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## Cuyahoga County 3.0 The Third Century: Time for Renewal

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# Cuyahoga County 3.0 The Third Century

## *Time for Renewal*

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# Cuyahoga County Trajectory

**Cuyahoga 1.0** *1800s: CLE Exponential Growth*

**Cuyahoga 2.0** *1900s: Suburban Growth*

**Cuyahoga 3.0** *2000s: Renewal and New Growth*

# Renewal Has Started

- Downtown, University Circle, Gordon Square
- Shaker Heights Van Aken District
- Lakewood Clifton Pointe
- County \$100 million development fund
- Cuyahoga Land Bank

***But major threats jeopardize the future***

# Two Future Scenarios

## 1. Vigorous Renewal

- Expanding tax base
- Growth in population & wealth
- Minimal deterioration
- Stable communities
- Favorable bond ratings
- Moderate tax rates
- Upbeat attitudes
- Magnetic national image

# Two Future Scenarios

## 2. Continual Decline

- Shrinking tax base
- Loss of population & wealth
- Spreading deterioration
- Unstable communities
- Lower bond ratings
- Higher tax rates
- Pessimism (2020 Census)
- Tarnished national image

# **This Presentation**

- Threats that must be overcome
- Vision and goals
- Strategy and actions

**Threat No. 1:  
Development is Fading in Cuyahoga's  
Built-out Suburbs (Inevitable)**



# Cuyahoga County After 200 Years

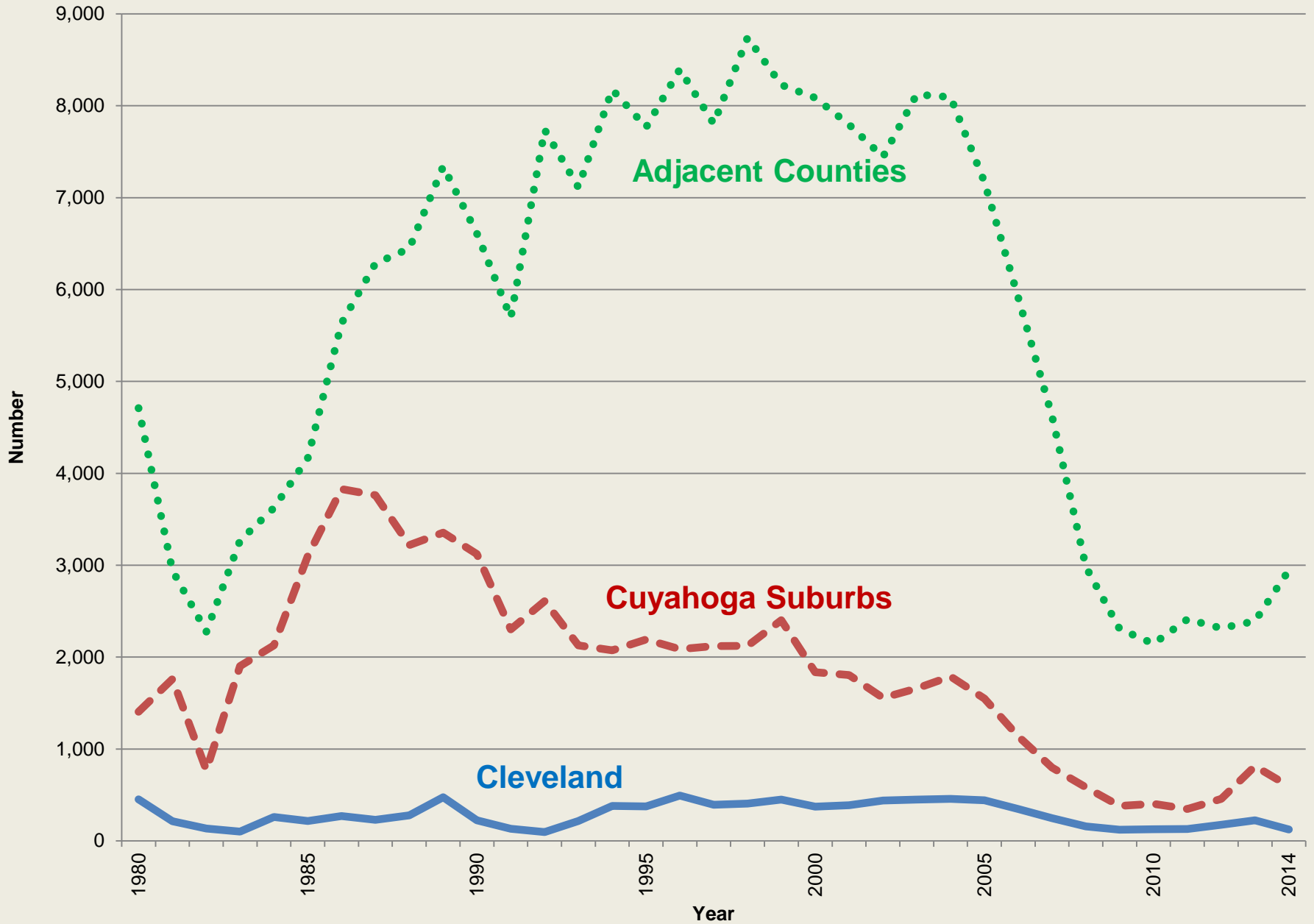


Growth in Cuyahoga's outer suburbs is limited  
**Must rebuild and renew Cleveland and inner suburbs  
for future tax base**

# As Cuyahoga's Supply of Greenfield Land Shrinks, Construction Shifts to Adjacent Counties

Cuyahoga's Share of 7-County New Housing (units)	
1985	44%
2014	20%

# Number of Residential Permits: City of Cleveland, Cuyahoga Suburbs, Adjacent Counties 1980-2014



**Threat No. 2:  
Old, Obsolete Properties are Multiplying  
(Inevitable)**

# **In 40 Years Half of Cuyahoga's Homes will be 100+ Years Old (Lakewood in 3 Years)**

Suburban development peaked in 1950s

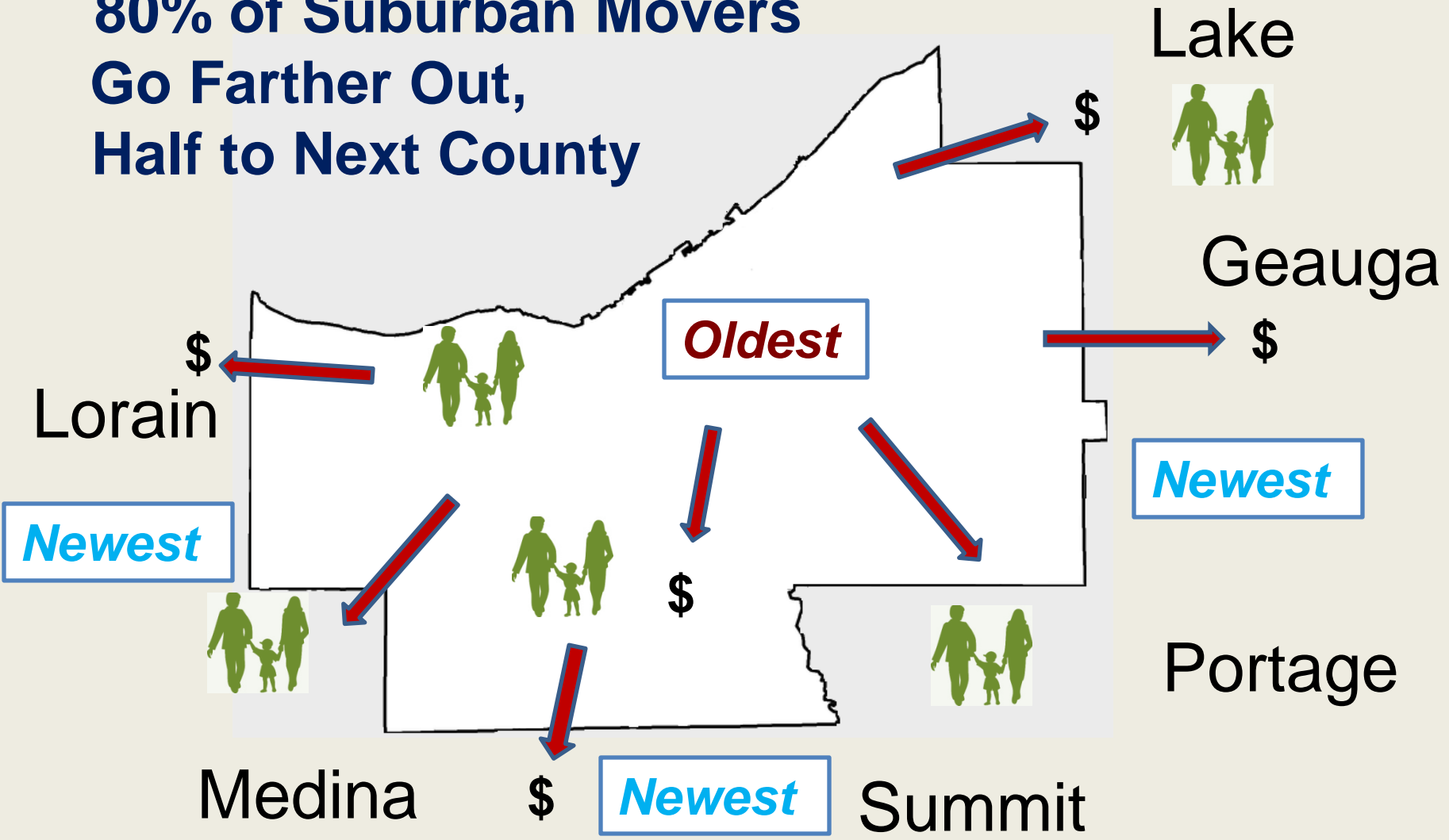
## **Decline now threatens aged inner suburbs**

Weakening tax base	Worn-out recreational facilities
Outdated kitchens/baths	Broken curbs and sidewalks
Depreciated schools	Leaking water lines
Collapsing sewers	Dead trees

# Threat No. 3: Population Loss to Adjacent Counties (Not Inevitable)

- Moving up and out dominates
  - More out than in
- Suburbs filled, Cleveland shrinks
- Options for up and *in* are few

# 80% of Suburban Movers Go Farther Out, Half to Next County



People and investment flow toward new/newer/renewed

# Example

- **59% of Avon (Lorain County) homebuyers during 2001-2005 were from Cuyahoga County**
- **Three-quarters moved from Westlake, Lakewood, North Olmsted, Bay Village, Fairview Park, Rocky River**
- **Avon's population has tripled since 2000**



# Cuyahoga's Losses to Six Adjacent Counties 2004-2009

	In	Out	Net
Households	33,000	48,000	-15,000
Persons	51,000	87,000	-36,000
Income	\$1.28 b	\$2.38 b	-\$1.1 b

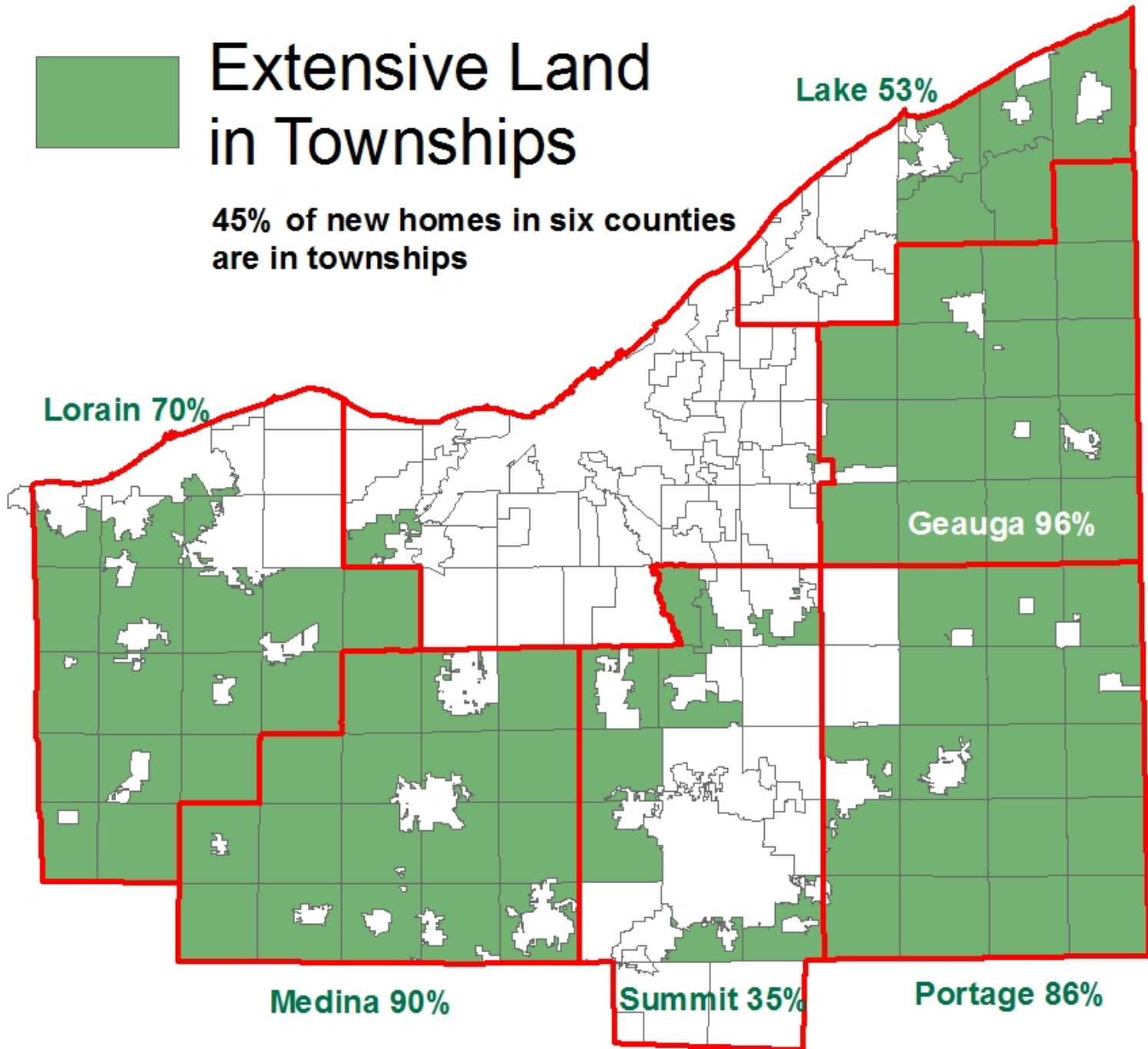
**36,000** equals a Westlake – in five years

**Threat No. 4:  
Townships with No Income Tax are  
Strong Attraction**



# Extensive Land in Townships

45% of new homes in six counties are in townships



**Threat No. 5:  
Abandonment when New Housing  
Exceeds Household Growth (Inevitable)**

# What Happened 1960-2010

Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Summit Counties



**New**  
**623,000**

**Household**  
**Growth**  
**336,000**

**Abandoned**  
**287,000**

# **287,000 Units Abandoned 1960-2010**

**150,000 in Cleveland**

53% of 1960 housing stock

**8,000 in East Cleveland**

58% of 1960 housing stock

**41,000 in Akron**

44% of 1960 housing stock

**88,000 elsewhere in 7 counties**

# Will New Housing Continue to Exceed Households?

## Normal forecast (10 years)

- 100,000 new homes in region
- 50,000 more households
- 50,000 abandoned (55% in Cuyahoga = 27,500)

**Threat No. 6:  
Loss of Property Tax Base  
(Not Inevitable)**



# Cuyahoga's Property Tax Base is Eroding and Shifting to Adjacent Counties\*

## Percent Change in Residential Value, 1994-2013\*\*

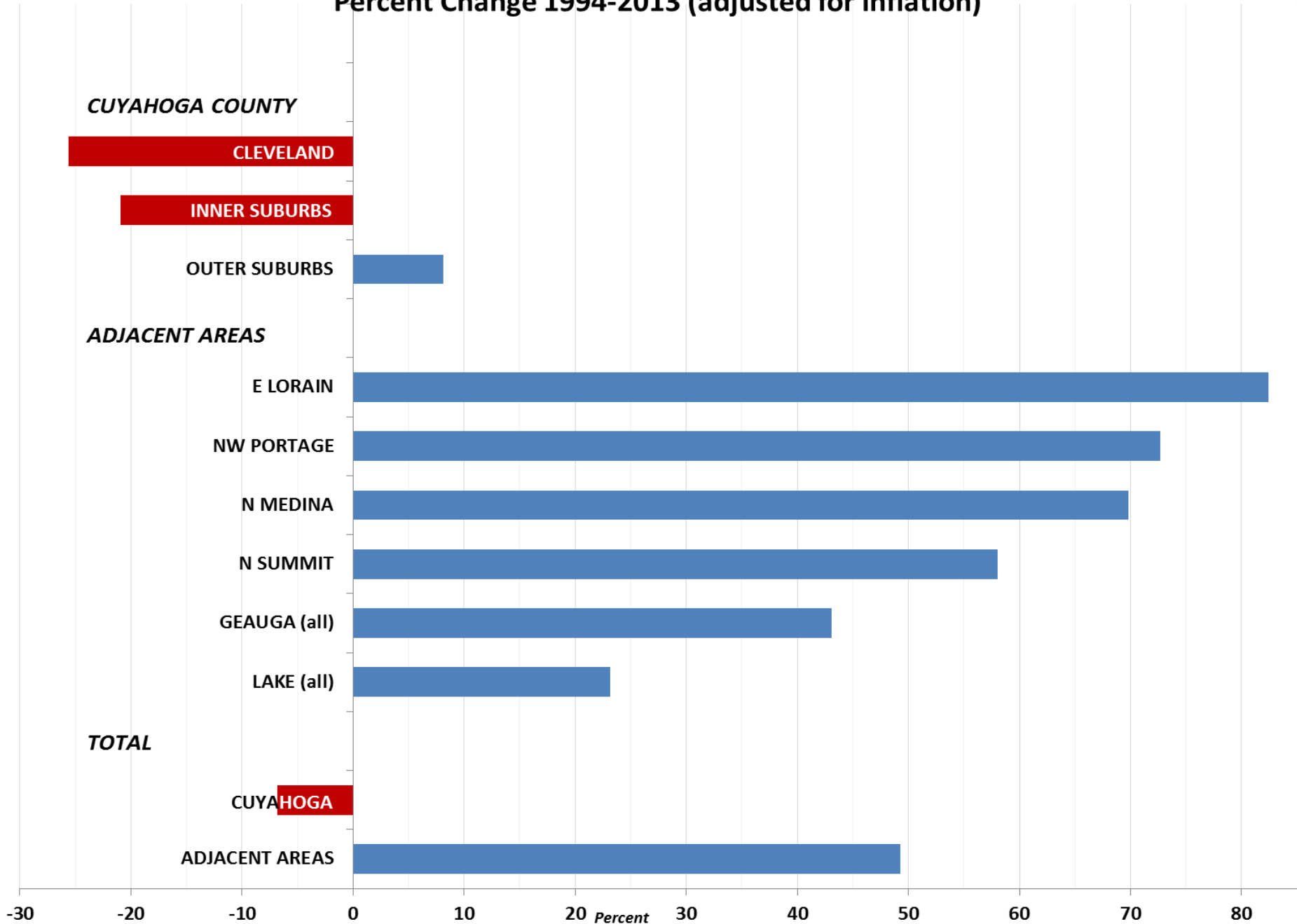
<b>Cleveland</b>	<b>-25.6%</b>
<b>Inner Suburbs</b>	<b>-21.0%</b>
<b>Outer Suburbs</b>	<b>+ 8.1%</b>
<b>Cuyahoga Total</b>	<b>- 6.8%</b>
<b>Adjacent Counties</b>	<b>+49.3%</b>

\*Eastern Lorain, Northern Medina, Northern Summit, Northwest Portage and all of Geauga and Lake Counties

\*\* County auditor values

# Value of Residential Real Estate: Cuyahoga County and Adjacent Areas

## Percent Change 1994-2013 (adjusted for inflation)



# Cuyahoga's Property Tax Base is Eroding and Shifting to Adjacent Counties

Dollar Change in Value,\* 1994-2013

## *Residential*

- Cuyahoga **lost \$3.9 billion** (after \$9.3 billion new construction)
- Adjacent counties **gained \$13.6 billion**

## *Residential, Commercial, Industrial combined*

- Cuyahoga **lost \$4.1 billion**
- Adjacent counties **gained \$15.8 billion**

\* Market value

# Tax Duty is Shifting

- Weakened property values during 2006-2012 in Cleveland and inner suburbs caused owners in the rest of the county to pay \$45 million more in taxes
- A one-mill levy raised \$30 million in 2006; \$27 million in 2012

**Threat No. 7:  
Aged Cities are Considered Solely  
Responsible for Their Condition  
(Inevitable)**

- **Home Rule: Do-It-Yourself cannot produce renewal at needed scale**
- **The State has major responsibility; it established Home Rule**

## **Bottom Line**

- **Cuyahoga built-out; aged suburbs**
- **Need extensive renewal and redevelopment**
- **Home Rule DIY inadequate**

# **Cuyahoga County 3.0**

## **The Third Century: Renewal and New Growth**



### **Meeting the Challenge**

# Strategic Agenda



- Make achieving Cuyahoga 3.0 a county-wide undertaking: “It’s *our* future”
- Focus on renewal of inner suburbs
- Engage the state as critical partner

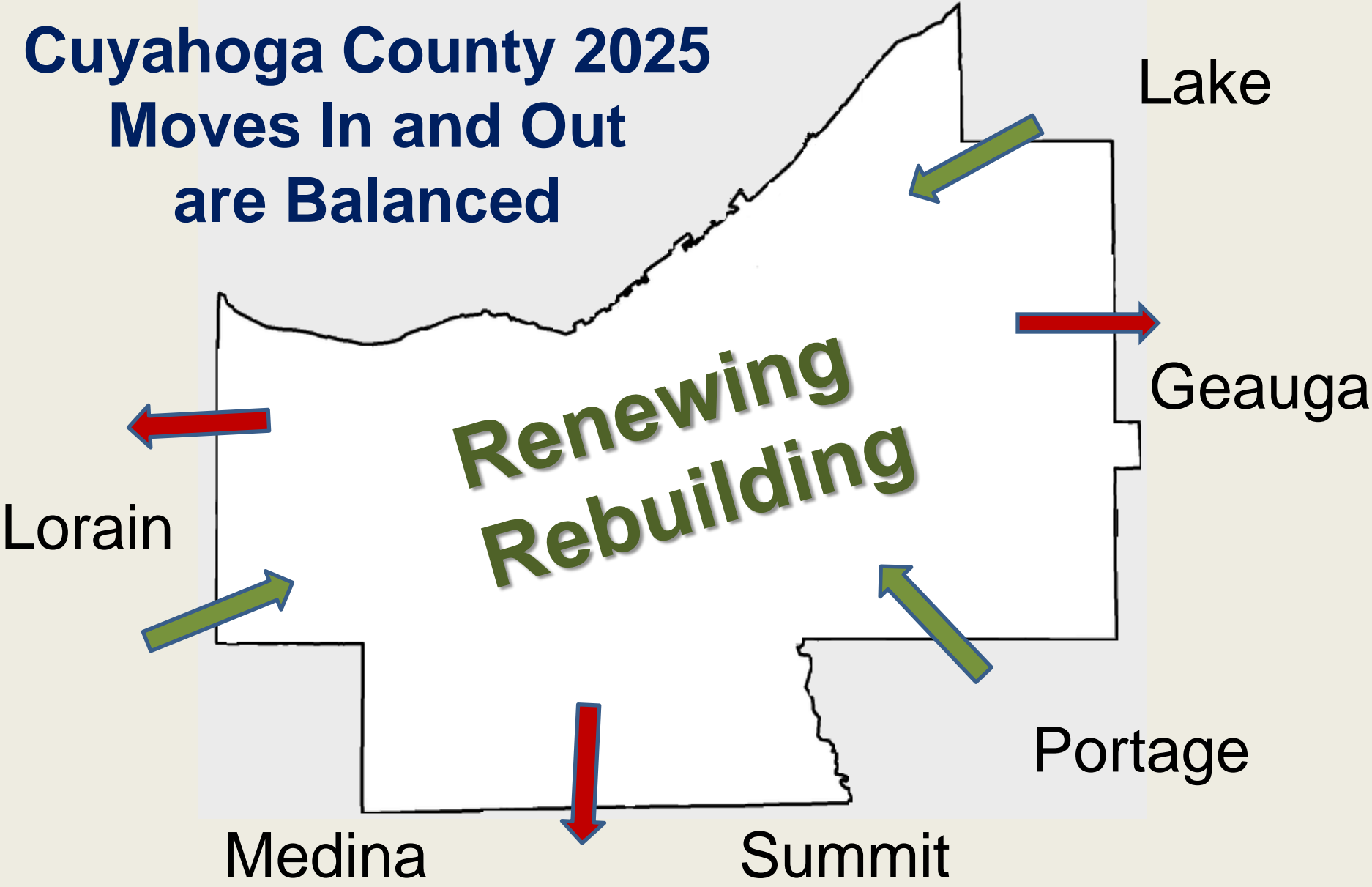


# 10-Year Targets



- Increase value of inner suburbs' residential real estate by 10% (approx \$1.5 billion)
- Increase county's share of regional new housing from 20% to 50% (approx 3,000 more units)
- Reduce county's household loss to zero (balance in-out movement)

# Cuyahoga County 2025 Moves In and Out are Balanced



# Action Steps



- Establish “Cuyahoga County 3.0” leadership group with these initial priorities:
  - Draft plan to achieve 10-year targets
  - Mobilize pro-active mayors as advocates for CC 3.0
  - Brief and engage CC Mayors & City Managers, CC state legislators, media
  - Meet with and engage Governor John Kasich

# More Action Steps



- Assess need for county development corporation with bonding and eminent domain authority
- Optimize land bank and site preparation
- Plan land re-use
- Create Incentives to locate in aged communities
- Promote property inspection and code enforcement
- Promote immigration

# Strategic Agenda for the State



- Accept responsibility for impacts of Home Rule
- Establish policy of Fix-it-First (infrastructure)
- Offset no-income-tax advantage of townships
- Expand Historic Preservation Tax Credit program
- Permit Clean Ohio fund for unknown end users
- Invest according to Cuyahoga County plans
- Enable tax growth sharing

# Cuyahoga County 3.0

## The Vision Realized



- An exciting, rewarding place to live and work
- Strong, solid anchor for Northeast Ohio
- A national model for evolving cities
- A fulfillment of Moses Cleaveland's dream at the dawn of Cuyahoga 1.0



**1**NECUYAHOGA