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Stonebridge developers plan Flats expansion

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The developers behind Stonebridge - already an unlikely success story on the west bank of the Flats - want to add about 1,500 homes and 935,000 square feet of office and retail space to their growing neighborhood.

Doug Price, chief executive of K&D Group Inc., and partner Bob Corna will announce the expansion this afternoon at a ribbon-cutting for the next two phases of their project.

"I know this sounds a little Disneyland-ish," said Corna, who envisions glass elevators and a series of walkways that connect the west and east banks with Whiskey Island.

Then again, Corna said, the mere idea of the neighborhood seemed Disneyland-ish when he first proposed it more than 10 years ago. With about 500 housing units already built or under construction, Stonebridge has surprised its original skeptics.

Prices on the existing Stonebridge units, almost all of which have been sold or leased, range from \$140,000 for a one-bedroom plan to more than \$1 million for a penthouse suite.

Corna and Price said their development group already has spent \$96 million on the project, and when it's complete, they could be looking at a \$700 million neighborhood.

While the national housing market slumps, Stonebridge aims to draw residents who want proximity to the lake, west bank nightlife and downtown.

The new homes likely will be a mix of for-sale and rental units. About two-thirds of what's already built is rented, Price said.

But 1,500 new units -- even spread out over the five years that Price said Stonebridge expects -- would put a glut of new homes on the market in Cleveland proper each year.

And Stonebridge is likely to compete with nearby residential projects that other developers, including Ari Maron, Bob Stark, Scott Wolstein and Nathan Zaremba, are planning.

Stonebridge "has the horsepower to pull it off," said Alec Pacella, a vice president at the Cleveland office of commercial real estate services firm Grubb & Ellis. "But can the market support it? That's a lot of units. Maybe they'll scale it back or spread it out more."

According to site plans, Stonebridge's next two phases (7 and 8) will include about 130 townhouses between a location along the Cuyahoga River and one along the Superior Viaduct.

The following three phases would bring more townhomes and 285,000 square feet of office and retail space. The 12th and final phase would be the largest: 1,200 homes and 650,000 square feet of office and retail space extending northwest toward Whiskey Island.

Wolstein's redevelopment proposal for the east bank has received more buzz, but as Price observed from across the river, "Those guys don't even have a shovel in the ground."

Even so, Corna and Price stressed the two projects would complement each other. Wolstein's \$230 million plan, which has run into legal challenges regarding the use of eminent domain, calls for more than 300 housing units and 250,000 square feet of retail.

Michael Barron, a senior associate in the Independence office of commercial real estate broker Marcus & Millichap, doesn't question Stonebridge's "eye-popping" projections.

"Everything Doug has done so far has been a success," Barron said of Price, whose Willoughby firm is one of the region's top apartment developers. "He's got a track record."

Help from the city could determine the project's ultimate size. To date, Stonebridge has been privately funded, Price said. He and Corna have put together a list of requests, including the development of a tax increment financing district for the west bank.

Councilman Joe Cimperman, whose ward includes the Flats, recalled early skepticism about Stonebridge. But, "everything they said they'd do, they've done," Cimperman said. "I tend to believe these guys. Of course I would be supportive of what they want to do" in the future.

"They're attracting people who wouldn't think of living in Cleveland."

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