



Shaker Heights eyes 'high-end office corridor'

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SHAKER HEIGHTS With an eye toward the overhaul of the Warrensville-Van Aken intersection, the city has commissioned Allegro Realty of Cleveland to evaluate commercial real estate there and elsewhere around town.

"We have an opportunity to build a professional, high-end office corridor along Warrensville Road, north from Tower East," said Director of Economic Development Tania Menesse, adding there will be no effect on that area from the reconfiguration of the intersection — "other than a huge post-construction value benefit."

One of the key findings in an overall economic development study completed late last year was that "Shaker Heights lacks quality office space and needs to develop or redevelop office property to capture business expansions and attract new businesses and jobs," a March 14 memo to council states.

City Council voted last week to pay Allegro Realty \$40,000 to finalize economic development strategies, such as potential sites, total project cost, the appropriate role of the city, effect on additional public funds and timing.

Allegro will also develop an implementation plan to include acquisition strategy, economic incentive packaging, and financial structuring to level the playing field, Menesse said.

The economic development plan calls for the city to "enhance the climate for investment in Shaker Heights by correcting market imbalances in the city's commercial sectors," and a critical component for strengthening and expansion of the business base lies in the redevelopment of the current office buildings and providing incentives for new development.

"And because our taxes are higher, we are at a financial disadvantage," Menesse said. "We can't change the tax structure, but we can provide business support to building owners and tenants."

Councilman Jim Brady asked last week if the work could be done in-house, and whether there was a potential conflict of interest with Allegro, which is affiliated with Bluewater Capital, the primary owner of Shaker Commons, south of Shaker Towne Centre.

Menesse said the work involves "complex real estate transactions," while Mayor Earl Leiken said he does not foresee any conflicts of interest, since the city sought qualifications and proposals from four different firms.

"We are also fortunate in that Allegro is a consulting arm of Bluewater Capital," Leiken added, noting much of the work will focus on Van Aken Boulevard and Northfield Road.

Menesse said while the Shaker Medical Building provides a strong presence, it may be in need of some upgrades and assistance from Allegro. There are also 12 stories to work with at Tower East, and the former Qua Buick dealership at Farnsleigh and Warrensville is now out of foreclosure, with the potential for ground level retail and 50,000 feet of upstairs office space.

She also met last month with local commercial banking managers to gauge how receptive they would be to private sector financing.

"If building owners and developers are willing to make a substantial investment but there was a gap in financing, we wanted to see what their appetite would be," Menesse said.

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