



SHAKER HEIGHTS
Neighborhood Revitalization and Development Agenda
Via Conference - Zoom
Wednesday, October 13, 2021, at 6:00 p.m.

Via Zoom pursuant to Ordinance No. 21-76 and Resolution No. 21-77, enacted by City Council on August 23, 2021.

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Password: 33553400; Description: Neighborhood Revitalization and Development; or join by phone at 833-548-0282 (toll free); Webinar ID: 969 7868 5239; Password: 33553400.

1. Approval of August 11, 2021 Meeting Minutes

Documents:

[8-11-2021 MINUTES DRAFT.PDF](#)

2. 2021 Neighborhood Engagement Planning Process Update

Documents:

[NEIGHBORHOOD ENGAGEMENT PLANNING PROCESS UPDATE 10-13-21FINAL.PDF](#)

3. RMS Investment Group Lease of Farnsleigh Road Parking Lot

Documents:

[MEMO TO NRD - RMS LEASE OF FARNBLEIGH LOT 10-08-21 V2.PDF](#)

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**Neighborhood Revitalization & Development Committee Minutes
Via Zoom Due to COVID-19 – Public Health Emergency
6:00 P.M.
Wednesday, August 11, 2021**

Members Present: Tres Roeder, Chair, Council Member
 Anne Williams, Council Member
 Nancy R. Moore, Council Member
 Eric Bevilacqua, Committee Member
 Carter Strang, Committee Member
 Donna McIntyre Whyte, Committee Member
 Kamla Lewis, Director of Neighborhood Revitalization
 Laura Englehart, Director of Economic Development
 Joyce Braverman, Director of Planning
 Kyle Krewson, Director of Building & Housing

Others Present: Mayor David E. Weiss
 Jeri Chaikin, Chief Administrative Officer

The meeting was called to order by Chair Tres Roeder at 6:02 p.m.

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Approval of the July 14, 2021 Meeting Minutes

Tres Roeder, Chair:

This is the Neighborhood Revitalization and Development meeting that we are hosting virtually due to the global pandemic. Also, we are having thunderstorms go through Shaker Heights, we have some members who are calling in versus being on zoom, we will all do our best to keep this going. If I happen to lose power Anne are you able to fill in and lead the Committee? For all the rest, if you lose power we understand, try to call back or come back in if you're unable to do so we certainly understand.

The first item on our agenda is the approval of the July 14th minutes. I have two comments on the minutes, not related to the content, but with the formatting on the first page. The first item on there is approval of our minutes, then my opening comments show up with a second mention of approval of the minutes under the next item on the agenda. I'd like that cleaned up so the sequence flows correctly. The other thing I noticed, if Director Braverman, for example, when giving her presentation, it mentioned her name and a paragraph in her name and a paragraph that the names are mentioned sometimes 3, 4, 5 times. If we can just mention the person once and then all of their comments, any other feedback on the minutes? Do we have a motion to approve with the adjustments as mentioned?

Anne Williams, Council Member:

I'll move approval,

Tres Roeder, Chair:

Moved by Council Member Ann Williams, seconded by Dr. Whyte. All in favor, aye, or wave.

Opposed? Abstentions? Motion carries.

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Transfer of 18975 Van Aken Blvd., Unit 505 to Cuyahoga County Land Reutilization

Tres Roeder, Chair:

Our next item of business is transfer of 18975 Van Aken Boulevard, unit 505 to CCLR, that's the Cuyahoga County Land Reutilization, Director. Lewis, I believe you're presenting this item.

Kamla Lewis, Director:

Yes. I have two items tonight, I'm not on video because I have no power, I'm operating from my cell phone. We have two items tonight related to the County Land Bank, as you will recall has been one of our key partners since the establishment of the County Land Bank in 2009. They've assisted us in acquiring properties for our land bank, funding and carrying out both residential and commercial demolitions, rehabbing blighted properties and building new homes and advocating for legislative changes that have assisted us in our revitalization efforts. Starting in 2020, the County Land Bank has increasingly been focused on both rehabs and the building of new homes and the two proposals before you tonight speak to the role that they play in assisting cities like ours, implement creative approaches to our revitalization goals.

Gus Frangos, President of the County Land Bank, is in the audience In the event you have questions about the agency that I am unable to answer. The first proposal I'm bringing to you tonight is aimed at assisting one of our condo buildings restore to productive use. One of the units in their building, which has been a source of problems since 2009 being essentially abandoned by a succession of owners with no maintenance, no payment of taxes and no payment of HOA fees. The city was approached by the condo association in 2019 to help them come up with a solution to this ongoing problem. The first step was to get it prioritized for tax foreclosure, and then to get control of the property to be renovated and sold to a responsible owner-occupant. The pandemic slowed down implementation of this plan because of the halting of foreclosures. However, in March of this year,

the city was able to obtain the unit through a sheriff sale. The city does not itself have the resources to undertake a rehab of the unit nor does the condo association itself. You may recall that we had previously worked with the County Land Bank to rehab another, uh, problem unit in this condo building. The County Land Bank's team is already familiar with the building and it's Board. It was determined that the best approach for all parties was to market this unit through the County Land Bank's deed in escrow program for owner occupants. Under this program the land bank creates a scope of work, which includes all point of sale repairs and any upgrades that they recommend. This unit is marketed through the MLS and the County Land Bank's website to owner occupants.

When a potential buyer is selected that buyer is then required to make all the repairs before the property is transferred to them. This approach is particularly helpful in creating a more affordable option for owner-occupant households. In this case 150% of the cost of repairs does not need to be put in escrow. This approach has been used to get homes rehabbed and owner occupied on both Ludgate and Pennington in southern Moreland. Our request tonight is for the NRD to support this plan by recommending that council transfer this unit to the County Land Bank for six months to enable them to market and sell it through their deed in escrow program.

Nancy Moore, Council Member:

I have a question. I want to address this to the County Land Bank, Gus Frangos, how do you establish the ability of the applicant for the deed in escrow, to verify their financial viability to make the repairs.

Tres Roeder, Chair:

Mr. Strang, thank you for joining us. We know we have some power outages and other situations tonight. Mr. Frangos, your floor to answer council member Moore's question.

Gus Frangos:

What we do initially after we do the spec, after we incorporate the point of sale information, we go through what we call the "EYT", it's our acronym for making sure that the person initially qualifies on a higher level, which is the person is not somebody who is delinquent themselves. They're not in a chain of known flippers or bad actors, and that if they have done rehabs in the past, they're not chronically in housing court. As I said, they're not delinquent and those sorts of things. Once they pass that we do a soft underwriting. What I mean by that, it's not like a bank underwriting because we're not bankers, we're not underwriters, but we do ask for some source of income, whether it's a bank account, whatever it is that they plan on putting into it, if they're a contractor themselves.

The key to this point is that we don't need to do that because we're holding title, and that's what makes this work. If a person does not complete all of the specifications, it doesn't complete all of the permitted work that's required they don't get the deed, so no rehab, no deed. That's the real firewall between having somebody who's not going to complete it or a bad actor and actually getting the project finished. So over the years that process has worked well, we're probably over a couple of thousand facilitated properties between this deed in escrow program, our in-house NRCDC network and I can tell you probably less than a dozen have run into problem. Of those dozen it's probably like two or three that we actually had to take the property back. Once somebody starts putting money into it, there's no upside to them not completing the work, because if they don't, they lose all

of that investment and we're still holding the property. I don't know if that answers the question, but it's more of a process that protects everybody rather than them showing us underwriting.

Nancy Moore, Council Member:

It does answer my question perfectly, and it's an impressive record that you have, thank you. And do I understand correctly that once all the repairs are made and once they pass inspection, I assume that's your inspection or the city's inspection, which, which entity does release?

Gus Frangos:

It would have to be both.

Nancy Moore, Council Member:

Then is the deed transfers at that point so that they are actually purchasing the condo for the amount of the repairs or whatever that costs them? Is that kind of the market value of the property?

Gus Frangos:

There's typically a negotiated price, but it's based on either a BPO or, or a listing and where the agent works with us to tell us what the market will bear. In situations like this when we're at risk and we're putting all the money in to get the repairs done, we're hoping at a minimum to not lose much, hopefully to make something. So basically at that point it's like any other transaction, we just list it and we hope to get the best price that'll establish good values.

Nancy Moore, Council Member:

So I'm just trying to get a figure that makes sense in my mind. So in this particular condo do you know how much the estimated cost of the repairs would be? Plus do you know the value of the condo, then the market value of the condo that would be purchased for?

Kamla Lewis, Director:

Nancy I'll tackle that I'll tackle that one.

The President isn't the person who has done the details of this project with me, it is Dennis Roberts who you all have met before on the previous condo project. Yes, we have estimated the cost of repairs. We had the County Land Bank staff go in, we did a point of sale on the property and the cost of repairs is estimated at almost a hundred thousand dollars. In terms of understanding the market for that condo building, that's why I mentioned that they previously worked with us and a realtor on that building for the other unit that we rehabbed and sold. That one went for just under \$130,000.

Nancy Moore, Council Member:

That's great. So that would be the total? How did the cost of the repairs fit into that?

Kamla Lewis, Director:

This particular case, the cost of the repairs will be done by the person who is buying it. Once they have completed all the repairs to the satisfaction of the County Land Bank, and the city, the city is

the ultimate sign-off on building violations, but they also have to get signed off from the scope of work that the County Land Bank created, then the County Land Bank would turn over the title of the property to the owner. That's the only point at which the owner takes acquisition.

Nancy Moore, Council Member:

Thank you. I'm sorry that was such a long question, but I just wanted to know what the value of this sale of the condo would be after all the repairs are made. It's quite an expensive piece of property then to return to viable use. In all the years that I've been on Neighborhood Revitalization, this is the kind of program since the housing downturn that has been needed. I'm very impressed and very supportive, just using this particular instance for example, thank you very much.

Tres Roeder, Chair:

Thanks to all of you for the dialogue. Other questions from the Committee? If there are no further questions, we would entertain a motion. Moved by council member Moore, seconded by Mr. Strang. All those in favor aye, or wave. Opposition? Opposed? Any abstentions? Very good, motion carries.

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Application for Acquisition by the Cuyahoga County Land Reutilization Corporation (CCLRC) of 9 City Owned Vacant Lots on Menlo Road for New Single Family Housing

Tres Roeder, Chair:

Sticking with Director Lewis, item number three is an application for acquisition by the Cuyahoga County Land Reutilization Corporation. I previously called it CCLR, it looks like it should be CCLRC, my apologies Mr. Frangos. This has to do with nine city owned, vacant lots on the Menlo Road area, Director Lewis.

Kamla Lewis, Director:

Thank you. So the County Land Bank's goal is not to compete with the private market when it comes to building new homes. It focuses its efforts on areas where they feel that they can assist the neighborhood by either stimulating the private market, by creating comps for new homes, but also by addressing the gaps that are not being adequately filled by private developers. To do so they partner with a number of different nonprofits, institutions, and cities to create housing for special populations. Examples include housing for veterans, recovery housing, affordable housing for single mother. This second County Land Bank proposal before you tonight addresses the County Land Bank's commitment to tackling the issue of the lack of accessible housing, both locally and nationally at significant problem. In addition to all the other barriers that they face, people with physical disabilities face significant challenges in finding housing that is accessible and also located in neighborhoods which are accessible.

That is neighborhoods that have well maintained sidewalks, are well served by public transit, and don't require a car to get to amenities such as the library, the community center and neighborhood retail. Because of all the work they have done in partnership with the city in southern Moreland, the county land bank has become very familiar with the neighborhood and saw that the neighborhood would be an excellent place to demonstrate to other developers what could be possible in utilizing vacant lots to build universally designed accessible housing. This, coupled with the city's strategic

assembly of adjacent lots, was also ideal since often accessible housing occupies a larger footprint, because of course it tends to be more horizontal than vertical. The county land bank approached the Mayor and city staff with their vision in February of this year. They've been working with the staff from Neighborhood Revitalization, Law and Planning to identify the most suitable lots, ensure that there was an understanding on their part of potential design issues, as well as look at any fair housing issues while simultaneously raising the funds needed to carry out the project.

While there still remains a considerable amount of work to be done, to have all the necessary pieces in place to finalize their plans, the county land bank is at the point in the process where they need to secure site control in order to continue moving the project forward. Hence the request before you tonight. As a city, we understood the need for site control in developing in-fill projects, which is why our city in-fill process allows for developers to enter into agreements with the city before all the details are finalized. As long as we believe that the developer has demonstrated the capacity to carry out the project, has a solid track record, a good understanding of the city's design guidelines and that the project meets city goals. This was the way that we approach the sale of up to 20 lots by Knez and five lots with Keystate. The county land bank's proposal before you tonight is to acquire three sets of triple lots in the southern Moreland neighborhood on Menlo road to build accessible housing for owner occupants.

This is consistent with several city goals. Increasing new housing in the Moreland neighborhood, diversifying the types of housing available in the city, expanding the pool of accessible housing in the city, increasing the number of homes with first floor masters in the city and highlighting the assets of the southern Moreland neighborhood. The proposal would be for these lots to be reserved for the county land bank for a period of up to two years during which would enable them to identify potential other partners for the project and obtain additional funding, complete the design approval process and start phase construction on each cluster. I'm going to pause there in the interest of time since we have a lot of things on the agenda and see what questions the Committee has.

Dr. Whyte, Committee Member:

I would like to say that I am very pleased that the lots on Menlo have been identified as I've walked through the neighborhood I noticed a number of lots, multiple lots on Menlo. This is a very exciting opportunity for the Moreland area. One question that I have, because I presume these may be one story homes, I remember in reading the information that on each lot there may be one or perhaps more than one house that may be built on each lot. How many houses can be accommodated on a lot that were three houses have been razed?

Kamla Lewis, Director:

Yes, they are generally looking at one floor homes, although some of the design possibilities can have a second floor. The drawing that is currently under discussion with the Planning Department actually has two levels and has two homes on a triple lot.

Carter Strang, Cmte. Member:

I do have a question. Not to jump ahead to the recommendation, it says earlier the goal is to design homes that are specifically suited for people with physical disabilities, which has been discussed, but

the recommendation doesn't require that or say that. Is that because as was mentioned earlier, because we're working with people that have a track record and because of the anticipated demand?

Kamla Lewis, Director:

No, it was just an oversight. The stress is on homes that are universally designed so that they are fully accessible, at least on one whole level on the first floor level. So those would be suitable for seniors, for example, people with physical disabilities.

Carter Strang, Cmte. Member:

So how would we amend the recommendation then to be sure that that goal is reflected?

Kamla Lewis, Director:

We could simply add that statement in there.

Carter Strang, Cmte. Member:

I was intrigued the last Shaker magazine was really truly excellent. One of the articles, as I recall, was about a woman who had moved into the Moreland neighborhood and was absolutely delighted with it, I think she had lived somewhere else in Shaker. And, as we have an aging group, which I'm contributing to here in Shaker, many of whom want to stay here but maybe want to downsize. Of course, as we age we develop some of these disabilities in terms of being able to get around. People are looking for single story homes, et cetera, et cetera, is that part of this goal too? Give people the option of staying in Shaker and maybe downsizing to something that is going to be a little safer for them.

Kamla Lewis, Director:

Absolutely. As you may recall too, the one that came before the committee a couple months ago, is somebody who is also relocating elsewhere in Shaker. She's going to build a home on one of our vacant lots. Having that accessibility and a first floor master was also critical for her. And interestingly, the third house that is being sold by Knez is somebody who is currently living on Scottsdale.

Carter Strang, Cmte. Member:

It's good to know that Moreland On The Move has been involved in this and that at least Donna has spoken in favor of it.

Tres Roeder, Chair:

Thank you Mr. Strang, and for highlighting that. It is known that there is a shortage of housing for people in Shaker Heights who would like to age gracefully in place. In fact I'm told in the eastern half of Northeast Ohio Cleveland area there's really a gap regionally as well. That is something that we continue to talk about and keep an eye on.

Director Lewis, did you want to present further the additional, the second half, or was your intent to stop here, take questions and then go to the point where we were to move for this?

Kamla Lewis, Director:

I didn't have anything further.

Tres Roeder, Chair:

Are there any other questions for Director Lewis?

Jeri Chaikin, CAO:

I had two questions. One was when the administration internally started discussing this housing, which by the way I commend Kamla and the land bank for looking at this new housing, which I think is needed for our seniors and everybody here in Shaker. Originally a discussion about having these be rented to people with disabilities, as opposed to owner occupants. So I was just interested in the evolution of the concept of going from these being rental properties to owner occupied.

Kamla Lewis, Director:

Gus, do you want to handle that? It's been part of the evolution of the as the land bank has worked with providers to figure out what is the best model for that population. They're looking at both and part of why we started with looking at all the possibilities was to find out what were the issues involved with each of them. Operating it as a rental of course, brings with it challenges of making sure that we have the right partner for property management. One of the things that the land bank also looked at is there a structure that can provide the stability for these homes and keep them affordable, but in a home ownership model. And that's the direction that I understand Gus is currently exploring.

Gus Frangos:

Yes. The disability population of courses is very diverse. You have everything from severely disabled, to people who may be confined to a wheelchair, but they go to work, they drive a car, they are in every respect typical other than the fact that they're in a wheelchair. We wanted to be able to reach people that were capable of owning a home, I have a disabled daughter, she's probably in a stage when she's pretty soon be able to purchase and finance her own home. You know, that's her hope, that's our hope, she's 30 and she does not want to live with mom and dad anymore. So there's a lot of people in that group that are disabled.

We want to explore that capability, it would be best if it was an owner occupant. However, there are also those folks that do work and they're very typical in many respects, but they can't get financed. And so we reached out to organizations like North Coast Community Housing. They own probably a couple of hundred properties in the region, and this is their focus. This is their mission. They own the home and manage the property. And because people with disabilities may not be able to keep up a house the way somebody without a disability can keep up a house, North Coast, their mission, their model is to do all that. So they own the home, they collect rent, they cut the lawns, they provide any kind of repairs that need to be taken care of, and that's a rental model. We're still talking to North Coast Homes, however, you know, we are proposing to put a healthy amount of money on the table to get this going, but their vehicle and their model, there are some impediments to them being able to raise the balance of the funds. We went to Habitat, we've spoken to private developers who are willing to undertake this and just treat it as a spec build for people with disabilities that can go get financing. And we're starting to lean more in that direction simply because with that comes

the tax abatement, the property gets financed, it's owned as a homeowner property. I guess what I would say is I would not want to foreclose the possibility of a rental on one of the lots, one of the tri-part lots because there is their population that may not be able to get financing, but in every single respect they pay their rent, they play by the rules, but they may not have access to funding.

So hence they need to be in a situation where it's a rental, but we don't want to create housing where it's just any landlord. We want a landlord that is sensitive to this population that works in the space as a nonprofit model. North Coast Homes organizations, like MAHO, they do that, but I think at the moment north coast homes is perhaps the closest model that would fit the rental product. I'm very thankful that the city of Shaker Heights is allowing us to pursue this, this is a big issue for the land bank. We provide housing for many, many special populations, and we have not done it for people with disabilities. So thank you. But ultimately our request is to reserve these lots, let us have some time to finish developing that model. Ultimately, we need to come back to you and you need to be comfortable with it. If we can have that flexibility, that's our request at this point,

Jeri Chaikin, CAO:

Thanks for the explanation. You answered my second question, which was what Kamla mentioned, other partners, and you clearly described the possibility for other partners.

Tres Roeder, Chair:

Thank you CAO Chaikin. For those of you who are on the zoom, you're able to see some dialogue happening here in the Q&A, for those of you who are not let's address these quickly. We've received two questions from a resident of Shaker Heights, Ms. Vickie Elder. The first question actually is a nice build from what CAO Chaikin asked. Given that these homes are targeting folks with physical disabilities, how will we include security features into the design? And then the second question, there's discussion about sidewalks being a part of the attraction. She argues it's no secret many sidewalks in south Moreland need much attention to make walking or using motorized wheelchair safer. Are there any plans to address sidewalks in the south Moreland area?

Gus Frangos:

The sidewalk, I would not be able to address, certainly along the perimeter of the homes that we built the sidewalks would be made new. Manual wheelchairs would have a harder time with what was being described, an electric wheelchair with air tires, that's a little bit easier, little bumps are not a problem, but big bumps could be an impediment. That's something we would want to work with the city. As to security, all of our homes would have security devices and alarm systems and things of that sort. But beyond that, these individuals would be no different than anybody else living in that area. I think what's so good about this area is that it's so close to City Hall, amenities, the access to get help if people do feel somewhat threatened. They're not off on an island. There's a lot of engagement in this area. Beyond that we would have to work with the city and any other issues that may come up.

Tres Roeder, Chair:

Very good. Thank you Mr. Frangos, and the sidewalk question is more of a city question and Director Lewis had responded that that would be forwarded to our Public Works department. Director Lewis, anything else to add on either of those two questions?

Kamla Lewis, Director:

No, thank you.

Tres Roeder, Chair:

Anything else from the Committee, Mayor Weiss, and then Dr. Whyte, I saw your hand as well.

Mayor David E. Weiss:

Good evening Gus and welcome to our committee meeting tonight. We appreciate you taking the time to join us. We have a great relationship working with you and it's always good to begin exploring new ideas and some creative things. So we thank you for your past help, and we're thanking you in advance to working with us on potentially this new project. It is exciting. It sounds like, and I guess I wanted to just make sure, I had some more detailed questions, not best for tonight, but owner occupied versus renting, management agreements, partner, the structuring of the developer. I'm assuming you'll partner with some developer to actually do the construction.

Also I assume there'll be a component that assists in the financing. So there's lots of details that we all know for those of us in this business, there are lots of details that need to work out, but it sounds if I heard you correctly that the request coming from the land bank, for the moment, is just a reservation of the three clusters for a period of time, while you work out the details of the specifics, and that you'll continue to work with staff to work through those. They could be different for each one or they may be similar. Am I describing your request at this point correctly, reservation of those lots?

Gus Frangos:

Yes Mayor. At the moment it's a reservation we have, played around with some designs. So all of that is happening, but the numbers have to come in right. But as I said, we're leaning towards the owner-occupancy model because the land bank is putting in a healthy amount of money. We've committed at least a hundred thousand dollars for each unit. If somebody needs to go to a bank and finance, the equity is going to be there. We want to make sure that this is successful and we're hoping by doing that, by putting that money in it will be successful. The owner-occupancy model will prevail. And we won't have to worry about how do we get these financed and how do we get them into the hands of owner-occupants?

My hope is looking more broadly, if we do this and we're successful, we would like to do it again. And we'd like to convince other communities to embrace this because we feel it's needed. It's a gap for these folks with disabilities.

Mayor David E. Weiss:

We agree. I'll be curious to see a little bit more of the detail about how we ensure, let's say it's a spec home for instance, with a developer building. I like to make sure we understand the mechanisms legal and otherwise for making sure that it can only be used for persons with disabilities, and down the road, is that some sort of deed or other kind of restriction that would go on for some period of time or in perpetuity? So there's some details, but I'm assuming we'll have plenty of time to work through a lot of those, at the moment we're kind of taking the first step with just making sure you

have a couple of sites that if we can get all the details worked out, that those would be available for you.

Gus Frangos:

That would be our request. That would be our hope.

Tres Roeder, Chair:

Thank you Mayor Weiss, Dr. Whyte.

Dr. Whyte, Committee Member:

Thank you Mr. Frangos for the work that you're doing on behalf of the land bank, it's sincerely appreciated. My question is whether the community will be able to be involved in any conversation along the way. As we think about how our Moreland network has become more active over the years, we're always interested in participating in any development in the area. So would that be a possibility over time or is that anticipated over the next couple of years or so?

Gus Frangos:

We would actually welcome that at the front end, because the sooner residents, the sooner everybody gets accustomed to this and potential new homeowners meet their neighbors and just become integrated like anybody else that would be ideal. We would again look to collaborate with the city on that and it's community groups and its outreach to do that, because right now we know that that's an important thing, but we don't know who to contact or where to go, or what are the non-profits in the area that would most facilitate that. But I would like to see that to begin even now.

Tres Roeder, Chair:

Dr. White, did you have further thoughts?

Dr. Whyte, Committee Member:

There are plenty of opportunities for communication with the Moreland communities.

Tres Roeder, Chair:

Do we have a motion for approval? Moved by Mr. Strang and seconded by Dr. Whyte. Those in favor, aye, or show your hand.

Carter Strang, Cmte. Member:

Let me say, that's with the additional language, of course.

Tres Roeder, Chair:

Yes, thank you, Mr. Strang, with the additional language pointed out by Mr. Strang earlier in this conversation. So what you're voting on is as written with that adjustment. Those in favor, aye. Those opposed? Any abstentions? The motion carries. Mr. Frangos we have two more agenda items, you're welcome to join us. This is a public meeting, or if there's other things you planned on doing with your evening, you're welcome to drop off as well.

Gus Frangos:

I'll sign off and again say thank you. This was very providential when we started this off and then Kamla and the Mayor showed us this area and we had three contiguous lots and three sets like that. And I just viewed that as a very providential sign. I can't tell you how much I appreciate working with the city of Shaker.

Tres Roeder, Chair:

Thank you. Director Lewis I know you're on your cell phone and you may be signing off as well. I wanted to share with the committee, the news of the last week or two, the folks in the city administration and council are aware that Director Lewis has announced that she will be stepping down from her position and leaving the employment of the city. I wanted to make sure that the Committee was aware of this as well, and Director Lewis I wanted to thank you for the work that you've done over the years on behalf of the residents of Shaker Heights, you have been with our city for a very long time. You've worked on many important projects for the city, and we are thankful for that, and we wish you all the best on whatever your future journey is.

Kamla Lewis, Director:

Thank you very much. It's been my honor and privilege to work alongside this Committee through the years and the Council. Thank you.

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Clean and Safe Program in the Van Aken District – Authorization to enter into a contract with RMS Investments, or its affiliate

Tres Roeder, Chair:

The next item on our agenda is the Clean and Safe Program at the Van Aken development. You had a memo on this that explained the program, some staffing challenges, and hopefully a solution to the staffing challenges and a funding recommendation for the future, Director Englehart.

Laura Englehart, Director:

Thank you, Councilman. As Councilman Roeder said, the request before you is to recommend to council that we authorize a new contract to continue the clean and safe program in the Van Aken District. For the past three years, this program has been very successful, providing clean and safe services in the Van Aken District such as trash removal, power washing, weeding, safety escorts, particularly for employees as they leave late in the evening, and a number of the students that work at Mitchell's late into the evening are often walked back to their cars when their shifts end. These services have been very well received, very much needed and it's not just within the newly constructed phase one of the Van Aken District, the city is trying very hard to make sure that the atmosphere that has been created in the Van Aken District extends beyond that new construction and we're creating a greater district and this clean and safe contract allows for that to happen.

There is a map that is included with the memo that shows you essentially the route that an ambassador who was hired under the contract follows, to make sure that that entire district is clean and safe. We're hoping to continue in the fourth year at a cost to the city, not to exceed \$32,941.48.

That is a very specific number because it represents 28% of the total contract costs. RMS, the owners of the Van Aken District, hold the contract with the Downtown Cleveland Alliance, and the Downtown Cleveland Alliance provides the staff and the training of the staff and the supplies. The ambassadors that are hired are trained by the Downtown Cleveland Alliance and there's a great partnership between RMS and the Downtown Cleveland Alliance. The city then contracts with RMS to provide a portion of that cost based on the amount of land that the city owns throughout that greater district.

There are other property owners that may also contribute to that cost based on their number of employees and their land area. That's how the program was set up four years ago and is proposed to continue. I will note, as Councilman Roeder indicated from the memo, there have been some staffing challenges over the past few months and year approximately. It's no surprise to anyone here that the labor market has changed significantly due to the pandemic and other economic reasons. There have been some challenges in getting some shifts filled for example, but we've worked closely with Downtown Cleveland Alliance and RMS to try to remedy some of those staffing shortages. DCA actually increased wages and added bonuses and did some significant improvements to try to attract employees. Also just a couple of weeks ago, July 26th, there was a job fair and on-site interviews in the Van Aken District to try to attract new employees to the program as well.

I believe that at least two potential new employees were found from that particular event, and there's a new pipeline of applicants. Both RMS and I are feeling confident that the efforts to date will help alleviate some of those staffing shortages. We are recommending continuing the program. The program operates 7:00 AM to midnight, seven days a week. We are proposing changing that to have a peak and non-peak seasonal staffing approach so in the winter months the hours would be shortened slightly in the early morning and the late evenings, but otherwise maintaining the same schedule and the same route with the map that's provided. As you see in the memo, the Economic Development department is requesting a recommendation from this committee to Council to authorize entering into the contract with RMS for cost not to exceed \$32,941.48, which represents 20% of the total contract costs.

Tres Roeder, Chair:

Thank you Director Englehart. One question of clarification before we open up to the committee. The memo mentions the current funding model is a split between RMS, the City and Tower East. And future funding model will be a split between RMS, the City and a group of tenants as to be arranged through RMS. So my question of clarification is, is that the same funding model set differently, or is there a slight adjustment occurring?

Laura Englehart, Director:

It is generally the same model. Tower East has participated over the last three years and we believe is committed to do so again, but they are also considering as the City is currently considering, the request in front of it. In the past University Hospitals had also participated, they are still considering it as well. It's framed differently right now as property owners in the district, because we are all currently considering paying in, RMS is committed to paying the full amount if any of those property owners may choose not to participate going forward. We're confident the total costs will be covered. The City is committing to its 28%, and we're confident that it will go forward.

Tres Roeder, Chair:

Thank you. And one further clarification, you mentioned University Hospitals may or may not participate. The second document was a PDF that showed the yellow line of the boundaries. Is that the line or where the line is drawn around University Hospitals, offices, and Tower East as well, be adjusted based on the funding?

Laura Englehart, Director:

Good question. That is possible. We believe the line will likely stay the same with participation from Tower East. If University Hospitals chooses to participate we will certainly amend the mat to include more of their property if they are participating.

Tres Roeder, Chair:

Very good. Thank you. Questions or comments? Mr. Strang.

Carter Strang, Cmte. Member:

As every time we discussed this I've been a big fan. I saw it work downtown where my offices were and was just delighted when we began doing this at Van Aken I think proven itself to be very worthwhile for everybody involved. Every time we discussed it I've also had to indicate at the disclosure, and that is my daughter-in-law is General Counsel with RMS Investment Group. Having said that again, I'm a big fan of it. I did have one question and it's somewhat of a detail. It may be not critical, but I was curious, when we talk about the non-peak seasonal staffing, we have a clue as to what we're talking about in terms of actual numbers and what that change would be?

Laura Englehart, Director:

Yes. November through March is proposed to be shorter hours in the morning. There would be coverage beginning at 9:00 AM and ending at 5:00 PM for those months.

Carter Strang, Cmte. Member:

And the number of people would change too?

Laura Englehart, Director:

Yes. In the peak months, there are multiple shifts over 7:00 AM to midnight. The number of shifts then would change with a shortened hours.

Carter Strang, Cmte. Member:

How many employees work per shift?

Laura Englehart, Director:

One currently with overlap, there would be one shift in the non-peak season.

Eric Bevilacqua, Cmte. Member:

Following up on that I just had a question. Is the decrease or the move to those shifts, peak, non-peak seasons, is that related to attendance records that RMS is keeping at the property? Meaning that those times, especially in the winter of not doing nighttime shifts, is that directly related to the fact

that there are just substantially less people? Or is it more of a cost cutting measure? What's primarily driving or is it both? What's driving that decision? Especially just no staffing at night in the winter.

Laura Englehart, Director:

Thank you for that question. So a little bit of both, but primarily the needs of the area. There is reduced traffic in the winter months, essentially when it's dark outside. So that is absolutely a driver, cost was a secondary factor. As you can see from the memo, our costs are going down very slightly, by just about a thousand dollars from our last year. The combined increase of employee wages was a considered factor in determining the total cost, the program would have gone up significantly if we did not change to a peak, non-peak schedule. So yes, cost was considered as we evaluated the possibilities, but the main driver was the amount of traffic and the need for those clean and safe services that are provided. I did directly ask RMS as we were evaluating and having these discussions what happens if they have an additional event or something in the evening that is scheduled in the district. RMS will have its own staff or hire out separately apart from this program if they are doing special events that RMS is hosting.

Eric Bevilacqua, Cmte. Member:

I had one more. I think in the past when we discussed extending the contract, correct me if I'm wrong, I thought statistics were shared showing how much work they were doing and by type of work. Was that when we were looking at renewing the contract, when that was shared? But I thought it amplified the effectiveness of this program.

Laura Englehart, Director:

Yes. Thank you. We had provided that in the past. I don't have that to share right now. We are waiting for the Downtown Cleveland Alliance to provide some of that. They have regularly provided by their contract monthly reports to RMS, but I have not seen it aggregated yet. It's not ready, I will make that request.

Carter Strang, Cmte. Member:

I have one other question, for special events are they allowed to, and do they use off duty Shaker police?

Laura Englehart, Director:

That's a good question, I do not know the answer to off the top of my head. I will look into that.

Mayor David E. Weiss:

I believe they have other security services, but I don't know whether they're Shaker. I mean, maybe a security service separate.

Tres Roeder:

Let me jump in here, I think we might have the answer, CAO Chaikin. Do you know the answer?

Jeri Chaikin, CAO:

I can let you know that we do have a special events permit process. When the Van Aken District has special events it's routed through many departments and the police will identify if they believe there

should be off duty police officers hired by them, or if we happen to have people available on the shift and officers would be able to come by. So there is a police review of all their events.

Carter Strang, Cmte. Member:

Slightly off topic, but I do appreciate it. I was at the craft brew event which was very well attended. I saw some police driving through but I raised the question in my mind. So thank you.

Tres Roeder, Chair:

Mr. Strang, you mentioned that your daughter-in-law works there, for RMS, I believe. Right? I appreciate you recognizing it. I don't know if your intent was you were recusing yourself from the vote? I don't know if that's required.

Carter Strang, Cmte. Member:

I want to let everybody know this is full disclosure, really wouldn't have an impact, but I brought it up every time and haven't had to recuse myself, no one has felt that that was necessary. If someone does I'm willing to do it, but we haven't handled it that way in the past.

Tres Roeder, Chair:

Okay, all right. Do we have a motion for approval? I move approval, Nancy Moore. Okay. Moved by Council Member Moore. Is there a second? Seconded by Council Member Anne Williams. All those in favor, say or indicate aye. Those opposed? Abstentions? The motion carries. Thank you Director Englehart.

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Lee Road Action Plan, Design Services Contract & Appropriation

Tres Roeder, Chair:

Our final item on the agenda tonight is the Lee Road action plan. This was bid out for design services contract. Our directors have gone through a process as well as some other folks to select a potential vendor, they have a recommendation for the committee tonight, Director Braverman.

Joyce Braverman, Director:

Thank you. We had been before this committee in the last few months to update you on the labor action plan, now we're here for a recommendation to move forward with a design services contract for the action client, and to request an appropriation of \$100,000 to fund the plan. The plan, as you recall, has four major components. One is urban design, the other is economic development facility strategies, the third is a transportation plan, including access management, bike and pedestrian infrastructure, and finally a robust community engagement and stakeholder engagement process. We issued an RFP June 1st, and distributed it directly to about 90 individual firms, as well as posting it on websites, including the City, the GCP Inclusion Marketplace, the American Planning Association, and the American Society of Landscape Architects. July 7th proposals were due and we received six proposals, those are listed in your memo.

The prices range from \$95,120 - \$100,000, three out of the six were at \$100,000 even. We did have a multi-departmental selection committee as this plan will include a lot of different departments. Included myself and Director Englehart, Director Colleen Jackson, Kara O'Donnell from Planning, Collin Compton and Katherine Starinsky from Economic Development and Nick Fedor from our Shaker Heights Development Corporation. We did select four teams to interview, that included Stantec, WSP, FASS/RDL and Yard and Company. We interviewed on July 15th and 16th. Based on the interviews, the written proposals, we had follow-up questions and answers, and we did extensive reference checks. It was determined that WSP team was the best method needs of the plan. Their team would be doing the economic development piece.

WSP would be doing the urban design, transportation and community engagement. And finally, Peter Lawson Jones is on their team to enhance the engagement work. WSP has worked on several corridor plans that are similar, one in north Kansas City, and one in Lexington, Kentucky. They recently complete the Van Aken District public realm plan, which is the station area plan around the RTA. A Warrensville Van Aken transit stop. Ice Miller has completed similar economic development strategies in both Gahanna and Whitehall, Ohio which are both first ring suburbs of Columbus among others. Together this team did recently complete the Canton neighborhood plan. Nancy Lyon Stamper, who would be the project manager for the Lee Road plan, was also the project manager for the Canton plan. Based on the interviews and experience and the approach to the project, our team does recommend awarding design service contract to WSP for the action plan. Not to exceed amount of \$100,000. We are requesting to recommend to hire this team as well as appropriate \$100,000 from general capital to fund this important project.

Tres Roeder, Chair:

Thank you Director Braverman. Questions, comments?

Carter Strang, Cmte. Member:

I have a question in regard to my good friend Peter Lawson Jones's role. You said enhanced. What was the term?

Joyce Braverman, Director:

Enhanced community engagement. So community engagement will be done by a team from the WSP office, actually out of their Detroit office. A woman who has worked for the city of Detroit on their community engagement process. Peter will be brought in for stakeholder engagement, also working with council members in Cleveland and administration in Cleveland. So we're going to carefully craft how Peter can be most useful to this project.

Dr. Whyte, Committee Member:

I'm very pleased that this is moving forward because as Lee Road is a part of our Moreland community and we've had many conversations about traffic. This to me and other people in the community know the connection between Lee Road and our side streets important for us to keep in mind. I was very pleased to see Peter Lawson Jones as part of the team that will be a part of this contract. So I'm excited about it. Thank you.

Tres Roeder, Chair:

Thank you, Dr. Whyte. Thank you for pointing out the excitement that we all have over this particular piece of work and how the timing is good, and that we are undertaking Forward Together as well. We've had this committee, and outside of this committee, there have been a variety of discussions that are ongoing and how to coordinate this piece of work with the Forward Together piece of work to create a holistic plan for the city that also is a plan that makes sense for the Chagrin Lee area. Other questions or comments? Council member Anne Williams.

Anne Williams, Council Member:

Thank you. Yes I'm excited about this as well. I think this sounds great. Following up on Councilman Roeder's comment and expanding on that a little. Could you put this piece in context with the actual work that is going to be done, in terms of timing and how this fits in with the actual project, and with that how it ties into Forward Together if you can speak to that as well, that'd be great.

Joyce Braverman, Director:

We'll be contracting and going to Council this month to award the contract and contracting and kicking off in September. Forward Together's first public kickoff will be the first two weeks in October. We are going to kick this plan publicly off in November so that we don't confuse people too much. This plan will take about a year, we're thinking October to October. Forward Together should conclude before that. We will be coordinating the work along the way. The work that does need to be coordinated has to do mostly with the school facilities along Lee and what those possibilities are. The Lee Road plan will mostly look at the possibilities for those sites, both in terms of reuse, redevelopment, connection to the neighborhood, and Forward Together will look at the facilities from an operational issue and from a need issue. What will not happen is a feasibility study about where or how to move facilities off of Lee Road, that would have to be undertaken as a separate study because that is a very detailed study and complex. It has to do with travel times, school schedules and those types of things that cannot be handled in the Lee Road plan. But the Lee Road plan will envision how some of those properties can be reused.

Anne Williams, Council Member:

And following up on that, then how does this plan lead us forward in the actual work that we want to see done on Lee Road? I know there's been application for grants, that's tied into this as well. If you could just speak to that, how that all works together, that would be helpful.

Joyce Braverman, Director:

We had done a study in 2012 that included a traffic study that recommended a road diet on all of Lee Road from border to border which we are going to look at implementing. This study is really focusing on Van Aken south to the southern city border. This will be more of a playbook, a practical type of plan that's going to show where is the bike lane going? Is it in the street? Is it off the street? Do we need to move curbs? How do we combine curb cuts, where are the most likely places to combine curb cuts? And then what are the vision for the redevelopment in terms of economic development? What are opportunities for different types of businesses, different type of incentives? That will help inform what the urban designers will design, to show what kind of buildings, what placement that could support the economic development that we envision.

The point of this plan is to support our current applications that we have in for funding as well as future. Our current applications are mostly into NOACA through two different programs for about \$14 million for implementation. Those applications were due, we got those in and even though we don't know exactly what we're going to do, then we're hoping next year to make application to the State of Ohio for their capital budget to further enhance, we also have a RAISE grant. That's a federal grant that's under review right now that we're pushing hard for. This plan is really to help define what exactly we're going to do, even though we've already applied for a lot of money.

Anne Williams, Council Member:

Thank you, that, that is very helpful in thinking about the timing and how this fits together. I appreciate that.

Tres Roeder, Chair:

Other questions or comments? Do we have a motion to accept the recommendation and recommended to council? Moved by Dr. Whyte, and second? Second by Anne Williams. Move by Dr. Whyte, seconded by Council Member Anne Williams. All those in favor. Those opposed? Abstentions? Motion carries.

Thank you Director Braverman. Thank all of you for the extra 10 or 12 minutes tonight. We had a lot to cover. Appreciate your extra time and we'll see you next time.

Carter Strang, Cmte. Member:

I came in after the minutes and just a little housekeeping. There were two indications of speaker unknown. Just for the record on page five and eight, and those were me.

Tres Roeder, Chair:

I thought those might've been you Mr. Strang but I wasn't a hundred percent sure, thank you. Thank you for stepping forward and your comments. Unidentified speakers is now Mr. Strang in the minutes.

Dr. Whyte, Committee Member

I don't know if Director Lewis is still here, but I would like to share my appreciation and appreciation for the Moreland community for all of the work that she's done with us for the last several years. I didn't want to lose this opportunity to share my sentiment for her best wishes and appreciation to Director Lewis. Thank you.

Carter Strang, Cmte. Member:

I would join in that I'm very saddened that this is the first I've heard it. But an invaluable part of this committee's work and the city's work. She'll be missed.

Tres Roeder, Chair:

Thank you. Director Lewis are you still with us?

Kamla Lewis, Director:

I am still, no power. Thank you all very much and I'll still see everybody around the neighborhood.

Tres Roeder, Chair:

Very good. Thank you everyone. Stay safe tonight, we'll see you in a month. Good night.

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There being no further business, the meeting was adjourned at 7:13 p.m. The next meeting will be October 13, 2021.

Council Member Tres Roeder, Chair
Neighborhood Revitalization & Development Committee

DRAFT



SHAKER HEIGHTS

Memorandum

To: Members of the Neighborhood Revitalization and Development Committee
cc: Mayor David E. Weiss
Chief Administrative Officer Jeri E. Chaikin
Economic Development Director Laura E. Englehart
From: Colin Compton, Neighborhood and Housing Specialist, Economic Development
Date: October 13, 2021
Re: 2021 Neighborhood Engagement Planning Process Update

This memo provides: (1) background on Community Network Building work in Moreland; and (2) an overview and update on our 2021 planning process, including next steps.

I. Community Network Building in Moreland

Background

The City began Community Network Building work in the Moreland neighborhood in 2015 as part of the Moreland Rising initiative. Since then, the Moreland network has continued to grow in size and complexity year-over-year. This success has led to more engaged neighbors connected to one another in positive ways, in new and innovative approaches to coalescing neighborhood energy around collective projects, and more.

Community Network Building is a bottom-up community organizing approach that “connects people to each other and to opportunities...in a way that feels, safe, fun, and productive.” This includes continuous work to:

- Meet and get to know residents to learn their interests, skills, and concerns
- Build relationships with and among those residents
- Connect residents to each other and to support for their ideas
- Build and tap into leadership capacity among residents

Progress Indicators

Since the Economic Development Department began to manage Community Network Building in 2017, a number of indicators show progress and success, including:

- The Moreland network has grown in size. From a contact list of 79 Moreland residents in 2017, we ended 2020 with over 218 Moreland network members (an increase of 276%).
- The network has grown in complexity, from a small group of residents focused primarily on continuing one event (Neighbor Night) to a robust group of leaders at deeper levels of involvement in Moreland and beyond. Today, neighborhood leaders identified through Community Network Building in Moreland are serving on City Committees, Advisory Committees, and working groups and are leading projects to better their neighborhood.
- Moreland residents’ perception of their neighborhood has changed. By forging new relationships with neighbors, residents have stated that they feel safer walking their streets, are more connected to proactive efforts to improve the community, have greater pride in being from Moreland, and more.

- Outsiders' perceptions of Moreland are changing as a result of the vibrancy and storytelling unleashed by this work and experienced through community events and written features in Shaker Life, City and institutional newsletters, and more.
- The neighborhood is more resilient, most strongly evidenced by the network's reaction to the COVID-19 pandemic when Moreland residents stayed connected using the arts, political efforts, group discussions, skill sharing, holiday celebrations, and more. In 2020, there were approximately 192 individual Moreland network gatherings (an average of over 3 gatherings per week).

A comprehensive overview of all that happened in the Moreland network in 2020 can be viewed [here](#). The level of neighborhood activity reported in 2020 has not slowed in 2021 and will be reported at year-end.

II. Planning for the Future of Community Network Building

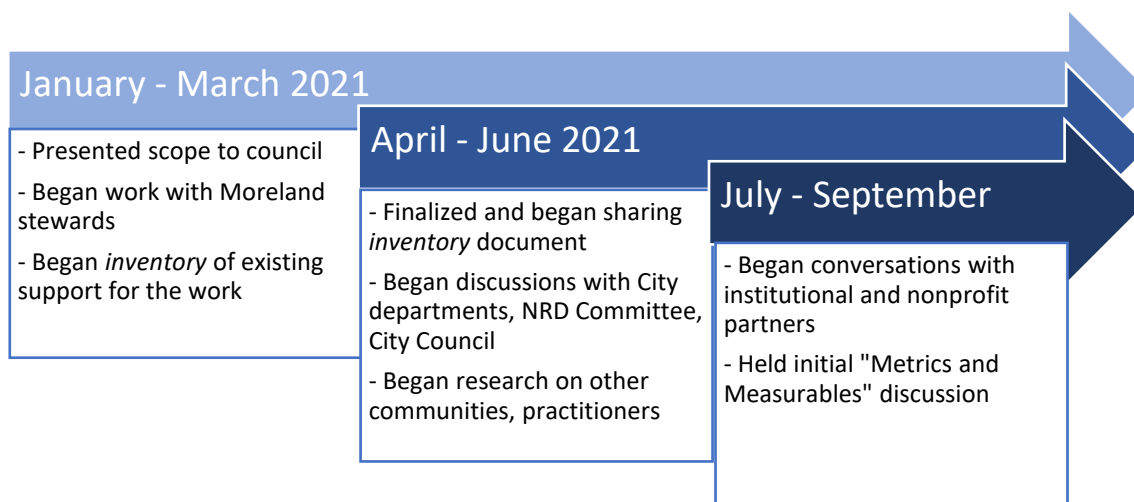
Thus far, the City's approach to Community Network Building has been done in a year-by-year fashion with no long-term plan for support and sustainability. As the Moreland network has grown, support of Community Network Building has remained largely the same. This support comes from many sources and takes different forms, including financial, staffing, space, and storytelling support. These issues have presented ongoing obstacles to success for the City; for our consultant partners, Kay Coaching; and for the Moreland network stewards.

To move beyond a year-to-year approach and address the supports needed to sustain the work longer term, we are spending this year both maintaining network energy and working on a longer-term plan for the work, including:

1. Reflecting on and documenting successes achieved in Shaker via Community Network Building.
2. Assessing the types of support needed to sustain and grow the work in Moreland. Since this work is relationship-based and ongoing, stability is essential. Obstacles such as staff or consultant turnover or insufficient funding could prove catastrophic to the investment and progress made thus far.
3. Assessing how and when neighborhood engagement beyond Moreland might occur. This work is not one-size-fits-all. Using the same approach, it will not automatically produce the same results we're seeing in Moreland elsewhere in the City. Therefore, the City must be intentional and thoughtful about how and when to invest additional resources on this work in other areas of the City.

How we're approaching this process

We started the process in January with Moreland network stewards and have since then expanded the discussions into additional spaces that include City staff, City officials, members of the Neighborhood Revitalization and Development Committee, and institutional partners such as the Schools, Library and other community organizations. This has resulted in a series of parallel, ongoing discussion spaces.



Actions Taken To Date (January-September 2021)

- Existing Infrastructure Analysis: City staff created a document to detail the types and levels of support provided and required to get the Moreland network to where we are today. Four broad types of support were identified: financial, staffing, space and storytelling.
- Moreland leadership sessions: City staff and Kay Coaching led (and continue to lead) monthly sessions to discuss maintaining and growing network momentum through 2021 as well as planning for the network's future. Topics have included neighborhood outreach efforts, visioning for the future of the network, efforts to break down divides between Mercer School and the Moreland neighborhood, and much more.
- Steward-City discussion spaces: We created a new, open, informal meeting format to discuss elements of the work with both Moreland residents and City officials.
 - o *Purpose* conversations: held in May and June to discuss *why* we're doing this work.
 - o *Metrics and Measurables* conversation: held in September to explore the metrics we are already using to assess the work and what additional metrics we might begin tracking to measure progress and success moving forward.
- Exploring Best Practices: City staff has explored and researched best practices from other network-centric practitioners as well as successes and challenges to maintaining similar work in other communities.
- Increasing internal understanding of the work across City departments: We discussed this planning process with management team and individual City departments to begin exploring how Community Network Building has impacted other departments and how/where there might be opportunities to try new processes for new outcomes.
- Exploring existing and future alignment with institutional partners: City staff held preliminary discussions with community engagement staff from the Library and Schools to determine where the three institutions already align with:
 - o How we define "community engagement"
 - o Why and how we **do** community engagement (practices, philosophy, approach)
 - o How we measure progress and show impact

What we are reflecting on

- We are staffing and practicing two types of neighborhood engagement in Shaker concurrently:
 - o "Community engagement" is done City-wide, including at partner institutions, but lacks a common definition, collective purpose, and measures of progress. It has its own investment and outcomes.
 - o "Community Network Building" is done in Moreland only. It has a common definition and a foundation of metrics to build upon. It is a higher investment, but has more outcomes.
- Community Network Building is Diversity, Equity, and Inclusion work in daily practice
 - o Community Network Building approaches inherently lower barriers to participation, level power dynamics, uplift resident voice, and bring in those most at the fringes.
- Community Network Building creates a new structure for informal, collaborative working relationships between City staff and residents around common goals, assets, and challenges.

What's Next

- *Metrics and Measurables* repeat conversation
- Recommendations and structural options for continuation of the work beyond 2021
- Year-end report detailing network activity and progress in 2021



Memorandum

To: Members of the Neighborhood Revitalization and Development Committee

From: Laura Englehart, Director of Economic Development

Cc: Mayor David E. Weiss, Mayor
Jeri Chaikin, Chief Administrative Officer
William M. Ondrey Gruber, Director of Law

Date: October 8, 2021

Re: Recommendation and request to enter into a lease with RMS Investment Group (or its designee) for the City-owned parking lot located at Farnsleigh Road and Van Aken Blvd. and the development parcel at the northwest corner of Warrensville Center Road and Chagrin Blvd.

Background

As you know, the City recently approved a proposal by RMS Investment Group (“RMS”) to construct a 228-unit apartment building on the City-owned parking lot located at Farnsleigh Road and Van Aken Blvd. (the “Farnsleigh Lot”) as the next phase of Van Aken District development (the “Farnsleigh Apartments”). As a subsequent phase of development, RMS intends to further construct a mixed-use phase consisting of office space, street-level retail and a parking structure on the City-owned site at the northwest corner of Warrensville Center Road and Chagrin Blvd. (the “100% Office Corner”). RMS currently holds exclusive options to purchase each of the Farnsleigh Lot and the 100% Corner under a Development and Use Agreement with the City.

As RMS finalizes design work for the Farnsleigh Apartments, they are also focused on obtaining financing for this second phase of development. As a component of that financing, RMS intends to apply to the State of Ohio for its Transformational Mixed-Use Development (TMUD) Program. To be eligible for the TMUD Program, an applicant must either own or have a leasehold interest in all of the parcels of land within the development project. Holding an exclusive option to purchase the land does not directly satisfy this eligibility requirement, and the Ohio Department of Development has not stated that such an option is sufficient.

To ensure eligibility, RMS has requested that the City enter into a lease agreement with RMS (or its designee) for both the Farnsleigh Lot and the 100% Office Corner. This is at no cost to the City and there are no City-provided benefits or tax incentives under the State of Ohio’s TMUD program. Accordingly, the Economic Development Department requests a recommendation to City Council from this committee to enter into a lease agreement with RMS (or its designee) for each of the Farnsleigh Lot and the 100% Office Corner, as set forth below.

The State of Ohio TMUD Program

The State of Ohio’s Transformational Mixed-Use Development (TMUD) Program provides a tax credit to a property owner or investor against costs incurred during the construction of a “Development” project that catalyzes future development in its area. A “Development” can be new construction or improvement of vacant buildings that will have a major economic impact on the site and surrounding area. A Development must be mixed-use (a combination of retail, office, residential, recreation,

structured parking, or other similar uses), and the TMUD Program may be used for a project phase or contiguous phases within the larger Development.

Here, the entire Van Aken District “Development” consists of four (4) phases: the completed Phase 1 mixed-use project, the Farnsleigh Apartment project, the Office Corner project, and the Shaker Plaza redevelopment project. RMS intends to apply to use the TMUD Program for the Farnsleigh Apartment project phase of the larger development.

The TMUD Program has different guidelines for two separate funding groups – one for “Major City Projects” and one general. A Major City Project is located either within or within ten (10) miles of the corporation limits of Columbus, Cleveland, Cincinnati, Toledo, Akron and Dayton. The Van Aken District Development would be considered a Major City Project. For Major City Projects, minimum criteria include (1) at least one new or vacant building 15 or more stories in height or at least 350,000 SF; OR (2) employment of at least \$4 million in annual payroll; OR (3) two or more connected buildings. Detailed program guidelines from the Ohio Department of Development can be found here: https://development.ohio.gov/bs/bs_tmud.htm.

The State of Ohio has made \$100 million in estimated tax credits available each year statewide for fiscal years 2022-2025 (no more than \$80 million can be approved for Major City Projects and no more than \$40 million can be approved for any single Development). Generally, if awarded, a property owner’s tax credit is 10% of the estimated development costs for the project or an insurance company’s tax credit is 10% of its capital contribution to the project. The tax credit is taken against Ohio insurance premium taxes and is ultimately claimed by an insurance company. It is monetized by the developer through sale to an insurance company investor and used to pay for direct project costs as part of the capital stack.

For Fiscal Year 2022, TMUD applications are due by Friday, October 29, 2021 at 5:00p.m.

Lease Structure

The proposed lease from the City to RMS for the Farnsleigh Lot and the 100% Office Corner would be subject to the existing Development and Use Agreement and structured so that all current maintenance and other obligations remain as is. That means the City would continue to maintain the Farnsleigh Lot (until it is no longer owned by the City) and RMS would remain responsible for maintenance of the 100% Corner as set forth in the Public Improvements Maintenance Agreement already in place. The lease would include a lump sum rent payment of \$100 and would terminate upon the transfer each property to RMS or expiration of the existing exclusive options, whichever comes first.

This structure is consistent with the purchase options already in place for both parcels, and it does not add any new risk or additional obligation for the City. Further, there is precedent for this type of lease structure, as the City previously entered into a lease with RMS for the “Living Room” park in the first phase of Van Aken District development due a state grant requirement for the City to own the land and lease it to the developer.

Conclusion

RMS has requested that the City enter into a lease with RMS (or its designee) for each of the Farnsleigh Lot and the 100% Office Corner to accommodate the requirements of the TMUD Program application. This is at no cost to the City and there are no City-provided benefits or tax incentives under the State of Ohio’s TMUD program. Accordingly, the Economic Development Department requests a recommendation to City Council from this committee to enter into a lease agreement with RMS (or its designee) for both the Farnsleigh Lot and the 100% Office Corner.