



**Council Minutes
June 12, 2023
City Hall Council Chambers**

The Council of the City of Shaker Heights met in a special meeting at 7:04 p.m., Mayor David E. Weiss presiding.

Council Members Present: Ms. Carmella Williams
Mr. Earl Williams
Mr. Malone
Mrs. Moore
Ms. Anne Williams

Council Members Absent: Mr. Claytor
Mr. Roeder

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Video of this meeting may be found [here](#) through June 12, 2026.

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The Mayor invited members of the audience and those participating via Zoom the opportunity to “raise their hand” to provide public comment.

No comments were offered.

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Ordinance No. 23-47, by Ms. Anne Williams, approving and authorizing execution of a Development and Use Agreement with Metropolitan Holdings Limited, or its affiliate, for the parcels at 3393 Warrensville Center Road (Parcel Nos. 736-13-057 and 736-13-058), authorizing the disposition of City-owned property without competitive bidding, and authorizing a fourth amendment to the Schools Compensation Agreement with the Shaker Heights School District, and declaring an emergency.

Economic Development Director Laura Englehart stated that this item is being introduced on first reading, but no action is being requested from Council at this time. It will go before the Neighborhood and Economic Development Committee and Finance Committee for their respective recommendations before returning to Council for a second reading and vote for passage at the June 26 meeting. The Qua site at 3393 Warrensville Center Road has a long history and has been slated for development for some time. The deal terms for the Development and Use Agreement were presented to Council in May between the City and Metropolitan Holdings, the developer. Metropolitan Holdings and RDL Architects have

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been fabulous partners for the past year and a half or longer while we have been discussing this project. We put out a request for proposals (RFP) and had a competitive process for this project. We are excited about the three major components of it: the tax increment financing (TIF), the affordability component and the purchase price. This item is recommended for Council approval with the condition that the Shaker Heights School Board authorizes the same changes. This item is on their Board meeting agenda for tomorrow.

Mayor Weiss stated that this item would remain on first reading.

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Ordinance No. 23-48, by Ms. Carmella Williams, creating a tax increment financing area for parcels within the Van Aken Development District at 3393 Warrensville Center Road, declaring improvements to those parcels to be for a public purpose and exempt from real estate taxation, requiring the owner of those parcels to make service payments in lieu of taxes, establishing an urban redevelopment tax increment equivalent fund for the deposit of those service payments, and approving related matters, pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43, and declaring an emergency.

Economic Development Director Laura Englehart stated that this item is being introduced on first reading, but no action is being requested from Council at this time. It will go before the Neighborhood and Economic Development Committee and Finance Committee for their respective recommendations before returning to Council for a second reading and vote for passage at the June 26 meeting. There is an existing TIF on this property. The schools and the City agreed in 2016 to allow the taxes to be redirected as Payments in Lieu of Taxes (PILOTs) so that a portion of those funds may be paid to the Shaker schools and a portion can go back into the project to fund the project. At that time 82% of those PILOTs were to be redirected to the project itself and 18% were to be paid to the schools. That deal remains today with no change to those percentages. It is a 30-year TIF arrangement from the time it begins. All those terms will remain the same as previously agreed. There are two technical changes being proposed for a new TIF ordinance outlining the same terms and which adds amended language that starts the TIF for this specific project. We want to make sure the terms as agreed previously remain in effect for this financing for this particular project. The 30-year term will start when there is new value from a newly constructed building placed on the tax bill. The second technical change is that the current TIF language applies to $\frac{2}{3}$ of the site and there are two separate parcels that will be consolidated and the TIF will need to apply to the full consolidated parcel for this project to proceed. So there will be amended language in the TIF ordinance that applies to the entire site and the consolidated parcel. With the proposed technical changes, the estimated benefit to the schools receiving their portion of the PILOTs is approximately \$374,000 annually over 30 years for a total of \$11.1 million. This item is recommended for Council approval with the condition that the Shaker Heights School Board authorizes the same changes. This item is on their Board meeting agenda for tomorrow.

Director Englehart explained that with regard to the affordability component, we chose this project initially because the developer agreed to reserve some of the units as affordable. The way that would work in this deal is that 25 of the approximate 140 units will be set aside as affordable. Of the 25, 13 will be set aside for households that earn 80% of the Area Median Income (AMI) and 12 units set aside for households earning 100% of AMI. Those units will be reserved for 20 years and will be no different from

the base finish of other market rate units, but the rent will reflect the income of the households at those AMIs.

Director Englehart stated that with regard to the purchase price, the developer Metropolitan Holdings or its affiliate will be purchasing this property from the City for \$800,000 paid in installments, but would be paid in full upon the refinancing or sale of the project. The City also has the opportunity to recapture an additional \$200,000 toward the purchase price for a total of \$1 million, if the project has a more successful performance. Therefore the City will be sharing in the upside upon a refinancing or a sale.

Council member Mr. Earl Williams asked about the source of the \$200,000.

Director Englehart stated that it could be from expected appreciation, cash flow or both. The developer is taking on additional debt and putting in additional equity to make sure this project will close and proceed. They are also taking a reduced profit margin from their original expectation. If upon a refinancing or a sale they obtain their original profit margin, the City will share and receive additional cash towards the purchase price. Because the TIF has not changed in any form but the other components of our deal and the City has agreed to help reduce the purchase price to fill the gap, the City will be the only entity which shares in the profit. That has been publicly shared.

Council member Ms. Anne Williams asked about the style and design of the building.

Director Englehart stated that the way the building is situated among very different uses on every side and Helen Road with all single-family homes, the building is specifically designed so that the town-home exterior style will be facing Helen Road.

Council member Mr. Malone asked about the possibility of including a provision in the Development and Use Agreement to verify the AMI rents being charged each year, and if there is a way the City may enforce or verify they are doing it. This is an important component of the deal.

Director Englehart stated that they may not share private leases with us but there will be language that the property management is required to verify the AMI rent when an individual submits an application.

Council member Ms. Carmella Williams suggested they provide certification that a certain number of units are being rented at the rates we have requested.

Director Englehart stated we can talk about that further with the developer.

Council member Mrs. Moore stated that the provision for affordable units came from a resolve from City Council which had been discussed at their retreat that Shaker Heights is open for business and welcomes all people to live here. From that comes a separation of what might have been more of a selective socio-economic message that had been sent in the past that if you could afford to live here then you were certainly welcome. It is very important to mention that in this particular development the City is saying to the community that not only are we supporting this development of Arcadia through tax incentives and City funds for the parcels, but we expect the developer and management company to provide units at affordable standards. The income range of 80% AMI is equivalent to \$47,850 for an individual to \$68,300 for a family of four, and 100% AMI is around \$60,000 for an individual to \$85,000 for a family of four. These are professional people, social workers, teachers and many other affluent and non-affluent

wage earners. This is a very important message about this development to everyone who would live in Shaker Heights if they could.

Director Englehart stated that the numbers read by Council member Mrs. Moore come from the U.S. Department of Housing and Urban Development (HUD), which is what those AMIs will be tied to in this project. HUD does publish new income guidelines annually so those numbers will rise as HUD issues new income limits and guidelines, which will be the same for this project.

In response to a question from Council member Mr. Earl Williams, Law Director William Gruber stated this does not fall within the role for Fair Housing.

Mayor Weiss echoed Council member Mrs. Moore's eloquent comments. He added that Council members have had many conversations with the community about their desire to have a mixed-income project to supplement and add to the diversity we already have in the Van Aken district and elsewhere in our community. He believes this is the first project we have done of this kind in Shaker and we are pleased to be making this important first step.

Mayor Weiss stated that this item would remain on first reading.

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At 7:24 p.m. a Council work session was held.

Chief Administrative Officer Jeri E. Chaikin, and Law Director William Ondrey Gruber gave a presentation on the potential for the Cuyahoga County Board of Health to enforce the Tobacco 21 law.

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There being no further business before Council, the Mayor adjourned the meeting at 7:38 p.m.

DAVID E. WEISS, Mayor

JERI E. CHAIKIN, Clerk of Council