

CRAIN'S Cleveland Business

Northeast Ohio's premier source for business news

Originally Published: January 28, 2018 4:00 AM **Updated: 2 days ago**

Paran Management buys landmark

By Stan Bullard



Photo by Stan Bullard

The building that once housed a Bonwit Teller store at Shaker Square is in new hands and in line for remodeling along with redevelopment of adjoining properties facing Van Aken Boulevard in Cleveland.

Real estate developer and owner Joseph Shafran's Paran Management Co. didn't go far for his latest deal: the former Franklin Simon department store building next to Shaker Square.

Paran's office, where it runs a shopping center and apartment ownership firm with holdings throughout Ohio, has been on the second story of the structure at 2720 Van Aken Blvd. since 2002.

"We plan to make a substantial investment here," Shafran said in a Jan. 23 phone interview. "The building has sat and become increasingly derelict for years."

However, the opportunity to restore the property and make it more of a community asset attracted Shafran, in part because he remembers going into the first-floor department store known for high fashion as a boy to pick up packages for his mother.

Along with the building constructed for Franklin Simon came an empty former CVS store, as well as another vacant building — once home to a Heinen's — connecting the structures, and parking lots behind Shaker Square in Cleveland as well as the south side of Drexmore Road in Shaker Heights.

Through an affiliate — Bonwit Teller LLC, recalling Franklin Simon's better-known rival in the high-end market — Shafran on Jan. 17 bought the properties for \$796,000. The seller was 2720 Van Aken Blvd. LLC.

Cuyahoga County values the properties at \$1.65 million for property taxes, which shows how much work awaits Shafran and Paran's consultants.

Basic housekeeping is the first order of the day, Shafran said. Paran even has to prepare as-built drawings of the structures for the firm to craft its own plans.

Franklin Simon, part of a national chain, was in space now home to a Goodwill store. Shafran won't speak specifics with respect to current and potential tenancy until more planning is done.

However, one concept is to demolish the single-story building between the 2720 Van Aken building and the CVS to add more than 100 market-rate apartments in a mid-rise building of as much as five stories.

"We know it's very well built," Shafran said of the original store building, which dates from 1931. The CVS store dates from 1979.

"It's already a landmarked building," Shafran said of the northernmost building, "and we are orthodox in how we handle historic properties."

The properties adjoin the southeast quadrant of the 1920-vintage Shaker Square office and shopping complex. The transaction is welcomed by Peter Rubin, who owns and manages Shaker Square through Coral Co., also located there.

"We're thrilled (Shafran) got it," Rubin said in a phone interview Jan. 24. "He's thoughtful and community-minded."

Rubin knows what kind of task faces Shafran. "We had it under contract once and backed away because of its challenges," Rubin said.

For his part, Shafran said he tried to buy the block in the late 1970s but "couldn't swing it" because Paran was then in its early stages.

Shafran grew up in the realty business. His father, the late Nathan Shafran, was one of the founding members of what's now Forest City Realty Trust. He considers himself a product of the "child labor practices" of founding families' children, as he helped lease Forest City properties here as a teenager.

However, after spending years in Venezuela, first with the Peace Corps and then pursuing other ventures, he returned in 1975 to Cleveland and launched Paran to go his own way.

Today, Paran owns more than 20 shopping centers, 2 million square feet of selling space, and five apartment buildings.

Shafran's best-known project is Glidden House, a boutique hotel installed in 1988 in a University Circle mansion. It filled a need because out-of-town guests then had to stay as far out as Beachwood, Shafran recalled. He sees this as a similar effort.

"These buildings can become a center for the community again," Shafran said. "Our investors are a group of people who have a strong belief in Cleveland."

Use of editorial content without permission is strictly prohibited. All rights Reserved 2018
www.crainscleveland.com