



PHOTOGRAPHS BY DAVID I. ANDERSEN / THE PLAIN DEALER

Mike Chesler often showcases the Unicare building on E. 40th St. in Cleveland to companies looking for new office space. Chesler renovated the top floor of the former Perfectlite Lighting factory for Unicare.

# Bringing buildings back from the dead

## Redeveloper finds overlooked gems by prowling city

By PETER KROUSE  
 PLAIN DEALER REPORTER

Don't call Mike Chesler a real estate developer. That's a dirty word in his vocabulary, one that evokes images of digging up trees and building roads.

Call him a redeveloper — one who takes something that's been around awhile and restores its luster.

These days, the 41-year-old Chesler prowls the fringes of downtown Cleveland in his Toyota Land Cruiser, looking for old, sometimes historic buildings that he can bring back to life as funky, creative offices.

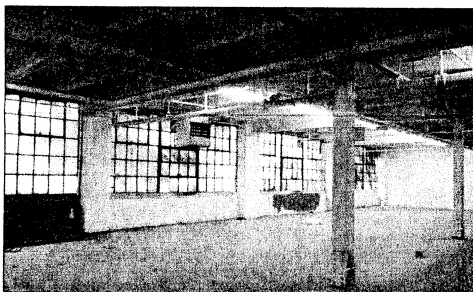
His list of reclamation projects includes the 128-year-old Groh Mansion on Superior Ave., the former Perfectlite Lighting plant on E. 40th St., and Gaensslen Place, an Italianate mansion built on Prospect Ave. in 1883.

The Perfectlite plant is Chesler's showcase. Once dark, dank and empty, it's now filled with sunlight, character and — most importantly — workers. Unicare Corp., a small firm that helps hospitals get paid, owns the two-story building and commissioned Chesler to resurrect the top floor last year.

Since moving from a largely windowless office in the Superior Lofts building on Superior Ave., Unicare co-owner Mike Baird finds his workers are happier and more productive.

"You'll see people in the office until 8, 9 o'clock at night," Baird said.

Chesler, a wiry guy with a bald pate and a passion for hunting ruffed grouse, has grown into the redevelopment business. An English literature major at Case Western Reserve University, he spent about 15 years in marketing and sales, much of that time in Japan.



The top floor of the Unicare building used to look like the first floor, shown above, which Unicare plans to renovate to accommodate future growth.

### Regenerated buildings

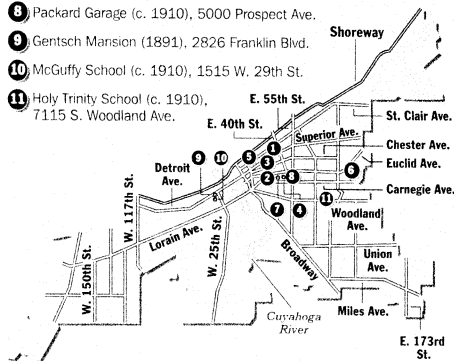
Second Generation Properties projects (original construction dates in parentheses)

#### Properties already restored

- 1 Perfectlite Lighting Factory (c. 1923), 1457 E. 40th St.
- 2 Gaensslen Place (1883), 3050 Prospect Ave.
- 3 Groh Mansion (1872), 3043 Superior Ave.
- 4 Dixon Hall (1896), 3814 Prospect Ave.
- 5 Fisher Food Depot (1911), 2324 Lakeside Ave.
- 6 Mather Carriage House (1888), 2025 University Hospital

#### Rehab underway

- 7 McBride House (1868), 3029 Prospect Ave.
- 8 Packard Garage (c. 1910), 5000 Prospect Ave.
- 9 Gentsch Mansion (1891), 2826 Franklin Blvd.
- 10 McGuffey School (c. 1910), 1515 W. 29th St.
- 11 Holy Trinity School (c. 1910), 7115 S. Woodland Ave.



SOURCE: Second Generation Properties

## Bringing buildings back from dead

While at Grey Advertising in New York City, he handled Procter & Gamble Co.'s accounts for Duncan Hines cookies and Joy dishwashing liquid. Later, while representing Cleveland-based International Marketing Group in Japan, he sold sponsorships and the right to use the names of top athletes such as Martina Navratilova and Greg Norman and of sporting events such as the Wimbledon tennis championships and the Kentucky Derby.

Chesler, who formed his own consulting firm in 1988, largely gave up his marketing ways more than a year ago, shedding all accounts except his right to market the Harvard University name in Asia. He then turned his attention to restoring old buildings, especially those that ring the downtown core.

"These are good, solid business areas," Chesler said of those blocks numbering in the 20s, 30s and 40s. "But no focus, no attention has been given to them."

### Diamonds in the rough

About four months ago, he put his business in high gear when he teamed with four other Cleveland businessmen. They formed Second Generation Properties, with Chesler providing the vision and the others helping to find tenants.

"We're certainly supportive of Michael," said Tom Embrescia, who with associates Larry Pollock, Larry Blum and Scott Finerman has pumped several million dollars into Second Generation. Embrescia shares office space with Blum and Finerman in the Halle Building downtown. Pollock drops in from time to time but is preoccupied these days after becoming president of Cole National.

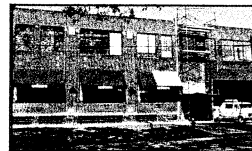
Second Generation has acquired the McBride House at 3029 Prospect Ave., which will have its ornate plaster ceiling and long-gone portico restored. The yellow exterior paint is being chemically stripped to reveal the natural brick.

Other buildings slated for re-birth are the Gentsch Mansion and neighboring McGuffey School on the near West Side, in Ohio City.

What brought Chesler together with his new partners is a shared knack for finding value where most people don't see it. Embrescia and Pollock, for example, were among those who bought the struggling WDKO radio station for \$12 million in 1987 and sold it last year for \$100 million.

### Powerful imagination

One recent morning, Chesler sat in the front seat of his Land



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The former Perfectlite Lighting plant on E. 40th St., now occupied by Unicare Corp., is Chesler's showcase. Once dark, dank and empty, it's now filled with sunlight — and workers.

Cruiser and gazed almost adoringly through a chain link fence at a vacant building on Prospect Ave. From the outside, the building was little more than a giant red-brick rectangle, but in Chesler's mind and on the colorful rendering he held up, it came to life as a trendy two-story office building with the same large windows it had decades ago.

"For 13 bucks a square foot, I can deliver an incredible high-end office in here," he said.

Second Generation is negotiating to buy the building from Applied Industrial Technologies. It was a machine shop until recently. Originally, it was a storage garage for the Packard auto dealership that once thrived next door.

Inside the former garage, Chesler's imagination continued to race. On the second floor, he motioned to a break in the steel trusses that support the ceiling.

"Can you see the mezzanine floating up in the air?" he asked.

The sturdy supports suggested yet another idea.

"I could build an entire beer garden up here," he said.

Chesler can hardly wait to turn his builders loose. "All it takes is the right tenant who wants to make the move," he said.

### Careful spender

Second Generation expects to attract attorneys, accountants, architects, even start-up Internet firms looking for space with character, easy access to the interstates and an affordable price tag.

Chesler has learned when to scrimp and when to go all out. Instead of installing a \$200 light, he might select one much cheaper and bury it within the building design so it's not very noticeable.

In the case of Unicare, he saved on the lights and splurged on the hickory floor. "You've got to know where to put the money," he said.

Holding down costs is key to the success of Second Generation, which plans to deliver quality office space at a price the downtown office towers can't match. Said Todd Gabriel of the Grubb & Ellis real estate company, "As long as he's competitively priced, he should be in demand."