrical power make it well suited for a data center.

S-W's original master plan included a second tower behind its Public Square HQ that was originally seen as a lure for suppliers and related businesses to move closer to their client. But when it became clear that S-W and its team flubbed the task of right-sizing the company's headcount after the 2017 Valspar acquisition, the second tower was rumored to instead be considered to consolidate the company's HQ staff in one parcel.

Now, it appears that S-W executives want to "see how employees fit in to their respective spaces" before rendering a final verdict on HQ2. The poor condition and absence of interest in the market in retaining and renovating the adjacent Rockefeller Building one block to the west has fueled speculation that its demolition could enable S-W's original concept of an adjacent building for suppliers to simply move one parcel further west.

Greyhound is Moving to a Dump in Brook Park

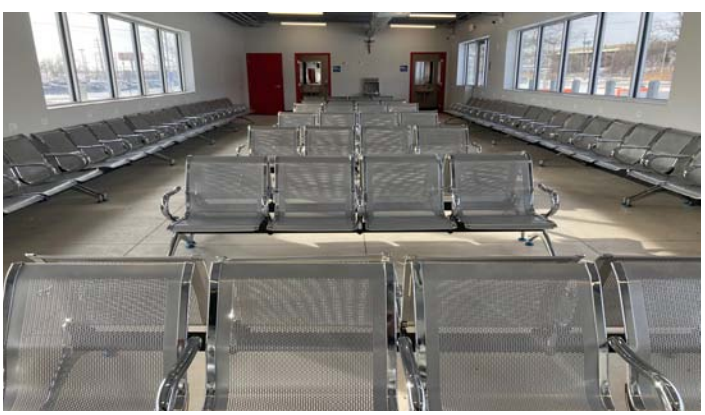
In February, Greyhound will be forced to abandon their historic downtown streamlineed station for a tiny new miserable facility of only 2100 squatre feet at the Brook Park rapid station.

The landmark moderne terminal was sold in 2023 to a real estate investment firm, and Playhouse Square purchased the property in 2024, hoping to flip it to a developer for an entrtainment occupancy that supports Playhouse Square, and vice versa.

Greyhound's new facility in Brook Park is a disgrace. Unlike the 1940's downtowwn terminal that treated passengers and guests with dignity, the new facility is prison-like in its utter absence of dignity, quality and comfort, other than the fact that it is enlosed and has rest rooms. Its painted steel furniture is arranged cheek-to-cheek (below).

Cleveland State University torpedoed the most logical site for Greyound's relocation - the Stephanie Tubbs Jones Transit Center on East 22nd Street and Prospect Ave. downtown just south of their campus, presumably believing that Greyhound's undesirable cusomer base would cause anxiety among CSU's students. CSU owns the land the Tubbs Center sits on.

Greyhound is now owned by Germany's FlexiBus whose business model does not include owning large terminals. Downtown terminals in recent years have been sold in Cleveland, Columbus, Cincinnati, Richmond (VA) and Tampa (FL). In Cincinnati, Greyhoud and Barons operate out of a small station 12 miles north of downtown In Columbus, and inner city passengers are picked up from several locations, including the OSU campus.



Bibb & Ronayne Ask Federal Officials to Expedite Closing Burke Lakefront Airport:

On October 22, Cleveland Mayor Justin Bibb and Cuyahoga County Executive Chris Ronayne sent a letter to members of Congress and Transportation Secretary Sean Duffy, asking for a hearing to address the closing of BLA. The pair got lucky as Duffy was in Cleveland on 10-27 touring the Hopkins air traffic control tower and the NASA Glenn Research Center. The content of the discussion has yet to been reported. Ronayne and Bibb are pushing for federal legislation to bypass the Federal Aviation Administration's protocol for closing an airport.

No one here wants to wait for previous grant obligations to expire in 2036. Applying to the FAA to close BLA requires the city to pay back unamortized grants to the Feds of $8 million and the State of $1.5 million. Given the value of the 440 acres, that is peanuts. Write the checks today.

Ronayne has correctly observed that BLA serves no genuine purpose as a backup to Hopkins which has experienced annual traffic volume far below its capacity, and the County continues to invest in the county airport in Richmond Heights.