

Confidential Memorandum

To: Members of City Council

From: Laura E. Englehart, Director of Economic Development

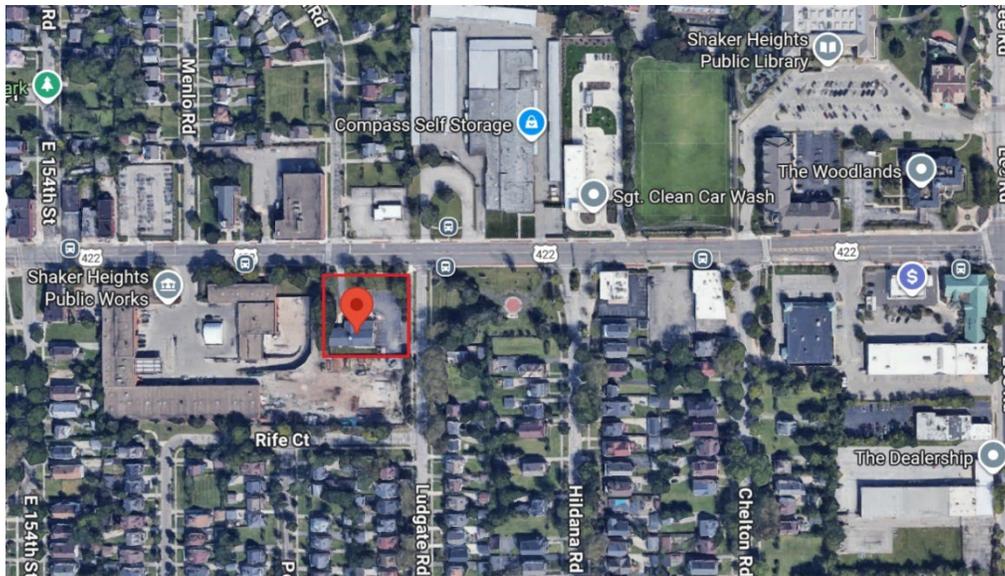
cc: David E. Weiss, Mayor
Matthew Carroll, Chief Administrative Officer and Clerk of Council
William M. Ondrey Gruber, Director of Law
Ramona Lowery-Ferrell, Director of Public Works
Joyce Braverman, Director of Planning
John Potts, Director of Finance

Date: January 21, 2026

Re: Acceptance of Right of First Offer & Purchase of 15808 Chagrin Blvd. and related appropriation

Background

The Buckeye State Credit Union recently closed its branch location at 15808 Chagrin Blvd. (the “Property”). The Property was listed for sale October 20, 2025, at a listing price of \$625,000. The County’s 2024 valuation of the Property is \$642,400. The building size is 4,640 SF with approximately 1,500 SF of that total unfinished and the remainder built out as bank offices and lobby. The total acreage (two parcels) is 0.8 acres, and there are approximately 24 parking spaces on site.



The deed to the Property provides a Right of First Offer (ROFO) to the City. That means the Buckeye State Credit Union is required to first offer the Property to the City at the price at which it proposes to offer the Property for sale. Accordingly, the listing was removed from the open market, and on December 4, 2025, the City received an official notice of its ROFO from Buckeye State Credit Union. The City has sixty (60) days, until February 2, 2026, to respond with a formal acceptance or rejection of this offer. If the City declines or does not respond within the required timeframe, the owner will resume marketing the property to third parties.

Due to the strategic location of this Property immediately adjacent to the City's Public Works Service Center and to ensure future control, the administration recommends that the City accept the right of first offer as is and purchase the Property. See below for the terms of the offer. The administration requests that Council authorize the mayor to accept the right of first offer and to enter into a purchase agreement for the Property. Further, the administration requests Council approval of an appropriation of \$630,000 from the General Fund Reserve for the purchase and closing costs.

Terms of Right of First Offer and Purchase

The offer letter includes the following material terms:

- **Purchase Price:** \$625,000
- **Earnest Money:** \$10,000 upon signing of Purchase & Sale Agreement
- **Condition:** As-is, where-is condition, no representations or warranties
- **Closing:** 60 days after signing Purchase & Sale Agreement
- **Closing Costs:** Seller to pay all real estate taxes, county transfer taxes and conveyance fees. City and Seller to equally share the costs of title commitment, title insurance, escrow fees.

Any proposed alteration of the conditions in the offer letter would be considered a rejection of the ROFO and deemed a counteroffer, which would open up the option to purchase to third parties.

Rationale and Request

As we evaluate long-term options for potential public uses of the Property, in the near term the City could lease the Property to a private third party. This would help ensure a desirable end user, and lease payments could result in some recoupment of the City's purchase costs.

Longer-term options for a public use of the Property will require further evaluation. Most notably, the immediate adjacency to the City's Public Works Service Center could allow for increased efficiencies of Public Works operations that would need to be evaluated in greater detail. Current operations are extremely tight, both in the offices and in the service yard, and the addition of this Property could add capacity and help solve both existing and future operational challenges. The administration intends to evaluate and prepare a plan for proposed future public uses of the Property.

Finally, the City contracted with a commercial appraiser to provide an estimated fair market value of the Property and a market rent estimate. The appraisal provided a market value of \$625,000, which is also the offer price. According to the appraisal, expected market rental rates as of the date of the appraisal are \$16 per square foot for the bank space and \$6 per square foot for the unfinished space.

For these reasons, it is in the City's interest to purchase the Property. The administration requests that City Council (1) authorize the City to enter into a purchase agreement for the Property on the terms set forth in the ROFO notice, and (2) approve an appropriation of \$630,000 from the General Fund Reserve for the purchase and closing costs. Due to the required timeframe to respond to the ROFO notice by February 2, 2026, the administration requests City Council approval on first reading and as an emergency.

CITY OF SHAKER HEIGHTS, OHIO
ORDINANCE NO. 26-
By:

Amending Ordinance 25-137 making appropriations for the current expenses and other expenditures of the City of Shaker Heights, Ohio for the year ending December 31, 2026, in Fund No. 101, the General Fund, by appropriating an additional \$630,000 for the purchase of the property located at 15808 - 15900 Chagrin Blvd. Shaker Heights, Ohio and declaring an emergency.

WHEREAS, in order to appropriate the additional \$630,000 to the General Fund (CCSE) to purchase the property located at 15808 - 15900 Chagrin Blvd. Shaker Heights, Ohio.

NOW, THEREFORE, be it ordained by the Council of the City of Shaker Heights, State of Ohio:

Section 1: That to provide for the current expenses and other expenditures of the City of Shaker Heights for the fiscal period ending December 31, 2026, the following appropriations are hereby authorized:

Section 2: That there be appropriated, transferred and advanced from the following funds and as further detailed in the Schedule attached hereto as Exhibit "A" and incorporated herein:

General Fund Group						
Fund #	Fund Activity	Personal Services		Other	Transfers & Advances	Totals
	Municipal Court	\$	2,326,798	\$	129,690	\$ - \$ 2,456,488
	Other City Activities		36,576,322		15,198,557	66,274,879
101	Total General Fund	\$	38,903,120	\$	15,328,247	\$ 68,731,367

Subfunds of the General Fund						
103	Economic Development and Housing	\$	-	\$	204,000	\$ 570,000 \$ 774,000
105	Recreation Fund		2,076,815		996,916	3,073,731
753	Unclaimed Monies		-		100,000	100,000
772	Flexsave		-		10,000	10,000

Special Revenue Fund Group						
Fund #	Fund Name	Personal Services		Other	Transfers & Advances	Totals
201	Street Maintenance & Repair	\$	910,967	\$	499,499	\$ - \$ 1,410,466
202	State Highway Maintenance		-		41,701	41,701
204	Sewer Maintenance		832,570		966,335	828,600 2,627,505
205	Police Pension		1,563,904		1,000	1,564,904
206	Fire Pension		1,611,992		1,000	1,612,992
209	Indigent Driver / Alcohol Treatment		-		46,000	46,000
210	Court Computer		38,792		38,021	76,813
211	Clerk's Computerization		-		247,085	247,085
212	Victims of Crime Act		84,215		-	84,215
214	Fair Housing Grants		13,823		43,500	57,323
216	Law Enforcement Grants		7,300		6,324	13,624
218	Court Alternate Dispute Resolution		28,864		750	29,614
219	Court Special Projects		-		50,000	50,000
220	Ohio Court Security Project		-		63,108	63,108
223	Housing Nuisance Abatement		-		125,000	125,000
224	Indigent Driver Interlock		-		15,758	15,758
281	Street Lighting		-		855,461	855,461
282	Tree Maintenance		854,279		365,877	1,220,156
284	Mental Health Response Team		115,018		480,000	595,018
287	CRA Fee		2,000		-	2,000
288	OneOhio Opiod Settlement		-		50,000	50,000
290	Municipal Improvement TIF		-		40,000	40,000
291	Law Enforcement Trust - Local		25,000		-	25,000
299	27th Pay Reserve		-		-	1,485,600 1,485,600
751	Obstruction Permit		-		10,000	10,000
752	Excavation Permit		-		10,000	10,000
768	Shaker / Cuyahoga Credit Enhancement		-		100,000	100,000
769	Shaker Plaza TIF		-		170,000	170,000
770	Van Aken District TIF		-		1,800,000	1,800,000
771	Point of Sale Escrow		-		3,500,000	3,500,000
	Total Special Revenue Funds	\$	6,088,724	\$	9,526,419	\$ 2,314,200 \$ 17,929,343

Debt Service Fund Group					
Fund #	Fund Name	Personal Services	Other	Transfers & Advances	Totals
301	Debt Service	\$ -	\$ 1,570,000	\$ -	1,570,000
302	Urban Renewal Bond Retirement	-	1,220,000	-	1,220,000
	Total Debt Service Funds	\$ -	\$ 2,790,000	\$ -	2,790,000

Internal Service Fund Group					
Fund #	Fund Name	Personal Services	Other	Transfers & Advances	Totals
601	Central Stores Purchasing	\$ -	\$ 1,087,500	\$ 325,000	1,412,500
602	Central Printing Operation	-	25,000	-	25,000
603	Central Garage Operation	1,126,255	402,000	-	1,528,255
604	Central Services Operation	372,262	400,000	-	772,262
605	Self-Insurance Reserve	126,622	7,918,394	-	8,045,016
	Total Internal Service Fund Group	\$ 1,625,139	\$ 9,832,894	\$ 325,000	11,783,033
	Grand Total All Funds	\$ 48,693,798	\$ 38,788,476	\$ 17,709,200	105,191,474

Itemized list of Transfers and Advances by Fund

Description	Amount
General Fund Transfers	
General Fund to General Capital Fund	\$ 9,100,000
General Fund to Police Pension Fund	1,200,000
General Fund to Fire Pension Fund	1,500,000
General Fund to Debt Service Fund	750,000
General Fund to Recreation Fund	1,300,000
General Fund to Self Insurance Fund	500,000
General Fund to Street Lighting Assessment Fund	150,000
Total General Fund Transfers	\$ 14,500,000
Other Fund Transfers	
27th Pay Reserve Fund to General Fund	\$ 1,485,600
Sewer Maintenance Fund to General Obligation Debt Service Fund	828,600
Economic Development and Housing Fund to General Capital Fund	570,000
Grand Total Fund Transfers	\$ 17,384,200
Advances / Advance Repayments	
Central Stores Purchasing Fund to General Fund - 2025 Advance Repayment	\$ 325,000
Total Advances / Advance Repayments	\$ 325,000
Grand Total Transfers and Advances	\$ 17,709,200

- Section 3: That all monies in the Custodial Funds are hereby deemed appropriated for their intended purposes.
- Section 4: That the City's Director of Finance be and is hereby authorized and directed to draw warrants against the appropriations set forth upon presentation of proper vouchers.
- Section 5: That all expenditures within the fiscal year ending December 31, 2026 shall be made in accordance with the code accounts set forth above, and shall be made within the appropriations herein provided ("Appropriations" as used herein means the total amount appropriated for an individual fund).
- Section 7: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.
- Section 8: This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare for the reason that it is necessary in the current operation of the City, and therefore shall take effect immediately upon its enactment and approval by the Mayor.

Enacted January 26, 2026

Approved this _____ day of _____, 2026.

DAVID E. WEISS, Mayor

Attest:

MATTHEW P. CARROLL
Clerk of Council

EXHIBIT "A" - Schedule of Budgets by Department - General Fund

Dep't #	Department	Personal Services	Other	Transfers & Advances	Totals
11	Police	\$ 11,889,835	\$ 2,162,384	\$ 1,200,000	\$ 15,252,219
12	Fire	8,784,920	971,636	1,500,000	11,256,556
30	Recreation	1,066,846	445,247	-	1,512,093
41	Planning	702,617	81,242	-	783,859
42	Building and Housing	1,924,313	263,558	373,971	2,561,842
44	Communication and Marketing	511,792	499,851	-	1,011,643
49	Economic Development	479,304	694,414	-	1,173,718
50	Public Works	6,070,307	4,912,471	-	10,982,778
70	Mayor	242,333	47,035	-	289,368
71	Chief Administrative Officer	558,754	71,838	-	630,592
72	Finance	850,157	268,470	-	1,118,627
73	Law	782,347	297,825	-	1,080,172
75	City Council	175,393	48,800	-	224,193
76	Municipal Court	2,326,798	129,690	-	2,456,488
77	Human Resources	481,272	216,793	-	698,065
78	Civil Service	38,389	104,247	-	142,636
79	Information Technology	532,143	137,750	-	669,893
80	CCSE	1,485,600	3,974,996	11,426,029	16,886,625
Grand Total All Departments		\$ 38,903,120	\$ 15,328,247	\$ 14,500,000	\$ 68,731,367