



SHAKER HEIGHTS

Neighborhood & Economic Development Committee Minutes
Wednesday, July 9, 2025
6:00 P.M. **DRAFT**

Members Present: Ifeolu Claytor, Council Member
Kim Bixenstine, Council Member
Anne Williams, Council Member
Dr. Donna Whyte, Committee Member
Benjamin Woodcock, Committee Member

Others Present: David E. Weiss, Mayor
Jeri Chaikin, CAO
Laura Englehart, Economic Development Director
Kyle Krewson, Director of Building & Housing

The meeting was called to order by Chair, Ifeolu Claytor at 6:03 p.m.

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Approval of the June 11, 2025 Meeting Minutes

Ifeolu Claytor, Chair:

Our first item is minutes. Were there any questions that folks had for last month?

Anne Williams, Council Member:

I'll move approval.

Kim Bixenstine, Council Member:

I'll second.

Ifeolu Claytor, Chair:

We have a motion from Councilwoman Williams and a second. All in favor, please signify by saying aye.

Group:

Aye. Aye.

CITY OF SHAKER HEIGHTS

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shakeronline.com www.shaker.life

Ifeolu Claytor, Chair:
All opposed? Please signify by saying nay. The ayes have it.

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Executive Session

Ifeolu Claytor, Chair:
Do I hear a motion to go to executive session?

Dr. Donna Whyte, Cmte. Member:
So moved.

Kim Bixenstine, Council Member:
Second.

Ifeolu Claytor, Chair:
Thank you. All in favor, please say aye.

Group:
Aye. Aye.

Ifeolu Claytor, Chair:
All opposed?

William Gruber, Law Dept. Director:
I'm sorry. You have to take a roll call vote.

Roll Call Commences, all were in favor

Ifeolu Claytor, Chair:
The motion has passed.

Kyle Krewson, Director Bldg. & Housing:

I am going to move us into the backstage feature. There will be a message displayed for any attendees if they were to join the webinar as it stays live, they'll have a message saying the host will be back shortly. We'll have our discussion, no votes will be made in executive session. We'll then all move back into the webinar and continue the rest of the meeting as usual. Your screen will say, entering backstage, and you'll jump backstage. Everybody should pop back up backstage. Bear with me, one moment.

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Recommendation to Amend SMCI Contract for Protective Pedestrian Canopy at the Lee Scottsdale Building – 3756 Lee Road

Ifeolu Claytor, Chair:

We concluded our executive session. Director Krewson, are you next?

Kyle Krewson, Director Bldg. & Housing:

That's correct. This item before you is a request for a recommendation to Council to amend the contract with SMCI for the protective pedestrian canopy at the Lee Scottsdale Building, 3756 Lee Road. We are requesting that the contract be increased from \$110,000 to \$150,000 to cover the purchase of the pre-engineered protective pedestrian canopy in the amount of \$37,985.12 as well as the maintenance traffic signage of \$400. And then the ongoing rental of the perimeter fencing at \$3,500 per six months. This contract amendment would allow that rental to continue for a period of three and a half years. Just some background, as you're all aware, the property was declared a public nuisance in September of 2024. There're some masonry elements that became detached from the building and fell to the concrete below, the City did cite the owner.

Due to inaction by the owner the City did intervene by installing a protective pedestrian barrier at the recommendation of the City's engineer. The engineer came up with a design for the barrier, and the City engineer, GPD, has been engaged for the purposes of conducting an assessment of the building. They have determined that the assessment is not finalized. They still need to do some exploratory demolition work just to confirm what's causing the masonry failure. That work is ongoing. Meanwhile, they did determine that catastrophic failure is likely not imminent. The contractor, during the course of their investigation from a lift, they were looking on the north side of the building and there was a number of cases where they could take and remove bricks from the building with their hands no tools.

There is a continued ongoing risk to the pedestrians below. The reality is that that protective canopy and barrier fence do need to remain in place until permanent repairs can be completed. SMCI did say we can purchase the protective pedestrian canopy. Currently, we continue an ongoing rental at \$275 per day. The breakeven point is roughly five months. Given that repairs likely wouldn't even commence for at least five months, it's the most economic benefit to purchase that protective pedestrian canopy. The owner is ultimately responsible for these costs.

We are billing the owner our actual cost plus the 22% administrative fee. his approach is the most economical solution and the least costly burden on the owner. We are not purchasing the fence at this point. The SMCI subcontract the fence through a subcontractor that does not sell the fence, only rental, that's why we're continuing to rent the fence. It is a relatively minor cost, comparatively speaking. We are comfortable with that ongoing perimeter fence rental. We are requesting that the NEDC recommend to Council amending the contact with SMCI to a new total of \$150,000, this being the most economical solution for the property owner. Your recommendation is crucial for us

to uphold our commitment to community, for community safety and financial accountability. I'll entertain any discussion.

Ifeolu Claytor, Chair:

Do we have any questions from committee? Seeing none, do I have a motion?

Kim Bixenstine, Council Member:

Moved,

Ifeolu Claytor, Chair:

Moved by Councilman Kim Bixenstine and second from Dr. Donna Whyte. All in favor please signify by saying aye.

Group:

Aye. Aye.

Ifeolu Claytor, Chair:

All please signify by saying nay. The ayes have it. Thank you.

Dr. Donna Whyte, Cmte. Member:

I would just like to make a comment that I really appreciate the City taking this action to protect whomever may pass by the building so that we can keep everybody safe. This building is in my neighborhood. I see so many developments that are occurring in the neighborhood, this is really another way to just say thank you.

Ifeolu Claytor, Chair:

Absolutely. I feel good as a neighbor as well. Are there other questions or comments before we proceed to our last item on the agenda this evening? Seeing none, I'm looking over to Director Englehart.

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Request to Approve a Forgivable Vision Loan Agreement with RDL Architects to Build Out New Office Space and Allow the Firm to Return to Shaker Heights

Laura Englehart, Economic Development Director:

Thank you so much, Councilman, and good evening. I am here this evening to request that this Committee recommend Council approval of a Vision Loan in the amount of \$225,000 for RDL Architects to help fill a financing gap and assist in the build out of their new offices. They intend to move into the new Arcadia mixed use redevelopment project that is the project currently under construction at Warrensville Center Road and Farnsleigh. RDL is entering into a 10-year lease to occupy the second-floor office space in that project. They are also the architect of record for the

project. They've been involved in the project since it was proposed back in 2021. However, today's current economic conditions are incredibly different than they were back when the project was initiated. As you might expect, rising costs and continuing market uncertainty have created a financing gap in connection with the lease and build out of their offices.

Importantly for us and for the city, RDL already outgrew its office space in Shaker and they actually moved out of Shaker Heights in 2023. At this time, Shaker is no longer benefiting from any income tax revenue that RDL generates. We are eager to see them move back into the community. Our vision loan program that the City created many years ago was designed exactly for this type of situation. There is a lot more information in the memo about the program, including a little bit of data. I won't go into the details unless you have questions. In short, the vision loan program is designed to help professional office businesses expand or relocate in Shaker Heights. We do that by making an investment from the City's economic development and housing reserve fund into the build out of new office space for that professional business.

The City recoups its investment through the new income taxes that the business generates. In this situation, we are projecting that if the City makes an investment of \$225,000 in a vision loan to RDL to help them move back into Shaker Heights, we anticipate we will get all of that investment back in just two years of income taxes being paid to the City because they intend to sign a 10 year lease. They're going to continue to generate new tax revenue for the City long after the City would realize a return on its investment. There're also additional benefits to us in ensuring that they return to Shaker. First, locating at Arcadia really does ensure the long-term success of that project, and continuing to add density and vibrancy to the greater Van Aken District only continues to make that area more successful. I'm happy to answer any questions. The specific request is so that RDL can return to Shaker Heights. I'm requesting this Committee to recommend Council approval of a Vision Loan in the amount of \$225,000 for the build out of new offices for RDL Architects. Does anyone have any questions?

Kim Bixenstine, Council Member:

Thank you. Director Englehart. I'm very supportive of having RDL continue with the Arcadia project and I recognize how important they are to that project and I'm very supportive of the project. I just was a little unclear from the memo and from your oral report, are they threatening that they would not move forward if we don't give them this extra incentive? I am just not quite clear on that.

Laura Englehart, Economic Development Director:

My immediate reaction is absolutely not. We have a very great partnership with RDL. They have been very open with us. I've had lots of conversations with them over the years. This request did not surprise me because of the current economic conditions and because of that partnership we have shared with RDL over the years, they are definitely not threatening anything. However, the economic realities are that they have other options that may be less expensive. They do not want to pursue them. They would like to come to this project. There is a pretty significant gap. They are putting in significantly more money as well than they originally intended. And the developer also increased its tenant allowance so that this is truly a three-legged partnership in everybody working to make sure that the project can come to fruition and get our vision loan back to Shaker.

Kim Bixenstine, Council Member:

And in the original agreement with them, who bore the risk of changing economic circumstances that would be less favorable. Was it the City, them, or is it a shared risk?

Laura Englehart, Economic Development Director:

There was not a direct signed agreement with RDL for this project until they are entering into a lease to sign with the developer directly.

Kim Bixenstine, Council Member:

Thank you. That helps.

Dr. Donna Whyte, Cmte. Member:

This seems like a win-win to me. Again, RDL was in the Moreland area for a number of years. We know that they're not far in all of the development that they've done in Shaker. It's really very welcoming just to know that they'll come back to Shaker.

Benjamin Woodcock, Cmte. Member:

Will other potential tenants have the same opportunity through a vision loan if they so choose to move into this project at some point?

Laura Englehart, Economic Development Director:

That's a great question. Thank you for asking. RDL Architects will be taking the entirety of the office space in this mixed-use project. Our vision loans generally assist professional office tenants because they will generate significantly more income tax generally compared to retail, for example. The other commercial spaces in the project that will be ground floor retail typically, and I say typically because it could potentially be different, but they don't tend to generate the same payroll and income tax that this program is available for. However, the Economic Development Department has other incentives that we may help incoming retail ground floor tenants if needed to fill a gap or make sure that they're able to do their own build out. We have a separate small business program that is jointly funded with the County that may come into play in those situations. We also have a storefront program that could be available for signage. The direct answer to your question is it's unlikely that a vision loan would come into play on this project, but there could potentially be other discussions we have to support ground floor tenants.

Benjamin Woodcock, Cmte. Member:

Thank you.

Anne Williams, Council Member:

Thank you for this presentation. I think it's been a little while since we've seen a Vision Loan application. I want to say over the years these have been so valuable. I think these have worked out to be a very good program in supporting our businesses. And as noted in the memo, there's been great success with the payback. And I'm not always a huge fan or proponent of tax incentives for our commercial developments, but this is one area that I really appreciate this program and, in this case, given the scope of the project, this is a very modest amount in my perspective and clearly with

their income tax. Coming back to Shaker Heights, I agree with Dr. Whyte, this is a win-win situation. I want to say thank you for bringing this forward. I think it's a great idea.

Ifeolu Claytor, Chair:

Any other comments or questions? Hearing none, taking a motion to approve.

Dr. Donna Whyte, Cmte. Member:

Moved.

Kim Bixenstine, Council Member:

Second.

Ifeolu Claytor, Chair:

The motion was from Anne Williams, Council Member. And second from council Kim Bixenstine, Council Member. All in favor indicate by saying aye.

Group:

Aye.

Ifeolu Claytor, Chair:

All opposed please signify by saying nay. Hearing none, the ayes have it. That was the last item of business that we have this evening before us, thank you all for your time this evening.

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There being no further business, the meeting was adjourned at 6:34 p.m. The next meeting will be August 13, 2025.

Ifeolu Claytor, Chair
Neighborhood & Economic Development Committee