



CLEVELAND HEIGHTS

RESPONSES FROM THE CITY OF CLEVELAND HEIGHTS FUTUREHEIGHTS/*HEIGHTS OBSERVER*--CLM PROJECT QUESTIONS

ARE THERE BENEFITS TO INCREASED RESIDENTIAL DENSITY? IF SO, WHAT ARE THEY?

Cleveland Heights is more than 100 years old, and virtually all of its land has been developed. To grow our economy and tax base, we can't build new developments on undeveloped tracts of land. We have to find ways to make developed property more economically productive.

One important way to make Cleveland Heights more economically productive is to attract more people to live here. Since Cleveland Heights can't expand its borders, growing our population requires increasing our residential density. Some of the specific benefits of greater residential density include:

- **Attracting new residents.** Giving people more housing options—including multi-family options like Cedar-Lee-Meadowbrook (CLM)—allows us to appeal to people who otherwise might not live here.
- **Broadening our tax base and sharing costs.** Making space for and attracting new residents increases the number of taxpayers sharing the cost of services like schools, roads, police and fire, and utilities.
- **Supporting area businesses.** Having more residents in a specific area creates a larger market of potential customers for nearby businesses.
- **Attracting new employers** interested in locating near their employees instead of making their employees come to them.
- **Supporting property values and the for-sale housing market.** Well-designed, multi-use developments like CLM appeal to people who want to live in energetic, vibrant areas. Creating greater interest. Multi-family housing can also create a new pool of potential homebuyers who are interested in finding a permanent residence.

DO HIGHER RESIDENTIAL DENSITIES CONTRIBUTE TO A MORE ENVIRONMENTALLY SUSTAINABLE COMMUNITY?

YES. Higher residential density is an antidote to sprawl. By using less land than lower-density housing, higher-density housing reduces the need for communities to expand into and pave over undeveloped natural spaces. For example--as an "infill" development project, CLM will create new housing options from under-utilized surface parking lots and vacant land instead of requiring the destruction of wildlife and the disruption of ecosystems.

Higher residential density reduces reliance on cars, improving air quality and lowering dependency on fossil fuels. Mass transit works areas of higher residential density. Having valuable amenities within walking distance of residents, as they are in multi-use developments like CLM, further reduces the need for cars. Also, while residents of low-density, single-family communities often have two or more cars per household, residents of apartments and condominiums tend to have only one car per household.

CLEVELAND HEIGHTS IS PREDOMINANTLY ZONED FOR SINGLE-FAMILY. ARE THERE BENEFITS TO DIVERSIFYING OUR CURRENT HOUSING STOCK WITH DENSE, MIXED-USE DEVELOPMENT PROJECTS SUCH AS CLM, AS OPPOSED TO NEW SINGLE-FAMILY HOMES?

Cities with diverse housing options have larger markets of potential new residents than communities with limited housing options. The Cedar-Lee-Meadowbrook project will offer a unique housing option that can't be found anywhere else in Cleveland Heights. As a result, CLM will reach a new market of potential residents who Cleveland Heights can't currently serve and who are not currently moving here.

In addition, residents who enjoy living in CLM, in turn, will become potential buyers for Cleveland Heights homes.

WHAT EFFECT WILL THE PROPOSED DEVELOPMENT HAVE ON TAXPAYERS IN CLEVELAND HEIGHTS?

The project requires NO TAX INCREASE. The project will generate additional revenue for both the City of Cleveland Heights and the CH-UH School District.

DO YOU ANTICIPATE THAT THE PROPOSED DEVELOPMENT WILL BENEFIT EXISTING BUSINESSES IN THE DISTRICT? IF SO, HOW? IF NOT, WHY NOT?

The CLM project will provide a significant boost to existing district businesses.

- **CLM will bring more customers for district businesses** by adding more than 300 new residents to the Cedar-Lee District.
- **CLM will make the Cedar-Lee District an even more compelling place to shop** by creating roughly 8,200 square feet of additional retail space.
- **CLM will give customers reasons to stay in the District longer.** Tying the District together and creating upgraded outdoor gathering spaces will encourage visitors to linger—and spend more money—in the area.
- **CLM will make it easier for the District market itself.** Giving the District a greater sense of place will make it easier for the District and its businesses to attract visitors from across the region.

WHAT ARE THE PROJECTED ECONOMIC BENEFITS OF INCREASED COMMERCIAL AND RESIDENTIAL SPACE IN THE CEDAR-LEE-MEADOWBROOK BUSINESS DISTRICT?

The CLM project is projected to create 257 construction jobs and 25 permanent jobs. It is also projected to attract 309 residents to the District, 206 of whom will be new to Cleveland Heights. The people living, working, and helping build CLM will all pay income taxes to the City of Cleveland Heights.

The construction of the Cedar-Lee-Meadowbrook development is anticipated to bring \$50 million in economic activity to Cleveland Heights.

WHAT ARE THE OTHER BENEFITS OF THE PROPOSED DEVELOPMENT?

- **Revenue for the CH-UH schools from the CLM properties will increase significantly upon the completion of the project.** The School District currently receives \$101,179 annually in revenue from the parcels that are a part of the CLM project. When construction of CLM is completed in

2025, the schools will receive this baseline tax AND will begin receiving an annual amount that will be specified in the Schools Compensation Agreement for the project.

- **The CLM project will boost Cleveland Heights’s appeal.** Cleveland Heights Mayor Kahlil Seren anticipates the CLM project having an even greater impact on Cleveland Heights than the Van Aken District has had on Shaker Heights. “The Van Aken District has been wildly successful for Shaker Heights, as a destination for visitors, a home for new residents, and a gathering place for neighbors,” Mayor Seren said. “With the Cedar-Lee-Meadowbrook project, Cleveland Heights will offer something even better, in a location that already attracts thousands of people every year.”
- **The CLM project will create a new meeting/gathering place for Cleveland Heights residents that will add to our already flourishing sense of community.**
- **CLM will help attract the right kind of additional development.** Increased interest in Cleveland Heights has led to more than \$200 million in new or planned capital investment during the last five years. The CLM project will garner attention throughout the region and help attract potential investors/developers to Cleveland Heights.
- **CLM will benefit neighborhood residents.** Destiny Burns, who owns CLE Urban Winery across from the CLM site, has said, “I’m strongly in favor of this plan because it will help small businesses like mine survive. And as a district homeowner, I am excited this project will make the Cedar Lee area better than ever for residents.”
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WHAT FINANCIAL INCENTIVES IS THE CITY OF CLEVELAND HEIGHTS GIVING TO THE DEVELOPER?

The City of Cleveland Heights is not giving incentives to the developer but instead is an active partner in the CLM development. The public’s participation in the CLM project will be primarily in the form of Tax Increment Financing (a “TIF”).

TIFs work on the principles that improved properties generate more property taxes and that local governments can decide how those additional property taxes (which are called a property’s “tax increment”) may benefit their communities. A TIF IS NOT A TAX BREAK. The owners of properties with TIFs pay their full share of property taxes, just like other property owners. A TIF allows a city to redirect the additional property tax revenue from an improved property to a different use, WITHOUT cutting the amount of property tax revenue the property already generates for the public schools and other taxing authorities.

For the 30-year term of its TIF, 100% of CLM’s tax increment would be redirected through the TIF. A portion of CLM’s annual tax increment revenue would go to the CH-UH schools. The amount the schools will receive will be determined by a School Compensation Agreement approved by the CH-UH Board of Education. The remainder of CLM’s annual tax increment will be used to pay for debt service on the CLM development.

WHAT IMPACT DOES THIS HAVE ON THE CITY BUDGET? ON TAXPAYERS?

By using a TIF for the public’s participation in CLM’s financing, the City and the CH-UH School District will NEVER receive less revenue from the CLM properties than they currently receive. There can be no negative impact on the City’s budget, and taxpayers will never be asked to pay more to fund the CLM project.

Just as important, because of the proposed School Compensation Agreement, **revenue for the CH-UH schools from the CLM properties will increase significantly upon completion of the project.**

ADDITIONALLY, IT MAY BE WORTH ASKING HOW DEVELOPMENT INCENTIVES IN NEIGHBORING MUNICIPALITIES IMPACT / RELATE TO INCENTIVES BEING DONE ON CH DEVELOPMENTS. HOW COMMON ARE PUBLIC SUBSIDIES FOR PROJECTS OF THIS SCOPE?

Cleveland Heights faces the same challenge in attracting development investment as other built-out, inner ring communities: redevelopment is almost always more expensive than new construction on undeveloped land. Cities like Cleveland Heights use a variety of economic development tools to try to rebalance the playing field and attract investment. Projects like CLM in cities near Cleveland’s urban core almost always require some form of public participation in their financing.

WHAT OTHER INCENTIVES, IF ANY, IS THE CITY OF CLEVELAND HEIGHTS GIVING TO THE DEVELOPER?

There are no other “incentives” involved in the CLM project.

As a development partner on the project, the City has taken steps that have helped move the CLM project forward. The City of Cleveland Heights already has made significant investments in the Cedar-Lee parking garage, undertaken a streetscaping effort, acquired property for the project, environmentally remediated a parcel of property at the intersection of Meadowbrook Boulevard and Lee Road, and rezoned the property to allow for mixed-use development.

WHAT REQUIREMENTS DOES THE CITY HAVE OF THE DEVELOPER IN TERMS OF PAYING PREVAILING WAGE, HIRING MINORITY CONTRACTORS, ETC.?

The Development Agreement with Flaherty & Collins sets a target for 25% of the labor employed in the construction of the project to be at or above “Prevailing Wage.” The agreement also calls for 5/6 of the labor on the project coming from the local (regional) market.

Flaherty & Collins must also use commercially reasonable efforts to achieve MBE/FBE participation goals established by the City and provide monthly reports regarding these goals and metrics.

WHAT ARE THE SPECIFICATIONS AND FEATURES OF THE PARK SPACE PROPOSED BY THE DEVELOPER?

Of the overall 5.12-acres project site, 2.3 acres have been designated as open space or green spaces—both private and public.

A pathway east of the Cedar-Lee building will lead from Cedar Road to open/green areas adjacent to the single-family residential homes off Kildare Road, Cedarbrook Road, and Tullamore Road. These areas are

intended to be passive, with landscaping, trees, pathways, lighting, and benches, allowing anyone to meander through the project site and enjoy the outdoors.

During the project site plan review, members of the public, the reviewing boards and commissions, and city staff advocated for a direct public pathway through the project connecting Cedarbrook Road and the Cedar-Lee Mini-Park and Cedar-Lee District. Integrating this pathway into the site design was a condition of the design plan's approval.

The CLM design incorporates approximately 0.6-acres of open/green spaces south of the Meadowbrook building. This includes the southernmost portion of the project site adjacent to Meadowbrook Boulevard, which has been designated to be a public park area and gathering space. The area has been designed with a hardscaped area with shade trees for seating, dining, and gathering; an open play area/space; terraced retaining walls for seating and climbing; and new landscaping and tree plantings. A fence and gate will separate this public gathering space and a CLM-resident-only open courtyard that will be adjacent to the building.

Other areas of the project site, especially along its edges, will have new landscaping, tree plantings, and other streetscape improvements. As with any development project within Cleveland Heights, all open space and landscaping details must be approved by the City's Planning Director through a Final Landscape Plan.

All of these spaces will be installed and maintained by Flaherty & Collins, which will control the use and programming of CLM's private spaces. The programming and use of the public spaces will be under the auspices of the City of Cleveland Heights.

WHO WILL BE ALLOWED ACCESS TO THE DEVELOPMENT'S PARK?

Most of these green areas will be accessible to the public.

Two areas designated for use by CLM residents only include a small fenced-in dog run adjacent to the back of the parking garage and a fenced-in pool and seating area between the two wings of the Cedar-Lee building.

WHO WILL PAY FOR THE CONSTRUCTION OF THIS PARK SPACE?

The developer of the CLM project will pay to construct and maintain its green and gathering space.

IF A 1.1-ACRE PARK OR "PUBLIC SQUARE" IS APPROVED BY VOTERS AT THE BALLOT BOX, IN PLACE OF DEVELOPMENT, WHO WILL BUILD, FINANCE, AND MANAGE THE UPKEEP OF THIS SPACE?

We don't know. The ballot language for Issue 9 requires "the City to create a public activity park" but does not specify how the space will be financed, maintained, or programmed.

The City of Cleveland Heights has no current plans for the property specified in Issue 9, except for its inclusion in the CLM project.

WHAT EFFECT, IF ANY, DO YOU ANTICIPATE THE PROPOSED DEVELOPMENT WILL HAVE ON HOUSING AFFORDABILITY IN CLEVELAND HEIGHTS?

Cleveland Heights is a community of more than 45,000 people. The CLM project's 206 market-rate housing units represent a small increase in the city's overall housing stock. Rents for CLM apartments will have a negligible effect on housing affordability in Cleveland Heights.

WHAT ARE THE LOGISTICAL OUTCOMES OF THE BALLOT INITIATIVE PASSING OR FAILING ON MAY 3?

The City of Cleveland Heights intends to move forward with the Cedar-Lee-Meadowbrook project. If Issue 9 fails, it will continue to do so without impediment.

If Issue 9 passes, the outcomes are less clear. The issue's ballot language does not offer much guidance for implementation, and the election result is unlikely to be the final word on the Lee/Meadowbrook property's fate.

If the City and its development partner are ultimately forced to exclude the Meadowbrook property from the CLM project, this project CAN NOT move forward. All of the project's approvals are based on plans that include the Meadowbrook property. Removing the Meadowbrook property from the project would nullify these approvals.