



SUSTAINABLE DEVELOPMENT
FOR A BRIGHTER TOMORROW

First Interstate Properties: A BRIEF HISTORY

First Interstate Properties, Ltd. is a Lyndhurst-based full-service real estate development and management company. For 20 years, First Interstate has built a sound reputation as a development firm **concerned about and responsible toward the impacts of commercial growth on surrounding areas**. We have built our reputation and our success by carefully assessing a community's needs and working proactively to solve community problems. Our professional team is dedicated to **quality work, quality relationships and uncompromised values**. The results of that dedication are apparent to visitors at any of the properties First Interstate owns and manages.

First Interstate's management objective is long-term equity growth and value enhancement. For that reason, First Interstate pays close attention not only to the initial quality of its developments, but also to detailed, preventative maintenance for all managed properties. In addition, First Interstate becomes an active member of the local communities in which it owns and manages properties. We recognize these projects require long-term commitments, so we work hard to develop and nurture long-term relationships in every one of our communities.

Mitchell Schneider is the founding principal of First Interstate and serves as its President and Chairman of the Board. Mr. Schneider, an attorney by training, previously practiced real estate development law at a mid-sized Cleveland law firm. In 1989, he set out to create First Interstate as a **development firm with a difference**. Mr. Schneider's commitment to integrity filters through the work of each employee of First Interstate, as well as the myriad of professionals, consultants, contractors and other service providers employed by First Interstate.



Mitchell Schneider, President

LETTER TO RESIDENTS OF SOUTH EUCLID

Dear Residents,

By now, you are probably aware that First Interstate Properties has purchased 62 acres of the former Oakwood Country Club property in South Euclid, and that we have a contract in place to purchase the remaining parcel in Cleveland Heights. We hope you will browse the contents of this magazine to learn more about our company and our plans for this exciting development in South Euclid.

As you will see from the site plan (page 4), we intend to **permanently preserve 21 acres** as dedicated green space for public use. This means it will never be developed. Another 40 acres

would become an open-air multi-tenant retail development. All of this is contingent on approval from the city of South Euclid. First Interstate's total capital investment could be as high as \$45 million, creating significant new tax revenues for the local community and school district.

This **well-balanced plan** offers the best of both worlds by preserving a significant amount of open green space, improving the tax base, and bringing new retail options to local residents. In keeping with South Euclid's Green Neighborhoods Initiative, we have pledged to bring in retailers with a commitment to

sustainable design. We expect to set a new standard in Northeast Ohio for "green" commercial development.

We believe this project will become a **great community asset** by providing new jobs, green space and convenient retail. We hope you will participate in the public process and mail in the enclosed card to let South Euclid know of your support. If you have any questions, please select "contact us" on our website, www.oakwoodcommons.net.

Kindest Regards,
Mitchell Schneider

- › Creating community assets
- › Planning for balance
- › Setting a new standard
- › Welcoming public engagement

Please note that all of the photos included in this magazine are taken from properties that are developed and managed by First Interstate.

- First Interstate projects quickly become **community assets** beyond the traditional benefits of shopping options, jobs and tax revenues. We believe in giving back by helping our communities address a variety of community needs. A few examples from our other projects are listed below.

SUSTAINING COMMUNITIES

Race for the Cure LEGACY VILLAGE



Held every Mother's Day at Legacy Village, The Race is an annual event that originated seven years ago. The Race was conceived by a local brother and sister, as a way to harness young people to actively fight to eradicate breast cancer. The Race is a family event, where children learn that they can make a difference by raising both money for research and awareness

about the disease. Participants take part in a one mile walk or run around Legacy Village during the event and 100% of the money raised each year is donated to the Cleveland Clinic Taussig Cancer Center for breast cancer research. Hundreds of families participate annually and over \$150,000 was raised during last year's 2010 race.

Change for Charity LEGACY VILLAGE

Change for Charity was created by Legacy Village to support community organizations. The program is funded through parking meter proceeds and benefits hundreds of local charities each year. Over \$250,000 has been donated since the program's inception and over 600 local organizations have benefitted from the funds.

National Night Out Against Crime STEELYARD COMMONS

National Night Out (NNO) is an annual campaign to promote awareness and partnerships between police departments and the communities they serve involving citizens, law enforcement agencies, civic groups, businesses, and neighborhood organizations. Steelyard Commons has hosted an NNO event for the last 4 years with a record attendance of 5,000 in 2010. Local officials speak out against violence and crime, residents watch and participate in cultural performances put on by community groups, and citizens have the opportunity to explore emergency vehicles, mobile command stations, do fingerprinting and other demonstrations.



Annual Concert Series HAWTHORNE VALLEY



Hawthorne Valley Shopping Center in Oakwood Village, Ohio in collaboration with the mayor has hosted the Oakwood Community Concert Series for many years. For several weeks each summer, the community is invited to attend a free concert series with nationally and internationally renowned performers such as "The Van Dells", "The Drifters", and "Memories of Elvis."

Heartwalk AVON COMMONS

2011 will be the 5th consecutive year that Avon Commons has not only sponsored but hosted the Lorain County Start! Heart Walk. Designed to promote physical activity and heart-healthy living, the Start! Heart Walk creates an environment that's fun and rewarding for the entire family.



ADDITIONAL COMMUNITY PROJECTS INCLUDE:

- Cleveland Firefighter's Toy Drive & Fundraiser
- Cleveland Scholarship Fund
- Make-A-Wish Foundation

SUSTAINING ENVIRONMENTS

As part of the Legacy Village development, an existing concrete lined channel was replaced with over 1,700 lineal feet of natural stream bed. In addition, a wetland was created within the floodplain. Working with locally based professionals and consultants, we implemented a plan that called for the replacement of a 700 foot concrete and railroad tie flume and installed a 1,700 lineal foot natural stream corridor that incorporated floodplains and adjacent wetlands. The natural design served to create significant areas of natural habitat and reduce downstream flooding.



SUSTAINABLE DEVELOPMENT

JOB CREATION

First Interstate asked The Greater Cleveland Partnership to conduct an independent analysis of the potential for jobs created by this retail development in South Euclid. First Interstate does not yet have commitments from specific retailers, so the analysis includes two scenarios: one with a supermarket, the other without. Without a supermarket, 714 jobs would be created; with a supermarket, the number jumps to 788. Under either scenario, total new wages will be more than \$20 million per year, generating **local income tax revenues of about \$460,000-\$523,000**. These figures include direct employment; "indirect" employment created in the local supply chain; and "induced" employment created in industries that supply goods and services to the workers (dry cleaners, accountants, etc.).

TRAFFIC REPORT

Warrensville Center Road was designed and built before substantial suburban sprawl occurred in the eastern suburbs and, 25 years ago, **carried nearly twice the current traffic volume**. This development will not increase traffic beyond 1985 levels. First Interstate is conducting a traffic study and **will pay for any necessary improvements** such as dedicated turning lanes to make sure traffic flows smoothly into and out of the proposed development and along Warrensville Center. Finally, the risk of cut-through traffic on side streets is limited because streets across from Warrensville Center do not directly connect to any other main arterial roads.



NO SUBSIDIES

First Interstate **will pay for any and all improvements** needed for this project including sidewalks along Warrensville Center Road, designated areas for bicycles and a "pull off" area for RTA buses to move off the main street for a bus stop.

Real Estate Tax Revenues

Revenues from the capital improvements and associated real estate taxes just for the South Euclid retail/commercial portion of this development will be about \$45 million. Based on that investment, Cuyahoga County will **receive an additional \$1.7 million each year in property taxes**, broken down as follows:

- › \$1.1 million to the local schools
- › \$250,000 to the City of South Euclid
- › \$100,000 to the local public library
- › \$300,000 to Cuyahoga County

(These figures are rounded and do not include preservation of the Oakwood Country Club buildings or any value for the proposed commercial development or residential units in Cleveland Heights.)

“ This property is one of the few tracts of undeveloped land in the inner-ring suburbs so we are very pleased that so much of the property will be permanently protected green space. The development as planned brings new and important assets to our community. In addition to new park land, the City will add hundreds of much-needed jobs and tax revenue from the retail development. Best of all, we’re gaining these new assets without any investment of public money. First Interstate is generously providing this green space and will pay for all road improvements and amenities for the development. This is a win-win for everyone and we look forward to working with First Interstate to ensure that the development is attractive, environmentally sustainable and embraces the character of our walkable, green neighborhoods.”

Georgine Welo, Mayor, South Euclid

GREEN NEIGHBORHOOD INITIATIVE

- › Low-impact development
- › Project designed for sustainable best practices
- › A model for sustainable site improvement
- › Sustainable stormwater design and management

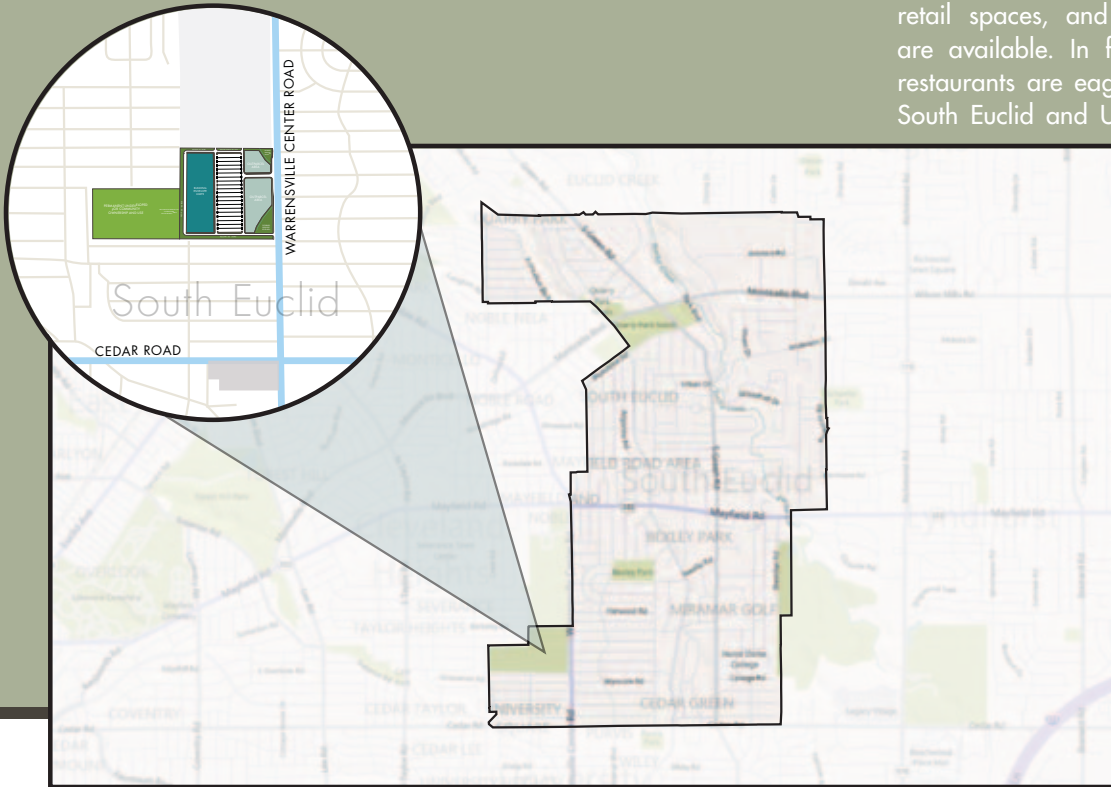


This property is directly adjacent to a designated "green neighborhood," part of an exciting initiative that uses green-building techniques to rehabilitate troubled residential properties. In fact, both South Euclid and Cleveland Heights have set goals to enhance their communities' commitments to "green" living. First Interstate has pledged to bring retailers to Oakwood Commons with a commitment to sustainable design and LEED-certified "green" building techniques. These guidelines, established by the U.S. Green Building Council, include standards for water efficiency, energy use, materials and resources for new retail developments. Oakwood Commons will be a model of best practices in Northeast Ohio for how green development can enhance a neighborhood. More information is available at www.usgbc.org.



SUSTAINABLE DEMOGRAPHICS

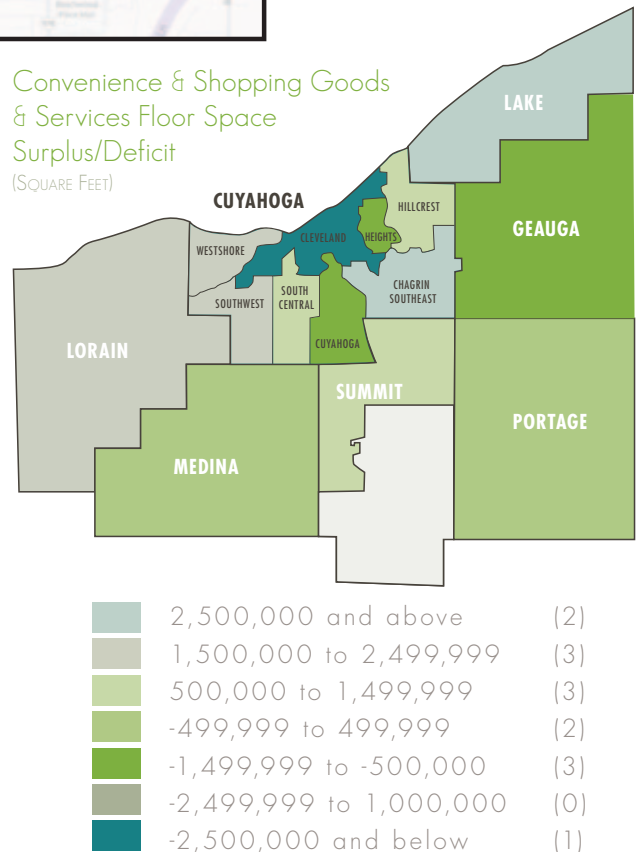
Within a five-mile radius of the Oakwood property, there are very few empty modern small to medium retail spaces, and even fewer large retail spaces are available. In fact, many national retailers and restaurants are eager to come to Cleveland Heights, South Euclid and University Heights but they require standard store sizes and footprints. This project is an opportunity for local residents to gain access to the same quality goods, merchandise and services that are readily available in the outer-ring suburbs. This development will likely have a positive impact on other commercial properties in the area by attracting more shoppers to the neighborhood. In the end, this helps prevent urban sprawl by making inner-ring suburbs more desirable and attractive to residents.



SPATIAL SUPPLY/DEMAND FOR NORTHEAST OHIO

Based upon an extensive study prepared by the Cuyahoga County Planning Commission for NOACA, there is a spatial mismatch between the location of retail developments and certain population areas of the region which are underserved. As shown on the shaded map, there is a large deficit of available shopping for the Heights, Geauga County, and certain Cuyahoga Regions. The underserved area surrounding Oakwood Commons has traffic access, infrastructure, and population density to support additional retail, yet residents must travel significant distances outside their communities to make purchases. This leakage in sales is substantial as shopping dollars are spent elsewhere and sales revenues (together with the associated tax base for the community) are generated outside the City.

Convenience & Shopping Goods & Services Floor Space Surplus/Deficit (SQUARE FEET)



SOURCE: Northeast Ohio Regional Retail Analysis Included in Cuyahoga County Planning Commission Executive Summary



PRESERVING GREENSPACE

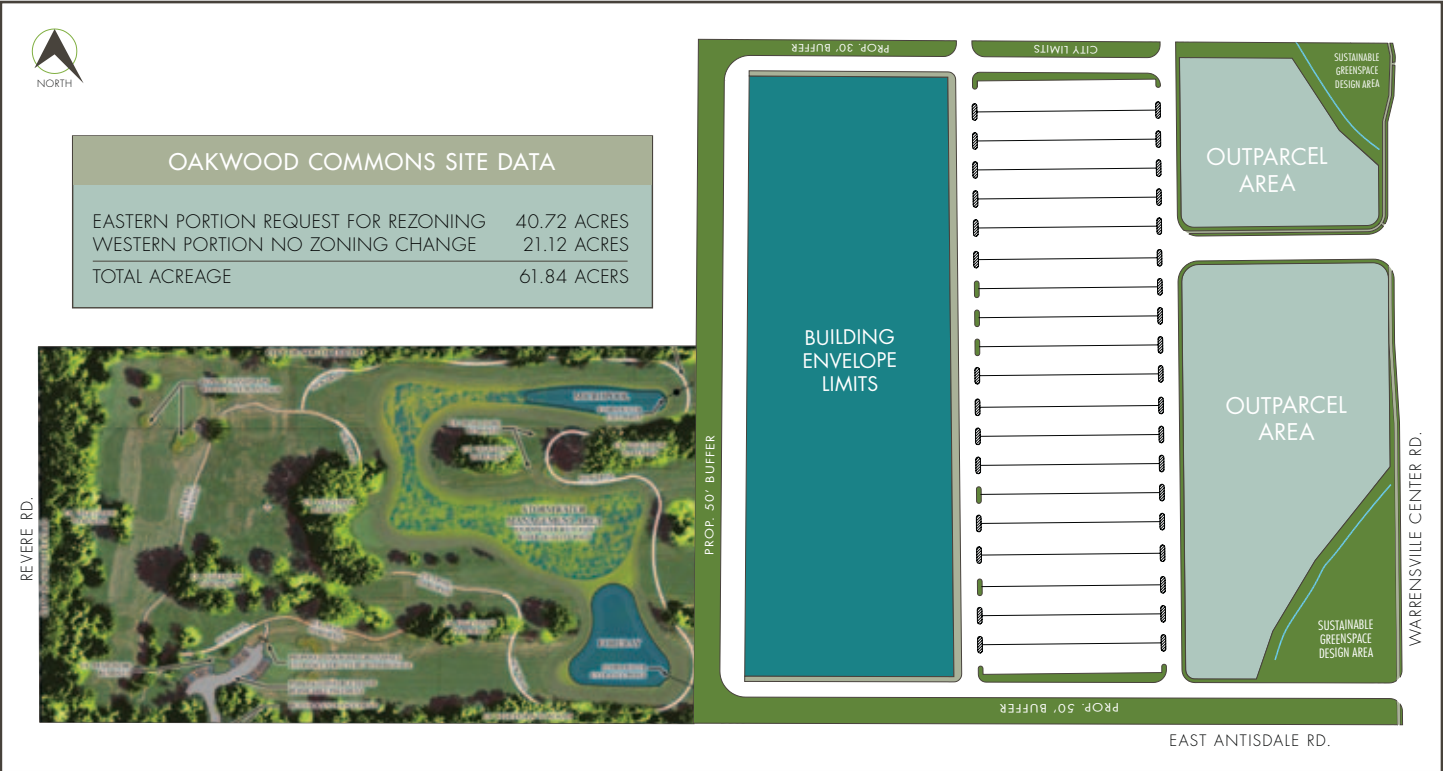
Some opponents have erroneously claimed that the proposed development will destroy open green space. In fact, the private Oakwood property has been off-limits to local residents for more than 100 years. Plus, the property is zoned for residential development and so could be developed with a subdivision of 142 houses without any zoning changes. Now, with this proposed plan, 21 acres east of Revere Road in South Euclid will be preserved as open green space. Generations to come will be able to enjoy this new parkland without concern of new development.

“ This deal would improve the environmental quality of the property in terms of soil, roots, canopy cover, streambank stabilization, sediment control, stormwater infiltration and management, plant and wildlife habitat and diversity, and water quality in Nine Mile Creek. We’d get a smaller amount of **better quality green space**, and a net gain of trees over what’s there now... This project is the perfect solution for our landlocked city – new income **and** improved green space **in an inner-ring suburb**. It will draw shoppers and homebuyers back to our community... This deal would leave more than a third of the SE space natural, restored from the degraded horrendous golf course condition it’s in now. Like the constructed wetland on Green, it would be restored to higher quality green space than it is today. ”

Jane Goodman,
 Member of South Euclid City Council (Ward 4)
 Outreach & Communications Director,
 Cuyahoga River Community Planning Organization

SITE PLAN

OAKWOOD COMMONS AND OAKWOOD GREEN



Q & A

Q What kind of retail will be built?

A Pending approval from the city, about 40 acres along Warrensville Center Road will be developed for multi-tenant retail and restaurant uses. We anticipate great interest from national retailers and restaurants that would like to serve this community. As of now, we have no commitments but anticipate uses similar to those in many of our other projects like Steelyard Commons and Avon Commons.

Q What is the next step?

A South Euclid City Council has introduced an ordinance to rezone 40.7 acres along Warrensville Center Road to allow for the retail development. The Planning Commission will hold a public hearing on this matter and residents are invited to participate. The public hearing will be held in the Community Room of the second floor of City Hall. A time and date for the public hearing will be available soon. Once available, the schedule will be posted on our website and Facebook page.

Q When will the project be completed?

A Pending approval from the City of South Euclid, we hope to begin construction on the commercial component of the project in the late summer of 2011. The green space would then be available to the public beginning in the fall of 2011.

Q What does it mean to have a sustainable, green commercial development?

A The U.S. Green Building Council has established guidelines for new retail developments that include standards for water efficiency, energy use, materials and resources, among other standards. More information is available at www.usgbc.org. This project will serve as a model of best practices in Northeast Ohio for implementation of these design concepts for both the buildings constructed in the development as well as for the site improvements made for the project.

Q What will happen to the clubhouse and golf course?

A The clubhouse is on the Cleveland Heights parcel. We have not yet purchased that parcel or presented plans to the city. However, our preliminary plan preserves almost half of the existing golf course as permanent green space. We're still exploring options for the clubhouse and hope it will become an amenity for a residential community but those plans are not yet finalized.

FACT VS. FICTION

FICTION: If rezoning is denied, the full parcel will become a public park.

FACT: The choice is not between a shopping center and a park. The land will be developed; the choice is how. Without a zoning change a developer could build homes on the property with NO public green space. This proposal, on the other hand, preserves 21 acres in South Euclid as undeveloped natural greenspace.

FICTION: The community will lose green space if this development is built.

FACT: This land has not been accessible to residents for 100 years. If this plan is approved residents will gain access to 21 acres of natural green space and it will be preserved for generations to come.

FICTION: Low-paying retail jobs won't contribute to the local tax base.

FACT: Conservative estimates by Team NEO project about \$469,000 each year in new local income tax revenues for the City of South Euclid— in addition to \$1.7 million in new property tax revenues benefitting the schools, library, city and county each year.

FICTION: Nearby retailers will close because they can't compete with national chains.

FACT: Studies show this area is under-served by national retailers and, in fact, a development this size attracts shoppers to the area and nearby retailers can benefit from the increased customers drawn to the area.

FICTION: The city will have to increase its police force at taxpayer expense.

FACT: In nearby Lyndhurst, where First Interstate built Legacy Village, the police force is actually smaller than before the project was built and the owner provides on-site security.



PRESERVED STEEL HERITAGE MUSEUM AND BOTTLE CAR AT STEELYARD COMMONS

FICTION: There is a surplus of retail space in Northeast Ohio, exacerbated by a declining population.

FACT: While this may be true in Northeast Ohio as a whole, it is not true in this particular community. Independent studies show that the Heights area is under-served and residents deserve the same quality shopping that is available in the outer-ring suburbs. This project will help improve the quality of life in the inner ring neighborhoods.

FICTION: Empty storefronts in the area should be filled before new retail space is built. For example, Cedar Center remains unfinished and University Square has empty store fronts.

FACT: Many existing stores are obsolete and not suitable for today's national retailers. In other communities, similar developments have motivated owners of nearby space to invest in their properties and, with more shoppers attracted to the area, local entrepreneurs are confident and open new businesses in these storefronts.

Re-development on the north side of Cedar Center was delayed because of the economy and significant brownfield issues. The Coral Company will break ground in the spring and owner Peter Rubin welcomes the Oakwood Commons project. University Square has had trouble filling space because national tenants and their customers do not like the garage, the access, or the design of that development.



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WHAT OTHERS ARE SAYING ABOUT THIS PROJECT AND FIRST INTERSTATE PROPERTIES...

“A good plan for Oakwood”

“We sympathize with those who want to leave Oakwood untouched, but there are too many reasons why this proposal should not be rejected. It provides plenty of green for the cities and schools and keeps plenty of green for us to enjoy.”

*Excerpted from Sun Messenger
Editorial, January 15, 2011*

“... I worked with dozens of commercial and residential developers and found none to be more reliable, flexible, and consistent in his delivery than Mitchell Schneider and First Interstate. At every turn, the developer worked with our community and the neighborhoods surrounding Steelyard Commons to address concerns... What's been impressive in the five years since the project's completion is that it has met a major market need as projected by the developer and has dramatically contributed to Cleveland's tax base as projected. The project has been maintained in excellent shape because this developer demands that of his team...”

*Chris Ronayne, Former Cleveland
Planning Director, Chief Development
Officer and Chief of Staff; Current
President, University Circle Inc.*

“First, I want to thank you for keeping your word. Despite what the critics claim, all of the financial benchmarks that First Interstate promised have been met and even exceeded, and Legacy Village has become a crucial part of our community's tax base. Not only that, Legacy Village's real estate tax payments have become crucial to our City School system. Finally, the donations made through your Change for Charity program and the Cleveland Foundation have continued to support not-for-profit programs both in Lyndhurst as well as our surrounding communities. ...In short, First Interstate and Legacy Village have had a very positive impact on Lyndhurst.”

Joe Cicero, Mayor, City of Lyndhurst

“It's not a choice between commercial and parkland, it's between commercial and residential... A residential development, all private property, with roads and driveways and heavily fertilized and pesticide-laden monoculture lawns and exotic species landscaping means NO public access, NO public nature trails or native plantings or reforestation and definitely NOT the same level of improvement to the soil or watershed as is being offered here.”

*Jane Goodman, Member of
South Euclid City Council (Ward 4)*

WE WANT TO HEAR FROM YOU!

Often, a handful of people will be very vocal about their opposition to change of any kind. Meanwhile, those who support it remain quiet. Do you like what you've read here but aren't sure how to express your opinion? Perhaps you don't have time to attend public hearings but want to let community leaders know you like the idea of new retail and more community greenspace in South Euclid. If so, we've made it very easy for you. Simply check “Yes!” on the card inside and drop it in the mail today (no postage necessary). By adding your address to the card, you will let the City Officials know you are a resident of South Euclid and that you want them to approve rezoning for this project.

Thank you for your interest. Please visit www.oakwoodcommons.net for more information.