Cuyahoga County 3.0 The Third Century: Time for Renewal

Thomas Bier
Cleveland State University, t.bier@csuohio.edu

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Cuyahoga County 3.0
The Third Century

Time for Renewal

Thomas Bier, Ph.D., Senior Fellow
Maxine Goodman Levin College of Urban Affairs
Cleveland State University

t.bier@csuohio.edu
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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

Geauga Growing
Lake Growing
Lorain Growing
Portage Growing
Medina Growing
Summit Growing
As Cuyahoga’s Supply of Greenfield Land Shrinks, Construction Shifts to Adjacent Counties

<table>
<thead>
<tr>
<th>Cuyahoga’s Share of 7-County New Housing (units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
</tr>
<tr>
<td>44%</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>20%</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Weakening tax base</th>
<th>Worn-out recreational facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdated kitchens/baths</td>
<td>Broken curbs and sidewalks</td>
</tr>
<tr>
<td>Depreciated schools</td>
<td>Leaking water lines</td>
</tr>
<tr>
<td>Collapsing sewers</td>
<td>Dead trees</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>In</th>
<th>Out</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households</td>
<td>33,000</td>
<td>48,000</td>
<td>-15,000</td>
</tr>
<tr>
<td>Persons</td>
<td>51,000</td>
<td>87,000</td>
<td>-36,000</td>
</tr>
<tr>
<td>Income</td>
<td>$1.28 b</td>
<td>$2.38 b</td>
<td>-$1.1 b</td>
</tr>
</tbody>
</table>

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

Lorain 70%

Lake 53%

Geauga 96%

Medina 90%

Summit 35%

Portage 86%
Threat No. 5: Abandonment when New Housing Exceeds Household Growth (Inevitable)
What Happened 1960-2010
Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Summit Counties

New Household Growth
623,000

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**

Cleveland: -25.6%
Inner Suburbs: -21.0%
Outer Suburbs: + 8.1%
Cuyahoga Total: - 6.8%
Adjacent Counties: +49.3%

*Eastern Lorain, Northern Medina, Northern Summit, Northwest Portage and all of Geauga and Lake Counties
** County auditor values
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.

Thomas and Gillespie, “The Cost of Vacancy – Everyone Pays.” Thriving Communities Institute, March 2014
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

Renewing Rebuilding
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