the van aken district
By Tania Menesse

INTRODUCTION

The Van Aken District is a $91 million mixed-use redevelopment built on the foundation of an $18.5 million street reconfiguration, transforming a congested, confusing, and unsafe intersection into a walkable mixed-use environment. The revitalization of the District at the terminus of the Van Aken rail line improves transportation options and livability for neighborhoods and employers (e.g. University Hospitals Management Services Center) in Shaker Heights, Ohio, and surrounding communities to the east and south. The redevelopment strives to bring the character and quality of Shaker Heights’ residential neighborhoods into the commercial districts. In creating a “place” with a superior public realm where people work, live, and play, Shaker Heights looks to diversify its tax base and create a meeting place for the near east side of Cleveland.

The reimagining of the Van Aken District is a public/private partnership investing $73 million of private funds, leveraging $18M of public loans and grants in a Cleveland first suburb. First suburbs were built in the early 20th century abutting historic industrial cities – they were the first bedroom communities for families escaping the pollution of industrialization. Shaker Heights is a scenic residential suburb based on the popular Garden City movement. The Van Sweringen brothers development – named Shaker Village and incorporated in 1912 – preserved the natural landscape and provided residents with easy access to greater Cleveland on two Rapid transit lines.

By revitalizing an area that has seen considerable disinvestment during the latter half of the 20th century, the city is breathing new life into infrastructure and obsolete office, retail, and residential buildings. This is the greenest type of development as it is redeveloping previously occupied, obsolescent land. Shaker Heights is a community of 28,334 residents, eight miles from the downtown Cleveland business district.

A MODEL FOR FIRST SUBURB REVITALIZATION

The Van Aken District in Shaker Heights, Ohio, is the result of 15 years of planning, starting with the city’s Strategic Investment Plan in 2000 in which thousands of residents identified problem areas in need of investment and developed a long term roadmap to build on the city’s considerable strengths. The revitalization of the District is built upon three major themes: the importance of purposeful planning, public-private partnerships, and transit-oriented development as a vehicle for neighborhood and economic revitalization. The Van Aken District is a model of first suburb revitalization.
The 2000 Strategic Investment Plan charted the way to the 2008 Transit-Oriented Plan for the Warrensville/Van Aken/Chagrin intersection reconstruction and the 2010 Economic Development Plan that laid out the tools and investments necessary to attract private developers and businesses to the Van Aken District.

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BACKGROUND

“Shaker Heights has an illustrious history as a unique community. From the 1820s as a Shaker settlement (a religious sect branched off from the Quakers), to the 1920s “Garden City” suburb, Shaker Heights has continued to be a precedent for community planning. Like many “streetcar communities” in North America, Shaker Heights was conceived of and built by private developers. The Van Swearingen brothers envisioned Shaker Heights as an upscale community free from the City and, to assure that it remained in its intended form, they included 99-year deed restrictions to guide development.

“Today, Shaker Heights reflects the vision of its original founders as modified by changes in society and the economy of the Cleveland area. What has been constant is the existence of transit, which was fundamental to the layout of the original community and continues to define it today.”

“Shaker Heights achieved international renown in the early 20th century as a planned community. Guided by the ideals of the Garden City movement, the plan was based on an extensive system of parks, public and private gardens. Streets were lined with trees and houses were set on large lots to enhance the sense of open space. The lush gardens on private property were integral to the public experience of the community. The main streets were lined with the most prestigious houses, set well back from the road. Schools and other community facilities were sited in green spaces, as the central and highly visible focus of neighborhoods. The green space formed a continuous system of parks, natural features, boulevarde streets and community facili-

ties. The street pattern was organized within the framework of the arterial roads of Lee, Warrensville Center, Chagrin and South Woodland Road. The two transit spines are Van Aken and Shaker Boulevards. Within that structure, local residential streets were organized to provide views through to the primary park system and to the transit service. Most of the community has long, narrow blocks with the exception of the northeast corner where the street pattern is curvilinear.”

The original designers were mostly concerned with carrying people from downtown Cleveland to their homes and ignored the need for major north/south streets or neighborhood-serving commercial districts. As a result the commercial areas and surrounding streets were chaotic and were designed as an afterthought in the 1950s. Commercial streets were barren wastelands, devoid of character and scale, with no visible evidence that they belong to Shaker Heights. They have far more capacity than is needed, and therefore too much asphalt, no landscaping, and inadequate pedestrian areas. The intersection and traffic patterns in the Van Aken, Warrensville Center, Chagrin area were dysfunctional.

PLANNING

The city of Shaker Heights is a highly educated, engaged community; its residents expect to be involved in the city's planning efforts. The city administration and council develop plans to guide the actions and investments in the community.

The 2000 Strategic Investment Plan charted the way to the 2008 Transit-Oriented Plan for the Warrensville/Van Aken/Chagrin intersection reconstruction and the 2010 Economic Development Plan that laid out the tools and investments necessary to attract private developers and businesses to the Van Aken District. The realization of the vision developed in 2000 was also driven by an Economic Development Marketing Plan which rebranded the city as a place to work and live. The city in 2012 developed a site plan and pro forma for the Van Aken District that convinced RMS, a major property owner and the ultimate developer of the project, that the city would be a true partner in the development. In the coming years, the city and RMS will partner again with stakeholders in the District on a Connections Plan, which will ensure bike and pedestrian connectivity from neighborhoods and businesses into the commercial district.

Strategic Investment Plan (SIP)
(Urban Design Associates, 2000)

The legacy and character of Shaker Heights is the city's greatest asset. The challenge for the city was to respond to changing needs while preserving that character. The essential attributes of the Shaker Heights character formed the basis of the Strategic Investment Plan. The goal of the planning process was to build on that legacy, while stemming and correcting decline in certain areas.
“In discussions with members of the community, the endearing characteristics of Shaker Heights were described: the quality of its residential neighborhoods, the quality of schools, the economic and racial diversity of the community, the network of parks and open space, the diversity of housing stock, and convenience by virtue of location and transit. During those conversations, a series of issues and problems were raised, including: some neighborhoods showing signs of decay and decline, the limited number of quality rental apartments and a number of run down apartments; poor quality of public spaces in retail areas; the general lack of quality retail within Shaker Heights; and the lack of high quality “empty nester” housing. It became clear that economic “stability” and economic “development” for Shaker Heights would consist primarily of continuing to enhance its role as an extremely desirable and highly prized residential community. Although there is interest in improving retail facilities, the goal in doing so is to enhance the quality of life for the residents.

“In public meetings and charrettes there was an unusual degree of consistency about the location of the “best” – and unanimity on the “worst” areas of Shaker Heights. The “common ground” between these neighborhoods of different physical and social character – the places where the northern and southern communities should be coming together – tends to be the areas identified in the process as having the most problems: the Lee Road/Chagrin area and the Warrensville Center Road/Chagrin/Van Aken area. There is a dramatic contrast between the superb character, pedestrian scale, and quality of Shaker Heights’ residential streets and the squalid, anti-pedestrian, and bleak quality of the commercial areas which are not conducive to social interaction.

“The bleak, anti-pedestrian qualities of these areas need to be repaired to encourage social and civic interaction. Streets, intersections, and surface parking lots must be rebuilt to reduce the vast amounts of asphalt, improve pedestrian circulation and add the verdant, lush greenery and quality architecture that is characteristic of Shaker Heights in order to create an environment that is conducive to social interaction. The participants in the planning process were clear that the restoration of the pedestrian environment was an utmost priority.”

As early as 2000, the SIP identified the challenge of establishing an office base in Shaker Heights. To the extent that there was demand for office in Shaker Heights, the Warrensville-Van Aken core was the most logical location from a market perspective. The market opportunity for large-scale Class A regional headquarters office development was limited even in the Warrensville-Van Aken core for several reasons. First was the limited availability and accessibility of sites in the city suitable for large-scale development. There were few existing sites that could accommodate a 200,000+ square-foot regional headquarters office building. Visibility and accessibility to Shaker Heights, if such a site existed, would also be limited and roads would be highly congested during rush hour. Locations perceived to be far from I-271 interchanges were considered inferior (less so today than in 2000). Finally, businesses were not likely to relocate into Shaker Heights due to the high property and income taxes.

While it may have been difficult to attract large-scale office users/development, there was thought to be pent-up demand for well-located, quality professional office space serving small- and mid-sized professional service and medical tenants in Shaker Heights. This office space would be under 10,000 square feet per building, with most in the 3,000 to 5,000 square-foot range. The SIP estimated that the city of Shaker Heights could absorb approximately 10,000 to 15,000 square feet of professional/medical office space per year. Based on these penetration rates, it would be possible to justify 75,000 to 125,000 square feet of space over the next five to ten years.

Rendering of Rapid heading downtown from the Van Aken District station.

The Warrensville/ Van Aken Transit Oriented Development Plan (2008)

The Warrensville/Van Aken (WVA) Transit-Oriented Development (TOD) Plan was the next step in implementing the call to revitalize the District that was explored in the SIP (2000). The SIP recommended reconstructing the Warrenville/Van Aken/Chagrin intersection, improving transit connections and transfer points, redeveloping existing strip shopping centers into a mixed-use downtown, and improving pedestrian connections between the light rail station and surrounding areas.

The TOD noted the following:

“There is tremendous potential to improve transit and the arterial road system and to reconnect both to land use - the legacy of the City's original, historic development plan. An important objective of the Warrensville/Van Aken Transit-Oriented Development Plan is to reinvent this intersection as an
important meeting place and a central node within the City. The Vision is based on the intent to extend the Shaker tradition of transit planning and integrate it into a new vibrant mixed use context. In the process, an important component of the new plan is the creation of a public space that will become a focus for this part of Shaker Heights.”

In 2008, the WVA TOD Plan identified the potential of transit to transform the commercial areas in Shaker Heights. Cities across the country had leveraged a transit line to spur development, but it would take another seven years and the reconstruction of the roads to spur similar development in a Cleveland first suburb.

“The location of a new station at the heart of the development will bring more people to the district and, with the mix of residential and office, result in a 24 hour district, a place for people to live, work, and play. The plan will be described in detail illustrating the mix of residential apartments over retail, office uses, a new transit station all focused on a new urban park which will be a great place for community functions.”

The WVA TOD Plan set out a program of reconfiguring a dangerous intersection and connecting the surrounding community to a new vibrant mixed-use district. The plan called for closing Van Aken Boulevard and Northfield Road where they intersected with Chagrin Blvd. and Warrensville Center Road, creating a four-way intersection.

The vision for the Warrensville/Van Aken District was to create:

- An authentic town center;
- A significant public realm, including beautiful tree-lined streets with wide sidewalks and civic space;
- A vibrant, diverse and mixed-use node that will include higher density residential uses;
- A high quality development and a “made-in-Shaker Heights” solution;
- An intersection that could accommodate a high volume of traffic, which may travel at slow speeds;
- A road pattern that is connected to adjacent areas;
- An intersection that balanced all modes of transportation and included the opportunity to expand transit in the long term;
- The conditions that would foster new retail opportunities while protecting existing retailers;
- An environment that would strengthen adjacent stable residential neighborhoods; and
- A transit station that is integrated into the District, providing a hub of activity and an asset for associated development.

The four key impediments to realizing the city’s vision of a transit-oriented neighborhood identified in the WVA TOD Plan set the stage for the road reconstruction and the city’s economic development plan:

1. Poor Image - The Warrensville/Van Aken District portrayed a poor image, not equal to the quality of development in other parts of Shaker Heights. Combined with a confusing roadway pattern, misaligned sidewalks, and isolated land uses, the area is not an inviting place.

2. Under-utilized Transit Facilities - Accessibility to the transit facility was less than optimal and pedestrian safety highly compromised due to the multitude of vehicular traffic lanes converging and intersecting at the District. In addition, there was no dedicated parking for transit users.

3. Unsafe Traffic Circulation - The Warrensville/Van Aken District presented significant safety concerns from the perspective of drivers, transit users, and pedestrians.

4. Declining Business Opportunities - Like many older areas, the retail plazas in the Warrensville/Van Aken District had increasing difficulties attracting and retaining tenants. The lack of a clear planning vision for the Warrensville/Van Aken District has ultimately limited the District’s ability to respond to shifting markets and attract reinvestment and redevelopment opportunities.

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The design intent of the WVA Plan was to extend the Shaker Heights tradition of transit planning. Buildings are located to reinforce the edges of streets and public spaces with uses that range from primarily residential and mixed use in the area bordering Farnsleigh Road, to office and mixed use near the main intersection, to a retail focus in the center. The ultimate RMS (the developer) development plan for the mixed-use district followed the 2008 vision of the central focus of the
District being a park intended as an amenity for residents and a meeting and gathering place for employees and shoppers – Shaker Heights’ living room. The WVA TOD also identified a necessity that would later be a tremendous financial and site planning challenge for the development: a multi-level parking garage to replace the sea of surface parking that had existed since the original shopping centers were built in the 1950’s.

The 2008 plan even laid out an initial program for development. It was too ambitious for a first phase and may have initially discouraged RMS and other developers from engaging with the city because of a perception that the community wasn’t realistic about market conditions. In the end, the 2008 plan’s program largely mirrors the seven- to ten-year vision of the District that RMS will break ground on in 2016. (See the chart.)

**2010 Economic Development**

One of the most significant changes from the 2000 SIP to the 2010 Economic Development Plan was the emphasis on office development to first and foremost diversify the city of Shaker Heights’ tax base over a ten- to 20-year timeframe. Creating an environment attractive to office development was acknowledged as critical to the health of retailers and restaurateurs in the District and the foundation upon which an office attraction and retention strategy could be based.

The Economic Development Plan laid out four guiding principles:

1. Enhance the climate for investment. Private sector investment would follow placemaking efforts in the Warrensville /Van Aken and Chagrin/Lee commercial districts.
2. Change the perception that the city was not interested in business development.
3. Identify business segments that were uniquely suited to the community.
4. Provide incentives to businesses, building owners, and developers that would level the playing field for investment in Shaker Heights.

The plan analyzed the community’s unique assets and identified business segments in which Shaker Heights could have a competitive advantage because of its quality of life and emphasis on place. The industry sectors were not only growing in the region and in the immediate vicinity of Shaker Heights, but also had numerous reasons for preferring a Shaker Heights location. Small businesses in professional services, law, engineering, design, information technology, and ancillary medical services were identified. Brand visibility and connection to place were generally important to these business segments. In addition, talent attraction and retention was increasingly tied to work/life balance and the place where the business was located. Moreover, these businesses promised strong financial returns to the city when considering their relative tax base contribution vis-à-vis the resources required to site them within Shaker Heights.

In order to make Shaker Heights’ commercial sectors attractive to these business segments, the Van Aken District would have to be built. As the road work envisioned in the 2008 WVA TOD Plan was completed, the foundation was laid by developing incentives that encouraged current building owners to make investments in their properties. The incentives updated portions of the city’s obsolescent building stock, attracted new businesses into the community, and contradicted

| VAN AKEN DISTRICT DEVELOPMENT SCHEDULE COMPARED TO 2008 WVA TOD PLAN |
|-------------------------------------------------|-----------------|-----------------|
| **2008 WVA TOD Plan** | **RMS Van Aken District Phase I (Jun 2016 – Dec 2017)** | **RMS Ten-Year District Vision (current plan)** |
| Retail | Up to 200,000 square feet | 100,000 square feet | 100,000 square feet |
| Residential | 500-600 rental units | 105 rental units | 200-300 rental units |
| Office | Up to 500,000 square feet | 60,000 square feet | 120,000 square feet |
| Greater Cleveland Regional Transit Agency | An intermodal facility | Dedicated bus rail interface | An intermodal facility |
| Structured Parking | Several garages | One 325-space garage | Second garage with intermodal station |
| On-street Parking | 70 on-street spaces | 70 on-street spaces | tbd |
| Public Realm | Central park space | Central park space | tbd |
the perception that Shaker Heights wasn’t friendly to businesses. These efforts along with a concerted work/live marketing campaign provided market credibility to the idea that a large scale development in the WVA area could be successful.

Beyond addressing the city’s need to diversify its tax base, the attraction of jobs and businesses would ultimately serve broader goals. More daytime employment would generate greater demand for retail services and restaurants, allowing the creation of new stores and restaurants and providing a greater diversity of choices to existing residents and employees. More commercial development would naturally expose more people outside the community to its unique qualities. Some of these people would eventually choose Shaker Heights as a place to work and live.

**PUBLIC-PRIVATE PARTNERSHIP**

Like many older areas, the retail plazas in the Warrensville/ Van Aken District have had increasing difficulties attracting and retaining tenants. The road reconfiguration was critical to providing pedestrian access to the thousands of people working on the eastern side of the intersection and in the surrounding neighborhoods. It also addressed the safety and congestion problems that were inherent in the six-legged intersection. But the issue remained that there wasn’t a planning vision for the redevelopment of the 1950’s shopping centers that RMS, the owner of the Van Aken Center (one of the shopping centers), or other developers believed was achievable.

The city worked with a local architect and real estate consultant to develop a site plan for a first phase of development that would have the density and scale to “create the place” critical to attracting office development while providing a return on investment attractive enough to a developer. The pro forma didn’t pencil for several reasons that were identified in the Economic Development Plan:

- The city’s commercial property tax rate creates a burden close to double what a developer would face in communities east of Shaker Heights.
- First suburbs are not eligible for tools traditionally utilized in inner city revitalization because of the population income requirements for eligibility (e.g. New Markets Tax Credits or Community Development Block Grant funds).
- The WVA 1950’s obsolescent built environment created significant overhead to demolish with no opportunity to offset remediation and demolition costs with historic tax credits.

Community acknowledgment of these financial impediments to success was a critical first step for the development. RMS was willing to enter into discussions in 2012 about redevelopment of their six-acre parcel once they realized that the city administration, City Council, schools, and residents were willing to face these market conditions head-on.

The next challenge was accepting that first suburb redevelopment would not only require an exceptional amount of local subsidy, it would also require a developer who would accept a more modest return than the risk of redevelopment merited. It was clear from researching projects of similar size and scope in communities like ours, that the developers were normally local and invested in the community. RMS Corporation, the family investment trust of publicly traded Forest City, fit the bill but brought with it additional challenges.

The local family members were torn between taking the risk to radically transform their community or to assist the city to market their property with the city parcels to other developers. It was clear that the family’s Forest City experience more than qualified them to develop an urban mixed-use environment at the end of a rail line, but it also meant that they were used to developing on a much larger scale with deeper pockets and resources.

In addition, RMS Corporation was essentially an investment company by 2012 with few properties still in its portfolio. It would take considerable effort to convince its investors (many of which were family members in other locations) to embark on such a risky project rather than the more profitable and expedient path of demolishing Van Aken Center and creating four or five pads for national fast-casual restaurants and retailers.
The willingness of RMS to embark on a dense, mixed-use transit-oriented development and the city’s commitment to public financing set the Van Aken District in motion in 2013 as a public-private partnership. RMS and the city signed a Memorandum of Understanding which committed the entities to fund studies and analysis of their respective properties that would be required to market the development to tenants. Retail, office, and residential market studies revealed that the demographics supported the development of transit-oriented development. The seven- to ten-minute drive time trade area was substantially more educated than the national average, had a household average income of $97,000, and fit psychographic profiles of those most likely to value the amenities in a mixed-use, walkable environment.

The analysis exposed two major challenges to the development: site control and the ability to leverage the end of the Greater Cleveland Regional Transit Authority (GCRTA) light rail line. The city and RMS controlled approximately ten acres of land for the first phase of redevelopment. While this was enough to begin to create “the place,” it did not provide certainty that the authenticity and integrity of the place would be assured. The Shaker Plaza, the five-acre site across from Van Aken Center or on the former Qua Buick, a two and a half-acre site, connecting the first phase of development to Thornton Park, the city’s recreation center. Between 2013 and 2015, the city and RMS were able to gain control of both sites, each investing considerable dollars to be able to assure the community and prospective tenants that the quality of the first phase would be maintained throughout the commercial district.

The GCRTA completed a Blue Line extension study in parallel with the city’s plans. While the study confirmed the need to provide better transportation routes from the terminus of the Blue Line rail station at Van Aken to the east as well as to University Circle to the west, there wasn’t enough density to justify the $40 million investment required to extend rail through the intersection, plus a rail extension that would allow for future light rail development. Instead, the study supported a BRT or express bus service to provide additional service. As an alternate, it was decided that an intermodal station would be built where rail, bus, car, bike and pedestrian access could be expanded as development and job opportunities increased south and east of Shaker Heights.

RMS Corporation, the city of Shaker Heights, and GCRTA, in another example of public-private collaboration, embarked on a joint Station Area Plan to improve and ultimately extend the intermodal experience in the Van Aken District. The first phase of this plan was realized as the road reconfiguration finished in 2015: a dedicated busway along the GCRTA tracks was established to improve the bus-to-rapid and bus-to-bus experience in the area. This initial phase will also relocate a GCRTA substation, allowing a new north-south public road to be established through the heart of the Van Aken District. The new road begins to reestablish the Shaker Heights street grid and is the first step in integrating the new development into the surrounding neighborhoods. Future phases of the GCRTA plan call for an intermodal station to be built in conjunction with a new office building at the reconfigured corner of Chagrin and Warrensville Center Roads.

The retail, office, and residential market studies went a long way towards convincing RMS, the city and prospective tenants that the Van Aken District was a calculated risk worth taking. But it continued to be difficult to explain the vision of the District to the local and independent restaurateurs and retailers that RMS and the city saw as the anchors of a Cleveland east side gathering place.

RMS hired Little Jacket, the firm that the city had utilized to change perceptions about doing business in the community, to create a brand and mission statement for the District. It was clear that traditional retail brokerage marketing was not sufficient to communicate the unique nature of the project: an urban district along transit in a first suburb. While this continues to be the greatest psychological hurdle of the project, the message has begun to resonate with office tenants in the Economic Development Plan’s target business segments and retailers and restaurateurs interested in building their brands through neighborhood main streets rather than malls and lifestyle centers.

Aerial view of the Warrensville/Van Aken/Chagrin intersection largely complete in December 2015. The four way intersection with 90 second light timing is visible.
CONCLUSION

A sustainable Van Aken District that lays the foundation for future office development and tax diversification can only be achieved through a distinctive development that reflects the character and quality of the surrounding community: four-sided buildings constructed of the highest quality materials; connections to the neighborhoods; and a preponderance of independent retailers and restaurateurs. While this may be the key to long term success, the financial challenge of building a new development of this caliber cannot be underestimated.

Absent national economic development tools as mentioned earlier, it was incumbent upon the state of Ohio, Cuyahoga County, and the city of Shaker Heights and its schools to augment RMS’ $75 million in private investment. The project was contingent upon a tax increment financing statute that allowed payments in lieu of taxes to be invested in economic development. The city’s and schools’ willingness to support the TIF and RMS’ agreement to monetize the payments without city general fund backing was arguably the most important tenet of the public-private partnership.

State and county low interest loans were the final pieces of the capital stack; the low interest loans with terms greater than ten years were critical to securing private financing. The final commitment of the city to approve a $6 million grant, to be approved by City Council when all other financing and lease commitments were in place, completed the financing package for the transit-oriented, dense mixed-use development in a first suburb.

The Van Aken District could not have come to fruition without the deliberate planning process that the city embarked on in 1998. Each new plan built on the one before and added physical and strategic elements required for the Van Aken District. The confluence of light rail, bus, car, pedestrian, and bike traffic at the Van Aken District was critical to the development’s ability to capitalize on the country’s growing appreciation for transit-oriented development. Finally, the partnership between the developer and a myriad of public entities was the only way that the planning vision could be realized.

With infrastructure complete and development agreements in hand, the Van Aken District is now on track to be completed in 2017. At that time, the District will have 452 employees in 120,000 square feet of new offices and 100,000 square feet of new retail space, complemented by 200-300 apartments and serving 2,390 rail and bus transit riders per day. This project is in process to be a national model for redeveloping a first suburb commercial space as an attractive, walkable, and transit-oriented neighborhood.

ENDNOTES


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