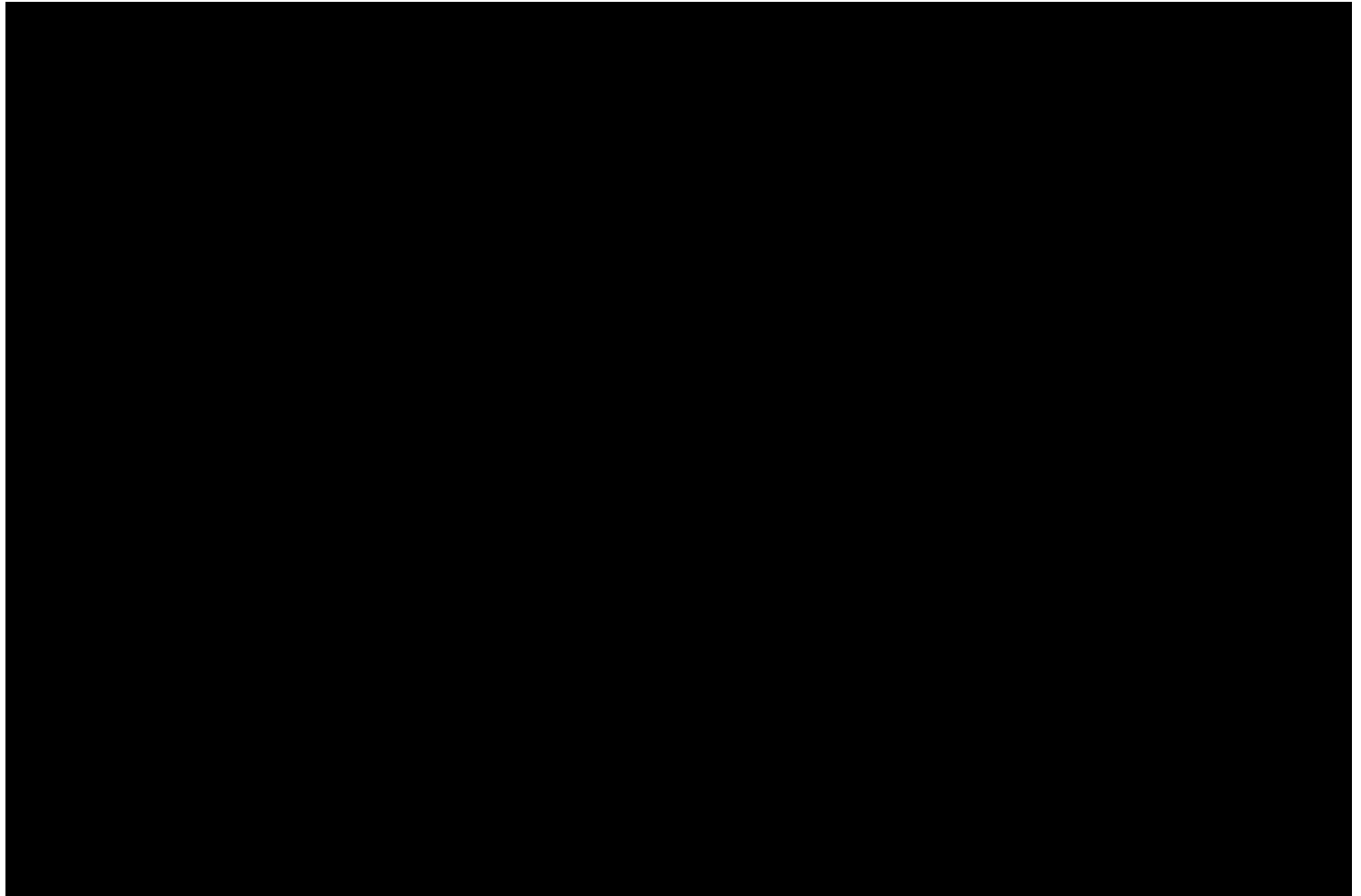


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February 27, 2022 04:00 AM | UPDATED 10 MINUTES AGO

Benesch law firm inks big Key Tower lease, taking eight floors

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CoStar

Key Tower has landed a major office tenant.

The 164,000-square-foot deal is the largest new lease in Cleveland's central business district in years. It's a coup for the Millennia Cos., which has made major investments in amenities since buying the Key Center complex in early 2017.

The [Benesch](#) law firm plans to move to eight floors at Key Tower, ending a quest for new office space that spanned the better part of a decade.

Benesch will occupy 164,000 square feet at downtown's tallest building. That's a slight increase from the firm's current footprint at nearby 200 Public Square.

The Key Tower lease — the largest move in Cleveland's central business district in years — is a coup for the Millennia Cos., which has made major investments since buying the Key Center complex in early 2017. The long-term deal with Benesch comes as law firm [Squire Patton Boggs](#) is preparing to pare its footprint in the tower.

"We're very excited about the move and the opportunity to have a brand-new, efficient workspace," said Gregg Eisenberg, Benesch's managing partner.

The Cleveland-based firm has a headquarters team of just over 300 people, including 165 attorneys. That headcount has grown sharply since 2015, when Benesch signed on as a 66,500-square-foot anchor tenant for a planned office tower in Cleveland's Gateway District.

That tower, part of an ambitious mixed-use project called NuCLEus, has not materialized. After trimming and refining its proposal, developer Stark Enterprises found itself sidelined by the pandemic in early 2020.

With new construction relegated to the drawing board, Benesch began looking for new digs elsewhere. And the firm found an opportunity just a hop from its existing address.

Frank Sinito, Millennia's CEO, views the lease as a validation of his team's efforts to liven up Key Tower and the adjoining Cleveland Marriott Downtown hotel. The real estate company, which moved its headquarters to the complex in 2017, has softened the tower's lobby with seating and art, refashioned the outdoor plaza and worked to better integrate the offices and hotel.

"We had a vision, and here we are today ... celebrating the five-year anniversary, landing one of the largest leases in recent history," Sinito said during a meeting at Key Tower.

Benesch is scheduled to move to the building in mid-2023.

Sinito would not say which floors the firm will occupy. But Eisenberg and Benesch's real estate broker confirmed that the space is floors 42 through 49 — Squire's longtime offices. Squire is poised to move to a smaller space elsewhere in the building.

"Our 30-year lease in Key Tower ends this spring, and we continue to finalize the details of our new arrangements," Squire spokesman Angelo Kakolyris wrote in an email. "Our expectation is that we will remain in Key Tower in a modern space that accounts for future working models, reflects the expectations of our clients and positions our team to provide the level of service clients have come to expect."

Squire employs 258 people in Cleveland, including approximately 110 lawyers. The attorneys are tied to the tower, but many of the firm's administrative workers are based in the nearby Post Office Plaza office building, on West Third Street.

"We feel very confident that they're going to be staying, because of the amenities and because we know that their lawyers want to be in this building, for sure," said Cheryl Wearsch, Millennia's asset manager for Key Center.

She and Sinito declined to discuss Squire's plans or anticipated square footage.

With the Benesch lease, the 57-story tower will be 95% occupied, they said.

In the lobby, Marble Room Sushi will reopen in early March, after almost two years offline. An in-house coffee bar, part of Millennia's growing Savour Hospitality Group, opened in December in a space formerly occupied by a Starbucks.

And Sinito hopes to turn a roughly 7,000-square-foot vacancy on the tower's 52nd floor into a fine-dining restaurant. During a recent walk-through, he pointed out the sweeping views of the city to the east, west and south.

On the first floor at the Marriott, the Il Venetian restaurant reopened in June. Upstairs, Millennia aspires to offer spa services starting in May at Ascend, a fitness and wellness facility that the company took control of during the pandemic. The St. Clair Ballroom, a fourth-floor event space, is bustling thanks to pent-up demand for weddings.

And room renovations at the Marriott, where Millennia plans to increase the size of the bathrooms, are scheduled to take place in 2023.

Those features, along with the connected parking garage, appealed to Benesch.

But the firm's top priority was finding contiguous, top-shelf space, Eisenberg said. After years of growth and lease extensions, Benesch's offices at 200 Public Square are somewhat disjointed, spread over 150,000 square feet. Cohesive space became even more important

during the pandemic, as Benesch shifted to a hybrid schedule that allows for more remote work.

"We've had a phenomenal location in our current building," said Eisenberg, who added that the firm has only good things to say about its landlord, DRA Advisors.

Finding 164,000 square feet — with options to expand — was no small feat.

Downtown's office vacancy rate was 22.5% in late 2021, according to the Newmark brokerage, but much of that empty space is in older buildings that did not appeal to one of the region's largest law firms.

"We looked at every option and, obviously, came down to a relocation arguably into one of the preeminent buildings in Cleveland," said Adam Gimbel, a principal with [Allegro Real Estate Brokers & Advisors](#), which has been working with Benesch since 2014.

Up until the pandemic, Benesch remained committed to NuCLEus, where the firm became an ever-larger anchor as the years passed. By early 2020, Stark Enterprises had jettisoned a hotel and apartments, reducing the [first phase](#) of the project to a mid-rise office tower, a garage and ground-floor retail space.

Then the coronavirus created tremendous uncertainty about the office market and tipped many development deals into limbo.

Cleveland-based Stark still aims to develop the 3-acre Gateway District site, across from Rocket Mortgage FieldHouse. But the company does not have a firm plan.

"Key Tower is lucky to have an incredible organization like Benesch. It's one of the best-in-class law firms in the city," said Ezra Stark, the company's chief operating officer. "In terms of NuCLEus, we are evaluating the types of uses and programming for that project. We still intend to create something on probably the most critical undeveloped piece left in downtown."

Jeffrey Wild, a real estate lawyer and Benesch's administrative partner, said the firm's leaders were deep believers in Stark's vision for the site. He described a mutual, and regretful, parting of ways on the project, as Benesch ran out of time to make a move.

"I know that NuCLEus will happen. A version of NuCLEus will happen," Wild said. "We're just sad that we won't be a part of it."

Inline Play

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