

Over the years, as vacancies increased within the study area and the number of light industrial users seeking space in the region continued to decrease, some study area property owners and members of the Chamber of Commerce have approached the City of Beachwood requesting adjustments to the zoning regulations to permit more flexibility in attracting tenants. In 1998, City officials adopted a major restructuring of the zoning regulations which was intended to provide those property owners located within the U-8 Zoning District with a wide range of potential tenants. Over the past several years, the mixture of uses within Commerce Park study area has continued to transition from manufacturing and wholesaling uses to non-industrial uses such as schools, training facilities, social services, general services, limited retail and similar services. There are currently six dance studios, six physical training facilities, six social agencies, two day care facilities, three governmental agencies and three interior design facilities among the many non-manufacturing uses in Commerce Park. The change has been significant in that thirty (30) acres, or over 15% of the total land area within the study area, is owned and/or occupied by tax exempt or governmental agencies. Those same organizations account for almost 14% of the total amount of building floor area.

Mr. Smerigan provided employment data based upon the U.S. Census Bureau's economic census results. The number of employers and employees within City of Beachwood has remained relatively stable; however, the city has been losing manufacturing firms and employees. The number of businesses engaged in manufacturing within the city declined by 23% over the ten year period from 1997 to 2007. The number of persons employed in manufacturing in Beachwood dropped by 20% in the five year period from 2002 to 2007. Even more dramatic reductions have occurred in wholesale trade. The city lost 44% of its wholesale trade business in the decade from 1997 to 2007 and saw a reduction of 52% in the number of persons employed by businesses involved in wholesaling during same time period. These trends are not unique to Beachwood, but a trend we see in the region, statewide and nationally. It is also a trend that is expected to continue for some period of time, and in the future, as the economy generally changes from a manufacturing base economy to a service base. There has been an increase in other sectors such as healthcare and retailing that have made up for those losses, so our total employment level has been relatively stable. Increases reflected in census figures for healthcare are impressive when based on dates of the survey, as it did not include Ahuja Medical Center. The two employment sectors which incurred substantial losses in both number of business establishments and total employment are the same two industrial groups, manufacturing and wholesaling, which Commerce Park was designed to accommodate and attract. It was structured and positioned to appeal to a certain segment of the industry and initially that was a wise thing and Beachwood was in the forefront of employment location, but as time changed, those segments targeted are right now those segments in a state of decline. We also need to consider that the two segments designed to accommodate those facilities are the two smallest sectors of employment.

Mr. Smerigan proceeded to discuss the City of Beachwood's population trends. The city has maintained a relatively stable population and employment levels as evidenced by U.S. Census Bureau figures from 1990 to 2010. There is only a small amount of vacant land within the city that is currently zoned for residential use. The Planning Commission is aware we have not seen substantial residential projects over the last decade plus because there have been no opportunities. There is one fairly sizable area of land zoned for residential use which is located in the rear portion of First Catholic Slovak Ladies Association property which is on the eastern boundary of the study area. The largest amount of vacant land is in Chagrin Highlands PUD; however, the multi-jurisdictional development agreements that govern the future use of the land specifically prohibit residential development. The current zoning map shows within the study area two zoning districts, U-7A Zoning District with most of properties on south side of Chagrin Boulevard and U-8 Zoning District which is most of Commerce Park proper.

The study area is surrounded by an intriguing mixture of land use and zoning classifications. To the west, outside corporate limits across Green Road, is a golf course. There are two retail commercial areas, a small one located on the northwest corner of Green Road and Chagrin Boulevard and the much larger Pavilion Shopping Center. These two commercial areas are separated by a small office complex. East of Pavilion Shopping Center is the City Fire Station and another office development on north side of Chagrin Boulevard. To the east of the study area is the largest remaining vacant land. To the south of study area is everything that is part of Chagrin Highlands PUD which is a U-10 Zoning District and provides for a variety of uses. To the southeast of the study area is Eaton Corporation Headquarters and east of Eaton is Life Time Fitness. Overall, the study area is bounded by every use in terms of the perimeter of the study area.

In thinking of redevelopment of the area, there are a number of issues the city needs to discuss. The first issue is access to Interstate 271 on Chagrin Boulevard. Green Road and Harvard Road provide north-south access to Harvard Road and another interchange on Interstate 271. The accessibility of Commerce Park to those interstates is limited by traffic conditions on Chagrin Boulevard. The second issue is the traffic issues on the Chagrin Boulevard corridor. Both conditions represent a matter of concern regarding any future changes in Commerce Park. Commerce Park proper is accessible with one entrance from Chagrin Boulevard and one entrance from Green Road which has become more important in terms of accessibility to the interstates. Green Road and Harvard Road provide an alternative access to the Commerce Park study area from the south. This has taken some of the traffic pressure off of Chagrin Blvd. Therefore, it would be more desirable to have a more direct access from the south. The City of Beachwood has studied and evaluated the construction of a connector road from Mercantile Road through Chagrin Highlands to Harvard Road. This was discussed with the Chagrin Highlands developer. The connector road would open the door to additional opportunities.

Another issue with Commerce Park is the availability of adequate parking to meet the demands of the changes in use and occupancy. The original building construction was designed as single tenant manufacturing, wholesaling and warehousing facilities. Those types of buildings have ratios of employees to square feet of building floor area that are low. Buildings were constructed with 40% lot coverage and parking areas were modest. The layout and design of the parking lot was adequate for those single tenants. When the large building floor area was converted from storage and shipping to more occupant intensive use, we have often struggled with how to provide adequate onsite parking for those new occupancies. As buildings have transitioned from manufacturing to wholesale and to occupant intensive occupancies, we have also seen a conversion from single occupant use to multi-tenant use which complicates accessibility in parking. The city may want to look into more conventional retail type uses within the study area. We have limited retail in the study area because of the parking issues.

Most of the buildings within the study area are approaching obsolescence and are in need of remodeling and alterations for adaptive reuse or replacement. They were designed to meet a different set of uses than are being demanded today. Studies indicate effective physical and useful life of structures designed to house primary employers as between 30 and 40 years. Construction standards and tenant needs change over time as market demands change. It is not economically feasible, in some cases, to upgrade or retrofit the existing buildings to meet those new demands. Individual property owners in study area are faced with the situation where the solution to their building obsolescence situation involves the necessity to invest a significant amount of capital in terms of demolition and reconstruction without some definitive ideas as a whole. That significant financial investment only makes sense in the context of the bigger community and involves a comprehensive approach.

The single story high bay structures are inefficient for many forms of adaptive reuse. Their design and construction styles are often also energy inefficient. The office buildings on Green Road and Chagrin Boulevard were originally Class A office structures and over the years no longer meet those expectations. Proposals that come before the city for Class A office space include fourteen (14) feet floor to floor and these buildings are not designed that way for the most part. It is not possible to reasonably retrofit those buildings to meet the current demand criteria. The buildings will always have this limitation and it puts them at a competitive disadvantage. As a result they market as Class B or C office space, which in turn affects the competitive position of the area and the City of Beachwood as a whole.

Lot configurations are another issue. The lot shape is predominately narrow and deep, which limits design options, creates setback issues, limits accessibility and reduces exposure which is not important in a manufacturing situation but is important in a number of other uses. Layouts of properties create some limitations and concerns. The solution may be parcel consolidation but when you have multiple owners the potential for assembling properties and doing parcel consolidation is difficult and is not going to occur without some incentive.

Vacancy rates within the study area are within the 25-30% range on a consistent basis. The lack of competitive positioning of these buildings and abundance of office space means they will continue to experience vacancies in that range. The City of Beachwood has made some efforts to have more additional flexibility but, realistically, we need to talk about a transition from the historic basis of industry, manufacturing and warehousing to a new mix or new arrangement. We are talking about a more substantial overhaul of the regulations of the city.

What was convenient with the targeting of Commerce Park in the beginning is no longer consistent with what is happening in the market place. Therefore, it is unlikely we will see a return to the type of demand that created Commerce Park in the first place. Doing nothing and staying with the status quo will only take us further down that road so we need to reposition or restructure the park for the future. There are a number of things we can build on, such as the investment of University Hospital Medical Center and Cleveland Clinic. The City of Beachwood has seen a substantial amount of investment in the healthcare field. The locations of these major facilities in our city make us an ideal spot and focal point for future investments to build on. The proximity of the Cuyahoga Community College campus is another potential asset for attracting new tenants and we have not taken full advantage of this in the past. The Eaton Corporation Headquarters also represents another potential asset for attracting new tenants and the golf course provides special options for uses on the western edge of the study area. The generally positive and upscale business image by the City provides an asset for attracting redevelopment investment in the study area.

In terms of redeveloping issues of identity, Commerce Park had a positive identity over the years and attracted businesses. As businesses become older and need to be refurbished and reimaged, the City of Beachwood needs to discuss strategy options to consider for redevelopment in the future. One of those options is the roadway connection to the south through Chagrin Highlands. The construction of a connector road will accomplish several things. It helps with accessibility of the properties within the study area, particularly with regard to the Harvard Road interchange on I-271. It will enhance traffic flows along Chagrin Boulevard and reroute significant amounts of traffic. It will also provide opportunity by extending the streetscape technique used in Chagrin Highlands into Commerce Park. The tie in of the study area with Chagrin Highlands should take advantage of positive development. We have the opportunity to build on what is happening in Chagrin Highlands in using roadway connections, street lighting tech-

niques, signage and landscaping to make not only a physical connection but a visual connection to help reposition the study area.

Another strategy option is a possible approach to addressing parking within the study area. We should be proactive with developing solutions to the parking issue and look at the possibility of a parking structure in that area. One option may be to increase parking availability and provide flexibility to maximize the use of leasable parcels within study area. Changes in land use mix will also impact parking demand.

The city may want to look at an opportunity of more vertical development. Presently, the maximum building height permitted in the area, both the U-7A and U-8 Zoning Districts, is three (3) stories. This severely limits the options and potential for redevelopment when compared to the greater building height of ten (10) stories permitted in the immediately adjacent U-10 Zoning District, such as Chagrin Highlands. Permitting greater vertical development can create opportunities, resulting in greater land values and increasing economic incentives for parcel assembly and redevelopment. This approach would require a major revision to the current zoning regulations.

Mr. Smerigan states there may be some advantage of utilizing a portion of the study area as residential use. The northwest corner of the study area is ideally suited for residential development. An area that could be repositioned and/or restructured is the residential land use immediately opposite the study area on the north side of Chagrin Boulevard and across Green Road to the west of the golf course. The higher density of residential use would change the mix within Commerce Park which would create a positive image to the city. Also indicated is a very limited population growth and there would be an opportunity to create some growth and housing opportunities. This would be well positioned amongst the other things that are happening within the study area and in Chagrin Highlands. Residential development at this location would enhance market area population for commercial businesses located in Pavilion Shopping Center. The other major parcel for residential development is to the east of the study area on the First Catholic Slovak Ladies Association property. Reallocating acreage does not necessarily create any tax base downside to the City of Beachwood if at the same time we are restructuring the study area and enhancing value by looking at greater development and better mixes of uses.

Another land use change to be explored is broadening the mixture of land uses to include more retail and service type commercial uses within the study area. Certain retail and service uses are not generally candidates for upscale mall and retail centers such as Beachwood Place or La Place, and there are very few locations available within the city for such businesses. It may be worth considering whether or not a portion of the study area may be an appropriate place to locate some of those types of facilities and address parking issues. The City of Beachwood needs to look at where the park will be several years down the road and how it can manage to become a focal point to Economic Development.

The study area has become a focal area for governmental and institutional uses. As the southern portion of the city develops, there will be a demand for more of those uses, which is another part of the land use picture we need to be concerned about. As we move forward to create mixed uses and reposition, there needs to be some effort to reimage and to re-brand the area as part of any new marketing and redevelopment effort. A creation of a new name to accompany the new direction, new zoning and new mix of uses can help solidify the repositioning of the study area as a competitive location for economic investment in the region.

Mr. Smerigan concluded by stating there needs to be some consensus of direction and desire to move forward in a fairly aggressive way. This would be in the best interest of both the City of Beachwood and

property owners. We need to determine how to make this area a vital part on economic development strategy.

Chairperson Hecht opened the discussion to comments from the audience.

Question (Larry Coven, owner Mercantile Associates): Are there any other similar parks that have been in the same situation and have been revitalized and what was done to complete that?

Answer (G. Smerigan): Yes, there have been some similar things done and we could bring in that information to discuss.

Comment (Kevin Callahan, 23350 Mercantile): Our building from the 1960s is functionally obsolete with windows and ceiling heights which are not compatible with what people want now. The City of Beachwood is losing a lot of tenants to other areas such as Solon and along Miles and Green Road so Beachwood will need to spend money to attract businesses. I recommend we hire a third party, brokerage firm or development team, with a comprehensive plan for the best way to market it. There are a lot of vacancies in that area.

Comment (Wayne Lawrence, Beachwood Chamber of Commerce): Biomedical industry is growing and people want to be surrounded by hospitals. Have we looked into this in regards to the income tax base? I would like to see something that has imperative retail type and higher engineering type opportunities. I certainly understand the lack of population of Beachwood in general and maybe I am to assume it is for more of a residential housing stock standpoint. I did not see any multi-tenant facilities. From the retail standpoint, I would like to see how this relates to what is going on at Harvard Park and what type of traffic can be drawn into Beachwood. These are just some things to consider.

Comment (M. Wachter): George, you commented that we need to be aggressive and I may not understand what the plan should be. I can understand the access and some of the zoning changes.

Comment (G. Smerigan): We need to look at what some of the potential solutions might be, then come back and discuss some consensus of direction and what we should be doing to encourage it because I think we have some options. I do not think we are in the position to finalize a plan until we have some input and consensus from the Commission going forward. The idea was to take initial steps, then based on feedback from Commission and audience members comments, we can take position on where to go and make specific recommendations of ways to get there. We will have to agree on goals and vision before we lay out the specifics. The roadway connection is a key element no matter what we do. Another question is how we restructure the park and study area and what mix of uses we are going to target. We need to be specific about trying to bring in certain types of uses, give the opportunity to maximize value of the whole area and create a solid tax base. I think we have a solid mixture but the question is how we position ourselves to take advantage of that.

Question (M. Wachter): You recommended in terms of roadway, building height and change of uses that we should wait for the whole thing? Economic Development should be a part of this discussion as well.

Answer (G. Smerigan): We need to wait until we know what the ultimate outcome is and what we do in the end may be different than what we attempted to encourage. We need to have a discussion about our options and choices then move forward. Economic Development and City Council must make a commitment to do these things.

M. Gorden thanked the Beachwood Chamber of Commerce and their involvement with the business district as they are crucial to the success of what happens in the city.

Question (M. Gorden): George, is there a reason at this point we should put a survey out to the business community? I would like input on a larger scale from additional members of the district.

Answer (G. Smerigan): When we have a more definitive plan then it will be appropriate to share that plan with a proper base and get some reaction which may be difficult to do without being more specific. We can get a more valuable feedback with a bigger group.

Question (R. Hecht): We will gather our comments and meet again in the same format?

Answer (G. Smerigan): Yes, we will meet again and have another discussion with only the Commission and group of business owners then we can finalize plan and bring it out to a larger public at another meeting.

Mayor Gorden asked Mr. Smerigan to present a time line and calendar with a goal to move toward for the next Planning and Zoning Commission Meeting.

Question (B. Mann): Is the ultimate goal to have Commerce Park as a U-10 type zoned area?

Answer (G. Smerigan): That approach has some value and a mixed use approach is important. For example, Chagrin Highlands has had some level of success whether in Beachwood, Warrensville or Orange and is a mixed use. This creates some consistency and stability.

Comment (M.A. Cannon): We might come to a conclusion that we do not want U-10 Zoning Districts stacked upon one another. Chagrin Highlands is laid out with two portions that were intended for different uses such as a combination of retail and office in the Orange portion; compared to the acreage, relatively little retail and commercial in the Beachwood portion.

Answer (G. Smerigan): We do not want to create competition for what we already have; rather we need to try and fill those gaps. We are not creating another Beachwood Place. The overall scheme is another question and maybe we target more to the whole biotechnology/medical field and add some retail element to it. The nature of the mix depends on how we want to vision this going forward. We want to keep a strong employment base and it is not going to be 100% retail, only a retail element. We also need to discuss in detail such issues as how to structure this and what kind of mix makes the most sense. If we add some residential in that area then we will change the mix which will offer some opportunities and change what is happening in Commerce Park area.

Question (M. Gorden): Is there any possibility of attracting a subcategory of high-tech business on a smaller scale than Silicon Valley that would attract biotech businesses where something could generate?

Answer (G. Smerigan): When discussing the schools and universities in regards to what facilities were buildings specializing in research, I think those opportunities exist and they can be like University Hospitals to give us that opportunity to do that in a specific field. There may be other things available to us based on our region. The interconnection of those assets identified gives us what is available. There are some opportunities to do that.

R. Hecht concludes the conversation by stating that when we have the opportunity to do that, we are going to do it right.

P&Z 2010-31 ORDINANCE 2010-112 ESTABLISHING A NEW CHAPTER 1154
ALTERNATIVE ENERGY FACILITIES OF THE BEACHWOOD
CODIFIED ORDINANCES WAS REFERRED FROM CITY COUNCIL
(8/16/10) TO THE PLANNING AND ZONING COMMISSION FOR
STUDY AND REVIEW. (Combined meeting is to be set possibly for the
month of October, 2010 with outside consultants, Planning & Zoning
Commission and City Council.)

M. Wachter began the discussion, which is based upon the joint session held with City Council and Planning & Zoning Commission to discuss alternative energy. Some of the tax incentives were encouraging people to make investments in alternative energy solutions. It was important for the city to address in a regulatory fashion what one could and could not do regarding alternative energy. The key ones for us are solar and wind. In both instances, we have a situation with building mounted facilities and ground mounted facilities. During the policy meeting with Council, we proposed Chapter 1154 and attempted to create a regulatory basis for building and ground solar/wind tower facilities. The whole basis is about impact, control, design, location on property and the impact on neighbors and the city as a whole. Overall, we are looking at physical, visual and auditory impacts.

The City of Beachwood is not an ideal location for any of these types of facilities. The factor for wind generator facilities in Northeast Ohio is 28% which means wind turbines only produce what it is designed to produce 28% of the time in Northeast Ohio which is not a great percentage. The load factor for solar is worse at only 20-22%. These facilities are only going to be supplemental facilities at the best because they do not generate consistent enough energy to be the sole solution in Northeast Ohio.

The City needs a level of control as the public wants to go "Green". We have suggested a set of standards based on identified criteria and standards and by zoning district so there are regulations for specific needs and concerns of each.

The discussion was opened up for questions and comments.

Question (M. Wachter): In terms of this being an accessory use as stated in Chapter 1154.04, why is this necessary? How should we control the aesthetics? Should we have a specific prohibition against electrical storage facilities on site? How far are we going to have a solar panel go beyond the peak of the roof? Does the setback for wind generators make it impossible in residential districts?

Answer (G. Smerigan): Any alternative energy facility will be an accessory use within that district. The way we have it structured, the solar or wind energy facility is to provide power for the principle use on site such as solar panels to power one's own building or house, not a wind farm. This becomes an accessory use to that principal use and will not be a standalone unit on the property. The aesthetics of wind energy facilities are located in Chapter 1154.08. The problem regarding the roof pitch is that the solar panel has to be built at a certain angle and depends on the roof pitch to be effective. The City of Beachwood will not have a free-standing wind turbine on a residential property because lot sizes are small.

Question (R. Hecht): Within Chapter 1154.08, how are we going to keep tabs on efficiency and working order of wind energy facilities?

Answer (G. Smerigan): If something becomes abandoned or a neighborhood problem, the city has the authority to do something about it in the event it becomes an issue and comes to our attention. We want to provide an easy way of enforcement. Overall, wind energy facilities generally do not produce enough to make it worthwhile within our area.

Question (B. Mann): To get payback, what kinds of co-op options are there?

Answer (G. Smerigan): That creates a whole new problem with distribution. We wrote the regulations as we did because if we start getting into distribution then we have a whole new set of regulations we need to deal with on different levels.

Comment (M.A. Cannon): The biggest question is the financial incentive offered by tax breaks.

Comment (W. Griswold): In both residential and commercial, we would not necessarily see a lot in going forward without the tax incentives.

A motion was made by B. Mann and seconded by C. Cohen to refer P&Z 2010-31 back to City Council.

Items for further discussion will include monopole versus lattice, grid, roof pitch and electrical storage.

ROLL CALL:	AYES:	C. Cohen, M. Gorden, R. Hecht, B. Mann, M. Wachter
	NAYS:	None
MOTION APPROVED – RECOMMEND TO COUNCIL		

M. Gorden moved to discuss information regarding Menorah Park with Planning Commission.

G. Smerigan stated that a representative from Menorah Park indicated they are prepared to complete a parking study with a consulting firm to the specifications the City of Beachwood had requested and put it in writing to the Mayor. Montefiore has been interested in doing a small project on their portion of the campus and, historically, has not had the parking problems that Menorah has had. Mr. Raichilson, representative of Menorah Park, has asked whether or not the Planning Commission would consider hearing the request from Montefiore and his commitment letter to Mayor Gorden about going forward with parking study so as not to have Montefiore lose the entire summer season. During previous meeting, Mayor Gorden indicated the Commission is not to focus on anything moving forward until the traffic study is completed. The question is whether or not the Planning Commission is willing to entertain the proposal from Montefiore during the period while the parking study is being done. Menorah Park has indicated they will provide funding in their new budget for the study as they do not want to delay Montefiore.

W. Griswold stated Montefiore had submitted to the City of Beachwood a small 3,000 square feet hospice care and associated with that plan was the required parking for that addition specifically. However, because of the Planning and Zoning Commission's statement, which was all-inclusive until we saw a parking study, at that point we told them we could not have them on the agenda.

C. Cohen asked how long the city has been waiting for the parking study.

M. Gorden responded by saying the city has been waiting years but this is first time they have committed to getting it done. Prior to the next submission, we need to make sure they provide a parking study. We have permitted everything to keep occurring but now they know the city is very serious and nothing will be approved for the entire campus no matter who it is. This is the first time we have had a definite commitment from Steve Raichilson to get the study done. We asked them to present a traffic study to the City of Beachwood; we did not ask them an end date of when they would build the facility and how they were going to do it but that we did want a traffic study. The Mayor stated that he would be comfortable, as long as we have the commitment and letter from Mr. Raichilson within the next week or so, that we as a Commission would look at but it also has to go to City Council.

B. Mann asked the Commission whether or not we are worried about time and is there a way to make sure it gets done.

M.A. Cannon commented the City of Beachwood has tried to encourage them to think about parking management as this is something they need to think about in regards to the parking study. If Montefiore wants to be on the Planning and Zoning Meeting agenda for April, we will have an idea that the study is underway and they are making progress.

G. Smerigan stated the next hurdle will be once the report comes out and involves financial expenditures by Montefiore &/or Menorah Park with the next project down the road but that will be discussed at another meeting.

M. Gorden stated this item will be referred to City Council.

Adjournment

Rochelle Hecht, Chairperson

Sue Ley, Secretary

Karen Navolanic, Clerk of Council