



October 01, 2017 4:00 am UPDATED 10/2/2017

Lakewood selects Westlake firm to redevelop former hospital site

By **STAN BULLARD** c b a m

a c b j
C D E

Real Estate

LAKEWOOD (OH)



Photo by KA Architecture

One of the two submitted plans for the former Lakewood Hospital site is a mid-rise project with retail, "office-university" space and about 200 residences designed as flats or townhouses.

A team of **Lakewood** city officials and residents has selected **Carnegie Management & Development Corp.** to partner with the city to redevelop the site of the former Lakewood Hospital as a multimillion-dollar mixed-use project.

A letter from the team outlining why Westlake-based Carnegie emerged as its potential partner in an eight-month planning process is included on Lakewood City Council's docket for a meeting on Monday, Oct. 2.

Up next in the process: negotiating a term sheet and development agreement for the 6-acre site at Belle and Detroit avenues.

The committee chose Carnegie, a residential, retail and office developer, for the project over a joint venture formed by Casto Development of Columbus and North Pointe Realty, a Mayfield Heights firm that operated office properties in Lakewood for decades.

The remaking plan follows Cleveland Clinic closing the hospital in 2016 and donating its site to the suburb. A former medical office building on the west side of Belle has been razed for construction of a \$30 million family health center by the Clinic.

Lakewood Mayor Mike Summers said the committee selected Carnegie for what it felt was greater responsiveness to the city's goals for the site.

"One of the key differences is their personal sense of risk," Summers said in a phone interview. **"They asked for very little in terms of public investment, except the land for nothing or \$1."** This particular developer has a history of building and holding properties. We have a 50- to 100-year view of the project. We have to get this right. They take a long-term view of this project. That to me was very compelling."

Lakewood City Council president Sam O'Leary added, "Carnegie is the clear choice for Lakewood. Its plan has the highest potential for job growth and has the most modest request for support from public financing. In a lot more ways than one, this project provides the most value for Lakewood. This certainly promises to rejuvenate and revitalize Lakewood's downtown core."

The other factor that gained Carnegie backing was a commitment to work with the community to shape the final project.

Bryce Sylvester, Lakewood planning director, said in a phone interview that "Carnegie said several times that they view this as 'Lakewood's project.' It was certainly a tough decision. The committee felt this was a transformational mixed-use project, and Carnegie is committed to it for the long term."

The six-member committee unanimously selected Carnegie's concept over the Casto/North Pointe plan, Sylvester said. Both proposals called for demolishing the acute care hospital that dated from 1916 when it was established as the first hospital in the Cleveland suburbs. They also both call for preserving elements of its design and repurposing the city-owned Curtis Block Building, 14501 Detroit Ave., a two-story retail and office building that dates from 1913.

"That's important," O'Leary said. "It's the last historically intact commercial building in the city."

Carnegie submitted two plans for the site. One is a mid-rise plan with retail, "office-university" space and about 200 residences designed as flats or townhouses. That concept incorporates a six-story building with two floors of retail and four floors of office space, and two other buildings of four or five stories.

In the high-rise plan, an 18-story building would go in with 12 stories of multifamily units over six floors of office and retail space, as well as the two additional multifamily buildings. That plan could incorporate 400 suites in the high-rise. Two of four or five stories each on the southern end of the site would contain a total of 200 more multifamily apartments.

A stone arch at the hospital's entrance would be retained and located at a public promenade on the north side of the complex. Carnegie said the open space would be designed so it would also provide visibility for retailers on the building's first two floors.

Dr. Rustom Khouri, Carnegie's CEO and founder, said in a phone interview, "We're extremely happy. We think this award represents a unique opportunity to honor and transform a beautiful location in Lakewood. We think we will create a live-work-play project that will provide another step forward for this neighborhood in the city's downtown."

Carnegie promised to devote substantial amounts of staff time to the project, especially from George Papandreas, its executive vice president, and Rustom Khouri III, the owner's son and a Carnegie project manager.

Khouri said the project excited his team because it allows it to pursue a development slightly different from those it has in the past and is near its corporate headquarters. Much of the company's work during the last few years has been out of state.

Carnegie originally developed retail properties, but over the years it has developed the Redtail golf course community in Avon, office buildings in Westlake, and buildings for the General Services Administration housing federal agencies including the Veterans Administration and the FBI.

"We've developed 150 properties in 35 years," Khouri said. "We've only sold a few."

The tentative schedule for the project, if the parties formalize agreements for it, calls for demolishing existing properties by fall 2018 and for construction to begin in 2019. The mix of rental or for-sale suites remains to be determined, Khouri said.

City officials say they favor pursuing Carnegie's mid-rise proposal.

However, Khouri said he would like to pursue the taller project if additional studies show market support for it, especially with more than 2,000 apartments bound for completion in the area before the proposed "One Lakewood Place" project could break ground.

MORNING ROUNDUP

Business headlines from Crain's Cleveland Business and other Ohio newspapers — delivered FREE to your inbox every morning. Sign up for the Morning Newsletter.

Recommended for You

CRAIN'S

Cleveland Business

a c j m

NEWS



VOICES



EVENTS



AWARDS



SPECIAL FEATURES



DATA / LISTS



MULTIMEDIA



CRAIN CONTENT STUDIO



CONNECT



THIS WEEK'S ISSUE



COPYRIGHT © 2017 CRAIN COMMUNICATIONS, INC.

[PRIVACY POLICY](#) | [TERMS OF SERVICE](#)