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## Paychex consolidating suburban offices in move to Highland Hills

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Millcreek Place, 23000 Millcreek Blvd., Highland Hills, is 30% leased after the New York City-based owner leased 50,000 square feet to Paychex Inc.

The Rochester, N.Y.-based payroll and benefits services provider will be the first tenant in a former PNC Bank office building being refurbished by Time Equities Inc. of New York City. Paychex will consolidate offices from Beachwood and Hudson in the Highland Hills building.

Paychex Inc., the Rochester, N.Y.-based payroll and benefits services provider, will become the first tenant to turn on the lights at an empty four-floor Highland Hills office building that Time Equities Inc. of New York City is rejuvenating.

Paychex has agreed to lease 50,000 square feet in the building at 23000 Millcreek Blvd. that TEI bought last year as PNC Bank shed the structure after consolidating its suburban offices and moving staffers to the city of Cleveland. Paychex will consolidate offices from Beachwood and Hudson in the Highland Hills building.

David Gates, senior manager of area service for Paychex, said in an email, "Since Paychex completed its acquisition of Advance Partners in 2015, we've been looking for the right location to accommodate both of our growing teams. We're looking forward to the opportunity to bring all of our local employees together under one roof. Highland Hills is a great community for us to do so."

Paychex added 130 staffers in Beachwood [when it acquired Advance](#), which had been in operation since 1998.

For building owner TEI, the lease commitment means it will have a tenant occupying space in the 140,000-square-foot building as it finishes updating the 1997-vintage structure from single-tenant to multiple-tenant use with a new lounge, conference area and cafeteria.

Jonathan Dulberg, TEI director of acquisitions, said in a May 22 phone interview that Paychex was one of the prospective tenants the company hoped to land as it paid \$7.5 million for the empty building.

"This validates our initial investment on the theory that we can attract high-quality tenants to a nicely renovated building who do not want to pay top dollar in the market," Dulberg said.

Paychex will occupy part of the first floor and all the second floor in the structure.

Robert Leibold, a vice president in CBRE's Cleveland office, said in a news release on the lease, "Even though there was a large supply of new space added to the market over the last two years, the new space is absorbing and leasing at record pace. The acquisition of this large block of Class A space and the quick absorption of a new 50,000-square-foot tenant demonstrates the strength of the Chagrin Corridor office market."

Due to the structure's large size — it's almost twice the size of the typical suburban Cleveland office structure — it still has two full floors of empty space to fill. The asking rate at the building is in the low \$20-a-square-foot range, although neither side would disclose the actual rent Paychex will pay.

Publicly traded Paychex provides management solutions for payroll, benefits, human resources and insurance services through a combination of personal service and an online mobile software platform.

TEI entered the Cleveland office market in 2015 when it acquired a portfolio of six office buildings in Independence and Seven Hills that are part of the Rockside Road or south office market. With the purchase of the Millcreek building, it became one of the few landlords with holdings in two separate suburban Cleveland markets.

Time Equities has been in operation since 1966 and has a portfolio that includes 30 million square feet of industrial, office and retail properties and more than 4,000 apartment suites.

In addition to Leibold, TEI was represented by CBRE agents Steve Ross and Douglas Leary. Paychex was represented by Mike Maroon of The Acclaim Group of Cranford, N.J.