



City of Cleveland

Frank G. Jackson, Mayor

City Planning Commission

Robert N. Brown, Director

601 Lakeside Avenue, Room 501

Cleveland, Ohio 44114-1071

216/664-2210 - Fax: 216/664-3281

Web site: [Http://planning.city.cleveland.oh.us](http://planning.city.cleveland.oh.us)

September 7, 2007

Howard Maier, Executive Director
Northeast Ohio Areawide Coordinating Agency
1299 Superior Avenue
Cleveland, OH 44114

Dear Director Maier:

Attached is the City of Cleveland's response to the August 28th draft of the "*Economic Assessment for the Proposed I-90/Nagel Interchange.*" Much of what is contained in the attached document has been shared verbally with the consultant at meetings of the Executive Committee. Those comments did not appear to result in changes to the consultant's report.

Since preparing this analysis, I have had a chance to review the final report, issued on September 7th, and I find that the comments made with respect to the draft report remain applicable to the final report.

Please feel free to contact me if you need further information.

Sincerely,

A handwritten signature in black ink that reads "Robert N. Brown".

Robert N. Brown

ANALYSIS OF DRAFT ECONOMIC ASSESSMENT FOR THE AVON INTERCHANGE

The following is an analysis of the August 28, 2007 Draft Report of the *Economic Assessment for the Proposed I-90/Nagel Interchange* in Avon, submitted to NOACA by a consultant team led by DB Hartt, Inc. City of Cleveland staff prepared this analysis for Mayor Frank Jackson. We have identified a number of conclusions and assumptions made in the report that do not appear to be supported by the facts or are subject to other legitimate interpretations. These are identified below. (NOTE: A review of the final report, issued on September 7, 2007, indicates that the comments made below in reference to the August 28th draft report remain applicable to the contents of the final report).

The Basics. The draft report concludes that the interchange “will not materially affect either the region or the nearby communities”. We find that this conclusion is not supported by the report’s own projections of development that will be created by the interchange.

The report projects that the interchange will result in the following development in Avon that *would not occur in Avon* without the interchange:

- 946,000 square feet of retail development,
- 1,980,000 square feet of office development, and
- 680,000 square feet of industrial development.

The report further concludes that none of the retail development and only about 5% of the office and industrial development will be new to the region. Almost all of the development will shift to Avon from other communities in Cuyahoga County and Lorain County.

Specifically, the report estimates that 886,200 square feet of the office development expected to be built around Avon interchange will shift from Cuyahoga County, while 288,990 square feet will shift from other portions of Lorain County. With respect the retail development expected to be built around the Avon interchange, the report estimates that 302,570 square feet will shift from other portions of Lorain County and 171,250 square feet will shift from Cuyahoga County. Finally, with respect to the industrial development expected to be built around the Avon interchange, the report estimates that 437,400 square feet will shift from Cuyahoga County and 192,600 square feet will shift from other portions of Lorain County. In total, the report states that these shifts represent a loss of 4,959 jobs from Cuyahoga County and 2,215 jobs from other portions of Lorain County.

The report qualifies these projections by stating that “it cannot be concluded that the construction of the interchange will reduce the jobs in Cuyahoga County to the extent illustrated” in the report. This is the case, according to the report, because it is most likely that “the continuous dynamic shifting of businesses in the region would result in ‘back-filling’ or re-occupying available spaces.” [Exhibit T, page 44] Although the likelihood of this outcome is open to debate, the thousands of vacant commercial and industrial buildings in Cuyahoga County today and the region’s mature economy suggest that the opposite outcome is also likely.

Retail Development. The report concludes that the 1,132,000 square feet of retail development that is expected to be built at the Avon interchange is warranted by anticipated population growth in the local area. The report states that, with the development at the Avon interchange, there will be 36 square feet of retail use per person in Lorain County by the year 2030, compared to a current total of 38 square feet per person.

The report further states, however, that current retail development in the NOACA region and in Cuyahoga County equates to approximately 23-24 square feet per person. Because the 5-county NOACA region is a full metropolitan retail market area, its retail supply should represent the norm for meeting a population's retail needs. These facts lead us to conclude that Lorain County is already "over-retailed" and that the addition of over one million square feet of retail development in Avon is, therefore, unwarranted and will pull retail development from "built communities" in nearby areas. We believe that the report shows that the existing retail centers provide sufficient retailing for the current and projected population and that any minimal needs for additional retailing can be provided near the existing centers.

Urban Sprawl. The report appears to accept urban sprawl as a reality that will not change. In this respect, the report states that there is "no evidence to support the premise that denial of the interchange would result in a development 'push back' to the built communities..." [page 2] Looking to the year 2030, the report states that "it is reasonable to assume that those areas that have been attracting investment over the last five years will continue to be attractive into the foreseeable future." [page 38] These assumptions and others lead the report's authors to conclude that the development to be created by a new Avon interchange will not materially effect the region or nearby communities. In other words, it doesn't matter if the Avon interchange is built, because urban sprawl will continue regardless, just in other locations.

We do not agree that these assumptions should be taken as fact. In greater Cleveland and in regions throughout the nation, there is some movement in the direction of re-investment in our urban core areas. We do not believe that continued urban sprawl is a *fait accompli*. To the extent that urban sprawl contributes to the weakening of the region's urban core, we believe that it is a mistake to base public policy on an assumption that urban sprawl will continue unabated, as it has in the recent past in greater Cleveland.

The Big Picture. The report makes the point that the development expected to take place around the proposed Avon interchange represents a very small proportion of all development in Lorain and Cuyahoga County – specifically, less than 1.7% of all office development, less than 1.4% of all retail development, and less than 0.16% of all industrial development. [page 3] The implication is that the impact on the region of any development at the Avon interchange will be small.

Although the report's authors were asked to study only the impacts of the Avon development, we believe that it is the responsibility of NOACA to analyze the impacts of this development in the context of the region's overall long-term development. If NOACA were to view each individual exurban infrastructure extension in isolation, then it is true that the regional impact of each could be seen as so small that it could be considered insignificant.

That, however, is the very nature of the phenomenon we call urban sprawl – the incremental expansion of urban and suburban development throughout a region over time. The cumulative impact of these developments is particularly harmful to the region's urban core and central city when the region's economy is relatively mature and stable, as is the case in the Cleveland region. Here, it can be argued, each expansion of infrastructure and associated development at the region's fringes occurs at the expense of development in the "built communities" of the region's urban core. As already stated, the thousands of vacant buildings in Cleveland's urban core give witness to the truth of this observation.

Viewing the Avon interchange in isolation, it could be argued that any harm to the region would be akin to a “small cut” rather than a “major wound.” In contrast, viewing the Avon interchange as one of a series of exurban infrastructure developments, the harm to the region is more akin to a “death by a thousand cuts,” bleeding the region’s core of its strength and vitality.

Why is health of the region’s core important to the region? There is increasing evidence from across the nation that those regions that are most prosperous are those with the strongest, most vibrant central cities. We believe that individuals and companies considering competitive locations across the nation base their decisions more on the strength of the central city than on differences between the exurban portions of each region. A business considering locating in the Cleveland region versus the Boston region or Denver region or Chicago region, for example, will find very similar development sites in each region but may conclude the amenities and vibrancy in one of the central cities is the deciding factor in choosing one region over the other. The bottom line is that, in the long run, the region is only as healthy as is its urban core.

NOACA Principles and Goals. In evaluating the Avon interchange proposal, NOACA is obligated to apply its adopted planning principles and transportation plan goals. The Hartt report does, in fact, evaluate the proposed interchange in light of these principles and goals. With respect to what we believe are three of the most relevant principles and goals, the report either fails to draw conclusions about the development’s conformance or finds that there is no conflict. These principles and goals are listed below, along with the report’s observations and Cleveland’s responses.

Principle # 10. *It is the intent of the NOACA Board to encourage efficient, compact land use development that facilitates mobility, saves infrastructure costs, preserves environmentally sensitive and agricultural lands, and enhances the economic viability of existing communities within the region.*

Hartt Report Observations. The encouragement or promotion of “efficient, compact land use development” is far beyond the purview of this study. The purpose of this study is to assess the implications of likely outcomes, and is not to influence outcomes. Attempting to determine “desired outcomes” would result in multiple and widely diverse opinions. As stated elsewhere, with the interchange the economic viability of Avon is enhanced and the economic viability in other communities is not materially affected.

Cleveland Response. As explained above, we have concluded that the interchange-area development predicted in the report does, in fact, promote a shifting of development from the urban core to the outer band of the Cleveland region. In this respect, the proposal does appear to violate the intent expressed in Principle # 10.

Goal #7. *Foster reinvestment in existing urban core areas throughout the region, and work to target and manage transportation investment to implement Plan goals.*

Hartt Report Observations. The interchange – based on the previous data, observations, and conclusions in this report – will not materially affect the level of investment in existing urban areas.

Cleveland Response. As explained above, we question the conclusion that the expected development will not materially affect investment in the region’s urban core. Therefore, we believe that the proposal does, in fact, violate Goal # 7.

Goal # 9. *Direct the Plan and its investments toward efficient, compact land use development/redevelopment that facilitates accessibility, saves infrastructure costs, preserves and enhances farmland, forests and open space and enhances the economic viability of existing communities within the region.*

Hartt Report Observations. Achieving compact land uses, etc., is addressed in Planning Principle # 10.

Cleveland Response. As explained above, we have concluded that the interchange-area development predicted in the report does, in fact, promote a shifting of development from the urban core to the outer band of the Cleveland region. In this respect, the proposal does appear to violate Goal # 9.