

Suburbs are gathering in Circle

Several communities on Cleveland's East Side form group, hope to add to tax revenue

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Several eastern suburbs are exploring how they jointly can market their largely residential communities as places that businesses, too, can call home.

Calling themselves the Circle Heights Alliance, officials from Cleveland Heights, East Cleveland, Shaker Heights, South Euclid and University Heights have begun meeting with the goal of emphasizing the potential of their communities as places where people can live and work.

The goal is to generate new tax revenue, largely through new income taxes.

The cities have enlisted the assistance of neighborhood development group University Circle Inc., because they see the short-on-office-space University Circle area as a natural source of business leads.

These suburbs lack the office and industrial districts of nearby communities such as Beachwood and Mayfield Heights. However, they're not shooting to compete with those business centers. Rather, their focus will be on small businesses and professionals who want to work close to home in the Heights or have outgrown their spaces in University Circle.

They are applying to the state of Ohio's Local Government Initiative Fund for a \$100,000 grant to assess

the feasibility of an economic development alliance.

"University Circle is one of the largest economic drivers going right now," said Angie Pohlman, executive director of the Heights-Hillcrest Regional Chamber of Commerce, which is coordinating development of the strategy. "As companies are growing up and maybe out of University Circle, they still want to remain very close by."

At the same time, University Circle Inc. isn't able to find space for everyone who comes looking to locate in the Circle, which is second only to downtown Cleveland as an employment center in the city.

"We get a lot of calls from a lot of folks that want very small office space, a couple thousand square feet, all the time and there just is nothing in University Circle proper or in the surrounding area in Cleveland that can accommodate that," said Debbie Berry, University Circle Inc.'s vice president of community development.

So, an alliance makes sense for both.

"We hadn't been thinking about sending people to the Heights," Ms. Berry said, using the traditional shorthand for this group of inner-ring suburbs. "Folks just don't think of that as being a business community."

New from the old

Ms. Pohlman said one of the early jobs of the alliance would be to assemble an inventory of available office space. Each community has office/residential space in buildings in older retail neighborhoods as well as unique and new spaces.

It also would create a joint marketing program to pitch their communities to businesses.

Georgine Welo, mayor of South Euclid, said she sees the alliance giving her city "the opportunity to attract (companies) we've never had for our office space."

Most of the communities would like to capitalize on redevelopment projects under way or in the planning stages. For instance, the new Oakwood Commons, a planned retail center on the site of the former Oakwood Country Club, will shake up the western end of South Euclid and threaten the aging Mayfield

Road business district. In Shaker Heights, the city is working on a plan to reconfigure the shopping district at Van Aken and Chagrin boulevards into a mixed-use business district.

East Cleveland was asked to join the group because of its proximity to University Circle and its inventory of redevelopable properties along Euclid Avenue.

"We understand there is a key role in the region for those (communities) that have land where people want it, and we are one of those places," said East Cleveland Mayor Gary Norton.

Euclid Avenue is lined with older homes, some of which could be rehabilitated into unique office space while others could be demolished for new construction, Mayor Norton said.

Rivals come together

Arguably, the pioneer of this concept of injecting businesses into nontraditional, inner-ring suburban locations was Goldstein, Caldwell & Associates, an early-stage investment firm. It was looking for a new home in 2010 because the University Circle building that was its home was to be torn down.

At the same time, Shaker Heights was figuring out how to become more of a business center to help it expand on its largely residential tax base. It hit on a strategy of attracting young, entrepreneurial professionals who want reasonably priced business space in a community they also would want to live in with their families.

Together, the city and the investment firm transformed a former auto dealership into Shaker LaunchHouse, a business accelerator that at any time is home to 10 or more startup firms.

If the suburbs can pull it off, the alliance can be another step in bringing closer together cities that are learning to collaborate after decades of friendly rivalry.

"This will bring a cohesiveness to economic development for our communities," South Euclid's Mayor Welo said. "It's the next step for us in working in collaboration and learning to trust each other so that we can work on even greater successes." ■

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