1. Approval of the minutes of the regular meeting of June 17, 2019 and July 15, 2019.

   Documents:
   
   FN MN617.PDF  
   FN MN715.PDF

2. Authorizing a contract with RMS Investments in the total not-to-exceed amount of $44,559 for an additional year of the Clean and Safe Program.

   Documents:
   
   2019 0815 MEMO TO FINANCE_CLEAN AND SAFE_WITH ATTACHMENTS.PDF

3. Approving and authorizing execution of a Purchase Agreement for the City-owned property located at 3643 Avalon Road, Shaker Heights, Ohio (PPN 735-30-037), and authorizing the disposition of City owned property without competitive bidding. NRD

   Documents:
   
   MEMO TO NBR FINANCE.PDF

4. Accepting the recommendations of the City’s Tax Incentive Review Council (TIRC) to continue the existing development agreements for tax exemption and payments in lieu of taxes (PILOTs), pursuant to Ohio Revised Code Section 5709.85.

   Documents:
   
   08132019 FINANCE CMTEE TIRC.PDF

5. Auditors Exit Conference - Chad Gorfido

   To request an accommodation for a person with a disability, call the City’s ADA Coordinator at 216-491-1440, or Ohio Relay Service at 711 for TTY users.
Members present: Council member Sean Malone, Chair  
Council member Earl Williams, Jr.  
Council member Nancy Moore  
Council member Rob Zimmerman  
Citizen member Martin Kolb  
Citizen member Linda Lalley  
Citizen member Anthony Moore  
Citizen member Tom Cicarella

Others present: Mayor David E. Weiss  
Chief Administrative Officer Jeri Chaikin  
Robert H. Baker, Director of Finance  
Cheryl Arslanian, Assistant Finance Director  
John Cole, Police Commander  
William Gruber, Director of Law  
Frank Goforth, League of Women Voters

The meeting was called to order by Chair Sean Malone at 7:30 A.M.

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APPROVAL OF THE MAY 20, 2019 MEETING MINUTES

Chair Malone stated that the minutes of the May 20, 2019 meeting were approved as recorded.

* * *

APPROVING A PROPOSED ORDINANCE FOR THE SALE OF A CITY-OWNED POLICE DOG.

John Cole, Police Commander, stated that for over thirty years the Shaker Heights Police Department’s K-9 Program has been in operation. Upon retirement of a City-owned K-9, it is the past practice of the City to allow the retired dog to live with its handler until the dog expires. During the time between retirement and death, the City can still be considered the owner of the dog as there is no official paperwork that transfers the ownership of the dog to the handler creating a liability issue for the City. Also during that time the handler assumes the costs for food and veterinarian care.

To fully address these issues, the Police Department is proposing that the City enact a Codified Ordinance Section 141.07 Sale of Police Dogs. The ordinance states that a police dog means a dog that has been trained to assist the City’s police officers in the performance of their official duties. It will also state that upon retirement, the City’s police officer handler at the time may purchase the dog
for $1.00. If the officer chooses not to purchase the dog, the disposition of the dog shall be
determined by the Chief of Police and Finance Director. A City police officer who leaves the City’s
K-9 program forfeits the right to purchase.

This item was presented to the Safety and Public Works Committee on June 7, 2019 and unanimously
approved.

The Finance and Administration Committee recommended approving a proposed ordinance for the
sale of a City-owned Police Dog.

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**AMENDING FISCAL POLICY STATEMENTS OF THE CITY RELATING TO
GENERAL FUND AND GENERAL CAPITAL FUND CARRY — OVER BALANCES.**

Robert Baker, Director of Finance, stated this item is a request to amend Resolution No. 03-158 which
amended Resolution No. 95-163 which is the fiscal policy statements about the General Fund and
General Capital Fund. The original and amended policy statements were not binding, but served as
guides for the City. The 2003 amended resolution provided that the City, as a goal, should endeavor
to carry forward at the beginning of each year a General Operating Fund balance of not less than 20%
of the budgeted operating fund expenditures. Any amount in excess of 20% shall be available for
transfer to the General Capital Fund. The resolution also stated that the City, as a goal, should begin
the year with a General Capital Fund balance that, at a minimum, is equal to the current year’s general
capital debt funding requirement plus the total of all estate tax revenue received by the City and
credited to the General Capital Fund in the prior year.

The Finance and Administration Committee indicated a desire to look at the policy in Resolution No.
03-158. The review of the policy should be for both the General Fund and the General Capital Fund.
State law permits the creation of reserve balance accounts and funds. Section 5705.13(A) authorizes
the creation of “reserve balance accounts” for budget stabilization, self-insurance programs and
retrospective rating plans for worker’s compensation. Section 5705.13(B) authorizes the creation of
special revenue funds to accumulate cash for (i) payouts at the termination of employment and (ii) the
27th pay that occurs every eleven years. Section 5705.13(C) authorizes the creation of capital project
funds to accumulate resources for the acquisition, construction of fixed assets, including motor
vehicles. The legislation creating such a fund must identify the assets to be paid for by the fund, and
the fund cannot last longer than 10 years.

State law does not require or prohibit formal policy statements like Resolution No. 03-158. The first
question to be considered by the Finance and Administration Committee is whether funds or accounts
should be created as authorized by state law or the existing non-binding policy should be amended.
At the state level, most “Rainy Day Funds” are created pursuant to state statute and have provisions
for required deposits into the fund, minimum fund balance and use of any fund balance above a
maximum amount set out in the statute. Policies have been created, as in Shaker Heights, by Council
action, administrative action or informally. In Westlake, the informal policy is a general fund balance
equal to 90 days operating expenses. In Beachwood, the informal policy is 180 days of operating
expenses of a combined general fund and capital improvement fund. Director Baker recommend that
Shaker Heights not create state statute authorized funds, but revise the existing Resolution 03-158.
The existing policy is a target balance of 20% of budgeted operating expenditures in the General Fund. The City does not have a policy for a minimum or maximum balance in the General Fund. Policies which have minimums or maximums have to deal with what happens if the balance falls below the minimum. Some of these policies require either expenditure reductions or increased revenues. For those policies with maximums, the policy requires a transfer of money to another fund or a reduction in revenues. Director Baker recommend that the Shaker Heights policy have neither a minimum nor a maximum.

All of the above discussion relates to the General Fund. The provision in Resolution 03-158 about the General Capital Fund balance reflecting the estate tax collections in the prior year should be deleted. Director Baker suggested that the General Capital Fund test should be that the year-end balance (plus grants receivable) equal prior unspent capital appropriations plus current year capital appropriations.

In response to Council Member Williams regarding communities adopting policy versus ordinance; Director Baker stated that there were not a lot of mandatory provisions that he was aware of in the state.

Council member Moore stated that this brought back memories of living through economic threats and this policy is very reasonable. The success of this policy if it is adopted and the suggested changes will depend on the discipline of City Council and the administration not to spend down the cash reserve. Past history has shown the restraints and conservative spending used by City Council and administration to operate within the guidelines of this policy and sees no reason why a minimum, maximum or mandatory amount should be set. Understanding that the economic threats will continue, she believes this is a wise way to proceed and suggested possibly a higher minimum cash balance.

Citizen member Cicarella requested a brief explanation of a resolution that is aspirational versus the ordinance that is adopted.

Council member Malone stated that policy along with balance is discussed with some level of frequency particularly during the budget process and this policy is a very useful tool. He spoke of the alarm felt during the recession when going below the 20% was a possibility, but the City did not because of the guidelines set by this policy.

Council member Moore stated that the policy was useful especially considering all the different opinions of Council in regards to the spending down of the cash reserve and to what extent we should be spending it down. Given the difference of opinion having a policy and not an ordinance, if you believe that Council will proceed fairly consistently with past performance ensures the future of the City’s financial management.

Citizen member Lalley stated her agreement with having a policy for all the reasons stated as well as keeping in mind government’s theory that Council controls the budget and should be responsive to the citizens. An ordinance would restrict Council the ability to be responsive and Council is responsible for the finances of the City and a policy does allow for changes in the years to come and Council needs to recommend a reasonable percentage increase. Director Baker stated an example in his memo of an increase of 50% by a City and that is not what is considered a reasonable percentage.
Council member Williams stated that a capital needs test should be considered, but not necessarily adopted in a policy. Using Van Aken and Warrensville project as an example, it showed the City that it needed to build a reserve that would attract capital. It could be one of the tools used and if it becomes part of the policy it would be a road map for future councils to figure out whether or not they need some reserve, a lot of reserve or depending on the planning whether to join other communities to develop a joint reserve.

Council member Moore asked what would be a sufficient reserve to retain our high bond rating.

Director Baker stated that Standard and Poor’s had published a national number and an Ohio number and would provide that information to the Finance Committee.

In response to Council member Moore regarding why the difference in the numbers, Director Baker stated that there are really poor parts of the country.

Council member Moore questioned what effect the cash reserve could have on the bond rating.

Chair Malone stated that in terms of the value this resolution shows the rating agencies that the City has had a policy in place for fifteen years without any changes. If the City should increase to 25%, in theory this small amount of increase shows fiscal restraints and agreed with Citizen member Lalley that there are good reasons why the City should not go higher. The City’s 20% is at the bottom of the Cities that have AAA rating.

Citizen member Kolb stated that this policy was in need of revisions and expressed agreement with a policy. He agreed with increasing it and believed it would allow the City to be responsive and provides more flexible to the changing economic environment facing the community. An example was the loss of estate tax and the local government fund. He believed this shows the bond agencies that Shaker continues to look at fiscal restraints and parameters of the community and this policy of 25% shows the interest of the City was used in making this decision.

Mayor Weiss stated that the updating the policy was needed and was in agreement that it remain a policy to allow for the flexibility in dealing with circumstances the City will be facing in the future.

In response to Citizen member Lalley regarding possibly including the capital needs testing in the policy, Council member Williams stated the City should be cautious, but not overly cautious and since the policy has worked for many years should not be changed.

Council member Moore stated the recommended changes in the policy would acknowledge the importance of maintaining a strong bond rating.

Citizen member Cicarella stated his agreement with the 25% and suggested that the policy be reviewed by the committee on a regular basis.

Council member Moore suggested that the policy be reviewed as part of the annual budget process and updated as needed.

Cheryl Arslanian, Assistant Finance Director suggested that possibly ranges should be on the policy.
Council member Moore stated that ranges are questionable in political circles and a percentage is more accurate.

Chair Malone stated that the City would lose accountability with ranges.

Citizen member Lalley questioned if there is a need to include language in this resolution that would cover union negotiations and the City’s goal for the use of the reserves that would be different from wage increase.

Mayor Weiss stated that was the very reason a higher number was considered to allow for flexibility of unexpected circumstances and not having to change the policy each and every time.

Chair Malone recommended the changes be made and motioned the approval to this resolution to Council.

The Finance and Administration Committee recommended amending Fiscal Policy statements of the City relating to General Fund and General Capital Fund Carry-over balances.

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There being no further business, the meeting was adjourned at 8:18 a.m. The next meeting will be July 15, 2019.

__________________________________________
Frank J. Brichacek
Finance and Administration Committee
Finance and Administration Committee Minutes
Monday, July 15, 2019
7:30 A.M.
Conference Room B

Members present: Council member Sean Malone, Chair
Council member Earl Williams, Jr.
Citizen member Martin Kolb
Citizen member Linda Lalley
Citizen member Anthony Moore
Citizen member Tom Cicarella

Others present: Mayor David E. Weiss
Chief Administrative Officer Jeri Chaikin
Robert H. Baker, Director of Finance
Frank J. Brichacek, Interim Finance Director
Cheryl Arslanian, Assistant Finance Director
Patrick Sweeney, Chief of Fire
Patricia Speese, Director of Public Works
Joyce Braverman, Director of Planning Department
Julie Voyzey, Director of Communications & Marketing
Colin Compton, Neighborhood & Housing Specialist

The meeting was called to order by Chair Sean Malone at 7:32 A.M.

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APPROVAL OF THE JUNE 17, 2019 MEETING MINUTES

Chair Malone stated that approval of the minutes of the June 17, 2019 meeting are being held until the August meeting.

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AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH SHARK&MINNOW TO DEVELOP NEW STRATEGIC PHOTO AND VIDEO ASSETS FOR USE IN A CAMPAIGN TO ATTRACT AND RETAIN RESIDENTS IN THE AMOUNT OF $39,567 MAKING TOTAL AMOUNT $204,567.

Julie Voyzey, Director of Communications and Marketing stated this is requesting an authorizing an amendment to the personal services contract with shark&minnow in the amount of $39,567 making the total contract amount $204,567 to be used to develop new strategic photo and video assets for use in the campaign to attract and retain residents in the coming years. The funds are coming from the Communications and Marketing budgets for 2019 and 2020.
The proposed amendment to the Attract and Retain contract provides for production of a documentary style brand video that will be both intimate and cinematic. It will contain an overview of the community and will highlight the impact of the people and the place, demonstrating the factors that motivate moving to and remaining in Shaker – which are at the heart of the Attract and Retain Campaign.

The video will run between three and five minutes in length, allowing it to be both comprehensive and adhering to digital video best practices. In addition, creation of the video addresses the department’s restructuring, in which it has reoriented away from staff-conducted city tours, requests for which have dropped significantly over the years. In addition, the video shoots will be treated as asset collection sessions, capturing photographs during these sessions which will benefit both shakeronline.com and the campaign landing page, Shaker365.com and will replenish and update the photo archives. The agency will also film and format short clips from the interviews (vignettes), b-roll (supplemental footage), and behind-the-scenes video for use in social media contexts (i.e., stories).

The Communications and Marketing committee reviewed this proposal on June 20, 2019 and voted unanimously in favor of recommending the amendment to the contract. Committee members were enthusiastic about the Shaker365 campaign and agreed that creating a brand video and incorporating additional shorter vignettes will enhance the reach and impact of the “Attract and Retain” campaign.

Council member Williams stated the videos produced by shark&minnow are extremely impressive and capture exactly what Shaker has to offer, putting it into a storybook format.

Citizen member Kolb questioned if the videos incorporate information about both the schools and libraries in the same way that Shaker Life Magazine does.

Director Voyzey stated that it will and include all the reasons why people choose to live and stay in Shaker.

Citizen member Moore stated that when something new comes out, it is greeted with enthusiasm. Since one of the goals is to attract would the City be receiving any feedback from the real estate agents.

Director Voyzey stated that one of the members on the committee is a real estate agent and was very enthusiastic about the video. The real estate agent suggested the video be moved to a part of the website that is strictly used for attracting new residents since it provides information about the City.

In response to Citizen member Moore regarding feedback beyond the committee, Director Voyzey stated that the City does have an ongoing relationship with the realtors and school and would ask for their feedback during a meeting.

Citizen member Lalley asked if there was a percentage breakdown of advertising between social media and print and are the dollars aligned with that split.

Director Voyzey stated that the City does rely on the marketing firm and their understanding of the different audiences and the City’s allocation is based on that audience. The ads in the Shaker Life magazine are house ads with a zero cost to the City and the distribution of the magazine is to all residents and hopefully 100% are reached.
Citizen member Lalley asked if the City believed that Shaker had enough readers to continue to justify the magazine and that she was only comparing print versus electronics.

In response to Chair Malone regarding the City overseeing the video production with shark&minnow, Director Voyzey stated the City meets with shark&minnow to discuss the topics and events that the City wants to capture and how they are to be captured. They discuss if a person should be a focus of the video, with the final always being the reflection of the entire community. Everything that is produced is reviewed and approved by the City.

The Finance and Administration Committee recommended authorizing an amendment to the contract with shark&minnow to develop new strategic photo and video assets for use in a campaign to attract and retain residents in the amount of $39,567 making total amount $204,567.

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**AUTHORIZING A THREE-YEAR CONTRACT WITH RORY O'CONNOR IN THE AMOUNT OF $60,000 PER YEAR FOR OPERATING AND EDITORIAL CONSULTING SERVICES FOR SHAKER LIFE MAGAZINE FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2022.**

Director Voyzey stated that this item is a recommendation to enter into a three-year personal service contract with Rory O'Connor in the amount of $60,000 per year for Operating and Editorial Consulting Services for *Shaker Life* magazine for the period beginning January 1, 2020 through December 31, 2022.

Shaker Life has been a publication of the City of Shaker Heights for 35 years and is mailed to all homes, free of charge, on a quarterly basis. The results of the Triad Survey is used as a guide with editorial content being developed to remind current residents why they chose to live in Shaker and what they love about the City. The magazine serves as a way to deepen their connection to the City and encourage their continued commitment and investment in their homes.

The Communications & Marketing Department staff act as publisher and writers for the magazine. In addition we contract with a team of consultants for varies positions including Editor, Design and Advertising team, freelance writers, photographers and proofreader, and a printer. Shaker resident Rory O'Connor is the current editor of *Shaker Life* with the contract expiring December 31, 2019.

Request for Qualifications for the position was distributed on May 6 and was posted on the City’s website and promoted on social media channels. It was also emailed directly to individuals who have worked with the magazine, have editorial experience, and/or who may know people with the skill set to be a successful editor. Two submissions were received.

After careful review within the department, we are confident that Rory O'Connor is the best-qualified person for the position. He is an award-winning writer with 35 years of experience in newspaper and magazine journalism, public relations and marketing and has served as editor of *Shaker Life* since 2005. For 20 years, until 2009, he was principal in Whelan Communications, a public relations and publications consulting firm. Prior to that, he gained experience as a writer for a variety of magazines in Florida and Cleveland, eventually becoming Managing Editor of *Cleveland Magazine.*
Over the years, Mr. O'Connor has proven to be a valuable partner in advancing the attract and retain goals of this department by proposing features that reflect the City's priorities and the Triad Survey results about why residents live in and love Shaker. He understands the power of using the magazine as a vehicle to retain residents, and more recently how to carefully create editorial content to appeal to prospective residents, as well.

Under his direction, the magazine now includes a Great Shaker Homes series which has been instrumental in shining a spotlight on the City’s incredible housing stock while leveraging housing contractor advertising. He also created the Work-Live feature to support the goals of the Economic Development Department, and recently launched a series called Brilliant Careers to highlight residents who have had unusual career paths and achieved acclaim in their profession. The most recent of these focused on architect Bob Madison, a feature written by Mr. O’Connor, which is the centerpiece of a submission of Shaker Life for a national award.

In addition, during his tenure as editor, Mr. O’Connor recommended and facilitated the contracting of a professional ad manager, which has been transformative in terms of steadily increasing ad sales and reducing public subsidy. In 2018, the total expenses for four issues were $204,335 and revenues were $201,163. The taxpayer subsidy for four issues was only $3,172. We are on pace for a similar subsidy for 2019.

Under the leadership of Rory O’Connor, who coordinates the magazine team, the production of Shaker Life works like a well-oiled machine. His extensive magazine experience, ability to manage the team, deep knowledge about Shaker Heights, and his complete understanding of the goals of Shaker Life make him ideally suited for the position. Longevity and consistency in the editor position are crucial to maintaining a smooth running magazine operation in a busy City department. For these reasons, the Operating and Editorial Consulting Services contract works best as a three-year term.

The Communications and Marketing Committee reviewed this proposal on June 20, 2019 and voted unanimously in favor of recommending the contract with Mr. O’Connor.

Citizen member Lalley stated that each time she received the magazine, she wondered just how many residents actually read the magazine and believed the City was wasting money printing it.

Chair Malone stated the cost to produce the magazine was $204,000 and the revenues were $201,000 which includes everything except the Communication and Marketing staff time.

Citizen member Cicarella stated that before this item was presented he was under the belief and sure that residents also believe that this magazine is costing the City a lot of money to produce, only to discover it is not. He suggested that residents need to know that the advertising is actually taking care of the magazine cost.

Mayor Weiss stated that there is a surprising number of residents that still depend on print.

Director Voyzey stated that the magazine is also in an electronic format for those that prefer that format.
The Finance and Administration Committee recommended authorizing a three-year contract with Rory O’Connor in the amount of $60,000 per year for Operating and Editorial Consulting Services for Shaker Life magazine for the period of January 1, 2020 through December 31, 2022.

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AUTHORIZING THE CITY TO ENTER INTO AN LPA AGREEMENT WITH OHIO DEPARTMENT OF TRANSPORTATION (ODOT) FOR THE WARRENSVILLE CENTER ROAD RESURFACING PROJECT.

Patricia Speese, Director of Public Works, stated that the City has received the Northeast Ohio Arcwide Coordinating Agency (NOACA) funding through their Provisional Transportation Asset Management Program established in 2014, for the federal Local Public Agency Project (LPA), resurfacing of Warrensville Center Road from Fairmount Blvd. to Farnsleigh Road. This project was originally programmed by NOACA for 2016; however due to all of the road reconfiguration and the new Van Aken Development, the City requested that it be postponed until 2020. The project involves resurfacing of approximately 1.36 miles of Warrensville Center Road. The work will include a minimum of three (3) inches of asphalt pavement removal and resurfacing, partial and full depth base pavement and joint repairs, the construction of ADA (Americans with Disabilities Act) compliant curb ramps and minor curb replacements. The project will also include pavement markings and associated adjustments to grade of castings. The City of Shaker Heights will administer this project which includes design, construction, inspection and management.

The LPA program is a partnership between Federal Highway Administration (FHWA), ODOT and local public agencies to develop, plan and construct projects with Federal, State and local funds. As part of the LPA process, ODOT is requesting to enter into an agreement with the City.

The estimated project cost is $2,625,115. This cost includes construction and construction administration / inspection; design fees are not included in the aforementioned project cost. The design fee is anticipated to be $120,000 based on similar projects. Per NOACA funding, ODOT’s cap is $1,648,000. The City of Shaker Heights is obligated to provide $977,115 for our share.

The City’s contribution is to be included in the 2020 Capital for Street Resurfacing. In the recent past Council has allocated $2 million dollars for street resurfacing, if that is the same for 2020 then we could resurface Warrensville Center Road and approximately eight other streets. If less than $2 million is available then Warrensville Center Road will be our street resurfacing program for 2020.

ODOT has provided the necessary documents to execute the agreement. A request is that Council approve the necessary legislation so the City can enter into an LPA Agreement with ODOT for the Warrensville Center Road Resurfacing project.

In response to Chair Malone regarding the renovation of the bridge over the RTA tracks, Director Speese stated that project belonged to Cuyahoga County and would be done after the completion of this project.

In response to Council member Williams regarding the gas tax and possible funding, Director Speese stated that the gas tax is state funds and would have no impact on this project being federal funds.
The Finance and Administration Committee recommended authorizing the City to enter into an LPA Agreement with Ohio Department of Transportation (ODOT) for the Warrensville Center Road Resurfacing Project.

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**AUTHORIZING THE CITY'S APPLICATION FOR AND ACCEPTANCE OF A $50,000 GRANT FROM THE CUYAHOGA COUNTY HEALTHY URBAN TREE CANOPY GRANT PROGRAM (COUNTY HUTC) FOR THE PRUNING OF LARGE OAK TREES ON LARCHMERE BOULEVARD, COURTLAND BOULEVARD AND BRIGHTON ROAD.**

Director Speese stated that Cuyahoga County has created a new grant program to help enhance the tree canopy throughout all the suburbs within the borders of Cuyahoga County. The goal of this grant is to protect the existing tree canopy, expand the tree canopy in vulnerable areas and establish new tree canopies.

This is a competitive grant which has been established to complement the efforts of the Cuyahoga County Department of Sustainability and the strategies published in the Cuyahoga County Climate Change Action Plan. This program plans on awarding five million dollars over the next five years. The Grant Workshop was held this week and the applications are due on Monday, July 29th and the awarded grant projects will be announced on August 23, 2019.

The anticipated award amount will be in the $25,000 - $50,000 range per year and municipalities can submit a request each year or for individual projects. The awarded municipality will need to contribute 5% matching funds toward their project. We would like to apply for the entire $50,000 with the City providing $5,000 from the Tree Assessment budget. We would use the grant funds to hire a company to prune the very large oak trees that line Larchmere Blvd., Courtland Blvd. and Brighton Road. Due to their size and the need to remove all of the large dead limbs and not having the equipment and manpower to do so, in-house an outside contractor is required to perform this work. Our current budget does not have the funds to perform this work.

In response to Council member Williams regarding subsiding this program yearly, Director Speese stated that the City would apply for the grant yearly.

The Finance and Administration Committee recommended authorizing the City’s application for and acceptance of $50,000 grant from the Cuyahoga County Healthy Urban Tree Canopy Grant Program (County HUTC) for the pruning of large oak trees on Larchmere Boulevard, Courtland Boulevard and Brighton Road.

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**AUTHORIZING A REQUEST FOR ACCEPTANCE AND APPROPRIATION OF CAROL PETERSEN GRANT FUNDS IN THE AMOUNT OF $75,000 FOR A HOUSING MAINTENANCE PROGRAM.**

Colin Compton, Neighborhood and Housing Specialist, stated this item is a request to accept and appropriate $75,000 in grant funds from the 2019 Carol M. Peterson Housing Fund of the Federal
Home Loan Bank of Cincinnati. The City received approval in June to fund 10 households with up to $7,500 each in accessibility upgrades and emergency repair work.

The purpose of this grant program is to provide low-to-moderate income, disabled and/or elderly (age 60+) homeowners in Ohio, Kentucky and Tennessee the opportunity to live safely in their current home. Properties must be owner-occupied, single-family homes to be eligible for grant funds. Eligible accessibility improvements can include installing grab bars and handrails, widening doors, altering cabinets, replacing fixtures, replacing flooring and more. Eligible emergency repairs can include roof repair or replacement, electrical and plumbing system repairs, heating/air system repairs, structural repairs to floors or walls, code violations, and more.

Approximately $2M was available for the 2019 program and all funds were allocated within hours of the application opening.

This is now the fifth year that the City has been approved for funding from this program. Through 2018, a total of twenty-nine projects have been completed representing approximately $202,710 in residential repair and improvement work at no direct cost to the City.

This year, the Economic Development Department received approval for 10 new projects. Three projects are in Moreland, two are in Lomond, three are in Mercer, and two are in Onaway. This year’s projects include correction of exterior violations, interior safety upgrades, roofing, masonry, and accessibility improvements.

No matching funds are required from the City or from the homeowners. The funder requires the City to pay for the improvements and be reimbursed once work is complete. To date, all completed projects have been successful in receiving a full reimbursement from the funder.

The Neighborhood Revitalization and Development Committee reviewed this request at their meeting on July 10 and recommended approval of the request to accept and appropriate funds. Discussion at that meeting centered on how the application and reimbursement processes function for this grant. Staff explained the process for the City to apply for the grant and that the reimbursements for each project occur when documentation is sent to the funder showing that the work is complete, inspected, approved, and paid for by the City.

In response to Chair Malone regarding selection of the 10 homes, Mr. Compton stated that each year this program is marketing through a number of different ways and once contacted by a resident, during the conversation it will be determined if the home fits the program they will be added to a list to potentially apply.

Council member Williams stated ESOP is a group that advocates for seniors that are in need of assistance in paying taxes and home repairs and will direct them to this program.

In response to Citizen member Kolb regarding need versus selection, Mr. Compton stated that the lender eliminates two-family homes upfront and that others are reviewed to make sure they fit the criteria of the program and then selection is made on a first come first serve basis with the over ten be added to next year’s list.
The Finance and Administration Committee recommended authorizing a request for acceptance and appropriation of Carol Petersen Grant Funds in the amount of $75,000 for a Housing Maintenance Program.

* * * *

**AUTHORIZING AN APPROPRIATION IN THE AMOUNT OF $20,000 TO BE USED FOR NATIONAL FIRE PROTECTION ASSOCIATION TO PROVIDE REGIONAL HOT WORKS TRAINING FOR THE FIRE DEPARTMENT.**

Patrick Sweeney, Chief of Fire, stated that on July 10, 2018 a fire at Fernway Elementary School was caused by contractors using torches to apply new roof to the building. After the fire, the City began to review any and all options to minimize reoccurrence of a fire of this type. After a thorough review of all options, local regulations were enacted which strengthened the Hot Works Permitting Process along with requiring safety training for contractors prior to the issuance of a permit to conduct hot works in occupancies in Shaker Heights.

The City successfully prosecuted the roofing company for causing the fire. The company is required to provide hot work safety training to their entire staff along with $35,000 in fines. The fines imposed will be used to recover personnel cost to the Fire Department along with providing training to all members of the Fire Department and Shaker School Facility Maintenance Staff. Additionally this training will be provided to all of the Fire Safety Inspectors throughout the Northeast Ohio Fire Prevention Association.

In an effort to expedite the department and regional training, the Fire Department is requesting an appropriation of $20,000 from the General Fund. This item was presented to the Safety and Public Works Committee on July 12, 2019.

In response to Council member Williams regarding the possibility of institutionalizing this training, Chief Sweeney stated that is excellent idea and he has no answer. Shaker Fire Department is the first to enact legislation like this requiring contractors to go through this type of training. The State Fire Marshall’s Office is aware of this and other cities throughout the country have been contacted and request for both legislation and training have been requested.

Citizen member Cicarella suggested that Chief Sweeney consider including the libraries in this program.

In response to Citizen member Lalley regarding contractors being trained, Chief Sweeney stated that all contractors are required to take this training, not just municipality contractors.

Citizen member Lalley stated concern that required training may impact residents getting qualified contractors to work in Shaker if Shaker is the only City requiring this training presently.

Chief Sweeney stated that an online certification training program has been developed that allows contractors to receive the certification in a little over an hour at home.

Citizen member Cicarella asked if the Chief believed this certification training could possibly lower cost to the companies with their liability insurance.
Chief Sweeney stated in conversations with insurance companies, the payout cost to the insurance companies are huge due to the untrained personnel of companies they insure. Certifications could have positive effects on their premiums.

Citizen member Lalley stated that this program needs to be required statewide.

Citizen member Kolb stated that daily there is a roofing contractor working in Shaker and this could have the possibility of no contractor wanting to work here.

The Finance and Administration Committee recommended authorizing an appropriation in the amount of $20,000 to be used for National Fire Protection Association to provide regional hot works training for the Fire Department.

* * * * *

**ACCEPTING A PROPOSAL AND AUTHORIZING A CONTRACT WITH EUTHENICS INC. IN THE AMOUNT OF $64,130 FOR DESIGN/ENGINEERING SERVICES.**

Joyce Braverman, Director of Planning, stated this item is requesting the acceptance of a proposal and authorizing a personal services contract for professional design/engineering services with Euthenics, Inc. in the total not to exceed amount of $64,130 for the Shaker Boulevard/Warrensville Center Road Intersection Improvement Project.

In 2018 the City completed a traffic study with HNTB Corporation. The project received NOACA Transportation for Livable Communities (TLCI) funding and therefore must meet ODOT LPA requirements. This project will make infrastructure changes to improve operations for motorist, pedestrians and cyclist.

A Request for Proposals (RFP) was posted on the city website on Monday, June 10, 2019. Only one proposal was received on July 1, 2019, from Euthenics, Inc. Euthenics, Inc. provided a proposal that met the RFP requirements and demonstrated the qualifications needed for the project. Although they were the only respondents, they are qualified due to extensive experience with similar intersection improvement projects. They also have experience working with ODOT, utility companies, and are working in this area as part of the Warrensville Center Road Bridges over the GCRTA project.

The Safety and Public Works Committee reviewed and approved this item at their meeting on July 12, 2019.

In response to Chair Malone regarding timeframe, Director Braverman stated the design will be in 2019 and constructed is 2020.

Citizen member Cicarella stated that he is a biker and this plan is not user friendly to bikers.

Director Braverman stated that this is not the final plan and only a design and that a bike path is in the plans.

Jeri Chaikin, Chief Administrative Officer, stated that two public meetings are scheduled.
The Finance and Administration Committee recommended accepting a proposal and authorizing a contract with Euthenics Inc. in the amount of $64,130 for Design/Engineering Services.

* * * * *

AUTHORIZING A PURCHASE, DEVELOPMENT AND USE AGREEMENT WITH CONFLUENT DEVELOPMENT LLC IN ORDER TO CONSTRUCT AN 80 UNIT ASSISTED LIVING AND MEMORY CARE FACILITY ON THE CURRENT VACANT THREE ACRE PARCEL FORMERLY KNOWN AS AVALON STATION 2.

Director Braverman stated that this is a recommendation to authorize the City administration to enter into a Purchase, Development and Use Agreement with Confluent Development LLC in order to construct an 80 unit Assisted Living and Memory Care facility on the current vacant three acre parcel formerly known as Avalon Station 2. The property is within the Shaker Town Center Tax Increment Financing (TIF) district. Development of this parcel will contribute to TIF proceeds which will be used to pay off TIF bonds.

Confluent is a developer based in Denver that develops a wide range of projects from commercial to assisted living. They propose to purchase the three acre property from the City and develop an Assisted Living and Memory Care building. The project is proposed to be one building with not less than 80 units with at least 50% being assisted living units and the rest are memory care units.

The project will have no less than 80 units and preliminary plans show 98 units. The purchase price is $13,500 per unit and will total between $1M and $1.3M. The payroll is estimated at $1M and real estate taxes are estimated at $500,000. The share of taxes that may be paid into the TIF district is estimated at $350,000.

The Development Agreement was presented to the Neighborhood Revitalization and Development Committee on July 10, 2019 and a discussion was held.

Chair Malone asked about the only expenditures the City was responsible for presently are legal fees.

Director Braverman stated that was correct.

In response to Chair Malone regarding Confluent not meeting their deadlines, Director Braverman stated that there are outs built into the agreement.

In response to Citizen member Moore regarding the purchase of the property, Director Braverman stated that the purchase of the property occurs at the time of transfer meaning all the conditions of purchase have been met.

In response to Citizen member Lalley regarding Confluent being an operator of the facility, Director Braverman stated that Confluent is not an operator. Confluent has a partner named Harbor Chase that does the operations and references has been checked for both.

Citizen member Lalley stated that the concern should be that the City has enough built-in so that the worst case scenario is the City is not left with a shell for a building that no one wants to use. She
expressed concern that there is a lot of conditions with purchasing of the building and nothing in regards to the operations of the facility.

Director Braverman stated that the memo did not highlight the operations in the agreement and the City would prefer not to buy back after a building has been built on the site, so there are buy back clauses before the building.

Citizen member Moore stated that the operations piece should be part of the condition of closing to ensure the partnership is still in place.

Citizen member Lalley stated that the arrangement between the builder and operations is a very important part of the agreement.

Director Braverman stated this is not a final plan, only a concept plan and many changes will occur before a final agreement will be met.

Chair Malone stated the potential upside for this that we have money to pay off some of these TIF bonds that are still outstanding from last Shaker Town Center back in the 90s.

Citizen member Lalley stated that that is an inaccurate statement with what has been presented. The presentation shows only a building and shows no ability to pay the TIF without the operations piece in this legislation.

Mayor Weiss stated this is a significant investment and doesn’t believe this company is in the business only to build a building and will only make money if the building is in full operations. Many calls have been made checking the references of Confluent and all references have been positive.

Chair Malone suggested to Director Braverman to include in the memo to Council some of the projects that Confluent has worked on or completed.

The Finance and Administration Committee recommended authorizing a Purchase, Development and Use Agreement with Confluent Development LLC in order to construct an 80 unit Assisted Living and Memory Care facility on the current vacant three acre parcel formerly known as Avalon Station 2.

*     *     *     *

There being no further business, the meeting was adjourned at 8:51 a.m. The next meeting will be August 19, 2019.

__________________________________________
Frank J. Brichacek
Finance and Administration Committee
Memorandum

To:        Finance and Administration Committee
From:      Joyce G. Braverman, Director, Planning
cc:        Mayor David E. Weiss
           Chief Administrative Officer Jeri E. Chaikin
           Laura Englehart, Director, Economic Development
Date:      August 15, 2019
Re:        Van Aken District Clean and Safe Program – Authorization to enter into a contract
            with RMS Investments

In September 2018, a Clean and Safe Program in contract with Downtown Cleveland Alliance
(DCA) was established for the Van Aken District. The program operates in the core Van Aken
District and was financed by RMS, the City, Tower East, and University Hospitals Health
System (UHHS). The existing agreement between the City and RMS to jointly fund this
program ends on August 19, 2019. This is a request to authorize a new contract for August
2019 to August 2020. The funds are available in the Economic Development budget to pay the
City’s share of the program cost.

The Clean and Safe Program currently provides “clean” services including trash removal, power
washing, and weeding, and “safe” services such as enhancing the sense of safety, visibility,
safety escorts, and responding to unusual activity. The program operates from 7am to 12am
(midnight), seven days a week. A service area map is attached. Report on first year services and
activities is attached.

DCA requests a 5% increase in the billable hourly rate of the program in order to renew for the
upcoming year. This would result in an increase of $1,283.10 for the City based on last year’s
cost allocation. RMS has indicated that they are very satisfied with DCA’s services and costs,
including the proposed 5% increase for 2019-2020. The program statistics report for the past
year is attached.

To fund the program, each participating entity will contribute funds based on number of
employees or land area. This is based on a contract of $159,139.64 for 2019-2020 service, as
shown below.

- RMS          $87,526.80 (55%)
- City         $44,559.10 (28%)
- Tower East   $7,956.98 (5%)
- UHHS         $19,096.76 (12%)
Recommendation:

This item was reviewed by the Neighborhood Revitalization and Development Committee on August 14 and recommended for approval.

This is a request to authorize entering into a contract with RMS Investments for $44,559.10 for an additional year of the Clean and Safe Program.
Only safety services extend into privately owned parking garages and lots.
Van Aken Statistics Report
September 2018-June 2019
### Statistics

#### September 2018 through June 2019

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**Trash (lbs) -- September 2018 through June 2019**
September 2018 through June 2019

September 2018 through June 2019
Cleaning Highlights

Field Observations

Throughout the past ten months, the Ambassadors’ cleaning efforts have helped make the Van Aken District a more inviting place to live, work, and play.

Accomplishments

Endeavoring to help create and maintain a cleaner, safer, more inviting community environment for everybody to enjoy, Ambassadors removed litter, broken glass, vehicular debris, road hazards, safety hazards, graffiti writings, TAGs, stickers, freestanding signs, flyers, posters, gum spots, human and pet waste, animal carcasses, feces, vomit, weeds, garbage and various trash items from areas in the Van Aken District. The Ambassadors contributed to keeping the Van Aken District clean and safe during the on-going construction projects in the area.

Initiatives

Contributing to a cleaner, safer, and more inviting Van Aken District is an ongoing endeavor for the Ambassadors. The Van Aken District Ambassadors will continue to help keep the area a clean and safe place for everybody to enjoy.
Safety Highlights

Field Observations

Throughout the past ten months, The Van Aken District Ambassadors conducted Safety Patrols, Event Patrols, Security Checks, Business Contacts, provided free Safety Escorts, and performed various acts of hospitality.

Accomplishments

The Van Aken District Ambassadors’ conspicuous presence discouraged unwanted, unsafe, and unlawful behavior. Ambassadors deterred and dissuaded skateboarders and BMX bicyclists from creating any safety hazards when riding in district. Aggressive panhandlers usually stopped their panhandling activities and left the area when they noticed an Ambassador witnessing their behavior or approaching them. In some cases, Ambassadors would have brief conversations or a few polite words with individuals, to discourage, prevent, or stop unwanted, unsafe or unlawful behavior. Behavior such as defecating or urinating in public were also deterred by the presence of the Van Aken District Ambassadors. Relatedly, if an Ambassador assessed any situation required police involvement, then SHPD would be contacted. The Ambassador would maintain a safe distance, observe, and report as was appropriate. On some occasions, the Van Aken District Ambassadors assisted local police and first responders. In one case, while maintaining a safe distance from a fleeing shoplifting suspect, an Ambassador was able to observe and report to police, the suspect’s description, location, and direction of travel. The information helped the police swiftly apprehend and arrest the suspect. In other cases, Ambassadors may have determined situations or incidents required EMS to be requested. Regardless of the circumstances, the Van Aken District
Ambassadors were additional eyes and ears in the district, and they observed and reported as was appropriate. In addition to deterring unwanted behavior, the Ambassadors also took photos and reported damaged property, malfunctioning equipment, and safety hazards they encountered throughout the course of their daily activities. When possible, they removed the safety problems as they encountered them. As one example, an Ambassador took photos of an underground electrical box which was discovered open, with wires exposed, on a sidewalk path. The access panel had been removed, and the open electrical box presented a safety hazard to pedestrians using the sidewalk. The Ambassador was able to safely replace the access panel and report the problem to the proper authorities. Non-illuminating streetlights, and malfunctioning pedestrian crosswalk signal lights were also among the many property or equipment problems reported by the Ambassadors. By reporting property or equipment problems they encountered, the Ambassadors facilitated the prompt repair of damaged property and malfunctioning equipment.

**Initiatives**

By conducting Patrols, making Business Contacts, reporting property or equipment problems, and maintaining a conspicuous visible presence in the course of their daily activities, the Van Aken District Ambassadors have contributed to an enhanced sense of safety in the community.
Hospitality Highlights

Field Observations

Demonstrating acts of hospitality, promoting a sense of community, and providing an enhanced sense of safety in the Van Aken District, the Van Aken District Ambassadors have contributed to making the neighborhood an inviting and enjoyable place to live, work, and play.

Accomplishments

Throughout the past ten months, in addition to helping keep the neighborhood clean and safe, the Van Aken District Ambassadors conducted Event Patrols, made Business Contacts, and provided various forms of assistance to people in the district. Demonstrating hospitality, the Ambassadors made themselves available, and able to help people as may be appropriate. They provided information, directions, physical assistance, free Safety Escorts, umbrella escorts, and other types of assistance to area residents, shop owners, local employees, and visitors in the district. The Ambassadors were also present and available during special events. Events such as indoor and outdoor market events, various arts and entertainment related events, festivals, and business grand openings, to name a few.

Initiatives

With or without any special events, the Ambassadors made themselves available in the district, and ready to help as was appropriate. The Van Aken District Ambassadors demonstrated hospitality, promoted a feeling of community, and provided an added sense of safety in the neighborhood.
Memorandum

To: Members of Finance and Administration Committee
From: Kamla Lewis, Director of Neighborhood Revitalization
cc: Mayor David E. Weiss
     Jeri Chaikin, CAO
Date: August 19, 2019
Re: Application to Acquire City Owned Vacant Lot at 3643 Avalon Road (PPN 735-30-037) for Side Lot

Summary
The City has received an application from Sharee and Douglass Thornton, 3639 Avalon Road, who are interested in acquiring the city owned vacant lot adjacent to their home in order to use it as a side lot. The Neighborhood Revitalization & Development (NRD) Committee considered the application at their August 14th meeting and unanimously approved recommending it to Council. The Finance Committee is being asked to consider this application and make a recommendation as to whether City Council should approve the sale of the vacant lot located at 3643 Avalon Road (PPN 735-30-037) to the Thornton family.

Background & Discussion
Proposal Summary
- Applicant: Sharee and Douglass Thornton, 3639 Avalon Road
- Proposal summary: to purchase this vacant lot, and fence it to use it as a side yard, at a cost of approx. $3,325. They propose to use contractors to do the work. (see attached drawing)
- Price offered: $50.00

Staff Review of Application
- The applicants’ property is not in foreclosure, they are current in their property taxes, and have had no criminal nuisance activity complaints. They have no outstanding Housing or Zoning Code violations. They have owned their home in Shaker Heights since July 2003, and are owner occupants.
- The applicants’ proposal is consistent with the City and neighborhood goal of expanding the size of lots in the neighborhood to enable households to have larger yards without selling their home and moving elsewhere. Larger lots typically command higher prices at sale as well. Sale to the Thornton family would return the vacant lot to productive use and tax revenue generation.
- The City has no redevelopment plans for this vacant lot.
• Staff considers that the use of the lot as described would be an improvement over it being maintained by the City as a vacant lot. It currently costs the City approx. $615 per year to maintain a vacant lot.

Background Information
• In May 2008, the City adopted a Side Lot Program to make City owned vacant lots available to the adjacent neighbors. The goal of the program was to encourage adjacent neighbors to acquire these lots to make capital improvements to the property that would increase tax value, such as construction of a house addition or garage, landscaping, etc.
• Applications are accepted on a “first quality, first served” basis. Proposals that are approved by NRD will go to City Council for final approval.
• There is no set price for side lots under the Program; pricing is negotiable based on lot size, location, configuration, planned improvements, etc.
• If the NRD recommends acceptance of this application, and it is approved by Council, the City will enter into an agreement with the applicant that will include all of the conditions and the buyer's responsibilities. The buyer will have to seek Planning Commission (CPC) approval for the consolidation of the lots. If there are variance requirements, they may also have to seek Zoning Board approval. Only once all these conditions are met would the property be transferred.
• The property was acquired by the City in 2008 for $1 from the Department of Housing and Urban Development. The two family house that had previously stood on this lot was demolished by the City later that year.
• Through its vacant lot program, the City so far has sold fifteen (15) vacant lots:

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<th># lots</th>
<th>Price</th>
<th>Buyer</th>
<th>Street</th>
<th>Use</th>
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<td>Zaremba</td>
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<td>2014</td>
<td>1</td>
<td>$100</td>
<td>Neighbor</td>
<td>Albion</td>
<td>Side Yard</td>
</tr>
<tr>
<td>2017</td>
<td>1</td>
<td>$50</td>
<td>3 adjacent neighbors</td>
<td>Palmerston</td>
<td>Side Yards</td>
</tr>
<tr>
<td>2019</td>
<td>1</td>
<td>$1</td>
<td>Knez</td>
<td>Hildana</td>
<td>New house</td>
</tr>
</tbody>
</table>
One additional vacant lot on Rolliston is being leased to a community group for use as a Community Garden, and another lot on Winchell was approved for sale to a neighbor in May 2019.

**Recommendation**

Staff recommends that the Thornton family application to acquire the City owned vacant lot located at 3643 Avalon Road (PPN 735-30-037) for $50.00 and utilize it as a side yard, be recommended by the Finance and Administration Committee to Council.

Vacant lot south of Thornton residence at 3639 Avalon
Proposed Improvements
The City of Shaker Heights Tax Incentive Review Council (TIRC) held its state-required, annual meeting on July 23, 2019. The TIRC is charged with reviewing current tax incentive agreements on an annual basis and ensuring transparency and accountability on the part of the City and developer in the management of each of the agreements. The meeting and activities of this state-mandated body are controlled by the Ohio Revised Code per §5709.85, and City Ordinance.

The meeting was attended by Planning Director Braverman, Assistant Director of Finance Arslanian, Councilman Williams, citizen members Patricia Barz and Neil Dick, and School Board Treasurer Bryan Christman. The County TIRC members and staff included Chairperson Lisa Rocco, Prentis Jackson, Susan Infeld, Ashley Rondon, and Bridgett Cofield.

By statute, the TIRC must meet and review annually certain legislatively authorized, active agreements that grant tax exemptions. During 2018, the City had (and still has) three categories of active exemptions: Urban Renewal per Ohio Revised Code §725; Tax Incremental Financing per §5709; and Community Reinvestment Areas per §3735.66. At the TIRC meeting, each of these three categories was reviewed for 2018, including compliance with active agreements, financial reports, and general project information as required per state law.

Urban Renewal, Ohio Revised Code §725
Chapter 725 projects involve the payment by the property owner of the full amount of the taxes owed for the property, which are then collected by the County as payments in lieu of taxes (also referred to as PILOTS); this is why such projects are categorized as “tax exempt” or “tax incentive” programs. Each project has a controlling Development Agreement, between the developer and the City, that spells out various terms and conditions, including the collection of PILOTs.

There is one §725 project in the City that was created for developments in the Shaker Towne Center area, for which bonds were issued, and the PILOTS derived from the property taxes paid by owners of the various developments included in the 725 program are used to pay the bond indebtedness. The development agreements where PILOTs are being collected are: Sussex Court, Avalon Station (Phase I); CVS, Library Court and Compass Storage.

While the original agreements for Sussex Court and Avalon Station were more complicated, at this point, the major obligation of each developer and/or current owner of the property is to ensure that they pay their full property taxes, which are deemed as PILOT payments, which are then distributed to the City to assist in the payment of debt service on the bonds that funded the public improvements in the district.
The agreements for Library Court, CVS, and Compass Storage also contain similar provisions that the developers/owners agree to pay their taxes as PILOTs which are also distributed to the City to fund the annual debt service requirement, as these projects continue to benefit from the public improvements made in the district.

PILOTS collected for 1st half 2018 were $688,341, and the 2nd half collection was $860,969, for a total of $1,549,310. This amount exceeded the debt service obligation by $256,487, which remains in the fund to cover future debt service obligation. The CVS parcel yielded higher than usual PILOTs, but that was likely due to the inclusion of prior year PILOTs. It was also discovered that the Compass Storage property did not generate PILOTs for tax year 2018, and that omission will be addressed by the County in the 2nd half settlement, which will likely result in a downward adjustment of the settlement to the schools.

**Tax Incremental Financing (TIF), §5709.40-41**
The City has two TIF agreements with RMS and the School District relating to various portions of the Van Aken District that include provisions for disbursement of PILOTs between the developer and the school district. The Shaker Plaza TIF, per §5709.40, generated $507,943 in the 2nd half of 2018, with 24% ($121,906) being distributed to the developer and 76% ($386,036) going to the schools, per the agreement. The second TIF, known as the Van Aken TIF, per §5709.41, had no collection of PILOTS in tax year 2018, but PILOTS are expected to be generated in tax year 2019 for this TIF.

**Community Reinvestment Areas (CRAs)**
There are a total of three areas in the City that have been designated by City Council as Community Reinvestment Areas (CRAs), meaning that the area contains housing facilities or structures of historical significance, and new housing construction and repair of existing structures are discouraged. These areas are the Warrensville-Farnsleigh CRA, Transit Village CRA, and Southern Moreland CRA.

The Warrensville-Farnsleigh CRA contains 2 projects involving commercial CRA agreements between the developer and the City: Le Chaperon Rouge and Shaker Rocks. The TIRC reviewed the terms of each agreement (specifically: new construction, number of jobs created, payroll) for compliance. All construction has been completed for both projects. Le Chaperon Rouge reported the hiring of 21 full-time jobs in 2018, exceeding what was promised in the CRA Agreement. Shaker Rocks did not officially open until 2019; so these numbers will be reported at next year’s TIRC (which will review 2019 performance).

The Transit Village CRA is a residential CRA – meaning, newly constructed single family units may be eligible for 100% property tax exemption for up to a 10-year period. During 2018, construction was well underway at the new Townhomes of Van Aken with 12 units being built. Next year’s TIRC meeting will review the number of unit owners that have applied for tax abatement.

Southern Moreland CRA is also a residential CRA with similar exemption terms for new single family construction. During 2018 there was no eligible construction and therefore no numbers to report.

**Conclusion and Request for Action**
After presentations by City staff, including a thorough budgetary review by City staff and discussion by TIRC members, the TIRC voted and found that the City is in compliance with its agreements as outlined above. The TIRC then voted that the City should continue the agreements without modification and convey such recommendation to Council. Both votes passed unanimously.

The TIRC has, through transmittal of the July 23rd minutes to the City’s Clerk of Council, submitted its recommendation for continuation of the City’s Agreements as outlined above. The next step is for City Council to vote and act on the TIRC’s recommendations within 60 days (no later than October 31, 2019).

Therefore, it is requested that the Finance and Administration Committee approve a recommendation to City Council to approve the TIRC’s recommendations.