

Application for 2011 Clean Ohio Revitalization Funds
Cleveland State University
Viking Hall Block Property

GOAL OF THE BROWNFIELD PROJECT

Cleveland State University (CSU) is committed to the redevelopment of the Viking Hall Block which currently consists of a vacant dormitory and an unoccupied commercial facility. The project area being submitted for funding under the Clean Ohio Revitalization Fund (CORF) is comprised of 1.735 acres of land located on the eastern edge of downtown Cleveland, in the heart of Cleveland State University. The Property is bounded by Euclid Avenue to the north, Prospect Avenue to the south, East 21st Street to the west, and East 22nd Street to the east. A \$2 million CORF grant is being requested, through the “Redevelopment Ready” track, to prepare the property for mixed commercial, institutional and residential use. The grant will allow for cleanup of the 199,101 square-foot, thirteen-story Viking Hall dormitory building, vacant since 2010, and the 12,915 square-foot, three-story commercial building formerly used as a Kinko’s Copy Center that has been vacant since 2000. Although this project is considered a “Redevelopment Ready” project, CSU has already begun working on a Request for Qualifications that it expects to issue to developers in fall 2011. It is anticipated that a developer will be selected in early 2012. Funding from CORF will address the asbestos abatement and demolition, and will finally allow redevelopment to occur for this high-profile property.



ECONOMIC BENEFIT

Based on current concept plans, projections, and discussions with developers, it is estimated that this project will create up to 10-20 full time equivalent administrative jobs, 20-30 full time equivalent retail/service jobs, 40 temporary architectural/engineering jobs, 400 temporary construction jobs; and a minimum of 10,000 square-foot of commercial retail space.

Cleveland State University paid nearly \$2,500,000 in 2010 for income taxes from employees to the City of Cleveland. The proposed commercial, institutional, and retail component of the project will contribute significantly to jobs, as well as an increase in income and sales taxes for the City.

As a public university, Cleveland State plays a critical role in workforce development. Approximately 17,000 students are enrolled at CSU. Of these, nearly 40% are non-white and many are non-traditional, with the average age of students enrolled in fall 2009 being 28.4. 80% of CSU graduates stay in the Cleveland area with 86% of graduates employed six months after graduation, which is the highest rate in the state. Although not quantifiable, the impact of the high percentage of CSU graduates that remain in the area greatly contributes to the local economy in the form of housing, taxes, as well as adding and retaining highly educated workers.

The site has exceptional connectivity to downtown Cleveland, the Medical Mart and Convention Center, the Cleveland District of Design, Playhouse Square, and University Circle. In addition to immediate proximity to Cleveland State University, the site is also well positioned near other regional institutions such as Cuyahoga Community College, Case Western Reserve University, Kent State University, Lorain County Community College, Oberlin College, University of Akron, Stark State College of Technology, Cleveland Clinic, University Hospital, St. Vincent’s Hospital,

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MetroHealth, University of Toledo, and Bowling Green State University. The site will allow use of CSU's Wolstein Center and its new Student Center for meetings, conferences, and events.

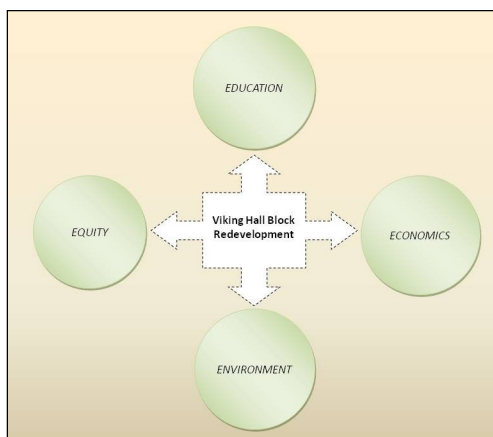
This property has great public transportation access to the north and south through the use of the Cleveland Regional Transit Authority system. The Healthline bus rapid transit route, which is a dedicated line connecting Public Square with CSU, Playhouse Square, and University Circle, is directly north of the property. Immediately south of the property is the RTA's Stephanie Tubbs Jones Transit Center. This site also has great highway access, with its location within ¼-mile of Interstate-90 ramps and approximately a ½-mile north of the ramps to Interstate-77. State highways are also in close proximity to the site.

All of the major utilities necessary for redeveloping the property are present at capacities that meet or exceed the planned redevelopment needs, including water, storm and sanitary, electric, natural gas, steam, and fiber-optic. No infrastructure improvements are needed to support current redevelopment plans.

Cleveland State University believes this redevelopment site is the most important under-utilized site on their campus, and one of the most important under-utilized sites between Public Square and the Cleveland Clinic. Because of the site location, this project will be architecturally significant and contain a "signature" building(s) worthy of sharing this important corner with Trinity Cathedral and the University's Student Center.

COMMUNITY BENEFIT

There is a change underway at Cleveland State, where the old model of the University as an enclosed, separate community is being turned inside out. The new Cleveland State aims to be an integral part of downtown Cleveland. University and private-sector development will transform CSU and the surrounding neighborhood into a vital, thriving downtown destination. Proof of this dramatic transformation is already present along Euclid Avenue with the recent construction of CSU's Student Center, Julka Hall education and nursing building, Administration Center, and the Euclid Commons residential facility. Over the past several years a number of CSU buildings along the Euclid corridor have also been remodeled including Fenn Tower, Main Classroom Building, Cleveland-Marshall College of Law, and Parker Hannifin Hall. These catalytic efforts to transform the campus neighborhood are accelerating with the recent announcement of the 308 unit mixed-use Campus Village project on the north side of Chester Avenue between East 21st and East 24th Streets. Redevelopment of the CORF property will magnify these impacts substantially.



This critical shift in philosophy is represented by the Cleveland State University Master Plan as well as other key University strategic directives geared towards preparing students to live and work in a diverse global society, enhancing the student educational experience, improving admissions and retention metrics, and creating talent for the local business community. Taken together this represents a four-part intellectual blueprint for urban change that encompasses health, education, community sustainability, and culture. Individuals need good health to survive and develop. They need an education that provides them with basic skills and the ability to function

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as citizens; they need a sustaining community that provides the social structure and solvency that ensures future growth for individuals; and last, they need to have cultural appreciation to reach new levels of human potential.

Cleveland State's commitment to reinvigorating its physical setting will strengthen the University while providing a powerful stimulus for redevelopment in downtown Cleveland. The Cleveland State University Master Plan establishes a framework for University and University-related development, with a key priority being increasing the number of students, faculty, and staff who live on or near campus. The plan addresses quality of life issues that ensure the campus is a safe and appealing place, both for commuter students who comprise the majority of the current CSU community and for an increasing number of campus residents that the University plans to attract. It includes locations for new CSU facilities and it establishes a development zone at the periphery of campus where private sector residential and commercial development can occur, in partnership with CSU. The Viking Hall block is the highest among these priority development zones.

The CORF Property is located in the City of Cleveland, Cuyahoga County. According to the 2010 census information, the total population of the City of Cleveland is 396,815 and 35% of the individuals fell below the federal poverty levels. Of the 396,815 people, approximately 66.6% are comprised of minorities. The median household income in 2009 was \$27,761 with a per capita income of \$16,581 (in 2009 inflation-adjusted, 2000 Census).

According to the Ohio Department of Jobs and Family Services, the unemployment rates are 9.5% for the City of Cleveland and 7.9% for Cuyahoga County (April, 2011).

OTHER FUNDING SOURCES

Cleveland State University has committed \$1,700,000 in matching funds to the project for environmental assessment, demolition costs, disposal of building residuals, removal of pavements, and backfilling activities. Additionally, other recent investments include architectural and concept plans, legal fees, limited asbestos abatement, and removal of furniture and other items from the vacant buildings amounting to approximately \$500,000. With the \$2 million requested from the Ohio Department of Development, the total project costs amount to \$4.3 million. It is expected that CSU and its development partner(s) will invest an additional \$40-50 million for the redevelopment phase of the project.

HISTORY OF THE PROJECT PROPERTY

Based on information gathered during completion of the Phase I Property Assessment, the thirteen-story Viking Hall dormitory building was constructed in 1971 and originally operated as a Holiday Inn Hotel until CSU purchased the property in 1986. The dormitory was vacated in fall of 2010. The existing three-story commercial building was constructed in 1927 and has been historically occupied by several commercial tenants. The building was last occupied in 2000 by Kinko's Copy Center and has remained vacant since that time. In addition to the two existing facilities, the Property was previously occupied by residences, the Plymouth Congregational Church, an apartment building, an auto showroom, a commercial building with multiple storefronts/tenants, a gasoline filling station, a restaurant, a venetian blind manufacturer with connected commercial storefronts, and a four-level parking garage associated with the former Holiday Inn Hotel.

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ENVIRONMENTAL IMPROVEMENT

This Property is significantly under-utilized and asbestos is present throughout both facilities. An asbestos survey identified approximately 440,000 square-feet of asbestos and various building residuals which included paint cans, cleaning products, fluorescent lights and ballasts, thermostats, transformers, and air conditioners. State funds are needed to address the remedial requirements for redevelopment. Removal of asbestos-containing building materials in accordance with the Ohio Voluntary Action Program (VAP) and NESHAP

regulations will eliminate the potential for asbestos and building residuals to impact human health and the environment. These activities will support action through the Ohio VAP, and subsequently an Ohio EPA Covenant Not to Sue (CNS). Following remediation and demolition activities, CSU plans to develop the property as mixed-use with a potential combination of the following: buildings(s) with retail on the first floor, office space and rental or for-sale housing on upper floors, and a pedestrian bridge to connect to the property to the University's South Garage.

PROJECT'S READINESS TO PROCEED IF FUNDED

The asbestos removal and demolition of Viking Hall and the former Kinko's building is ready to move forward upon receipt of grant funds. Acquisition is complete, no lengthy permits are required, and the specifications for remedial activities have been established. Although CORF funding is being requested through the "Redevelopment Ready" track, CSU has already begun working on a Request for Qualifications that it expects to issue to developers in fall 2011. It is anticipated that a developer will be selected in early 2012.

Abatement and demolition bids will be solicited in the first quarter of 2012, contracts will be awarded in the second quarter of 2012 and the project is anticipated to be completed within 6 to 9 months of receiving grant funding. It is anticipated that all CORF-related activities will be complete by the end of 2012 with the site being ready for redevelopment at that time. CSU anticipates that redevelopment/construction could begin as early as the first quarter of 2013 and be completed by the last quarter 2014 or the first quarter 2015, dependant on reaching a suitable agreement with a developer. Because of the many uncertainties with this type of public/private joint development, the exact time schedule for construction remains necessarily fluid. A more conservative timeline would have redevelopment beginning in 2015.