

Confidential Memorandum

To: Members of City Council

From: Laura E. Englehart, Director of Economic Development

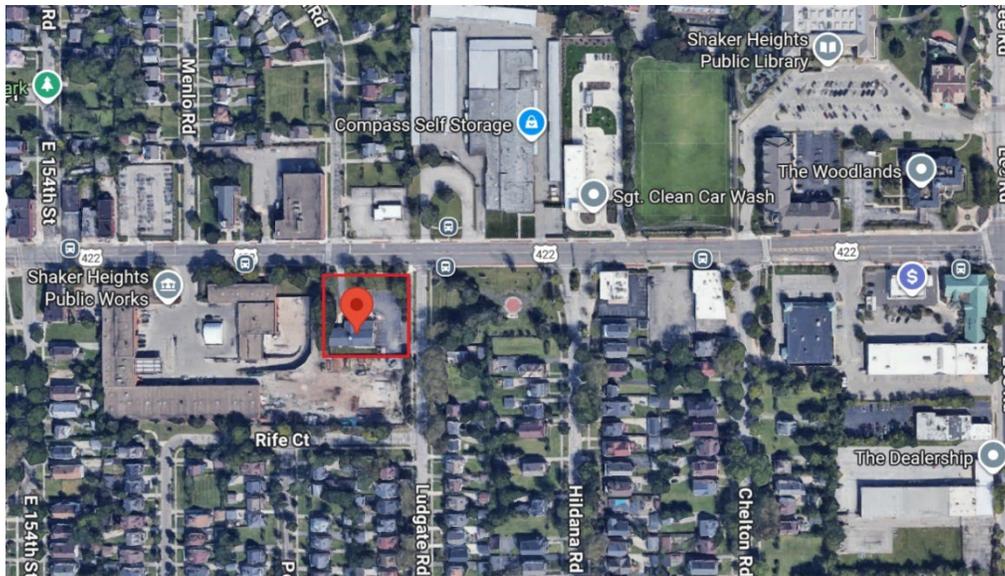
cc: David E. Weiss, Mayor
Matthew Carroll, Chief Administrative Officer and Clerk of Council
William M. Ondrey Gruber, Director of Law
Ramona Lowery-Ferrell, Director of Public Works
Joyce Braverman, Director of Planning
John Potts, Director of Finance

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.

ORDINANCE NO.

BY:

Approving and authorizing the acquisition of the real property located at 15808 Chagrin Boulevard, Parcel Nos. 735-22-121 and 735-22-120, for a purchase price of \$625,000, for various City uses and for future development, and declaring an emergency.

WHEREAS, the property at 15808 Chagrin Boulevard, Shaker Heights, Ohio, Parcel Nos. 735-22-121 and 735-22-120 (the "Property"), is located adjacent to the City's Service Center, it is a strategically located property that has been offered for sale, and the City has certain rights under the deed to the Property to purchase the Property; and

WHEREAS, the Buckeye State Credit Union recently closed its branch location at 15808 Chagrin Boulevard and was listed for sale on October 20, 2025, at a listing price of \$625,000; and

WHEREAS, the deed to the Property provides a Right of First Offer (ROFO) to the City and on December 4, 2025 the City received an official notice of its ROFO from the Buckeye State Credit Union to purchase the property at a purchase price of \$625,000; and

WHEREAS, the City contracted for a real estate appraisal of the Property, and the appraisal concluded that the Property has a market value of \$625,000, and the Director of Economic Development recommends that the City purchase the Property under the terms of the Right of First Refusal for a price of SIX HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$625,000); and

WHEREAS, this Council agrees with the determination of the Director of Economic Development that it is in the City's best interest to purchase the Property for use by the City and/or future redevelopment.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Shaker Heights, State of Ohio, as follows:

Section 1. This Council hereby approves the purchase of the property located at 15808 Chagrin Boulevard, Parcel Nos. 735-22-121 and 735-22-120, for a purchase price of SIX HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$625,000).

Section 2. This Council hereby authorizes the Mayor to execute any and all documents necessary to carry out the terms and conditions set forth in the Right of First Offer from the Buckeye State Credit Union, and to carry this transaction to its conclusion, as approved by the Director of Law.

Section 3. 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, further, to proceed with the transaction and to meet the notice deadline by February 2, 2026, and therefore, this ordinance shall take effect immediately upon its enactment and approval by the Mayor.

Enacted

Approved this ____ day of _____ 2026.

DAVID E. WEISS, Mayor

Attest:

MATTHEW P. CARROLL
Clerk of Council

coun26/0126purchase15808Chagrin