State of the City

Earl M. Leiken, Mayor
League of Women Voters
February 23, 2017
Introduction
“Change is the law of life. And those who look only to the past or the present are certain to miss the future.”

John F. Kennedy

“Life is a moving, breathing thing. We have to be willing to constantly evolve. Perfection is constant transformation.”

Nia Peeples
Actor, Singer, Dancer
I. Where We Were
Cleveland

- Population 876,050\textsuperscript{1}
- Nation’s Eighth Largest City\textsuperscript{2}
- Leading City – Corporate Headquarters
  - Addressograph – Multigraph
  - Diamond Shamrock Corporation
  - Republic Steel
  - Sohio
  - Warner & Swasey
  - White Motor Company
  - TRW, and many others

- Major National Manufacturing Center
- Vibrant Ethnic Neighborhoods

\textsuperscript{1} 1960 Census
\textsuperscript{2} Largest Cities in U.S. by Decade, Wikipedia
The Good Life in Shaker Heights

The wealthiest city in the United States boasts practically no unemployment, no slums. Back-yard swimming pools are commonplace, nearly everyone belongs to a country club and most kids have new cars. Here is the inside story of an American dream town come true.

BY THOMAS MEEHAN

In many ways, Shaker Heights, Ohio, a gold-plated suburban residential city some six miles east of downtown Cleveland, resembles a number of other such upper-class suburban American communities, like Groton Point, Michigan, or Wilmette, Illinois, or Greenwich, Connecticut. Yet Shaker Heights is unique in one highly significant way — it is, according to the latest United States Bureau of Census figures, the wealthiest city in America. That is, people in Shaker Heights annually earn more money than people in any other American city, with a median family annual income of $13,963, the highest in the country.

The visitor's first impression of America's wealthiest city is of quiet streets lined with close-packed rows of fifteen- and twenty-square-room houses, mainly colonial or Tudor in style, each of which is unquestionably worth sixty to eighty thousand dollars; yet, unlike what one is apt to encounter in such enclaves of wealth as Oyster Bay or Tuxedo Park, one finds in Shaker Heights, few million-dollar mansions and no large mansions with cottages for the servants, stabled kennels and stables.

No Polo Ponies; Just Money

With a population of 36,460, the entire city covers only six and a half square miles, so that, in fact, there's literally no room in Shaker Heights for the mult millionaires with their strings of polo ponies, hunting preserves and private land-a-plenty. "We have a scattering of millionaires in Shaker Heights," said one old-time resident recently, "but most of the well-to-do people here live on their incomes, which for a good number range from fifty thousand a year up to a hundred thousand or more. Of course, there are lots of sons and daughters of millionaires living here — this is mainly a second-generation-rich community."

Shaker Heights money comes principally from corporation salaries. The Cleveland area is heavily industrialized, with Republic Steel, Westinghouse, General Electric and Chevrolet, to mention just a few of the major companies with plants in the vicinity, employing thousands of workers. The area is also filled with hundreds of smaller industrial concerns, with names like Mitch & Mervy, weather Machinery and The CommercialForgings Company, and a good percentage of the top executives in these corporations live in Shaker Heights. Thomas F. Patton, for instance, who's chairman of the board of Republic Steel, lives in Shaker Heights, and so does Samuel Littlejohn, a retired vice-president of General Electric. In addition to corporation executives, many of Cleveland's
1967
Shaker Heights

- Population 36,461
- Most affluent City in United States
- Median Family Income: $111,185 in 2014 dollars
- Millage Rate – 46.1 mills
- Estate Tax existed
- No Income Tax
- All Neighborhoods Strong
- Vibrant Retail Districts

1. 1960 Census
2. Cosmopolitan Magazine, March 1963
3. $13,993 x 7.61 = $111,185 (see 1 & 2 above, and Federal Reserve Bank of Minnesota Inflation Calculator (FRBMIC))
Shaker Heights 1967 cont’d

- High Housing Values
- 50-year old Infrastructure
- No Poverty
- City of Choice for Cleveland Business & Professional Leaders
- Tax Base more than adequate to meet Educational, Infrastructure and Service needs
2017
Cleveland

• Population 396,815
• Not on any National Corporation Headquarters List
• Loss of Major Corporations and Manufacturing
• Deeply Troubled Neighborhoods with Blight and Vacancies
• Leading Health Care Center
2017 Shaker Heights

- Population 28,448\textsuperscript{1}
- Median Family Income $82,594 in 2014 dollars\textsuperscript{2}
- Millage Rate 221.56 (effective rate 129.08)
- No Estate Tax
- Income Tax 2.25%
- Neighborhoods with Vacancy, Blight
- Lower Housing Values
- 100 year-old Infrastructure
- Poverty Rate of 8.6\%\textsuperscript{3}
- Competing with other Cities for Business Leaders, Professionals
- Tax Base not Adequate to meet All Needs
- Need to Revitalize Retail Districts

\textsuperscript{1} 2010 Census
\textsuperscript{2} 2010 Census $76,476 \times 1.08 = $82,594 (FRBMIC)
\textsuperscript{3} 2010 Census
Economic Forces Impacting Our Region

1. Automation
2. Globalization
3. Technology
## Loss of Population and Taxpayers

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) US Population</td>
<td>203,302,031</td>
<td>308,745,538</td>
</tr>
<tr>
<td>b) Cuyahoga County</td>
<td>1,721,300</td>
<td>1,280,122</td>
</tr>
<tr>
<td>c) Cleveland</td>
<td>750,903</td>
<td>396,815</td>
</tr>
<tr>
<td>d) Shaker Heights</td>
<td>36,305</td>
<td>28,448</td>
</tr>
</tbody>
</table>
## Loss of Population and Taxpayers to Outer Ring Suburbs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pepper Pike</td>
<td>3,217</td>
<td>5,382</td>
<td>5,979</td>
<td>11.09%</td>
</tr>
<tr>
<td>Solon</td>
<td>6,333</td>
<td>11,519</td>
<td>23,348</td>
<td>102.69%</td>
</tr>
<tr>
<td>Beachwood</td>
<td>6,089</td>
<td>9,631</td>
<td>11,953</td>
<td>24.11%</td>
</tr>
<tr>
<td>Westlake</td>
<td>12,906</td>
<td>15,689</td>
<td>32,729</td>
<td>108.61%</td>
</tr>
<tr>
<td>Chardon</td>
<td>3,154</td>
<td>3,991</td>
<td>5,148</td>
<td>28.99%</td>
</tr>
<tr>
<td>Medina</td>
<td>8,235</td>
<td>10,913</td>
<td>26,678</td>
<td>144.46%</td>
</tr>
<tr>
<td>Mentor</td>
<td>4,354</td>
<td>36,912</td>
<td>47,159</td>
<td>27.76%</td>
</tr>
<tr>
<td>Moreland Hills</td>
<td>2,188</td>
<td>2,952</td>
<td>3,320</td>
<td>12.47%</td>
</tr>
<tr>
<td>Hudson</td>
<td>2,438</td>
<td>3,933</td>
<td>22,262</td>
<td>466.03%</td>
</tr>
</tbody>
</table>
Ascendancy of Anti-Urban Political Leadership in State and Nation

1. Repeal of Estate Tax
2. Loss of 60% of the Local Government Fund
3. Threatened Loss of Tax Collection Authority
4. Threatened Loss of Tax Exemption for Municipal Bonds
5. More to Come
II. Where Are We Now?
The State of the Community is strong but challenges must be overcome to achieve future growth.
<table>
<thead>
<tr>
<th>City</th>
<th>2000</th>
<th>2010</th>
<th># change 2000-2010</th>
<th>% change 2000-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solon</td>
<td>21,802</td>
<td>23,348</td>
<td>1,546</td>
<td>7.1%</td>
</tr>
<tr>
<td>Beachwood</td>
<td>12,186</td>
<td>11,953</td>
<td>(233)</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Shaker Heights</td>
<td>29,405</td>
<td>28,448</td>
<td>(957)</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>11,586</td>
<td>11,169</td>
<td>(417)</td>
<td>-3.6%</td>
</tr>
<tr>
<td>University Heights</td>
<td>14,138</td>
<td>13,539</td>
<td>(599)</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Fairview Park</td>
<td>17,572</td>
<td>16,826</td>
<td>(746)</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Parma</td>
<td>85,665</td>
<td>81,601</td>
<td>(4,064)</td>
<td>-4.7%</td>
</tr>
<tr>
<td>South Euclid</td>
<td>23,516</td>
<td>22,295</td>
<td>(1,221)</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Garfield Heights</td>
<td>30,734</td>
<td>28,849</td>
<td>(1,885)</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Euclid</td>
<td>52,711</td>
<td>48,920</td>
<td>(3,791)</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Lakewood</td>
<td>56,647</td>
<td>52,131</td>
<td>(4,516)</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Cleveland Heights</td>
<td>50,771</td>
<td>46,121</td>
<td>(4,650)</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Brook Park</td>
<td>21,214</td>
<td>19,212</td>
<td>(2,002)</td>
<td>-9.4%</td>
</tr>
<tr>
<td>Warrensville Heights</td>
<td>15,108</td>
<td>13,542</td>
<td>(1,566)</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Maple Heights</td>
<td>26,156</td>
<td>23,138</td>
<td>(3,018)</td>
<td>-11.5%</td>
</tr>
<tr>
<td>East Cleveland</td>
<td>27,218</td>
<td>17,843</td>
<td>(9,375)</td>
<td>-34.4%</td>
</tr>
<tr>
<td>Cuyahoga County</td>
<td>1,393,978</td>
<td>1,280,122</td>
<td>(113,856)</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>477,463</td>
<td>396,815</td>
<td>(80,648)</td>
<td>-16.9%</td>
</tr>
<tr>
<td>Sales</td>
<td>2016</td>
<td>2015</td>
<td>Price Change %</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>---------------</td>
<td>---------------</td>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td>Beachwood</td>
<td>$280,000</td>
<td>$259,500</td>
<td>7.9%</td>
<td></td>
</tr>
<tr>
<td>Solon</td>
<td>$250,000</td>
<td>$255,000</td>
<td>-2%</td>
<td></td>
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<tr>
<td><strong>Shaker Heights</strong></td>
<td><strong>$225,000</strong></td>
<td><strong>$225,000</strong></td>
<td><strong>0.0%</strong></td>
<td></td>
</tr>
<tr>
<td>Bay Village</td>
<td>$209,500</td>
<td>$204,450</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Lakewood</td>
<td>$149,500</td>
<td>$133,500</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>University Hts.</td>
<td>$129,950</td>
<td>$130,000</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Brook Park</td>
<td>$109,900</td>
<td>$98,000</td>
<td>12.1%</td>
<td></td>
</tr>
<tr>
<td>Parma</td>
<td>$100,000</td>
<td>$89,900</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>Cleveland Hts</td>
<td>$97,200</td>
<td>$78,000</td>
<td>24.6%</td>
<td></td>
</tr>
<tr>
<td>Brooklyn</td>
<td>$90,400</td>
<td>$85,300</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>South Euclid</td>
<td>$78,900</td>
<td>$70,000</td>
<td>12.7%</td>
<td></td>
</tr>
<tr>
<td>Euclid</td>
<td>$55,000</td>
<td>$46,000</td>
<td>19.6%</td>
<td></td>
</tr>
<tr>
<td>Garfield Hts</td>
<td>$46,200</td>
<td>$40,000</td>
<td>15.5%</td>
<td></td>
</tr>
<tr>
<td>Warrensville Hts</td>
<td>$45,000</td>
<td>$29,000</td>
<td>55.2%</td>
<td></td>
</tr>
<tr>
<td>Maple Heights</td>
<td>$38,000</td>
<td>$35,250</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Cleveland</td>
<td>$33,000</td>
<td>$29,000</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td>E Cleveland</td>
<td>$12,000</td>
<td>$17,500</td>
<td>-31.4%</td>
<td></td>
</tr>
</tbody>
</table>
Average Income Trends

Figure 2: Average Income Trends
Retention of Wealth

979 Households with over $300,000 in income (in 2014)
AAA Bond Rating From Fitch

One of only 9 communities in Northeast Ohio with AAA rating:

- Aurora
- Beachwood
- Brecksville
- Hudson
- Pepper Pike
- Shaker Heights
- Solon
- Strongsville
- Westlake
# The Most Educated Places in America

<table>
<thead>
<tr>
<th>Rank</th>
<th>City, State</th>
<th>Bachelor's Degree</th>
<th>Graduate Degree</th>
<th>Employment Rate</th>
<th>Crime Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td></td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>15</td>
<td>Boulder, Colorado</td>
<td>96.5%</td>
<td>73.6%</td>
<td>23.7%</td>
<td>9.6%</td>
</tr>
<tr>
<td>16</td>
<td>North Bethesda, Maryland</td>
<td>95.3%</td>
<td>70.2%</td>
<td>21.6%</td>
<td>9.7%</td>
</tr>
<tr>
<td>17</td>
<td>Shaker Heights, Ohio</td>
<td>95.9%</td>
<td>65.4%</td>
<td>21.5%</td>
<td>7.3%</td>
</tr>
<tr>
<td>18</td>
<td>Menlo Park, California</td>
<td>92.6%</td>
<td>70.6%</td>
<td>26.3%</td>
<td>6.8%</td>
</tr>
<tr>
<td>19</td>
<td>Northbrook, Illinois</td>
<td>97.4%</td>
<td>69.3%</td>
<td>18.1%</td>
<td>3.1%</td>
</tr>
<tr>
<td>20</td>
<td>Berkeley, California</td>
<td>95.2%</td>
<td>69.2%</td>
<td>22.2%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>
Shaker Heights Schools

EXCELLENCE • EQUITY • EXPLORATION

Council – Management Team Retreat
January 28, 2017
Public School Environment; Private School Experience

- One of only eight districts in North America to offer IB at all grade levels
- 2016 graduates accepted at ALL Ivy League colleges
- ALL students take Mandarin Chinese in grades 1-5
- ALL students learn to swim
- ALL students in grades 5-6 learn a musical instrument
- Largest selection of advanced classes (AP and IB) in NE Ohio
- SAT & ACT scores rank significantly above state & national averages

- Hundreds of students travel, study and perform across the globe
- Unparalleled music, drama and art programs
- 99% of faculty ranked skilled or accomplished by state
- 99% of third-graders read at grade level
- Shaker’s First Class, only preschool program in the state with IB
- Students excel in Shakespeare, Latin and playwriting competitions
### Shaker Heights Schools

#### It Just Adds Up: Comparing the High Schools

<table>
<thead>
<tr>
<th>Category</th>
<th>Shaker</th>
<th>Beachwood</th>
<th>Chagrin Falls</th>
<th>Orange</th>
<th>Solon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically Disadvantaged Students</td>
<td>42%</td>
<td>12%</td>
<td>5%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>Teacher Holding Advanced Degrees</td>
<td>100%</td>
<td>84%</td>
<td>87%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>AP Scholars with Distinction</td>
<td>84</td>
<td>39</td>
<td>NA</td>
<td>62</td>
<td>NA</td>
</tr>
<tr>
<td>AP Scholars with Honor</td>
<td>37</td>
<td>12</td>
<td>NA</td>
<td>20</td>
<td>NA</td>
</tr>
<tr>
<td>Presidential Scholars 2016</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>National Merit Winners 2016</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>National Merit Winners 2015</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Gates Millennium Scholars 2016</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Coca-Cola Scholarship Winners 2016</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Number of Athletic Teams</td>
<td>29</td>
<td>23</td>
<td>22</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>SAT Average Class of 2015</td>
<td>1804</td>
<td>NA</td>
<td>1762</td>
<td>1788</td>
<td>1791</td>
</tr>
<tr>
<td>IB Diploma Offered?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Number of AP &amp; IB Courses Combined</td>
<td>66</td>
<td>27</td>
<td>23</td>
<td>22</td>
<td>23</td>
</tr>
</tbody>
</table>
Strengths

- Beautifully Planned Community
- Attractive, Well-designed Housing Stock
- Strong Community Identity
- Excellent Public Schools
- Good Government
- Strong Neighborhoods
- Healthy Economic and Social Diversity
- Supportive Citizens
III. Where Are We Going?
Goals

Shaker will be a strong 21st Century Community with:

A. High Quality, High Functioning Neighborhoods
B. Attractive Desirable Quality of Life
C. Vibrant Commercial and Retail Development
D. Effective Cost-Efficient Government
A. High Quality, High Functioning Neighborhoods
Housing Plan Goals

1. Attract New Residents to Shaker, Increase Demand for Houses and Increase Property Values
2. Preserve Existing High Quality Housing Stock
3. Increase Cohesiveness, Desirability, Attractiveness & Stability in the Neighborhoods
Investment in Housing & Neighborhoods (2012-2016)

Grant funds
- Federal housing funds: $2,759,000
- County Demolition funds: $1,405,000

Private Funds
- Point of Sale escrow: $11,135,248
- Shaker Renovator rehabs: $5,789,559
- Heritage Loan Program: $3,416,937

City funds
- Ext. maintenance programs: $189,763
- Vacant lot fencing & landscaping: $309,626
- Moreland Rising: $150,000

**TOTAL:** $25,155,133
Transit Village
Townhomes of Van Aken

• 33 townhomes
• Vintage development/Marous Builders
• Phase One under construction – 12 units starting at $334,000.
• Ten Year 100% Tax Abatement.
• Marketing Campaign ready, starting soon.
Model Block Grant Program

- **Exterior Maintenance Grants** – up to $2,500 to correct outstanding city code violations (exterior) and to prevent future violations
- **Curb Appeal Grants** – up to $500 to complete curb appeal enhancements
- 24 grant applications totaling $31,520 approved in 2016; 18 projects complete, 6 ongoing
Transit Village

- Public Works will pave Sutton Road and Sutton Place in 2017
- Applied for $150,000 CDBG Municipal Grant for streetscape improvements to leverage the street paving
Avalon Station II

- 70 for sale townhomes, price range anticipated: $250,000
- Development agreement/Knez Builders as Developers
- Ryan Homes will be the builder
- Present Phase: Due Diligence – preparing for Site Plan Review and/or Architectural Review
Infill/Design Competition

- Highly energy efficient home designs
- Goal is to construct on vacant city lots
MORELAND RISING

- Neighborhood hardest hit by housing crisis
- Population turnover
- Adjacent to commercial district targeted for change
- 50+ vacant lots
A Grass Roots Movement: Year 1 (2016) Goals Achieved

✓ Better connection between City and Moreland residents
✓ Better connection among Moreland residents
✓ Explore what kind of neighborhood residents want
✓ Build on the neighborhood’s strengths/assets
✓ Familiarize others with what the neighborhood has to offer
✓ Foster partnerships to create the change we foresee
✓ Lay the groundwork for infill housing
Our Main Partners

- City
- SHDC
- RESIDENTS
- Ingenuity
- Sankofa
- Businesses
- CUDEC
- SHAC
- Library
- Schools
Neighbor Nights

- Neighbor Nights: once every month since Sept. 2015
- Attended by 70+ different individuals Sept ‘15 - Aug ‘16
- Average attendance: 25 per night

- Conversations included:
  - How can we engage our youth positively with the criminal justice system?
  - How can we assist our neighbors from becoming tax delinquent?
  - How would we like to see vacant lots reintegrated into the neighborhood?
  - What matters to you with regard to public art in your neighborhood?
Neighbors Connecting with Neighbors

Block Party July 2016
- Organized by group of 10
- Attended by 250
Chelton Park Mural
Inspiring Creativity in Young Residents

Making Our Own Spaces (MOOS)
Enhancing The Moreland Parks

1. Security cameras & lighting (84.6%)

2. Youth arts activities/programs (73.1%)

3. Adult arts activities/programs (69.2%)

4. Summer arts & crafts programs (69.2%)
Neighbors Connecting with Neighbors

“Our Town” Play August 2016
• Utilized Neighborhood Grant
• Led by 5 residents
• Involved 30+ as cast & crew
• Attended by 240!
Conclusion

The State of the City is strong and Shaker Heights will have a bright future if we continue to move forward in our goals to best position our community for the 21st Century.

Thank you.