SHAKER HEIGHTS

Neighborhood & Economic Development Committee Minutes
Wednesday, January 11, 2026
6:00 P.M. DRAFT v2

Members Present:	Kim Bixenstine, Council Member Peter Chengelis, Council Member Tenille Kaus, Council Member Eric Bevilacqua, Committee Member Kevin Dreyfuss-Wells, Committee Member Benjamin Woodcock, Committee Member
Others Present:	Matthew Carroll, CAO Laura Englehart, Director, Economic Development Kyle Krewson, Director, Building & Housing

The meeting was called to order by Chair, Kim Bixenstine at 6:00 p.m.

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Approval of the July 9, 2025 Meeting Minutes

Approval of July 9. 2025 meeting minutes by Peter Chengelis, and Eric Bevilacqua. Two abstentions, Kyle Dreyfuss-Wells, and Tenille Kaus.

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Approval of the August 13, 2025 Meeting Minutes

Approval of August 13, 2025 meeting minutes by Benjamin Woodcock, and Eric Bevilacqua. Two abstentions, Kyle Dreyfuss-Wells, and Tenille Kaus

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Economic Development Priorities - Presentation

Laura Englehart, Director Economic Development

This evening this presentation is going to be a high-level overview of the economic development departments functions and priorities, what this committee would probably like to hear about most. The slides that you'll see include a lot of detail. I will not be discussing everything in depth. Some individual items could be their own hour-long presentation. And as the chair mentioned, I plan to talk for only about 20 minutes or less. And then I'm happy to answer any questions or provide details. And I'm also happy to come back with my colleagues in my department to do a deeper dive on anything you might want to hear about. To start, the three main areas of focus for the economic development department are to support small businesses, to redevelop our commercial districts, and to prioritize community development, which includes engagement.

My colleague Georgina Figueroa and I focus on small business and redevelopment. Theodore Darden manages the city's home repair grant programs. And both Theo and Dawn Arrington support community Network building in the Moreland neighborhood. I'm going to touch on each of these briefly. And if you'd like to hear from me or my colleagues on any of these, again, happy to dive into it today or in a future presentation. I don't want to neglect the fact that everything we do is always grounded in long-term planning. You can see on the slide that I focused on three major plans that have led to how and why we do economic development the way we do in Shaker Heights. Not on the slide are a whole host of additional plans led by our separate planning department around Van Aken District development. That included transit-oriented intersection reconfiguration, a connections plan, and public realm plan that actually resulted in a new public plaza that just opened at the end of the blue line.

If you haven't seen it yet, I encourage you to review the Lee Road to Action plan, which I will talk about this evening. What we do is always based on long-term planning so that it's strategic, it is comprehensive, and is coordinated across many departments. Economic development cannot happen in isolation. I do want to make sure you understand that everything we all do in every department is always based on city goals as set by the Mayor and Council. All of the bolded points that you see on this slide are the main city goals that the Economic Development department seeks to meet.

I will walk through very briefly the three main focus areas that I mentioned. First, with business growth and support, BRE as we call it, Business Retention and Expansion. Then we add attraction on the end of that as well. That's our everyday bread and butter of what we do in economic development. Everyday we're working to support the existing businesses and Shaker, and to attract new ones. We have some tools that I'll talk about in a moment that help us do that. We really provide targeted support for our businesses. We want relationships with them. We want to learn what they need and how we can connect them to resources, whether it's a city resource or an outside regional resource. With our partners around the Cleveland region, we are the first face for a business when they want to move into Shaker and make sure they understand the process for doing that. We also engage our businesses in events and initiatives that promote them and promote local business. We have a Shop Shaker campaign and have a lot of communications and marketing approaches.

We do partner with our Communications and Marketing department to do storytelling to make sure people in Shaker know who their local small businesses are and make sure that we are also communicating well with our businesses directly about resources for them.

Some of the tools we use for that business support are shown on the screen here. We have a suite of incentive tools to help. And the slides that follow, I'm going to give a brief overview and you'll also see some detailed data on a number of these programs. I will tell you, in the interest of time, this presentation does not go into depth on the property tax incentives, which are the bullet points at the bottom of your screen right now. Happy to have future discussions and more in-depth conversations about tax increment financing and tax abatement, but we're not going to focus on that here. Instead, I'm going to walk through our vision fund, our shaker partnership program, and our storefront renovation, which are our main incentive programs that we provide for businesses directly. Our very quick overview, economic development by the numbers.

We do have more than 300 businesses that operate in Shaker Heights. Typically, folks think of us as a residential community. Housing is our biggest industry. I will be honest, the residential component and our priorities for our residents remain first and foremost. But we are growing our economic development powerhouse. We are increasing our businesses every year and making sure we're reinvesting to be known as more friendly to businesses. Some numbers on the screen show the overview of how our incentive programs can help us attract investment, more than 4 million in our Shaker partnership program. Almost $500,000 just in storefront renovations in just about seven years. I will say also this doesn't include anything about our home-based businesses. We have a whole host of businesses that work out of their homes and we support them as well.

Our vision fund program is used as an attraction tool largely for companies that have higher payrolls. This really helps diversify our tax base when we can attract a company to come to Shaker, but there's something getting in their way, there's a financial gap. The rent is too high, or the build out is just too expensive and they might choose to go somewhere else. We're able to make it a little bit more reasonably, and close that financial gap by giving them a vision loan to help them with their build out or a little bit of a rent abatement. It's targeted to industries that might have higher paying salaries, more professional services, typically office tenants. And the business is required to stay for twice as long as it would take to pay back the loan through the income taxes that the business generates. We always receive a higher return on investment than we are paying out to begin. And every loan we've had so far has been successful. We've given 18 loans and two of them are active and in good standing. Everything else has been fully repaid, and those businesses continue to generate further income tax as they continue to operate in our community.

The Shaker partnership program is a similar model, it is geared towards smaller businesses, typically retail businesses, smaller build outs. This started as a pilot program with Cuyahoga County, and a portion of the funds are from the county, and a portion of the funds come from the city's economic development and housing fund. It's a really unique tool that not a lot of other communities can offer. Typically, a business is required to take out a loan to build out their new space or their expanded space. And sometimes the equity that the business has to put down toward a loan is prohibitive for them. This program helps alleviate that hurdle and the city and county can contribute some of the equity so the business doesn't have to come out of pocket immediately upfront and can get operations going without that equity burden.

We also require businesses to work regionally with small business development centers, a free service that provides free assistance with financials and business planning, and how to find talent and helps make other connections as well. That's a requirement of this program, to get a loan from the city under this program. You must participate in that and receive that technical assistance as well. I won't go into detail about the history of the program, but it is a 12-year-old program. The city of Cleveland and the city of Shaker Heights were the first two pro communities in round one as a pilot program. It was so successful that the county continued through two more rounds of funding. The city of Shaker Heights did not participate in round two because we still had funding from round one at the time, and we assisted with the other communities and best practices and how we run our program to serve as a model for other neighboring communities to offer this as well.

Then in 2019, the city did compete again to receive funds and we now have about $200,000 remaining available in this program to award. I will tell you, when this funding is gone, it is gone. There is no source to replenish this. It is not a revolving loan. It is grant funded. And the county's program has completed and we have $200,000 left to spend in this program. We've been quite successful in awarding $500,000 to date over the last 10 years. That $500,000 has led to a total of 4.1 million additional dollars invested in projects and build outs for businesses. You can see that we made 17 loans total creating more than a hundred jobs. And we continue to track the metrics on this program annually. As the loans continue to be repaid, we have four active loans that are in good standing and continue to be repaid.

Our last incentive that I'll discuss briefly is the storefront renovation program, which helps businesses with signage and helps property owners and commercial districts with comprehensive storefront improvements. We provide a rebate so the business or the property owner spends the dollars up front and then shows us that they've completed the work. All of the permits are closed, and we provide a rebate up to 50% of the project cost for signage that is capped at $3,000 for a much larger full facade project. The grant reimbursement will not exceed $15,000, and again, it's up to 50% of the total project cost. We have a number of projects still in the pipeline. And I have a couple of slides to show you, a few before and after so that you can see the results of some of this work. This building is 3700 Lee Road. It's on the west side of Lee, just north of Scottsdale. You can see in the top picture there was a stone façade, actually over time, that stone facade started to fall off. We provided a storefront renovation grant to help implement what you see in the bottom picture, which is the after image. The next slide shows a before and after. Also, on Lee at the corner of Hampstead just south of Chagrin. Desired Designs is a relatively new small business, an interior design company. The woman who owns the business lives in Shaker, actually in the Moreland neighborhood, and is able to walk to work and has added jobs to our community by coming. And the last one I'll show is a before and after of what used to be the Larchmere Tavern. And today is Scorpacciata Pasta Company on Larchmere Boulevard. And I'm showing you the as designed in the middle there because I wanted to remind myself to let you know. We also assist the businesses with the design services. The city contracts with an architect to provide all the necessary drawings and help get the project approved through the architectural Board of review. And it's a service that we provide for the business or the property owner if they go through this program.

Committee Member question:

What's the source of funds for the storefront program?

Laura Englehart

It is general funds. We started back in 2016 and in 17. The county had a program and the City of Shaker Heights applied for that funding and used county funds. And after that we had success with it. There were some challenges with using the county funds through federal funding with additional reporting and requirements that were challenging. In 2019 Council decided that we would use our city's general funds for the program. And every year since has provided about $50,000 in the annual budget for the economic development department to provide the storefront renovation funds, the design services are above that $50,000.

Quickly moving into commercial district redevelopment, first I thought I'd make sure everybody knew where our commercial districts are. Chagrin Lee is where Shaker Town Center, Heinen's and Ace Hardware flank that shopping center Lee Road, and then on Chagrin Boulevard across from Heinen's and West. And toward the city of Cleveland, that whole commercial district, it makes a plus sign on a map that is the Chagrin Lee Commercial District and the Greater Van Aken district. We add the word greater to include areas around the new construction that you've seen. There are a number of businesses, banks, and restaurants and, and a little strip at Warrensville and Almar. Actually, all the way down to Fairmont Circle, we consider our greater Van Aken District. Larchmere, I mentioned Scorpacciata, that district is partially in Cleveland and partially in Shaker Heights.

It is a shared commercial district across municipal lines. And that also happens at Fairmont Circle where some of those businesses are in University Heights and some are in Shaker Heights. The Economic Development Department focuses comprehensively on revitalizing our commercial districts based, again, long-term planning, focused on placemaking, transit-oriented development, walkability creating vibrant areas where our residents and the whole region wants to come and spend time and have amenities and also businesses that are contributing to the larger economy. And my department also focuses a lot on what properties are available and coming available so that we talk with brokers, we talk with business owners about their pending retirements or when they're going to extend their lease. We try to be aware of available properties so that we don't have a lot on the market, but we have a healthy turnover and a healthy commercial district overall in all of our districts.

Tenille Kaus, Council Member

This past Monday Council looked at I believe it was first reading of some zoning changes. And I know that's more on Joyce's side, but I know you work closely together. Council is looking at, we didn't, obviously we need to get to three readings, so we didn't vote or implement anything, but we're looking at changing some, some zoning and it includes that Larchmere area I believe. Are you aware if we change that zoning, will it mirror what Cleveland is doing, or would we potentially have our Shaker side zone something and Cleveland has their Cleveland side zone for additional things?

Laura Englehart

So legally that already happens where the city of Cleveland has their own zoning, and the city of Shaker Heights has zoning separate in each of our municipalities. So that is, that exists today. Cleveland has a zoning district, and Shaker has a zoning district. What we're trying to do in Shaker on the Shaker side in Larchmere is to essentially match the development that's already there. The buildings are already built up to the street right at the sidewalks. They already have a mix of uses in them where sometimes there's a first-floor retail and an office upstairs or a residence upstairs. And so, the zoning change on Larchmere is largely, I shouldn't speak out of turn, Director Braverman should probably help with the wording, but it essentially is going to match what already exists on Larchmere and our zoning code will catch up with what's already there.

And we're happy to talk about that as that process continues as well. As you mentioned, there are additional council discussions forthcoming about zoning changes both on Larchmere and on Lee Road. I am not going to talk in detail about the Lee Road action plan, but I did want to put it on the screen so that you are all aware that economic development is a huge part of this plan. It is not only public infrastructure improvements. We have spent a lot of time talking with council and the community about all of the amazing road work and other public improvements that are coming to the tune of $30 million. And we're very excited about those investments. But we are also doing a whole host of other things on Lee Road specific to economic development. We're using our business retention and attraction tools. We're doing events and public art and storefront renovation to try to generate excitement and have opportunities to talk about the changes that are coming.

And primarily from a development perspective, we're trying to create opportunities for new development sites and to help existing property owners and businesses invest in their own spaces so that the private properties are also invested in, along with the public improvements that are coming. We have two main areas that the Lee Road Action Plan identified for development. One is where the Shaker school buses are located, right in what we're calling our neighborhood center on Lee Road between Nicholas and Hampstead. And the other is what we're calling the Southern Gateway at Scottsdale, because that is where Shaker and Cleveland meet, and we want there to be a seamless transition where there's not just a hard and fast line. We want the development in the community to be seamless there. I did put a website on the slide. We will have lots of discussions to come on the Lee Road action plan, but I needed to make sure it was included in this presentation and similarly on the Van Aken district.

We will talk about that in the next item as well on the agenda this evening. But I did want to make sure you were all aware that the Van Aken District was intentionally a phased development. If you recall from the start of this presentation, there were six plans that informed the development of the Van Aken district including many, many public meetings. I think it was more than 60 public meetings just in advance of the phase one, not to mention the Raye apartment building and Arcadia that you see rising now on Warrensville and Farnsleigh. RTA is also improving its station at the end of the blue line, and there's a future phase, at least one more, if not more, future phases of development that are intentional in the Van Aken district. One to follow another.

We can talk about that a little bit more in the next item on the agenda. And then very quickly, I'll just do a couple of slides on the community development aspects of our department. We focus on home repair grants and assistance. The housing stock, as I mentioned, housing is our biggest industry in the city. We know that it is not always easy for residents to keep their homes in the repair that they deserve. We provide programming and exterior maintenance grant, a safety grant for seniors, specifically a paint program and a model block program in Moreland, where we provide grants directly to residents to either correct violations or make improvements to the exterior of their homes. You can see on the slide that you must be an owner occupant to be eligible for the grants, and you have to be current on your property taxes. And there is a match as well on the programs that are to correct violations. There is also an income requirement where the household must earn less than or equal to a hundred percent of area median income to be eligible for those grants that are available to help correct cited violations.

Again, a couple before and after pictures. You can see this driveway improvement and stairs. We have a lot of porches and roofs and a lot of other types of improvements as well. But the before and after really show how important these grant programs are to keep our housing stock in good repair and help our residents out. I'm not going to talk in detail about all of this data. I will be coming back to this committee in a few months. We have a contract with the Home Repair Resource Center where they help administer all of our grants, they're the ones that actually get the money out the door. When I come back to you to renew the dollar amount on that contract that has already been approved in the budget, to amend their contract and add that money that you've already approved in the budget, I can go into more depth on why these cycles of awards, and why they go up and down.

I will mention that in the last couple of years, council has seen the need and residents have been requesting additional funds. You can see the last couple of years council has appropriated and we have awarded significantly more dollars than we did 10 years ago. There's more money now available thanks to council's appropriation. Lastly, but of course not least, we focus on supporting the Moreland neighborhood through engagement and community network building. That's a very specific term of art and it is a relationship-based approach to development and organizing people to connect people to each other, to connect them to resources so that everyone can benefit and contribute to their community. We focus on asset-based community development, which means we look at what is already good and the existing assets and strengths in a neighborhood. We recognize that everybody has gifts and can contribute, and we want people to be at the center of decision making about what is best for them and decisions in their neighborhood.

We don't make decisions about people without them. It's an inclusive process around how we're reinvesting in community. This started 10 years ago as a comprehensive approach to reinvesting in Moreland, specifically because it was the hardest hit neighborhood by the foreclosure crisis. We did have a huge celebration in September 2025, celebrating 10 years of network building in Moreland. It's focused on neighborhood, and belonging, and pride in place and welcoming people, it's really great work. We have two folks working to support it and we're happy to talk more about it in the future, but just wanted to mention it today as a top priority of this department as well. I apologize I've talked too long, but I'm happy to answer any questions you may have.

Chair, Kim Bixenstine

That was an excellent presentation. I'll open it up for questions, I don't see any. I'll start, as someone who served on the Shaker Rights Development Corporation board for 11 years before joining Council, along with Mr. Woodcock, I know that there is a very close collaboration between the city and Shaker Heights Development Corporation. And I think it might be worthwhile for people to know about what the role of SHDC is, and how you work together very closely with SHDC.

Laura Englehart

I will give a very short answer, Callie Cripps is the Executive Director of SHDC. Typically, maybe about once a year, the SHDC director will give a presentation to council. And I'd recommend that that happen to the full council sometime this year, where Callie could come in and talk in much more depth about the Development Corporation. But I really appreciate you raising it. That the SHDC is a tremendous partner in development in Shaker Heights. They are focused primarily around Lee Road and the Chagrin Lee Commercial District. That is where the investment is needed, and that is where a nonprofit development corporation can best serve the community. They can have a certain amount of nimbleness and private sector activity that a municipality just can't really do on its own.

SHDC is actually a community improvement corporation, which means it is an arm of the city. The mayor actually appoints 40% of the board, and we work in lockstep in coordination towards the same goals but can do it in different ways, and as a private entity can be a bit nimble around commercial real estate both transactions and activity generally. Thank you for raising it and I'd recommend that we have a deeper conversation in the future. But they are certainly a partner we could not do without.

Chair, Kim Bixenstine

That would be great and maybe touch on the real estate investment fund that SHDC launched in collaboration with the city would be great too.

Peter Chengelis, Council Member

Thank you so much for this great overview. As a new member, it's helpful to get this background. I'm curious how you see economic development having changed since the pandemic and more remote work and maybe the focus should really be, how can we get more remote workers here as opposed to how can we grow businesses? Or something like that. How has economic development changed in just the last five years?

Laura Englehart

That is, again, another hour-long discussion. I really appreciate the question. It has changed significantly. I started in my position in August of 2019, and the pandemic hit five or six months later, and the world changed, of course for everyone, but particularly in economic development, the market's changed significantly in terms of the landscape of why we continue to prioritize economic development. Yes, the office environment has drastically changed. We're not seeing a lot of large office construction for sure. The office market is still figuring itself out. But we have also realized the importance of amenities for our community. If we did not have the Van Aken District, could we attract the residents who get to work from home and maybe want to get out of their attic for the afternoon and have a place to be that is more of that third space where they can work in the Van Aken district for a day and live in the community and work at home.

The way that we think about development is really around placemaking and vitality for our community, and focused around how we're creating those spaces that our community desires that helps with resident attraction, that also helps with business attraction. There are offices out there that are still looking for spaces, they're smaller, they're not as big of offices, they may be shorter term leases. The market is still shaking out and will continue to evolve. The priorities still remain on our residents and how are we serving our community, whether that's through the tax base or through amenities and placemaking for our residents.

Kevin Dreyfuss-Wells, Committee Member

Terrific presentation. I wonder if you can talk just a little bit about infill housing. Obviously, that's supported with tax abatement, what are the strategies, thoughts, approaches, and how that's supported and guided and structured.

Laura Englehart

I would say that Director Krewson is the one that leads the infill housing and Sharra Thomas in the building and housing department specifically leads the city's land bank and infill housing strategy. So that is why you haven't heard about it today. I focus specifically on the economic development department. Kyle's will have a lot more to say about infill housing, upcoming presentations. Kyle, why don’t you give a quick response to start.

Kyle Krewson, Director Building & Housing

This is critically important to that the pieces that Laura was talking about. With the placemaking and development supporting our communities. What we're left with today are 175 plus or minus vacant lots, city owned. Vacant lots are a result of the mortgage foreclosure crisis that had hit in 2008, 2007, and moving forward. And the plan, the strategy was never to just tear down the blighted houses, stop the blight, and just leave these vacant houses. The plan had always been to build back and to rebuild our communities, rebuild these neighborhoods that had that density initially. This is an important critical piece. There are lots of strategies that the city has, but making these lots of available to developers, establishing relationships with developers making funds available through the CRA tax abatement.

We hope to bring forward a piece of legislation to council to this committee in the coming months related to our current, expanding our current CRAs, we've had a housing study done that looks at our tax abatement strategy and how we might change and pivot and what we've learned in the last number of years. We've had tremendous success. And we have, we're actually under, with conversations right now with three different developers that have come forward and said they're also interested in building in some of the city's vacant lots. So we have a lot of success. We've got a lot of momentum. We want to position ourselves to continue that momentum and move it forward and continue that stabilization and growth in our neighborhoods, especially the Moreland, Ludlow, Lomond neighborhoods. There is more data to share, maps that show where that's occurring, we'll have more of that next month.

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<u>Fourth Amendment to Development and Use Agreement for the Van Aken District</u>

Laura Englehart, Director Economic Development

I am here to actually request an action on this item. I'm requesting a recommendation from this committee for council to approve a Fourth Amendment to the Development and Use Agreement. We call it the DNU between the city and the developer of the Van Aken District. The original DNU was signed in 2016, and as mentioned in the last presentation that DNU contemplated phase development over probably a decade or more. And this in front of you this evening would be the Fourth Amendment. So as you can see, we've modified the agreement before. It's really pretty common for these types of development agreements to evolve over time, especially with the reality of design and construction and construction costs and market conditions, generally to Councilman Chengelis point, in his question in the last discussion.

Before I get into the details of the amendment before you tonight, I do want to point out that I'm not going to go into all of the detail provided in the memo about that phase development. A lot of those phases have already occurred or are underway. There's a lot of detail in the memo. I encourage you to read if you haven't already, and I'm happy to answer any questions you have on it. But I am going to spend time this evening focusing on what we call the corner property, or it is the northwest corner of Chagrin and Warrensville Center Road. Currently it's a parking lot and a staging area for RTAs ongoing construction. The condition of that lot will be returned to green space if development is not underway. As soon as that construction is completed that surface parking lot that is paved will remain.

The current corner is a staging space for construction and will be returned to green space until the development is ready for that site. It has always been slated to be a development site through this Van Aken District development process. And initially it was intended to be an office corner, an office tower with active ground floor uses and more parking, so a mixed use transit-oriented development site, but primarily office. The amendment that I'm asking for consideration this evening would extend the Van Aken district developer's exclusive purchase option for that corner property. The Van Aken District developer would have the exclusive option to develop that into a new site, into a new project. It would remove a current right of first refusal that the developer has on the property today. It would alter the purchase price then finally it would extend an obligation of the developer to also provide a plan for reinvestment and potential redevelopment of Shaker Plaza, which is where the Walgreens and the new Five Iron Golf is on the other side of the RTA tracks. So why am I asking for this? A few main reasons. First is to really align the timing of this development with the prior phases. 10 years ago, the city and the developer both estimated that all the prior phases would've been constructed and completely stabilized before moving to this parcel. Partially due to the pandemic, partially due to the amazing scale and scope of the Raye apartment building, which took longer to design and construct based on its kind of iconic stature. And just the general market conditions of the day.

That is not the case today. The Raye building is very close to stabilized occupancy. The Arcadia project is just coming out of the ground. Arcadia is expected to be finished by early 2027, Q1, 2027 at the latest is the current timeline. And with that ongoing with the phase development originally intended, extending the timeline on this particular corner property is to align timing with those phases and the realities of what's happened. I should again mention the economic realities. Today's market conditions do not allow for an office tower to be built there. We need additional time to evaluate development options and plans for this particular site. The current environment will not support what was originally intended. And, probably most importantly, we have a really great long-term working relationship with the developer. There's no reason not to give them additional time based on everything that I've said. There are a couple of nuances in the memo that I'm happy to answer questions on. The right of first refusal specifically that is, we are currently in a right of first refusal period. That means that if the city did want to go out and redevelop the site with somebody else, even if we came to a deal with another developer, we'd have to offer it back to the current developer. That's a pretty challenging thing to do particularly with everything that I've just said about aligning timing and our great long-term working relationship with the developer. Extending the exclusive option to this developer through that period just makes sense. It's more practical and realistic and aligns really well with our phased planning all along. Again, happy to answer specific questions if I didn't answer them or if the memo didn't answer them.

Kevin Dreyfuss-Wells, Committee Member

I understand that the purchase price is changing to half of the utility line costs. Why 50% versus a hundred percent or some other percentage?

Laura Englehart

There is a CEI electric line that has been energized and is in the middle of the site and cannot be there if development were to be there. Typically, as an incentive in the past, the city has provided some of those pre-development costs as an incentive to developers. The reason that we did not ask for all of it, or that we're proposing 50% is actually because this land was originally part of, much of this land was originally part of the original Van Aken shopping center that the developer previously owned. We created new development parcels after that old strip center. The Van Aken Shopping Center was torn down. Much of that private property from that shopping center is now in this publicly owned parcel, it was owned by the developer, asking them to pay for their property back was not really something that was contemplated in the beginning. And because of our general approach to incentives and pre-development and encouraging development and not, how do I phrase this, using it as an incentive, the way all of these pieces aligned being reimbursed for half of the cost to make it developable made sense with our relationship

Committee Member Question

Has Max Collaborative or the Ratner's proposed any alternative uses for the site? How are they thinking about the development parcel now if it's not going to be an office? And out of curiosity, because ideally it would be like a single 40,000, 50,000 square foot user with structured parking, has there been any interest on the office side from owners who live in Shaker or nearby who are interested in an apartment?

Laura Englehart

At this time, no, but I'll tell you earlier on in the process prior to the pandemic, the Max Collaborative, RMS, the name of the developer, had at that time engaged a broker to try to identify those folks. Now that the market has changed that has not happened. That doesn't mean that it can't. Using some of this additional time during this extended option would help with the studies and the evaluation of whether a component could remain office and what other components it could include. It could include residential or hospitality or other types of uses that have not been evaluated in the market conditions of the feasibility of those uses. They are committed to doing those evaluations but have not submitted anything in terms of plans or proposals.

Peter Chengelis, Council Member

A couple questions. The first is maybe stylistic, but is there a reason why we don't name the name of the developer in the memo?

Laura Englehart

I appreciate you asking. We typically have referred to them as RMS. They went through a rebranding a couple of years ago, and their name is now the Max Collaborative. However, the agreement is in a prior name and there are different legal entities that will be named in the agreement. It was confusing of which one was being named. So no, there is not otherwise a reason, but the name of the developer is the Max Collaborative.

Peter Chengelis, Council Member

Have there been renderings or something of what this office tower was going to look like? Was it like 10 stories, five stories? What the plan for the location was?

Laura Englehart

There were conceptual renderings, a couple different ones created. None of them were site plans. None of them were ready for submission. But it was always intended to be a new parking garage on the ground floor, maybe multiple floors wrapped in retail so that you don't see the garage similar to the way the current garage looks with office above, potentially seven stories, because that's what is currently allowed in the CM zoning district. So there have been renderings, but no detailed plans.

Peter Chengelis, Committee Member

Has this already been negotiated with the developer and it's looking for our approval, so it's not going to be any more back and forth?

Laura Englehart

No. The only thing negotiated is the right for this developer to purchase the property and develop it. They would still be required to put forth a very detailed plan. It would go through Planning Commission and ABR and go through all of our processes. It will include public community meetings, council meetings. That process is still to come.

Chair, Kim Bixenstine

Director Englehart, this will go to finance as well, I assume, because of the change in the purchase price?

Any other questions? May I have a motion to make a recommendation to City Council for approval of the proposed Fourth Amendment to the Development and Use Agreement for the Van Aken District with respect to this corner property at Chagrin and Warrensville?

Tenille Kaus, Council Member

Moved

Chair, Kim Bixenstine

Seconded by Mr. Dreyfus Wells. All in favor? Please say aye or raise your right hand.

All Members

Aye

Chair, Kim Bixenstine

Any opposed? Any abstentions?

We have five minutes left and I'm going to turn it over to Director Krewson. There's a matter that came up just in the last day or so. It was too late to put on the agenda but I'd like to have him tell you about it as a matter of information and it will be going to the Finance Committee.

Kyle Krewson, Director Building & Housing

I wanted to provide a quick update to this committee that something that this committee's reviewed previously on two occasions. With regard to the protective pedestrian barrier at 3756 Lee Road. This was erected in late 2024. This is the Lee Scottsdale building. This is on the southwest corner of Lee and Scottsdale. It's a four-story mixed-use building. In 2024 there were some masonry elements that fell to the ground. The owner had been cited and did not complete the necessary repairs or make the building safe. The City did undergo nuisance abatement to make that area around the building safe. If you've driven by it recently, over a year, you will see there's two elements to those measures. One is a protective pedestrian barrier, a canopy, a tunnel, if you will, that allows occupants of that building to have safe egress out of the building in the event of an emergency. And that's an engineered system that protects them from anything falling from the building. There is also a perimeter fence around the building. That contract with SMCI, Suburban Maintenance Construction Incorporated, went to NEDC in 2024, then to Council and was approved by Council. In August of last year, we amended that contract to purchase. We were renting both elements, both the canopy and the perimeter fencing, it made sense to purchase the canopy. It was a five-year return on investment and it was the right thing to do. We purchased that canopy through that contract amendment last year. However, due to some a technical glitch, it came to our attention this week there was a forecasting issue and timing from when we got the proposal to purchase the scaffolding and when the contract amendment was approved so there were additional rental costs until that contract was initiated. We are continuing to rent the perimeter fence. There were funds in that contract that was originally envisioned to continue renting that fence for the next several years until those repairs can be made. However, we had to use some of those funds to go towards that continued fence rental until that contract was executed. A timing glitch. That contract will be going back before the Finance Committee then onto Council this month in hopes of amending that contract to exceed the previous maximum not to exceed dollar amount so we can continue renting that fence until the repairs to that property can be made.

Chair, Kim Bixenstine

What is the estimated amount?

Kyle Krewson, Director Building & Housing

It would be $3,500 every six months. It's $7,000 a year billed in six-month increments. That's where we're at today to cover the next six-month rental. The funds are already appropriated in fund 223. This is to authorize the administration to amend that contract not to exceed amount.

Chair, Kim Bixenstine

And what's the timing on doing the repairs?

Kyle Krewson, Director Building & Housing

It's a bit unknown at this point. The City contracted with an engineer to provide analysis of that facade and then make some recommendations. We do know that there are repairs that will be required. It's further complicated by the fact that there's power lines on Lee Road that would have to be physically moved in order to safely perform maintenance on that façade. The power company does the voltage of those lines. We cannot get within 10 feet of those lines. It will likely be several years; we're told it's at least a six-month engineering process through First Energy to have those poles moved. There's a lot that goes into it. It is anticipated that it would at least be likely for the next two to three years that the protective barrier would need to remain.

Chair, Kim Bixenstine

And you had reported before that the owner was not responsive, or is the city absorbing all of the cost?

Kyle Krewson, Director Building & Housing

At this point, the city is doing this under our nuisance abatement authority which allows us to perform these actions. We've declared the property of public nuisance. Per our policy, we are billing the owner for any cost incurred by the city for the engineering analysis, for the fence rental. That is all being passed on to the owner. To your point, the owner is being cooperative, the owner's aware that we're doing this work. We're keeping the owner well informed. We're sending him notices via email and mailing prior to initiating any work. We're keeping him in the loop as far as what's happening. When the contractor was out there on site a couple months ago the owner was there, but at this point the owner has not taken upon himself to embark on the repairs necessary and now the engineering necessary to ensure this building is safe. That's why the city is taking this action.

Member Question

Has the owner reimbursed the city for any of the costs incurred to date?

Kyle Krewson, Director Building & Housing

No.

Member Question

Is there a loan on the property today?

Kyle Krewson, Director Building & Housing

Based on my initial research I don't think so, but I actually don't entirely know. I'm not sure, nothing that's recorded with the county. Our policy for anytime we bill an owner for nuisance abatement, whether it's backyard trash cleanup or a dead tree that's fallen on a property that the city has to abate, we invoice the owner, give them an opportunity to pay. If in the event that invoice is not paid, we report that to the County once annually, then the County will place a lien on the property.

Member Question

It's like 12 apartment units and then ground floor retail?

Kyle Krewson, Director Building & Housing

14, then ground floor retail. Then there's commercial office space that's not currently utilized on the fourth floor

Member

My sense is that the building will very quickly lose any value based on the magnitude of the repairs. The question is, is it listed historically or can it be razed? How much should the city reasonably spend before it's an option to demolish the building without just dumping good money after bad.

Kyle Krewson

The building is occupied, that's not lost on us. If the building were not occupied, we wouldn't need the protective scaffolding barrier. We would fence it off, put some yellow tape up. It's occupied. It is a critically important piece and element to that neighborhood, to our Southern Gateway District. It's one of the few really architecturally significant buildings in that stretch along Lee Road. It is important to the community and it is worth doing everything we can to preserve it. Director Englehart, I'm not sure if you want to add to that?

Laura Englehart

I appreciate the question. To Kyle's point this building, even as part of the Lee Road Action Plan, was always considered an anchor. If this building could be reinvested in and see ground floor tenants and be an active contributing part to the neighborhood, it would really have the most character, the most unique atmosphere and add to the vitality of the district. In past conversation council has largely agreed that reinvestment in this building is the end goal. It will be a long road to get there. It is a local landmark. It is not yet on the historic register, but we see that as a positive to add value to potentially get historic tax credits for a future redevelopment of this building if the right reinvestment could truly be made. We have already started a process to begin listing the building on the register which the city is able to do independently and without the owner. However, I will tell you the Shaker Heights Development Corporation has also started talking with the owner and made a little bit of progress on where could this building go, and has agreed to support the national register process.

Kyle Krewson

If I could just further add to that, what's going before council this month is it's a relatively small dollar amount, $3,500 per month, and it's to make that building safe, to give us some time to develop next steps, next strategy. The good news is the city engineer that is conducting this analysis, their preliminary reporting is showing that the way the building is constructed, it's not at risk of a catastrophic failure. It's not likely that the city will need to take any further abatement activities to try to secure or stabilize that mainstream facade. The best thing we can do at this point is protect it and then allow the owner some time to develop a strategy seek some additional funding perhaps through those historic tax credit dollars and other funds that might be available or identified to come up with a strategy. The good news is that we have time, this is just a small investment to continue to buy us some time to come up with a strategy.

Member

I was going to comment that even the local landmark designation is enough to provide eligibility for the state historic credit, so that has good potential there. I'm sure that the federal credits and the National Register nomination wouldn't be difficult.

Peter Chengelis, Committee Member

I really appreciate the update on this building. It's a $3,500/month request, and a lot of the requests in the past seem to have been for pretty small dollar amounts. Is there a way that we can provide the administration with more flexibility so it's not every few months we need to come with a new request?

Kyle Krewson

That's the intent. I have to take full responsibility. This was a clerical administrative oversight the way the fence rental contracts lined up. This was never the intent. The intent of the original amendment back in August was to provide a sufficient fund that carries through the next three and a half years of that perimeter fence rental. We messed up some numbers. This is to give us that flexibility to buy some time. I'm working with our Law Department right now to develop the terms of that rental, but we're hoping to not have a cap on that dollar amount that's used for that rental. The good news is that the $3,500 per six months is not a change, the rate isn't increasing at this point. This is purely to lift that cap that was placed on this contract. In the nature of transparency and making sure that council's well aware and aligns with our purchasing policy as well.

Chair, Kim Bixenstine

I'm not going to ask for a vote on this, but does anybody have any concerns with this? We'll take it to finance next week. And I can say that there was general support from this committee. All right. Well, thank you very much. It was a great meeting and we'll see you all next month.

*   *   *   *

There being no further business, the meeting was adjourned at 7:08 p.m. The next meeting will be February 11, 2026.

Kim Bixenstine, Chair
Neighborhood & Economic Development Committee