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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

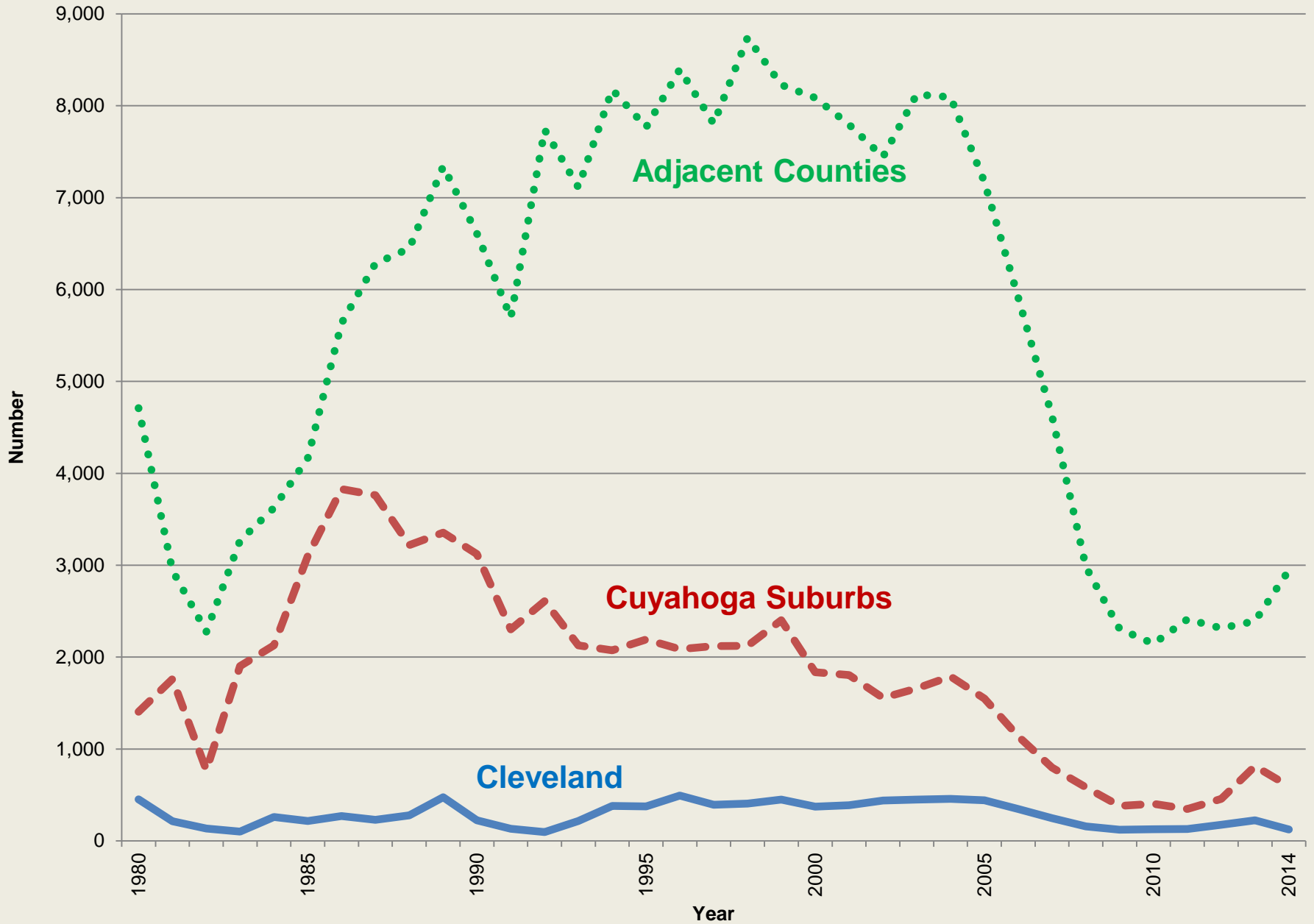


Growth in Cuyahoga's outer suburbs is limited
**Must rebuild and renew Cleveland and inner suburbs
for future tax base**

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

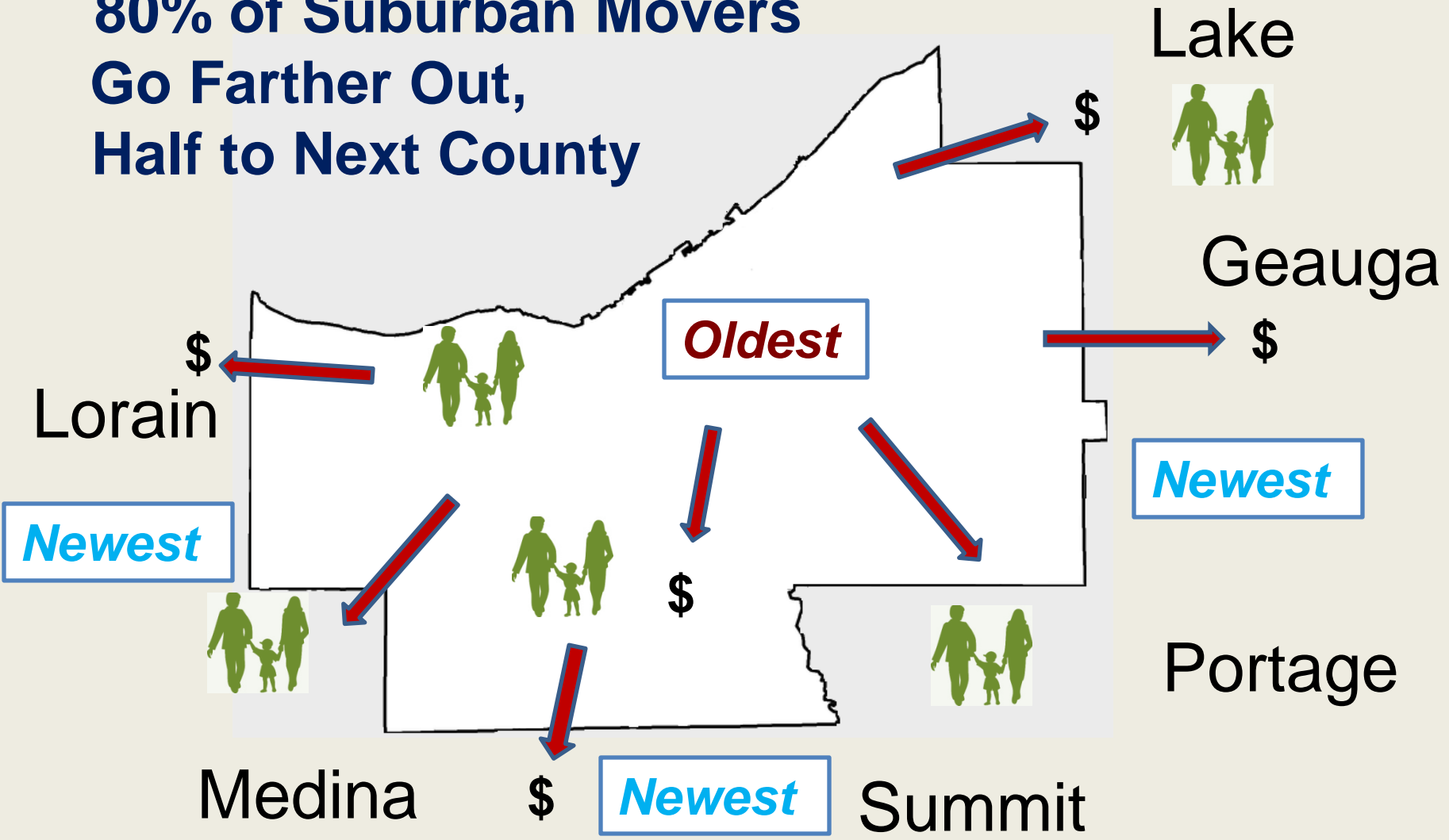
Decline now threatens aged inner suburbs

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

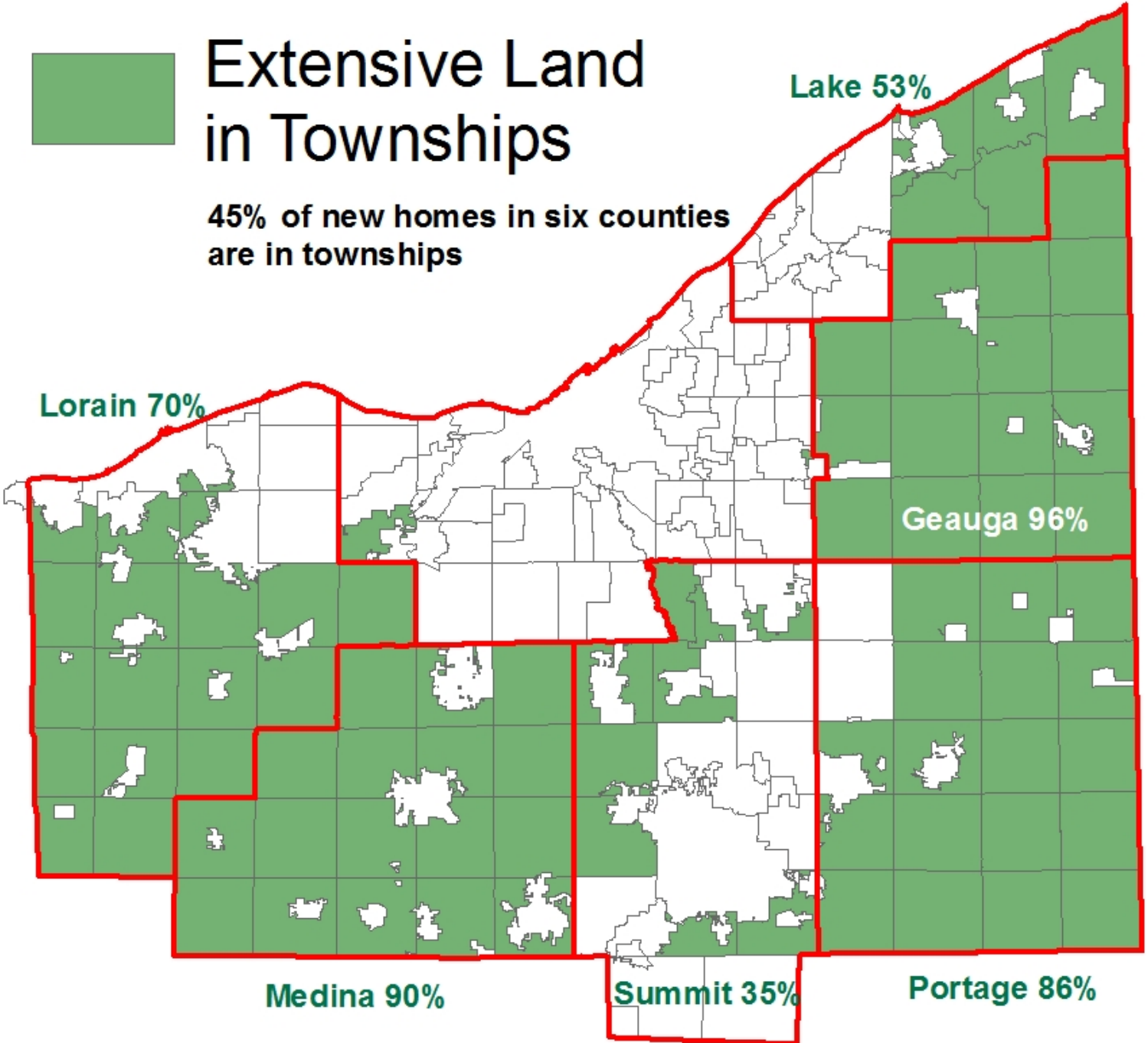
36,000 equals a Westlake – in five years

**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**

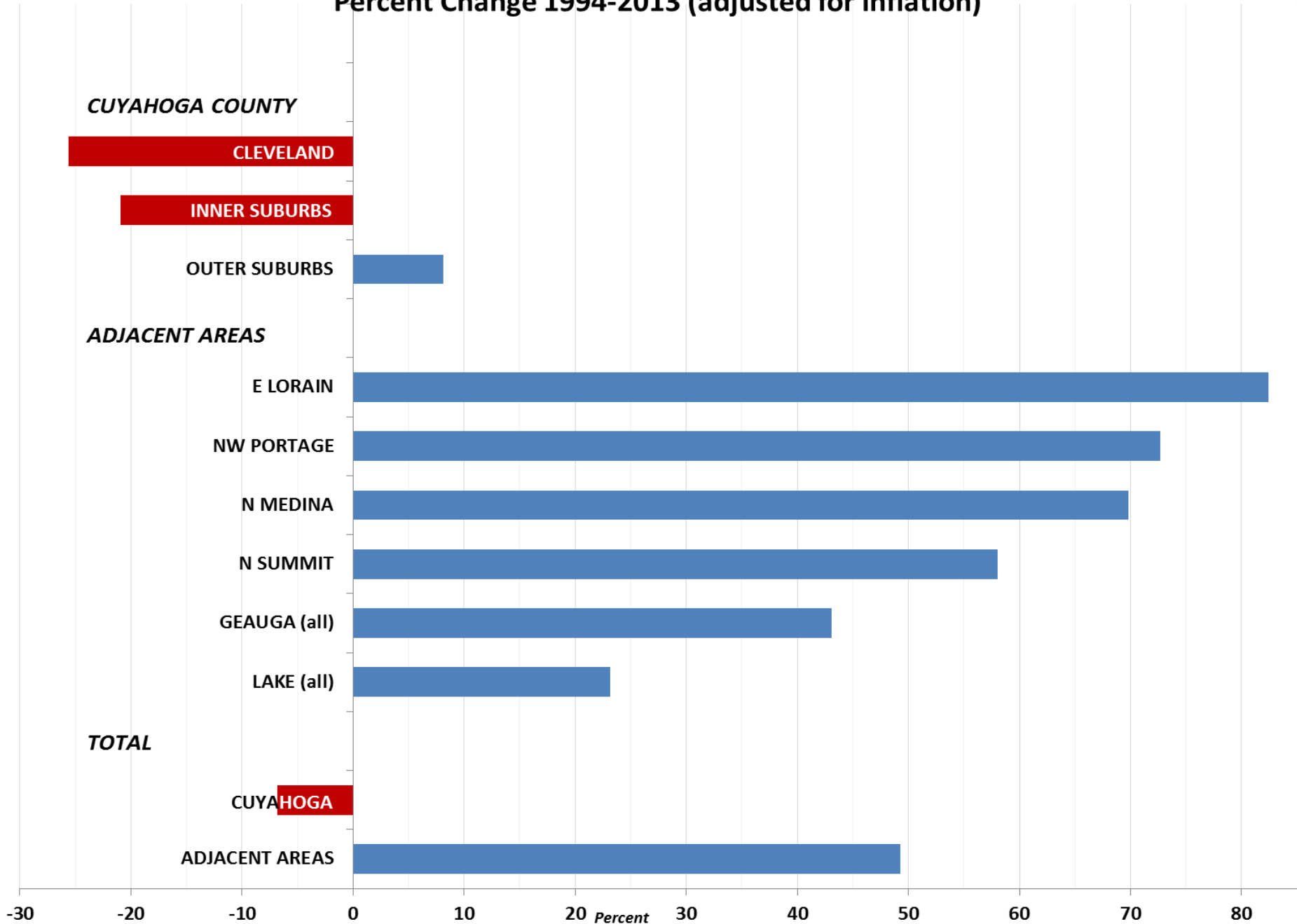
Cleveland	-25.6%
Inner Suburbs	-21.0%
Outer Suburbs	+ 8.1%
Cuyahoga Total	- 6.8%
Adjacent Counties	+49.3%

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

** County auditor values

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



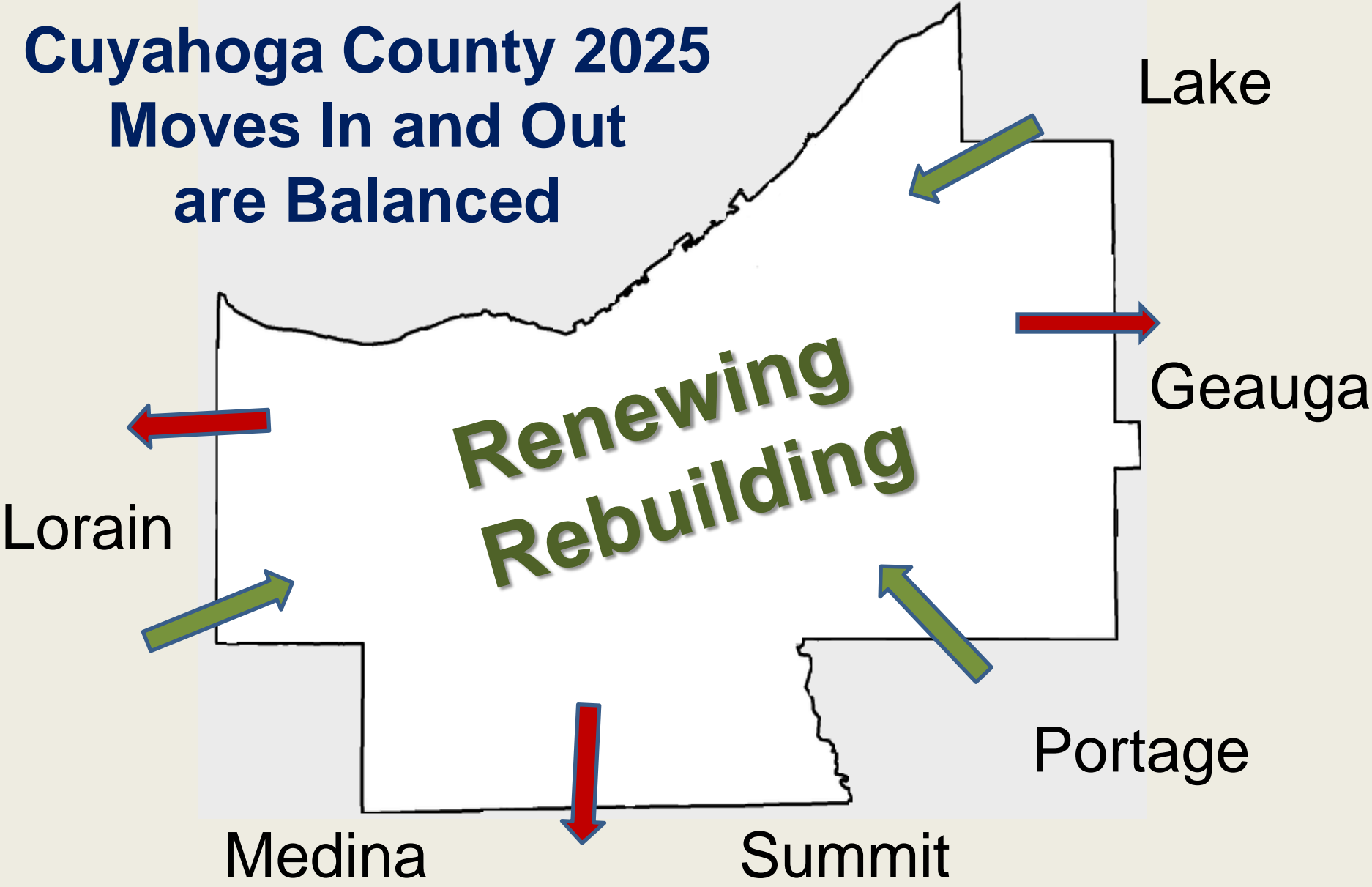
- Make achieving Cuyahoga 3.0 a county-wide undertaking: “It’s ***our*** future”
- Focus on renewal of inner suburbs
- Engage the state as critical partner

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



**Renewing
Rebuilding**

Lake

Gauga

Lorain

Portage

Medina

Summit

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



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