Downtown Cleveland: The Dynamic Engine of a Talent-Driven Economy

Richey Piiparinen
Cleveland State University, r.piiparinen@csuohio.edu

Jim Russell

Charlie Post
Cleveland State University, c.post@csuohio.edu

Follow this and additional works at: https://engagedscholarship.csuohio.edu/urban_facpub

Part of the Urban Studies and Planning Commons

How does access to this work benefit you? Let us know!

Repository Citation
Piiparinen, Richey; Russell, Jim; and Post, Charlie, "Downtown Cleveland: The Dynamic Engine of a Talent-Driven Economy" (2016). All Maxine Goodman Levin School of Urban Affairs Publications. 0 1 2 3 1349. https://engagedscholarship.csuohio.edu/urban_facpub/1349

This Report is brought to you for free and open access by the Maxine Goodman Levin School of Urban Affairs at EngagedScholarship@CSU. It has been accepted for inclusion in All Maxine Goodman Levin School of Urban Affairs Publications by an authorized administrator of EngagedScholarship@CSU. For more information, please contact library.es@csuohio.edu.
Downtown Cleveland: The Dynamic Engine of a Talent-Driven Economy

A Study Commissioned by Downtown Cleveland Alliance

By Richey Piiparinen, Jim Russell and Charlie Post, The Center for Population Dynamics
Introduction

Cities have long been seen as places serving a variety of purposes. In 1933, for example, the architect Le Corbusier detailed four essential roles of a functional city. A working city is one that provides dwelling, work, recreation, and circulation to its people.

Throughout the 20th century, trends in city building were to separate these functions into differing spaces. There were areas meant for living (the suburbs), areas meant for working (the central business district), and areas meant for playing (the entertainment district).

More recently, the trend has been to move away from the division of city life toward a unification of day-to-day activities via “mixed use” development. Here, neighborhoods are designed to be places of living, working, and entertaining simultaneously. The shorthand for this approach has been termed “live, work, play” by planners, developers, and policymakers alike.

No other neighborhood in Greater Cleveland has redeveloped as quickly and noticeably around the “live, work, play” model as Downtown Cleveland. The following details this shift, with the intent to not only discuss what these changes mean for the future of Downtown, but what Downtown Cleveland’s evolution means for the region as a whole.

For now, it is enough to say that the strategy has arguably helped Cleveland’s urban core rebound from the Great Recession. From 2005 to 2010, estimated market values for Downtown parcels went from an inflation-adjusted $3.531 billion to $3.207 billion—a decline of 9% (See Figure 1). By 2015, market values rebounded over pre-recession levels ($3.598 billion), increasing by 12% since 2010.

Now, the analysis turns to speculating on why this growth occurred, and whether or not it is sustainable.

---

Figure 1: Estimated Total Market Value (in 2015$) of Downtown Parcels, 2005 to 2015 (in millions). Source: Cuyahoga County Auditor.

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Value (2015$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$3,531</td>
</tr>
<tr>
<td>2010</td>
<td>$3,207</td>
</tr>
<tr>
<td>2015</td>
<td>$3,598</td>
</tr>
</tbody>
</table>

---

1 Note: Parcels under estimation are within the boundaries of Downtown Cleveland’s Special Improvement District (SID). See: [http://www.downtowncleveland.com/about-us/special-improvement-district.aspx](http://www.downtowncleveland.com/about-us/special-improvement-district.aspx)
Key Findings

- Estimated total market value of all Downtown properties have topped pre-recession levels, going from an inflation-adjusted $3.5 billion in 2005, to $3.2 billion in 2010, to $3.6 billion in 2015.

- The demographic composition of Downtown Cleveland is changing rapidly. Between 2000 and 2014, the neighborhood experienced a 69% increase in total population; a 107% increase in residents aged 25 to 34; a 161% increase in college-educated residents; a 260% increase in households making at least $75,000 annually; and a 389% increase in households making at least $150,000 annually.

- The changing socioeconomics of the neighborhood is being reflected in market rate apartment lease rates. As of late 2015, the rental price per square foot stands at $1.61—an increase of 47% from 2010. Rental prices in the City of Cleveland and Cuyahoga County have remained flat.

- The infill of the urban core has provided key “green flows” related to taxable land values. The taxable values on Downtown apartment buildings went from $62 million in 2001 (in 2014 dollars) to $84 million in 2014—an increase of 35%; whereas the taxable values on for-sale residences in Downtown went from approximately $6.1 million in 2001 to $18.4 million in 2014—a gain of about 200%.

- The growth in Downtown’s taxable valuations still a represent a fraction of the valuations for the Cuyahoga County as a whole, indicating Downtown’s “comeback” is still in its infancy. Specifically, the commercial taxable value tied to Downtown apartments comprises only 1.1% of all Cuyahoga County commercial valuations. For for-sale residential, only 0.10% of county property valuations can be attributed to Downtown properties.

- Downtown’s residential growth is tied to emerging knowledge economy sectors. Over one-fifth (21%) of Downtown residents are employed in healthcare, while 12% work in the high-skilled sector of professional, scientific, and technical services (e.g., law, accounting, engineering and architecture, research and development).

- Downtown as a central business district is pivoting toward higher-wage employment, while simultaneously experiencing total job losses. Total jobs in Downtown declined from 113,248 in 2002 to 91,695 in 2011 before rising to 94,503 in 2014. Simultaneously, the number of higher wage jobs increased from 42,521 to 52,569, or by 24%. The concentration of Downtown jobs earning over $40,000 annually went from 37.5% in 2002 to 55.6% in 2014.

- Downtown Cleveland is outpacing the rest of the county in wage growth. The average salary in Downtown Cleveland is $73,561, compared to $48,257 for Cuyahoga County outside of Downtown. Wage growth over the last five quarters was 7.8% in Downtown Cleveland, compared to 3.5% in the county outside of Downtown. Also, while only 7% of Cuyahoga County companies are in the central business district, the incomes those Downtown companies generate make up 17.4% of Cuyahoga County’s total income.

- The largest employment sectors in Downtown Cleveland are professional, scientific, and technical services; government; education; finance and insurance; and management.
Living Downtown

Demographic and Market Changes in Downtown Cleveland

A main channel of Downtown Cleveland’s growth into a mixed-use neighborhood has been the increase in residents living in the central business district. According to the latest figures, the number of people in Downtown Cleveland increased by 69% since 2000, going from 7,499 to 12,643 (See Table 1). Conversely, the population of Cleveland proper decreased by 18% over the same time period, while Cuyahoga County’s decline was 9.1%.

Downtown’s residential growth has been driven by young adults. Nearly one-third of Downtown residents are aged 25 to 34. From 2000 to 2014, their numbers increased by 107%.

Table 1: Demographic Changes in Downtown Cleveland, 2000 to 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages 25-34 in 2000</td>
<td>7,499</td>
<td>12,643</td>
<td>68.6%</td>
<td>1,952</td>
<td>4,048</td>
<td>107.4%</td>
</tr>
<tr>
<td>Number with Bachelors or higher, 2000</td>
<td>1,402</td>
<td>3,663</td>
<td>161.2%</td>
<td>28.5%</td>
<td>43.6%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Sources 2000: US Census Bureau, SF1 data, reassigned to 2010 census tracts; 2014: US Census Bureau, American Fact Finder, 2014 ACS 5-year data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Downtown Cleveland residents are more likely to be college educated compared to the rest of Cuyahoga County. Nearly 44% of Downtown residents have a bachelor’s degree or higher, up from 29% in 2000. By contrast, 30% of Cuyahoga County residents have at least a 4-year degree. Figure 2 (next page) details the clustering of college-educated residents in Downtown Cleveland. Note the areas with the highest percentage of college educated residents are in the outer-ring suburbs, select inner-ring suburbs, University Circle, and Cleveland’s urban core, including all of Downtown and parts of Ohio City and Tremont.

With the rise in college-educated residents came a high rate of change for upper- and high-income households. The amount of households in Downtown making at least $75,000 annually increased by 260% from 2000 to 2014, while households making at least $150,000 increased by 389%. These findings echo a recent Brookings report that showed that the highest percent increase of highest-income households occurred in the cities of Seattle and Cleveland between 2012 and 2013.

Accompanying the changing demographics is an increased demand for Downtown real estate. Downtown’s market rate apartment occupancy rate is nearly 98%. Rental prices in Downtown have increased from $1.10 per square foot in late 2010 to $1.61 in late 2015—an increase of 47% (See Figure 3). Conversely, rental prices in the City of Cleveland and Cuyahoga County have remained flat.

---

2 Note: “Downtown” in the current analysis is defined as census tracts 1033, 1071, 1077, and 1078. Census tract data is subject to margins of error.
3 Source: US Census Bureau, American Fact Finder, 2014 ACS 5-year data
4 Sources 2000: US Census Bureau, SF1 data; 2014: US Census Bureau, American Fact Finder, 2014 ACS 5-year data. Note: No. of households in Downtown making 75K or more went from 447 in 2000 to 1610 in 2014. No. of households in Downtown making 150K or more went from 113 in 2000 to 552 in 2014.
6 Source: Downtown Cleveland Alliance Survey, 3rd Quarter 2015.
7 Source: Zillow Rent Index. Rent calculations for single family units and condos, not including multi-family units.
Mapping the concentration of Northeast Ohio residents with college degrees shows areas of higher education centered in downtown, Ohio City, Tremont, Detroit Shoreway and AsiaTown as well as along the lakeshore, near University Circle and in various suburban and exurban clusters. Less educated areas are grouped in the city of Cleveland outside the urban core and in the rural exurbs.

**KEY**

- **City of Cleveland**
- Areas where less than 28.8% of residents have college degrees
- Areas where 28.8% or more residents have college degrees

*Source: ACS 5-Year, 2013*
Cleveland is hardly alone in such changes in and around its urban core. “[D]emographic compositions of neighborhoods in and near the downtown areas of medium to large U.S. cities have been changing,” notes the Cleveland Fed in a study called “Demographic Changes in and near US Downtowns.”

To detail this shift, the researchers analyzed key indicators of socioeconomic status—including income and education—for the nation’s largest 118 metros to chart the change in the concentration of high-income, college-educated residents living within 3 miles of downtown. Across all metros, the share of educated, more affluent residents residing in the urban core decreased from 1970 to 1980, but it has been climbing ever since. The rate of this increase was particularly rapid since 2000.

Tellingly, when looking at these changes at the metro level from 1980 to 2010, Cleveland ranked tied for 32nd in the percent point increase in its regional share of high-income, college-educated residents residing in or near downtown, along with Philadelphia, Oakland, Baton Rouge, and Seattle. The top five were Chicago, Atlanta, Houston, Denver, and Portland. Those metros still experiencing a deconcentration of higher socioeconomic households include Detroit, Phoenix, and Las Vegas.

**The Fiscal Impact**

The demographic shifts and associated rise in the Downtown Cleveland multi-family apartment market has started to bring in increased funds into city and county coffers in the form of taxable property values (See Table 2). The taxable values on multi-family apartment properties went from around $62 million in 2001 (in 2014 dollars) to $84 million in 2014—an increase of 35%.

The same can be said for taxable values on for-sale residences in Downtown, which went from approximately $6.1 million in 2001 to $18.4 million in 2014—a gain of about 200%. By contrast, taxable residential values declined considerably in Cuyahoga County (-15.7%), the City of Cleveland outside of Downtown (-33%) and Cuyahoga County suburbs (-13%).

---

Taken together, Downtown is a key geography in that it provides “green flows” in the revenue and reinvestment streams into Cuyahoga County. Still, these green flows represent a small percent of all taxable values for Cuyahoga County as a whole. Specifically, the $84 million in commercial taxable value tied to Downtown apartments comprises only 1.1% of all Cuyahoga County commercial valuations (See Figure 4). For for-sale residential property valuations in the county, only 0.10% can be attributed to Downtown.

Further infilling is thus needed. The issue, then, turns to why Cleveland's core reinvestment is occurring, and whether it is sustainable. Such knowledge will make for better economic policy frameworks at both city- and county-level.

“Consumer” Versus “Producer” Development

Returning to the Cleveland Fed study, the authors posit a few factors that are driving the downtown comeback, each relating to there being an increase in demand for urban core living. First, that more educated, higher-income residents are being drawn by urban amenities. Think proximity to greenspace, a better food or art “scene”, and sports entertainment—or the “play” in the “live, work, play” model.

Another factor, according to the Fed researchers, is “increases in labor demand by certain types of industries in downtown areas”.

What the Fed researchers are alluding to can be generally broken down into

---

Table 2: Change in Commercial and Residential Property Taxable Value in Downtown Cleveland 2001 to 2014.  
Source: Cuyahoga County Auditor

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2014</th>
<th>Change 2001 to 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># of Parcels</td>
<td>Taxable Value (in 2014 dollars)</td>
<td># of Parcels</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Commercial</td>
<td>1,176</td>
<td>$1,276,857,723</td>
<td>1,190</td>
</tr>
<tr>
<td>Downtown</td>
<td>48</td>
<td>$62,105,374</td>
<td>82</td>
</tr>
<tr>
<td>Apartments</td>
<td>1,128</td>
<td>$1,214,752,350</td>
<td>1,108</td>
</tr>
<tr>
<td>Office &amp; Other</td>
<td>31,379</td>
<td>$8,007,206,839</td>
<td>28,995</td>
</tr>
<tr>
<td>Cuyahoga County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Owner-Occupied</td>
<td>186</td>
<td>$6,083,668</td>
<td>926</td>
</tr>
<tr>
<td>Downtown</td>
<td>448,402</td>
<td>$21,869,454,004</td>
<td>450,689</td>
</tr>
</tbody>
</table>

Note: For residential values, .10% = $18,359,360/$18,445,398,560. Figures found in Table 2.
two components of economic development thinking: “consumer city” and “producer city” development. Consumer city development is exactly that: designing a city or neighborhood so as to attract consumer spending. So, in the “live, work, play” model, the emphasis is on “play”, or amenities, to attract people to come downtown. Consumption, then, is key. Money is spent in restaurants, microbreweries, sporting events, and downtown apartments, with the tax proceeds key to fiscal health.

But consumption is tied to production. To spend you need a job. This is producer city development, and it is largely driven by a region’s industry clusters that export goods and services globally. In Greater Cleveland, think manufacturing, finance, legal, and increasingly health care and education, or the “eds and meds”.

In what industries are Downtown residents employed? Answering this question can provide insight into the extent consumer and producer city development is behind Downtown’s residential growth.

Figure 5 shows in what industries Downtown Cleveland residents work. Most residents work in healthcare, followed by professional, scientific, and technical services (e.g., law, accounting, engineering and architecture, research and development), food and beverage, finance, and retail. That is, the majority of residents work in the knowledge economy (producer), and a subset work in the service industry (consumer).10

The evidence of such a balance is important, as it lends confidence to the fact that Downtown’s residential development is tied to producer city forces, particularly in the emergent knowledge economy. In other words—in contrast to the idea that Downtown’s residential comeback is all about “live” and “play”—it is also about “work”. For it to be sustainable it must be. Policies, then, need to be put in place to ensure there remains a producer city “backbone” to the Downtown Cleveland comeback.

---

10 Note: The “Other” industries include administration and support, waste management, 9%; manufacturing, 5%; management of companies and enterprises, 4%; arts, entertainment, and recreation, 4%; and public administration, 3%. 

---
Policy Implications

Here, strategic planning around transportation can have an effect. Perhaps the preeminent example of this is the Greater Cleveland Regional Transit Authority’s Healthline, which is a bus rapid transit (BRT) line that carries almost 15,000 people daily to and from Downtown to the anchor institutions in University Circle. Given one-fifth of Downtown residents work in healthcare—and a bulk of those healthcare workers commute to University Circle (see Figure 6 for the “commuter shed” map of Downtown residents)—the case can be made that the investment in state-of-the-art transportation infrastructure helped induce knowledge workers to live Downtown, in effect enabling the viability of the market rate development currently ongoing.

Such is the inference drawn in a recent City Lab piece called “Why the Wealthy Have Been Returning to City Centers”11. The author details a new working paper12 that speculated that time scarcity may be a key factor in the revitalization of America’s urban cores.

“Among the ineffable thrills of urban life, is there a particular amenity to centrality we can point to and say—that thing, there?” writes City Lab’s Eric Jaffe.

“A group of economists has submitted an intriguing answer: a ‘reduced tolerance for commuting’, ” Jaffe explains. “As well-educated, high-income, dual-breadwinner households have put in longer hours at the office, they’ve likewise become starved for free time. And since a shorter trip to work is one of the simplest ways to make up for lost moments, they’re willing to pay handsomely for it, as reflected in soaring CBD home prices.”

Think of the Healthline, then, as transportation infrastructure that is producer city investment, as it weaves key aspects of Le Corbusier’s functional city, particularly housing, work, and circulation. By contrast, the downtown streetcar movement has been criticized as being too focused on consumer city development: there for amusement as opposed to function.

“Streetcars have an emotional appeal…” writes a journalist in the Guardian who recently toured the nation’s latest streetcar lines13. “First and foremost, though, transit should be about moving people. The operating streetcar systems I visited…don’t do this job particularly well.”

---

Moreover, a national study of 21 recent transit corridors from the Institute for Transportation and Development Policy found that Cleveland’s Healthline was far more effective in leveraging public dollars for private development than streetcar or light rail projects14.

“Cleveland’s HealthLine BRT...leveraged the most overall [transit oriented development] investment of all the corridors we studied—$5.8 billion...” The authors noted Cleveland’s Healthline garnered approximately 31 times more investment per dollar spent on transit than Portland’s light rail project and nearly 3 times more investment than Portland’s streetcar project.

**Working Downtown**

*Employment Changes in Downtown Cleveland*

The lifeblood of America’s downtowns has historically been its importance as a place to do business. This is largely due to the benefits that businesses gain when co-locating near each other, as there is greater ease in the movement of goods, people and ideas15.

In traditional industries, however, the benefits of proximity are lessened. Costs related to congestion and rents become a concern, as do the preferences of tenured white- and blue-collar workers who reside in the suburbs and prefer shorter commutes. These are two factors driving the suburbanization of Cleveland’s jobs outside of the central business district.

For example, total jobs declined in Downtown Cleveland from 113,248 in 2002 to 91,695 in 2011 before increasing to 94,503 in 201416. Jobs declined slightly in Cuyahoga County outside of Downtown during that same time period (635,897 to 630,954), while holding steady in the surrounding metro counties of Lake, Geauga, Medina, and Lorain (279,748 to 278,623).

This does not, though, mean Downtown Cleveland is no longer a key economic geography in the region. In fact, emerging trends point to the opposite.

Specifically, while suburbanization has meant “job sprawl” away from both Cleveland’s and the nation’s central business districts in traditional industries, newer economic sectors driven by innovation still benefit from the effects of proximity.

“Being in a city becomes synonymous with being in an extremely intense and dense information loop, one that as of now cannot be replicated fully in electronic space and that has as one of its value-added features the fact of unforeseen and unplanned mixes of information, expertise, and talent, which can produce a higher order of information,” writes globalization expert Saskia Sassen17. “Global cities are production sites for the leading information industries of our time.”

The shift in Downtown Cleveland’s employment base from traditional to knowledge-intensive industries is ongoing. Taxable values for Downtown industrial sites have declined by 27% since 2001, indicative of the

---


16 Source: Longitudinal Employer-Household Dynamics, 2002 to 2014.

manufacturing sector’s long-term trend of decentralizing from the central business district\textsuperscript{18}. Only 1\% of Downtown jobs are in manufacturing.

Figure 7 shows the top industry clusters currently concentrated in Downtown Cleveland, headed by the high-end service sectors professional, scientific, and technical services; finance; and company management. Also included are public administration and educational services, with the latter resulting from Cleveland Public Schools and Cleveland State University. The food and accommodation sector via restaurants and hotels comprise much of the low- to medium-wage sectors concentrated in Downtown.

\textit{The Fiscal Impact}

This shift in jobs by industry tells of Downtown’s pivot toward the knowledge economy, and this is reflected in income. Figure 8 shows that while all jobs declined from 2002 to 2014, the number of higher wage jobs increased from 42,521 to 52,569, or by 24\%. Downtown’s job losses were driven by the decline of jobs paying between $15,000 and $40,000 annually. The trend towards a specialization of higher-wage work has increased the concentration of Downtown jobs earning over $40,000 annually from 37.5\% in 2002 to 55.6\% in 2014. By contrast, only 40.7\% of jobs in Cuyahoga County outside of Downtown earn $40,000 or more annually, while 35.5\% do in the metro counties of Lake, Geauga, Medina, and Lorain.

\textbf{Figure 8}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure7.png}
\caption{Jobs in Downtown Cleveland by Wage}
\end{figure}

Source: Longitudinal Employer-Household Statistics, 2002 to 2014

An analysis of income tax data for Cuyahoga County over the most recent 4 quarters tells a similar story (see Table 3). The average wage for a job in Downtown Cleveland is $73,561, compared to $48,257 in the county.

\textsuperscript{18} Source: Cuyahoga County Auditor Files
outside of Downtown. Total wages from 2013 to 2014 have increased by 7.8% in Downtown Cleveland, compared to 3.5% in the county outside of Downtown. Moreover, while only 7% of Cuyahoga County companies are in the central business district, the incomes those Downtown companies generate make up 17.4% of Cuyahoga County’s total income.

Table 3: Income (wages) - most recent 4 quarters of data: Q2-2013 through Q1-2014. Source: Quarterly Census of Employment and Wages (QCEW)

<table>
<thead>
<tr>
<th>Area</th>
<th>2013 Q2</th>
<th>2013 Q3</th>
<th>2013 Q4</th>
<th>2014 Q1</th>
<th>4-Quarter Total</th>
<th>Pct. Of County</th>
<th>Avg Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Outside Downtown</td>
<td>$7,103,165,294</td>
<td>$7,257,622,726</td>
<td>$7,866,759,218</td>
<td>$7,635,366,254</td>
<td>$29,862,913,492</td>
<td>82.6</td>
<td>$48,257</td>
</tr>
<tr>
<td>Downtown Total</td>
<td>$1,443,555,918</td>
<td>$1,522,737,556</td>
<td>$1,490,108,257</td>
<td>$1,839,162,079</td>
<td>$6,295,563,810</td>
<td>17.4</td>
<td>$73,561</td>
</tr>
</tbody>
</table>

Taken together, Downtown Cleveland is still the region’s central business district despite lagging trends of job sprawl. To what extent new economy sectors cluster in Cleveland’s core is conditional on understanding the relocation trends of knowledge economy firms.

Policy Implications

A November 2015 Plain Dealer article entitled “Silicon Valley-based BrightEdge plans to build up downtown Cleveland office” lends insight. The piece tells of an analytics marketing firm based in Silicon Valley that is moving a sales office from the West Coast into Downtown Cleveland.

Why Cleveland?

“We thought a lot about how we're going to grow and scale our business,” said a member of BrightEdge management. “Silicon Valley is not a great place to build a sales force. We looked at a number of locations and Cleveland stood out as the clear choice.” According to BrightEdge PR official Zach Salk, this was primarily due to “cost advantages and the rich talent pool.”

IBM has also just signed a lease in Downtown Cleveland, bringing in several hundred employees engaged in healthcare analytics.

“We actually did a presentation piece where we walked them through East Fourth Street and Playhouse Square,” said the leasing agent at 1111 Superior—the former site of Eaton Corporation. "We set up the entire 26th floor for them, where we actually were not only pitching the building but pitching the lifestyle of downtown.”

The move of businesses into the urban core is a talent attraction strategy that’s crucial in the relocation decisions of knowledge firms, be they start-ups or established companies. It was the impetus in General Electric’s recent move from the office parks of Connecticut to Boston’s waterfront district.

---

19 Note: Percent gains were measured using Quarter 1 totals for both 2013 and 2014. Downtowns total wages for 2013 (Q1) were $1,706,686,929.
20 Pledger, M. 2015. “Silicon Valley-based BrightEdge plans to build up downtown Cleveland office.” Cleveland Plain Dealer.
21 Source: Personal communication. E-mail. Date: November 30th, 2015.
22 Jarboe, M. 2016. “IBM signs lease in downtown Cleveland, will fill former Eaton Corp. executive offices.” Cleveland Plain Dealer.
“It’s a trend that’s happening not just in Connecticut or even the U.S., but worldwide,” explained an industry expert in the article “GE move could signify larger trends toward cities23”. “It’s all about global businesses looking for places that have a highly educated workforce, an environment rich with amenities and being close to similar types of businesses and the network of activities that support them.”

Echoes another industry expert, noting that legal, business, and healthcare are permeating Midwest urban core office markets: “Tenants are focused today on downtown CBDs or suburban markets that have a lot of amenities. They are going after these live-work-play environments…They want to attract the best employees, and to do that they need a presence in the downtown.24”

Here, then, the triad of “live, work, play” comes full circle. Just as producer city investment is key to consumer city investment—e.g., people need good jobs so restaurants can keep steady business—consumer city investment can spur producer city investment. That is, lifestyle amenities can serve to attract talent, and the places where talent clusters enter the “psychogeography” of footloose new economy firms.

This should be given consideration when public, philanthropic, and corporate investment is being used to invest in various Downtown Cleveland amenities, such as the redo of Public Square and the redevelopment of the city’s waterfront.

After all, all work and no play makes Jack a dull boy. But all play and no work makes Jack an absent customer—making it difficult for the bottom lines of local business. Cities that best balance the producer and consumer city components in their policy frameworks will be the most successful going forward.

This increasing interplay between consumer and producer city development was highlighted in the study “Regional Competitiveness and Quality of Life: The Case of Stuttgart and Portland.”25 The authors examined the economic development histories of Stuttgart—a German region rich with manufacturing history and research institutions (think Cleveland)—with the amenity-heavy focus of Portland, in which “creative class” attraction is key. The authors found an imbalance in the approach of the two regions, with Stuttgart more about “live and work”, and Portland more about “live and play”.

“Regional development strategies aimed at economic competitiveness and quality of life have increasingly become interconnected,” the authors note. “The two fields have traditionally been separate and defined by different planning goals, outcomes and sometimes even conflicts. However, we observe that regions utilize a combined perspective to enhance their economic standing. This is partially rooted in the universal decline of manufacturing and the rise of knowledge-based economies.”

No doubt, economic times are changing. But the essence of Le Corbusier’s functional city—or one that provides dwelling, work, recreation, and circulation to its people—has remained timeless. In this respect, the future of Downtown Cleveland is but a bridge to its past, or a place of work, connection, residence, and entertainment.

“To be modern is not a fashion, it is a state,” concluded Le Corbusier. “It is necessary to understand history, and he who understands history knows how to find continuity between that which was, that which is, and that which will be.”
