

**Cleveland Opportunity Corridor**  
**Economic Growth Strategy**  
**Phase I Report: Executive Summary**

*October 10, 2016*

**Background**

For years, the City of Cleveland and Community Development Corporations (CDCs) on the City's east side have advanced plans to enhance the vitality of the Fairfax, Slavic Village, Central, Kinsman, Buckeye-Woodhill and Buckeye-Shaker Square neighborhoods.<sup>1</sup> In 2013, the state of Ohio approved and fast-tracked funding of the "Opportunity Corridor," a roadway designed to pass through many of these neighborhoods and connect interstate 490 to University Circle. The now in-progress Opportunity Corridor is scheduled for completion as early as 2019. To facilitate an accelerated construction schedule, the design and build of the roadway was brought forward, in front of neighborhood-based planning and pre-development activities (e.g., high-priority land acquisition) which are typically well underway before such efforts begin. Fortunately, the possibility of a roadway has been discussed for many years; as such, the Opportunity Corridor has long been part of the neighborhoods' and City's planning context. Because of this, local leaders are well positioned to leverage this new (albeit controversial) asset.

With the roadway came a promise: neighborhoods adjacent to the roadway would become better connected to the regional economy, "core job zones" could be developed, and, ultimately, current and future neighborhood residents would have increased access to family-sustaining jobs. This promise actually arises as part of a bigger opportunity -- as the economy increasingly favors dense, mixed use development near job centers -- to restore the East Side of Cleveland as a network of vital communities, participating in and driving regional prosperity.

Many stakeholders, convened by the Opportunity Corridor Partnership Office, recognized this potential; they also recognized that to realize the enormous opportunities would require a deliberate, comprehensive and shared economic growth strategy. Importantly, this strategy would not replace or recreate City and neighborhood plans. Instead, the purpose was to:

- Build upon the existing plans and aspirations, connect them to identified regional economic opportunities, and bring community and economic development leadership together around a common vision and plan for implementation; and
- In the context of, and informed by, this broader vision for neighborhood transformation linked to regional economic opportunity, begin to identify potential commercial and

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<sup>1</sup> These neighborhoods are collectively referred to throughout this document and the accompanying report as the "Opportunity Corridor area" or "Corridor area."

industrial real estate development opportunities – “economic uses” – that support the common vision by leveraging regional economic priorities, neighborhood assets and land characteristics.<sup>2</sup>

A team assembled by RW Ventures, LLC was engaged to lead the development of an Opportunity Corridor Economic Growth Strategy (EGS), reporting to a committee of CDC leaders, City officials, business leaders, and representatives of JobsOhio, other state agencies, regional economic development intermediaries and philanthropy. While this initiative was slowed and scaled back in light of disagreements between the City and state over a number of critical issues, a first, preliminary phase of work was undertaken to synthesize what is known, expand the market analysis, frame the opportunity in the context of changing economic dynamics and develop an initial strategic direction, including:

- Coordinated vision for the Opportunity Corridor area and its constituent neighborhoods, including implications for community development strategies (e.g., housing and quality-of-life amenities);
- Promising economic uses and initial ideas on where in the Corridor area they might be best located to align with neighborhoods’ trajectories, land and infrastructure characteristics, etc.;
- Related development parameters and issues that are essential to the success of the economic uses (e.g., workforce development, implementation capacity, stormwater management, etc.); and
- Next steps necessary to further specify the EGS and move toward implementation of specific development projects.

Source documents included existing CDC and City plans, the regional economic competitiveness strategy and the *Brownfields Area Wide Plan*, among others. The Economic Growth Strategy team also developed and tested ideas through working sessions hosted by several of the CDCs.

### **Summary of Findings**

- The Corridor area neighborhoods are extraordinarily well-located, and soon to be well-connected. Investments in economic and neighborhood development that can be catalyzed by the construction of the roadway represent the potential to “go big” and transform the economic geography of the neighborhoods, the City of Cleveland, the Northeast Ohio region and the state. The opportunity is to drive inclusive regional growth by fostering next-generation economic activity integrated with community development – including environmentally and community-friendly industrial redevelopment in the context of a set of revitalized and reinvested urban neighborhoods.

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<sup>2</sup> Better understanding these uses can be – among other things – a key input into funding proposals for site acquisition and remediation.

- Five preliminary core job zones – referred to as Economic Growth Zones or “EGZs” in the accompanying report – were identified within the Corridor area. Collectively, they comprise about 270 acres of redevelopment potential. Each EGZ leverages the current plans for the surrounding neighborhood, is consistent with and builds upon the *Opportunity Corridor Brownfields Area Wide Plan* and can play a distinctive role in tying to the regional economy (see attached map):
  - **Zone A consists of roughly 68 acres of potentially re-developable land near East 55<sup>th</sup> Street** that is suitable for industrial/commercial redevelopment. Given the strong manufacturing legacy and the preferences expressed by residents, the highest-potential economic uses include next-generation, light manufacturing and doer-maker spaces.
  - **Zone B includes the area focused on by the BAWP**, including Miceli Dairy. In total, it is home to 157 acres of vacant and land-banked properties with industrial/commercial zoning, most of which are served by freight rail, making it one of the highest potential sites for larger-scale industrial development projects. Important business assets in Job Zone B include the two significant food manufacturing facilities, the Urban Agricultural Innovation Zone and the Rid-All Green Partnership. These assets make this a logical site for food and beverage manufacturing and related uses (including, but not limited to, larger users). Moreover, the NEORSD Woodland/Central green infrastructure project may make it attractive for blue-green infrastructure businesses such as greenhouses and soil preparation services.
  - **Zone C includes approximately 28 acres of land with redevelopment potential along Woodhill Avenue and the rail line.** Existing entities include the County Juvenile Justice Center, RTA’s Woodhill facility and several smaller businesses. Although it has fewer appropriately zoned vacant and land-banked properties, Zone C offers potential for a mix of “back-office” uses and possibly some light industrial uses.
  - **Zone D corresponds to the Fairfax Renaissance Development Corporation’s New Economy Neighborhood.** Although small (11 vacant/land-banked acres zoned industrial or commercial at present), the area east of 105<sup>th</sup> Street offers significant potential for spillover activity from University Circle institutions, including bio/health uses and specialized professional services. The decision by Explorys to locate in this area suggests the potential to nurture health information technology uses as well.
  - **Zone E is comprised of the small amount of available space near University Circle.** This area has significant development momentum and is well-situated for economic uses that mesh closely with the anchor institutions and that thrive in a high-density environment (e.g., R&D, engineering, incubator/accelerator spaces). Additional space may be freed up in the future as certain existing “back-office” uses find more suitable locations elsewhere in the Corridor area.
- To provide momentum for the desired types of development in these EGZs, stakeholders should pursue “Signature Projects” corresponding to the objectives and trajectories of each

EGZ.3 Several of the Signature Projects that have been preliminarily identified could be applicable in more than one EGZ. All of the Signature Projects are anticipated to attract and support related, stand-alone firms of varying sizes in the EGZs in which they ultimately locate. Examples of potential Signature Projects include:

- Manufacturing Park/Hub – a single- or multi-building facility that is comprised of small and medium-sized manufacturing firms in related industries, co-locating to share infrastructure and resources (e.g., a food park/hub might include shared test kitchens and co-packaging facilities).
- B2B Hub – also a single- or multi-building facility comprised of “back-office” capabilities such as facilities support services (e.g., grounds maintenance, security), payroll/billing, packaging/mailing/labeling, call center, data entry/record keeping.
- Eco Park – a campus for firms engaged in applying leading-edge technologies in the waste-to-energy/waste-to-value cluster, including uses such as a biomass digester facility or upcycling of wood materials.
- Integrated Health Service Center – an idea that is already being explored by local stakeholders and would provide multiple hospitals and other medical facilities with centralized back-office and other support activities including data entry/record keeping, pharmacy services, lab/testing, instrument sterilization, surgical pack preparation, etc.

Two other Signature Projects are being explored which would complement and leverage the private-sector/business uses, and which might become part of the shared infrastructure for related manufacturing or other industrial uses:

- Digital Model Factory and Workforce Center -- a facility proposed by MAGNET to drive efficiency and process innovation among the region’s small and mid-sized manufacturers. Firms would engage in hands-on learning with cutting-edge equipment, while individuals could gain the skills needed to work in the digital manufacturing environment.
- Cuyahoga Community College Transportation and Logistics Center of Excellence, which is a proposed initiative to consolidate the college’s transportation-related programs (e.g., truck driving, warehouse management, logistics) and develop them into a center of excellence for worker training.
- In developing the EGZs into communities of *opportunity*, it is also critical to ensure that the neighborhoods into which new economic uses are integrated are also communities of *choice*. The two dimensions are mutually reinforcing, as who ultimately lives, works and plays in these communities will both influence and be influenced by the types of economic opportunities that locate in the area. “Place making” is central to the success of this effort. Strategies related to housing, retail and quality-of-life amenities need to be integrated with the economic strategies to ensure that neighborhoods are enhanced, workforce and

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<sup>3</sup> Critical for selection of projects and overall development of the zones will be strong goals for job density (e.g., > 15 jobs/acre), job types (e.g., career path expectations, job accessibility for local residents) and strong connectivity within and across the zones.

business development opportunities are fully captured and that ancillary commercial and other activities (e.g., restaurants, dry cleaners, recreation and entertainment, daycare and health centers, etc.) thrive. The neighborhoods along the route of the Opportunity Corridor are diverse, and will retain their unique identities, aspirations and institutions (including, particularly, CDCs), while benefiting from a common vision and coordinated growth strategies for the overall Corridor area.

## **Next Steps**

The next phase of work entails several parallel and interrelated streams of activity, that group into two categories.

- ***Build Out Economic Uses and Shape Actionable Development Deals***
  - Proceed as quickly as feasible on land acquisition in the EGZs, matching the appropriate financing instrument to the market potential (e.g., combination of recoverable grants and loans with active participation of the land banks)
  - Engage the market (i.e., developers, economic intermediaries and businesses) to further specify economic uses for the EGZs
  - Vet potential uses with CDCs, City, and State and potential developers and identify a first wave of high-priority development projects – determine the needs and action plans around real estate economics, remediation, and other site improvements
  - Develop a “go-to-market” strategy for the first wave of projects including developers/financing partners, the implementation of Signature Projects and the pursuit of a broader marketing plan
- ***Support Broader Corridor Area Transformation***
  - Engage a broad set of local and regional, cross-sector stakeholders (public, private, civic) to further develop and advance the overall Corridor vision, and to create institutional infrastructure, capacity and resources to implement that vision
  - Further develop coordinated neighborhood development strategies targeted and tailored to the relevant sub-geographies of the Corridor area (e.g., the preliminary NDZs and EGZs) and the overall Corridor area vision
  - Work across stakeholders to develop an actionable brownfield remediation plan and address other physical planning issues (e.g., stormwater management, green space, arterial roadway improvements, etc.)

The time is right to “go big” and invest in the future of Cleveland’s core East Side neighborhoods. Construction of the Opportunity Corridor roadway, which will open up access to this set of well-located but under-invested communities, provides a unique moment and point of leverage to change the economic geography of metropolitan Cleveland, boosting the prosperity of both the neighborhoods and the region.