



# SHAKER HEIGHTS

Neighborhood Revitalization & Development Committee Minutes  
Via Zoom Due to COVID-19 – Public Health Emergency  
6:00 P.M.  
Wednesday, October 13, 2021

Members Present: Tres Roeder, Chair, Council Member  
Anne Williams, Council Member  
Nancy R. Moore, Council Member  
Rob Zimmerman, Council Member  
Carter Strang, Committee Member  
Benjamin Woodcock, Committee Member  
Laura Englehart, Director of Economic Development  
Kyle Krewson, Director of Building & Housing  
Colin Compton, Neighborhood & Housing Specialist

Others Present: Mayor David E. Weiss  
Carmella Williams, Council Member  
Jeri Chaikin, Chief Administrative Officer  
William Gruber, Director of Law

The meeting was called to order by Chair Tres Roeder at 6:01 p.m.

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## Approval of the August 11, 2021 Meeting Minutes

Tres Roeder, Chair:

This is the Wednesday, October 13th, Neighborhood Revitalization and Development meeting held via zoom due to the COVID pandemic.

We have three items tonight, the minutes from our last meeting and then an item that will be presented by Mr. Compton on neighborhood engagement and update on what we've talked about as a committee, and then a new item from Director Englehart having to do with some financial arrangements around RMS and the Farnsleigh Road parking lot.

We will start with the minutes. Are there any revisions to the August 11th meeting minutes?

Nancy Moore, Council Member:

I would like to say that whoever transcribed those minutes must still be writing now from August, 20 pages. It was a fantastic record. I would move approval if there are no corrections or edits.

Tres Roeder, Chair:

Approval moved by Council Member Moore. Is there a second? Seconded by Mr. Strang. All those in favor. Aye, those opposed? Abstentions? Motion carries. Thank you.

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### Neighborhood Engagement Planning Process Update

Tres Roeder, Chair:

Next item on the agenda is a 2021 neighborhood engagement planning process update. This is something that Mr. Compton and his team have been working on for some time with new positive developments, Mr. Compton.

Colin Compton, Neighborhood & Housing Specialist:

Thank you very much and good evening everyone. I'm here tonight to give everyone an update on the neighborhood engagement planning process that we are undertaking this year. There's no action. There's no vote tonight. This presentation is simply in preparation for year-end reporting, both on network activity this year and on recommendations stemming from this long-term planning process for moving the work forward beyond this year. Before we get to those recommendations in more specificity later this year, however, it's really important to me that everyone understands the process that we took this year, what occurred, who participated, et cetera. This is all outlined in the memo that I sent you, I'm not going to go through that line by line, but I'll simply touch on a few points that I think are especially interesting or relevant right now. You'll remember that at the beginning of this year in January, I presented to you all a scope of work for 2021 that included both maintaining network activity through this year, and then also planning for its future beyond this year. As my memo says, the work was begun in 2015, but throughout the years has lacked a long-term plan for support and for sustainability.

This has presented obstacles and structural insufficiencies that I feel we can no longer ignore if we want the work to continue. To solve these, I believe that all the parties involved in this work, and that includes residents, city staff and officials, our consultants and our institutional partners, need to be able to weigh in on how this work can be structured and supported over the long-term. I think that each of these groups comes at the work from a different lens, with a different understanding, experience, and expectations relative to the work. I believe if the work has to survive long-term, incorporating the viewpoints and the expectations of all these groups is absolutely essential. Therefore, in developing a planning process to coalesce all these various perspectives around a long-term plan for this work, we needed a planning structure that involves as many people from all these varying perspectives as possible.

How has this actually rolled out? This has not been a traditional strategic planning process and that was very intentional. We knew going into this plan that we needed a much more flexible planning process in order to actually be successful with this task. So if you think about a traditional strategic planning process, it often outlines right at the beginning the entire process, all the stages, all the deadlines, all the conversations. And we knew going into this that that traditional structure was too rigid and was too constrained for this type of work. Under an orientation like that we would have had very little flexibility to follow new leads, to pivot based on what we were hearing and learning, et cetera. And in short, we simply didn't want the form of the planning process to predetermine the outcome. So instead of going with the traditional planning structure we

set up a planning process that much better fits our purpose and the type of work that we're planning around. As the illustration in my memo shows this process includes a series of parallel ongoing conversation spaces with a variety of stakeholders.

Some of you may have been in one of these conversations, or you may be in one in the very near future. The process also consists, in addition to all those concurrent parallel conversations spaces, with research and reflection on my part as it relates to not only our work here in Shaker, but successes, challenges, and best practices in other communities as well. To develop this planning process we started with a skeleton framework of the things we knew had to occur such as monthly leaders' sessions. Then throughout the year we charted out in shorter increments of time, just about six weeks at a time, what would be needed right at that point. As we finished a six week period then we moved on to developing the next six week plan. In that next six weeks what are the conversations that are occurring? What are the tasks that have to happen? Etcetera. This different structure for a planning process allowed us much greater flexibility and I'm really happy with how the process has worked out so far. I also gave you a couple reflections in my memo, a snapshot of some of the things that we've been reflecting on that were either brought to light through this process or were reinforced. In my memo they're described in more detail but they include things such as the dichotomy between community network building and community engagement, the relationship of this work to the City's DEI goals overall, and the value of community network building as a structure for proactive, positive, ongoing collaboration between the city and residents. I feel that very few spaces like that exist. Lastly, what are our next steps? Some of you were in the metrics and measureables conversation that we held last month. That was a discussion to talk with residents and city folk about what we're already measuring and reporting on that you've seen in my year-end reports, as well as to start to discuss, as we move forward, what could we, or should we, begin to track as additional metrics to show the outcomes and the return on investment of this work? That conversation was small but very impactful and very helpful. I think metrics that are mutually agreed upon are essential for this work. We are planning to repeat that conversation later this month for anyone who wasn't able to attend the first one. The date we're looking at right now is October 26th at 6:00 PM, I'll send a follow-up invite for you all as well.

In addition to that metrics and measureables conversation, as always, I'll be coming back to you near the end of the year to report on and highlight successes. In my opinion, we're taking leaps and bounds this year and I want to ensure that as our tradition has gone, we show those and report on those in addition to the metrics. Then finally based on this process for this entire year, I'll be coming back with recommendations and some structural frameworks for the work going forward. Stay tuned for that.

This is all I really wanted to cover tonight. I want to level set and ensure that everyone understands the process that we went through. So with that, I'll take any questions.

Tres Roeder, Chair:

Thank you, Mr. Compton. I'd like to point out from a programming standpoint, Mr. Krewson, Council Member Zimmerman was with us on the phone at the beginning of the call, he texted me, I didn't get his text until after we started the meeting. For our records, he was with us from the beginning. And now you can see that he's included here via phone.

Thank you, Mr. Compton. For those of you who are debating whether or not to attend this meeting on the 26th, I strongly encourage you to do so. Having done a similar meeting a few months ago, I found it to be very, very valuable. Questions for Mr. Compton? Council Member Moore.

Nancy Moore, Council Member:

The one comment that struck me in your memo was the community networking model may not be a model that's transferable to other neighborhoods. I thought that was an interesting perception and wondered if you, if I understood you correctly, if you could comment a bit more on that.

Colin Compton, Neighborhood & Housing Specialist:

So this work is going to look different based on where you're doing it, based on the assets that you're working with, based on the challenges that you're trying to address. It's not necessarily that the work is not transferable to another neighborhood, it's that if we were to take the work exactly as it's being done in one neighborhood and copy and paste it into another, we're not necessarily going to see the same outcomes. We're not necessarily going to see the same traction. When we're thinking about expanding this work to other places, we have to take into account the specific conditions that exist in that space or in that place. I do believe that the work is transferable to other places, but that it will look different. Depending on the assets and challenges in that place, maybe a different level of investment and a different level of outcomes.

Nancy Moore, Council Member:

Thank you. Without being too specific, I wondered if you could use the example of the program that was proposed in Onaway for the triangle that is formed by the joining of Warrington Road and Fernway, and then your work in Moreland.

Colin Compton, Neighborhood & Housing Specialist:

What you're referring to we've been calling, you're switching gears on me here, the Warrington - Fernway triangle. It's a triangle of land that has a skating rink. Neighbors came to us before the pandemic with some specific change ideas that were mostly related to trees, planting trees on the site, which is a great project. We had an opportunity here to take some of these practices and some of these approaches that we're using in Moreland, and to be honest, to play around with them in what could have been a very traditional park planning project. To play around with these practices in a different environment, as it relates to it being more project based, and in a different physical environment. Instead of going through a very traditional process where we had people put their dots on the board and say what they wanted, we instead took a process where we started with having, throughout the winter, a series of neighborhood discussions, conversations with residents.

Residents who didn't know each other before, came together and talked about what they like about the site, how it brings their neighborhood together and what alterations would further help bring the neighborhood together. We had those neighborhood conversations. We distilled those themes. We then did a series of on-site activities that also brought the neighbors together on the sites to participate in yoga, led by a resident, and to also talk about the specific ideas that had risen to the top and where they would put those on the site. We're wrapping that up now to head towards construction. It was a fun experiment that was successful, so far, and it's just one way that in addition to doing this planning process related to keeping the work going in Moreland, we were also simultaneously playing around a bit with what does this look like instead of a very traditional planning process for a park.

Nancy Moore, Council Member:

Thank you. And I wanted to bring this up specifically because many of the questions that have been asked have been focused on the issue of, can we take this model, the community networking model and then transfer, that's not the right word obviously, but apply it in a variety of ways to different areas. I thought that was an interesting case in point you had already been working on, and that it had an application that had been successful.

Colin Compton, Neighborhood & Housing Specialist:

And one thing that Director Braverman and the Planning Department mentioned to me after reading my memo, she said is important to her, is talking about community engagement versus network building. Community engagement traditionally has happened around a project. When a project comes up then all this work has to happen to coalesce residents around this project that they may or may not care about in order to move the project forward. Whereas network building maintains that level of energy, not only when city projects arise, there's a ready group of residents that we know that we can say this person's interested in X, this person's interested in Y. Not only can we react better as city projects arise, but the network building model also surfaces neighborhood projects that we can then react to as you know, using the traffic calming efforts as an example, and plan around solutions to that. So she wanted me to mention that tonight as one thing that she felt was important.

Tres Roeder, Chair:

Thank you Council Member Moore for asking that question. I was interested in more detail as well on how the model can be transferred to other areas, or not, whatever the case might be. Other questions or comments from Mr. Compton? All right. Very good. And since he's not looking for a vote tonight, as he mentioned, this is informational, Mr. Compton, thank you as always for the work that you're doing. We look forward to hearing the next report.

Carter Strang, Cmte. Member:

The 10/26 event, what time is that? 6:00 PM. Okay.

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### **RMS Lease of Farnsleigh Lot**

Tres Roeder, Chair:

Mr. Woodcock, you went off mute briefly, did you have a question? No. Okay. All right.

The third and final item on our agenda is related to RMS and a piece of property that the city currently owns. RMS continues to invest in Shaker Heights, building on the Van Aken development. As they put together the finance stack for their next project, there is a new state opportunity for grants. It's very competitive, but it just came up. This discussion that Director Englehart will lead us through is about how RMS can throw their hat in the ring to have the potential to benefit from this new state opportunity, Director Englehart.

Laura Englehart, ED Director:

Thank you Councilman Roeder and good evening everybody. And thank you for teeing that up. I'm here tonight at the request of RMS who, you know, is our development partner in what we refer to as the multi-phase Van Aken project. As you know, the currently constructed Van Aken District was just phase one of a greater vision, and the Farnsleigh apartments that most of you should be familiar with, have gone through the city planning commission and board of zoning appeals. They are still in front of ABR, but have received most approvals to continue and to proceed with a large 15- and 18- story apartment building that we're very excited to see come to fruition. Now that RMS is largely complete with the design phase, they're moving into the financing phase. They're exploring multiple components, as you know in these large complex projects you build a capital stack and fill the gaps and try to find all the sources of capital that you can. RMS is anticipating spending up to approximately a hundred thousand dollars of additional investment in this phase two on the Farnsleigh apartments alone. That is literally doubling down on their investment after spending a hundred million on phase one.

Tres Roeder, Chair:

Director Englehart, you said a hundred thousand, it's a hundred million.

Laura Englehart, ED Director:

Hundred million, thank you, a hundred million. Thank you for that important correction. So the Farnsleigh apartments we are now referring to as the second phase of development, and subsequently two additional phases are currently planned to occur in the future with RMS. As you know, there is a development site at the corner of Warrensville and Chagrin where there's a surface parking lot and a grassy corner. We refer to that as the hundred percent office corner. It is anticipated to become office development with additional first floor mixed use retail in the future. RMS has an exclusive option to purchase that property and an exclusive option to purchase the Farnsleigh lot. Both of those two development parcels are City-owned and RMS has an exclusive option to purchase both. Then the fourth phase of development is Shaker Plaza, planned to be redeveloped in the future as well. That is already owned by RMS.

So as RMS pursues it's financing, as Councilman Roeder indicated there is a new state program. It is called the Transformational Mixed Use Development program, or what we call TMUD for short. That's how I'll refer to it here. That program is a tax credit program for property owners and insurance companies to apply for these transformational projects that have to be large in scope and nature, and there are very specific program requirements that need to be met to be able to be eligible to apply for these tax credits. The Farnsleigh apartment phase of the larger four-phase development does qualify as a project within a larger development that could apply for the program. I did include some details in the memo - and I won't walk through all of them - about the program itself. The important part and why I'm here today is that in order to be eligible to apply for this tax credit program, RMS has to have direct control over all of the components of the larger development projects.

For all four phases, they have to either be the property owner or have a leasehold interest in that parcel specifically to be eligible to apply for the program. Unfortunately, despite the fact that they have control through their exclusive option with the City that we have already granted to them under our development and use agreement with RMS, that is not sufficient to meet the eligibility requirements for TMUD. RMS actually did a great deal of work to try to determine and find out and urge that exclusive options should be sufficient. There's a little bit of uncertainty around that and they want to have complete certainty that they are eligible to apply. So the request before this Committee tonight is to enter into lease agreements between the City and RMS, for both the Farnsleigh Lot and the 100% office corner, so that under the TMUD guidelines they have direct control over all four phases of the project.

That said, we propose structuring a lease with RMS to lease both the Farnsleigh Lot and the hundred percent corner to RMS until the options expire - essentially until the lots would transfer to RMS or the option expires, and they also have a right of first refusal on the properties after their option expires. The City would be able to terminate the leases as soon as any interest that RMS currently has terminates. There's no risk to the City. There's no additional costs to the City. There is no, importantly, no City provided benefit or tax incentive here. The tax incentive that RMS is applying for is a state-provided tax credit. It's a little bit complicated on the back end, but the tax credit is actually taken against Ohio insurance premium taxes and an insurance company ultimately claims it. The developer monetizes it by essentially selling the credit to an equity investor. An insurance company for example, puts equity into the project that goes into the capital stack to help construct the project. And then that equity investor insurance company gets a tax credit on the back end. There's no City-provided benefit or incentive in the TMUD program.

The request before you today is to recommend to Council that they approve the lease for the Farnsleigh Lot and the hundred percent office corner that expires upon the transfer of the property or the expiration of the options, whichever comes first. I'm happy to answer any questions. There are a lot of details about the TMUD program that I will do my best to answer. The important part here is that nothing is really changing in practice. It's a legal mechanism to allow them to be eligible to apply for the program.

Tres Roeder, Chair:

Director Englehart, thank you. Mayor Weiss, CAO Chaikin, Director Gruber, is there anything you would like to add before we open this up to discussion?

Mayor David E. Weiss:

As Director Englehart has mentioned, it does not change the substantive legal relationship, practically speaking, between the City and RMS. It's a technical change, but an important one to make sure that RMS will qualify through their application process for this additional financing, which is again just a piece of the financing components for this project but an important one for them. There's no cost to the City. There's no economics that are being provided from the City. We're simply reformatting their legal form of ownership so that they can make sure they qualify for this program. I'm fully supportive of this suggestion and request.

Tres Roeder, Chair:

Thank you Mayor. I heard CAO Chaikin say you had nothing to add Director Gruber, anything to answer? No. Okay. Director Englehart.

Laura Englehart, ED Director:

One additional component is that also in practice and operationally, nothing is going to change, the maintenance of each of the parcels is going to be exactly as is. The City will continue to maintain the Farnsleigh Lot, snowplowing for example, and the office corner is maintained by RMS under a maintenance agreement, and the lease would be subject to that maintenance agreement as well. There is no additional maintenance by the City. Everything is staying exactly as is.

Tres Roeder, Chair:

Thank you Director. Questions or comments, Mr. Strang.

Carter Strang, Cmte. Member:

It's really not directed to the substance of the presentation, but from time to time, including the last meeting, there were disclosures on my part and always been when RMS matters have come before this committee. I've always disclosed the fact that my daughter-in-law is General Counsel with RMS. Having said that, based on the fact that among other facts, that the city and RMS on all of the issues that have come up in the past have been cooperative just like tonight. I really didn't feel that there's a conflict of interest in terms of my participating, commenting and voting. I think that's true tonight as well, but I just want to say out of over abundance of caution I've decided that tonight and going forward any matters involving RMS I'll not participate in the discussion and will abstain from voting.

Tres Roeder, Chair:

Thank you for sharing that, and for your over abundance of caution in your words. Questions? Council Member Moore.

Nancy Moore, Council Member:

I wanted to see if there was anyone here that could confirm that in the development of the building that now is called Library Courts, I believe we also use that development that was a recipient of tax credits? All of you were younger experientially and you may not know the answer to that. I know Jeri will remember, you remember library courts and the tax credit?

William Gruber, Law Director:

Yes. It did use a very specific housing credit. I don't know if it's, I believe the low income credit program. I don't believe it is the same as in this case.

Nancy Moore, Council Member:

That would jive. Okay. Thank you.

Tres Roeder, Chair:

Other questions or comments?

Mayor David E. Weiss:

Going back to that last question and maybe Director Englehart will confirm, I wasn't familiar with so much with the Library Courts, but this tax credit Director Englehart, is brand new, Is my understanding. It didn't exist back then.

Laura Englehart, ED Director:

That's correct, this is a brand new program. It was not applicable to anything prior. This is the first round of applications that are due at the end of this month actually.

William Gruber, Law Director:

It was a low-income housing tax credits, LIHTC program.

Tres Roeder, Chair:

Any other questions, comments? Council Member Carmela Williams.

Carmella Williams, Council Member:

Thank you Councilman Roeder. I'd like to ask following up on this last point that was made. If RMS were to add low-income housing or lower price units in this development, would they be eligible for that low income tax credit or with this project rather be eligible for that credit in the way Library Courts was?

William Gruber, Law Director:

I certainly can't answer that question. I know very little about that program unfortunately, I can do research on it but I don't know the answer tonight.

Carmella Williams, Council Member:

Okay. Just curious. Thank you.

Tres Roeder, Chair:

Thank you. Ms. Williams, is that something that you'd like an answer on before this comes to Counsel?



Carmella Williams, Council Member:

If possible, yes.

Tres Roeder, Chair:

Okay. Mr. Gruber, that's possible to have an answer? Thank you.

Carmella Williams, Council Member:

I'm sorry Council Member Roeder. I guess to be fair, would that be something RMS would consider adding low-income house or lower price units in this project?

William Gruber, Law Director:

That's your question is right? I don't know the answer to that. We would have to talk to RMS.

Tres Roeder, Chair:

Okay, good. So we'll have answers to both of those questions before this comes to Council for a vote. Other questions or comments? If there are none, I would entertain a motion. Council Member Moore moves,

Nancy Moore, Council Member:

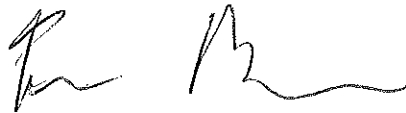
And there is no risk to the city, no cost to the city and much benefit potentially to the city, the schools and the library, I would move approval.

Tres Roeder, Chair:

All right. Thank you. Approval by Council Member Moore. Is there a second? Mr. Woodcock seconds, all those in favor say aye, or indicate with your hand. Those opposed, abstentions? Mr. Strang noted as an abstention. Thank you. Very good. Thank you everyone. That concludes our meeting for this evening. Are there any other comments before we go? All right, go enjoy the weather. Have a good night, everyone. Thanks.

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There being no further business, the meeting was adjourned at 6:33 p.m. The next meeting will be November 10, 2021.



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Council Member Tres Roeder, Chair  
Neighborhood Revitalization & Development Committee