

## Eaton sought costly changes on port's Flats land

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John Kuntz/The Plain DealerNew documents show that Eaton Corp. requested multiple changes to develop a headquarters in the Flats.

Eaton Corp. requested multiple, costly changes at a working port so that Eaton could develop a proposed headquarters in the gritty Flats, newly released documents show.



### Earlier coverage

[Eaton likely to move to Chagrin Highlands](#)

Eaton wanted to know whether the port could move cement silos, stone piles and a massive warehouse, all within a short walk of the company's proposed headquarters. All are considered vital to the port's daily business.

With little explanation, Eaton announced last month that its headquarters focus had moved from the Flats' east bank to Chagrin Highlands in Beachwood, meaning another corporate loss for struggling Cleveland.

Eaton officials declined to comment Monday, as they have all along.

Several people familiar with negotiations over the port-owned site believe that Eaton's early enthusiasm for the nine acres -- just east of the Cuyahoga River -- waned as the growing company learned more about development obstacles and the site's limits.

Eaton negotiated for the site through developers of the nearby \$522 million Flats East Bank project. Developer Scott Wolstein, his mother and Fairmount Properties are tackling the massive makeover of the one-time party district.

The developers had agreed on price with the Cleveland-Cuyahoga County Port Authority. After initialing offering \$871,000 an acre, records showed, the developers agreed tentatively with the port on an \$11.44 million price, or about \$1.3 million an acre.



SOURCES: Cleveland-Cuyahoga County Port Authority; ESRI; TeleAtlas

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But other issues were proving trickier to negotiate, records from the port authority show.

In a memo June 26, port authority President Adam Wasserman crafted a "preliminary draft response" to nearly a dozen concerns Eaton had raised that could affect the port business and property.

Those included:

Removal of concrete silos and stone storage piles, to the west and north of Eaton's proposed headquarters.

Wasserman noted that two port tenants operated at the site. At least \$15 million would be needed to rebuild the Essroc Corp.'s cement operation -- if the company would be willing to alter its lease with the port and relocate, Wasserman noted.

The developer would have to bear the costs, not the port or the city, Wasserman said.

Removal of a big warehouse, just east and within site lines of the proposed Eaton headquarters.

The 144,000-square-foot building, featuring an overhead crane, is critical to the port's ability to store steel arriving by ship, Wasserman said.

It could not be moved until the port relocated, he said. The port wants to move all its operations to East 55th Street starting in 2018, Wasserman noted.

Limits on future development. The port wants to move so that it can free 100 acres west of Cleveland Browns Stadium for a long-sought, maritime neighborhood.

Eaton apparently suggested restrictions on that project, including buildings no higher than two stories.

But Wasserman said such limits would then make Eaton's multistory office towers "appear out-of-scale."

Port board chairman Michael Wager said in an interview Monday that the port must be careful in limiting density or style of development.

That could hurt the value of port land, which eventually would be sold to help pay for the relocation, Wager said.

Designing a nearby office tower so that it didn't interfere with Eaton's sight lines.

The Wolstein project, to the south of the proposed Eaton site, includes an office tower home for the Ernst & Young accounting firm and the Tucker & Ellis law firm.

In his memo, Wasserman said the office tower "will be a wonderful new addition to the City's skyline, and very much a part of Eaton's views" of downtown.

Issues over disrupted sight lines would be between Eaton and the developers, Wager said.

Nancy Lesic, spokeswoman for the developers, said in an e-mail, "It's not really our place to comment on Eaton's site selection issues or process."

In retrospect, Wager expressed frustration that the port could not negotiate directly with Eaton. The manufacturing giant preferred to work through Wolstein's development team, Wager said.

"I think if we had a different kind of dialogue, we could have arrived at a solution that all parties could live with," Wager said.