

THE WEEK

JUNE 14 - 20

The big story: The Cleveland Foundation committed \$8 million toward a \$30 million effort to overhaul Public Square. The grant is the first public financial commitment toward the project. The grant dollars will be directed to LAND Studio, a nonprofit that specializes in public space design, to support the Group Plan Commission's efforts to remake the square. Officials expect the foundation's grant to spur additional giving required to complete the transformation by May 2016. In recognition of the grant, the south plaza of the redesigned space will be named the Cleveland Foundation Centennial Plaza.

Moving on: Pilot Flying J, the Tennessee-based operator of travel centers and travel plazas that is owned by the family of Cleveland Browns owner Jimmy Haslam, agreed to pay \$92 million to resolve the company's criminal liability for its employees' conduct in withholding diesel fuel price discounts from customers. U.S. Attorney Bill Killian in Knoxville, Tenn., said Pilot "accepted legal responsibility for the criminal conduct of its employees, which caused more than \$56 million in loss to its customers." Haslam said, "We, as a company, look forward to putting this whole unfortunate episode behind us, continuing our efforts to rectify the damage done, regaining our customers' trust and getting on with our business."

Bank on it: KeyCorp agreed to buy Pacific Crest Securities, a technology-focused investment bank based in Portland, Ore. Pacific Crest will become part of KeyBanc Capital Markets, the corporate and investment banking business unit of Cleveland-based Key. Pacific Crest has 170 employees. Randy Paine, president of KeyBanc Capital Markets, said Pacific Crest's place as a top technology investment bank gives Key the tech expertise and research ability of much larger banks without jeopardizing Key's strengths.

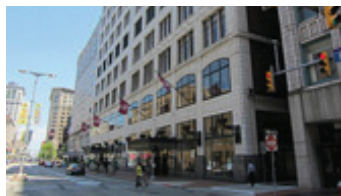
Leadership position: Willoughby-based K&D Group plans next month to acquire the Leader Building, according to Doug Price, CEO of the apartment development firm. However, don't look for K&D to immediately work on converting the Leader to apartments. Price said K&D needs to get historic designations for the building to qualify for federal historic tax credits. It also plans to go after Ohio Historic Preservation Tax Credits. Initially, Price said, K&D will continue to lease the building as offices. However, it will convert part of the Leader to about 200 apartments in the future.

Fresh start: At the July 15 grand opening of the new Cuyahoga County administrative headquarters building, County Executive Ed FitzGerald called the eight-story, \$80 million building a testament to the turnaround in county government. "We've gone from the deepest depths a county government could go to the height of integrity, efficiency, economy and understanding that our mission is to serve the public," he said. He also said he believed the building — along with the rest of the \$260 million, redeveloped Ameritrust complex — will help bolster the Ninth Street corridor.

Curb appeal: Efforts to rejuvenate the one-time Finance District on East Ninth Street in downtown Cleveland as a lively NineTwelve mixed-use district received a \$100,000 push from the National Endowment for the Arts. A joint venture led by LAND Studio and Ingenuity, the nonprofit behind the annual IngenuityFest, received one of 66 grants awarded under NEA's "Our Town" program. The NEA grant, which must be matched by local grants, sponsorships or donations, will be used to fund a year-long project in 2015 combining public art projects and sustained programming on East Ninth.

REPORTERS' NOTEBOOK

BEHIND THE NEWS WITH CRAIN'S WRITERS



Demand continues for new apartments in old buildings

■ First the Standard Building, then the Leader Building. Which downtown Cleveland office building is the next likely target for an apartment redo?

None other than the Halle Building, which is known for its role as the department store in Drew Carey's old TV show and the Christmas-time home of Mr. Jingeling.

K&D Group is in the leading role to land the 1228 Euclid Ave. building, according to two sources familiar with the situation. Another source said the paperwork is not done, though building owner Forest City Enterprises Inc. has settled on K&D as the prospective buyer in a deal to close by year's end.

A question about K&D pursuing Halle drew a quick, "No comment, no comment," from Doug Price, K&D CEO, as he discussed plans by K&D to buy the Leader Building for future partial conversion to apartments.

In Securities and Exchange Commission filings, Forest City lists the property for disposition. The company previously wrote down the building's value dramatically and now values it at \$8.5 million, according to Forest City spokesman Jeff Linton. Asked if

a deal is near, Linton said Forest City never comments on the status of properties until it closes a sale.

None of the sources would be identified because they were not authorized to discuss the bid or are not affiliated with either principal. The Halle Building, like the Leader, would remain as offices until K&D decides to convert it to apartments, but with a surprise twist: One source said K&D may move first on converting part of the Halle Building garage between Huron Road and Prospect Avenue to apartments while keeping lower floors for parking. —Stan Bullard

They've seen the light on blocking out light

■ A new Kent State spinout company knows how to make windows switch from clear to opaque and vice versa.

Flexible ITO Solutions (FITOS) has an informal development agreement with a smart window maker that could use the technology to create windows that can block light.

Eventually, the technology could be used to create less expensive displays for touchscreen devices, said FITOS CEO John West.

For now, the company is focused on commercializing the window technology. It works like "a virtual venetian blind" that can let in some light while blocking the rest, according to West, a Kent State professor who led the development of the technology.

FITOS will make flexible, transparent films that can fit between panes of glass. The films contain indium tin oxide — the ITO in FITOS. The company controllably cracks

that material, creating invisible electrode patterns that make it possible to control the movement of light through the window.

FITOS is based at Kent State's Centennial Research Park. West isn't yet being paid, nor is chief operating officer Cevin Cole. The only paid employees are Nick Diorio, a post-doctoral researcher at Kent State's Liquid Crystal Institute, and Paul Olson, a University of Akron student doing an internship in West's lab at Kent State. —Chuck Soder

Everybody wants a piece of Cleveland these days

■ Cleveland has just landed a big convention in 2016, *Crain's* has learned. No, not that one. But it's an important group nonetheless.

The International Economic Development Council soon will announce officially that it will bring its 2016 convention to the Cleveland Convention Center.

Joe Marinucci, president and CEO of the Downtown Cleveland Alliance, told *Crain's* that the group typically brings 1,300 to 1,400 public and private economic development professionals to town, including 300 from Canada and Europe. The four-day conference begins Sept. 25, 2016.

"Ohio represents a strong membership state for them," said Marinucci, who served as chairman of the organization's board in 2006.

Members with Team NEO, the Greater Cleveland Partnership and the city and county economic development departments put together the proposal with Marinucci and Michael Taylor, a Cleveland-based senior vice president of PNC Bank.

—Jay Miller

WHAT'S NEW



COMPANY: EYE Lighting International, Mentor

PRODUCT: LED Wallpacks

The manufacturer of lamps, luminaires, controls and related lighting systems, says it has two new LED Wallpacks: The WPS, which delivers up to 4,000 lumens, and the WPL, which delivers up to 7,000 lumens in compact housings that measure 7" x 7" x 4" and 8" x 10" x 4", respectively.

EYE Lighting says the WPS and WPL LED Wallpacks "are ideal for any area where safety and security are a priority: schools, retail stores, offices buildings, warehouses, municipal buildings and many other applications."

The 25-watt and 50-watt WPS model features a color temperature of 4000K — color temperature is measured in degrees Kelvin — and weighs just 4 pounds. The 50- and 75-watt WPL model also features a color temperature of 4000K and weighs less than 10 pounds.

Both models exceed 80 lumens per watt efficacy and deliver "a forward-throw asymmetric beam pattern," EYE Lighting says. The products come with a five-year warranty.

For details, visit www.eyelighting.com.

Send information about new products to managing editor Scott Suttell at ssuttell@crain.com.

BEST OF THE BLOGS

Excerpts from recent blog entries on CrainsCleveland.com.

Setting the standard

■ LeBron James' return to Cleveland got the highbrow think-piece treatment in columns from *The New York Times* and *The Guardian*.

The Times' Ross Douthat wrote that James is emblematic of an effort to reverse "the trajectory of our nation's most talented citizens, who since the 1970s have been clustering ever more densely in certain favored cities, and gradually abandoning the places in between."

He acknowledged it's easy to make too much of "a rich athlete's brand-managing P.R." Even so, Douthat wrote, "there will be a spillover effect of some sort from his decision. Even if it only happens on the margins, LeBron really did just make a down-at-the-heels part of America a slightly better place to live and work and settle."

In *The Guardian*, Kevin Blackstone argued that a "combination of self-determination and notoriety is making James the modern-day embodiment of the ideal athlete championed by the sociologist Harry Edwards in 'Revolt of The Black Athlete: an athlete who understands community building.'"

James, Blackstone wrote, "is establishing a standard, and he is doing so in a manner that underscores he is a student of political

change, not just a parrot of its vernacular." He concluded that James "is sowing seeds to wind up more than just a role model. He could be a standard-bearer of black empowerment."

If basketball doesn't work out ...

■ Among Cleveland Cavaliers All-Star point guard Kyrie Irving's many talents: He's an online video superstar.

The Wall Street Journal said "advertisers are scrambling to figure out how to craft ads that have a better chance of going viral. Pepsi believes it's found the right formula: surprising consumers."

In an ad that debuted July 15, Pepsi filmed a local baseball team in Milwaukee being surprised with the chance to play their scheduled game at a major league ball park.

People "like the unexpected," said Lou Arbetter, a Pepsi marketing executive. Adding an unpredictable twist to something that is expected "automatically makes it shareable," he said.

Pepsi has racked up more than 57 million views with spots featuring Irving "disguised to look like an old man (who) takes to the local basketball game to show off his moves."

Taking a toll

■ Federal Reserve chair Janet L. Yellen spent nearly two hours on July 15, responding to U.S. senators' questions on a range of subjects.

One of the best ones came from Sen. Sherrod Brown, D-Cleveland, who asked about the human cost of unemployment.

"It takes such a toll on families and children," Yellen responded, according to Bloomberg. "Anyone who ever talked to people experiencing significant unemployment realizes what the psychological toll is and the ways it affects their well-being and that of their community."



LeBron might just save the entire world.