



**CRAIN'S**  
**CLEVELAND**  
**BUSINESS**  
— on the web

**WAR FOR THE ROSE**

## **Cost, creative needs driving AG's HQ search**

*Officials with greeting card maker stress an environment conducive to hiring best*

By [STAN BULLARD](#)

**4:30 am, November 29, 2010**

Talk about a creative business challenge, one that's as much about corporate culture as corporate cost.

That's what the region faces as it strives to retain the headquarters of American Greetings Corp., which announced Nov. 19 that its search for prospective corporate homes includes two Chicago-area sites, four Northeast Ohio sites from Westlake to Beachwood and a major makeover keeping it in Brooklyn.

Two American Greetings executives heavily involved in the site search emphasized the desire to establish a new headquarters that is amenable to creativity but is competitive on a cost basis. The discussion came about because Brooklyn, the suburb that has been the greeting card maker's home for the past 50 years, raised the city income tax to 2.5% from 2%.

Catherine Kilbane, American Greetings general counsel, said the tax shift "started the conversation."

"It began a broader discussion about what the company will look like — and would like to look like — in the future," Ms. Kilbane said.

An important part of that discussion is how and where the company can attract creative personnel, from artists and writers to technical types.

"We currently have one of the largest creative studios in the country here," said Brian McGrath, American Greetings senior vice president of human resources. "We need to have a facility that creates a creative environment for new and existing employees."

One concern voiced by Mr. McGrath is that "there are other locations around the country (where) it's easier to hire the creative people we need."

"We've spent a lot of time understanding that," he said.

## Cultural relevance

The concern Mr. McGrath cites is a familiar one to Daniel Cuffaro, who heads the Cleveland Institute of Art's industrial design department and co-chairs efforts to develop a design district in downtown Cleveland. Mr. Cuffaro said many of his graduating students are eager to head from Cleveland to New York, Boston, Chicago and San Francisco.

"In some cases, they take less money to go there because they are interested in being in a dynamic environment," Mr. Cuffaro said. "In the case of a company that is interested in moving to Chicago, it will be easier to attract creative talent there. The company will be able to plug into that dynamic and that (arts) infrastructure."

At the same time, Mr. Cuffaro said Cleveland should not despair in pitting its arts community against Chicago's because the Cleveland Museum of Art, the Museum of Contemporary Art, other cultural institutions and oodles of galleries put Northeast Ohio in good stead.

The other side of the equation is that attracting employees to Cleveland may be easier in terms of costs than Chicago, said George Hutchinson, CEO of Allegro Realty Consulting, a Cleveland-based corporate real estate consultant — and one not working with American Greetings.

"From construction costs to rents to the cost of living, (Chicago) would probably be a more expensive option than Cleveland," Mr. Hutch-inson said. "But we also have to lower our costs to keep the premium significant to make Cleveland a win. I think we can compete."

## By the numbers

Nonetheless, competing office properties in the Chicago market could present a challenge for the Northeast Ohio contenders.

The financial consultant for American Greetings, Stephen Strnisha, director of finance services for Project Management Consultants Inc. in Cleveland, said the Chicago options are attractive because "there is a lot of high-class office space available that would meet American Greetings' needs."

Although American Greetings said it has not yet determined its specific space requirement, the company wants to keep the 2,000-employee staff of its Brooklyn headquarters in one location. The Brooklyn headquarters has 1.2 million square feet of office space, but Mr. McGrath said the company has more space than it needs and leases some of it to outside tenants.

One place it will not wind up is in a high-rise. "We don't want a tower," Ms. Kilbane said.

## Environmental concerns

The selection of Anderson Architects by American Greetings reflects how the desire to position the company for the future may come into play. Mr. McGrath said Ross Anderson, the namesake principal of the New York firm, has substantial experience creating work environments attractive to creative people.

Mr. Anderson is well-known for designing the Abercrombie & Fitch corporate campus on 300 acres in New Albany, an area known for suburban office parks near Columbus. He's also known for renovating the headquarters of Levi Strauss & Co. in San Francisco to create a contemporary, hip environment.

In a phone interview, Mr. Anderson said he works closely with companies and their employees not only to figure out which business units need to be next to each other, but also to determine their brands and how they see themselves.

"Abercrombie was very clear about the product and aspirational goals of the company," Mr. Anderson said. "It allowed

them to create the kind of place to import the talent they needed from both coasts.”

PRINTED FROM: <http://www.craainscleveland.com/apps/pbcs.dll/article?AID=/20101129/SUB1/311299991&template=printart>

---

© 2010 Crain Communications Inc.

---