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Renaissance of Cleveland, Ohio

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One branch of management services leads inevitably to another and the scope of such services continues to expand. For instance, consider the leading role taken by an accounting firm in the —

RENAISSANCE OF CLEVELAND, OHIO

by Robert Smith, Editor

LIKE MOST large cities, Cleveland, the eighth largest city in the United States, has its problems. Its population dropped by nearly 50,000 between the 1950 and 1960 censuses while its suburbs grew by more than that amount.

It is the largest metropolitan area centered in the East-West axis between New York and Chicago, and its overall growth pattern is typical of that of other mature Northern industrial cities such as Detroit and Pittsburgh.

Retail sales in its major downtown shopping area declined by 14.6 per cent—\$68 million—in the nine-year period between 1954 and

1963. In the outlying areas, on the other hand, retail sales more than doubled during the same period.

Cleveland's downtown area, which should be the healthy retailing, transient, and entertainment center for a prosperous city, is instead a grim, rather unprepossessing business and manufacturing center, thronged by day, deserted by night, surrounded by a ring of prosperous suburbs.

But Cleveland, after many false starts and some mistakes, is doing something about its problems. Predominant in the planning is an ambitious program developed by the CPA firm of Ernst & Ernst

to revitalize downtown Cleveland.

A bit out of character for an accounting firm? For many it would be, but for Ernst & Ernst it is a familiar role. During the last ten years, Ernst & Ernst has undertaken economic, community development, and urban revitalization projects for a broad cross section of cities, public agencies, and industries alike. Ernst & Ernst, like many accounting and consulting firms, were old hands at industrial development and site location. Many urban redevelopment programs employed the same process in reverse.

What can a community do to

make itself more attractive to business or a better place in which to work and live?

The basic approach involves the application of a set of simple criteria:

1. Create a balance sheet of applicable community assets and liabilities.

2. Develop a plan to eliminate or minimize the liabilities and simultaneously capitalize on community assets.

3. Involve all sectors of the community — newspapers, politicians, and business and labor leaders alike — to help create the “vehicle” or task force necessary to carry out the plan.

Economic approach

Thus, Ernst & Ernst approaches community redevelopment primarily from an economic viewpoint rather than in terms of the area’s physical needs. They believe that lack of sound economic and financial planning and “selling” of concepts through the active involvement of many different interests has been the principal reason underlying the failure of many urban plans.

The Ernst & Ernst economic development specialists are not city planners. Rather they view themselves as coordinators who help develop and guide the community leaders to work together for the benefit of all sectors of the community.

Cleveland has run the gamut from the traditional planning approach to the more fundamental but more effective development approach espoused by Ernst & Ernst. And now, after years of stagnation, radical changes are under way in its downtown area — changes for the better.

Let’s briefly review the Cleveland situation. In 1959, the Cleveland City Plan Commission, with the financial assistance of several local foundations, prepared a new and ambitious plan for future downtown development entitled “Downtown Cleveland — 1975.”

And that was what it remained —

a plan. The plan was primarily oriented to downtown physical needs with little consideration of the economic “facts of life.”

Moreover, community cooperation had not been enlisted. Local property owners, real estate interests, and banks, always conservative, were slow to cooperate. Buildings built in the early twenties were left as they had been. The general attitude was: If a building’s making money, why spend anything on it?

But the Cleveland Development Foundation, headed by Cleveland’s industrial, financial, and business leadership, including Republic Steel’s Thomas F. Patton, Eaton, Yale & Towne’s John Virden, and others, proved too resourceful to accept this defeat.

The Foundation had been organized to promote closer cooperation between business interests and the city administration — primarily in the areas of public housing and urban redevelopment. Now the city and progressive elements in the Cleveland Development group teamed up for a swift coup that prodded the more conservative business group into doing something about the entire downtown area.

Erievuew

With the full support of the Development Foundation, the city administration, then under the leadership of Anthony J. Celebrezze, who later became Secretary of Health, Education, and Welfare, carved out one of the largest-scale downtown urban renewal programs in the nation — Erievuew.

A 163-acre site in the northeast section of the downtown area was designated an urban renewal area. Under urban renewal status, the development authority has the power of eminent domain. Slum and blighted structures can be condemned and razed; all new structures must conform to a rigid code and be designed for specific uses.

Venture capital was found and Phase 1 of the Erievuew project got under way—the construction of a

major new office building, one of the first built in the downtown area since the early twenties. Phase II of the project visualized high-rise and low-rise apartment houses—the first residential construction in downtown Cleveland in decades.

The effect on the somnolent downtown interests was immediate. Erievuew Tower, the skyscraper office building, was new, sleek, and glamorous; it not only attracted new headquarters offices to the downtown area, but it began to siphon tenants away from its forty-year-old competitors. Real estate groups that had experienced high occupancy rates in their old buildings suddenly found that they were losing tenants. And various downtown interests that had been at odds with each other for years suddenly found themselves faced with a common peril.

New plan suggested

With the stimulus of the Cleveland Development Foundation, the principal interests, conservative and progressive alike, in the community began to recognize the need for collective action to rehabilitate the entire downtown area. And Ernst & Ernst, as the best known Cleveland consulting organization with experience in urban redevelopment, was brought in to help coordinate efforts.

An Ernst & Ernst team, headed by K. S. Caldwell, a firm principal, and G. McCay, a top economic development specialist, studied the plans made for Cleveland for 1975, what had already been done in the Erievuew project, and Cleveland’s economic prospects.

Many elements of the 1975 plan had been incorporated into the Erievuew project; thus the 1975 plan was no longer valid. A tremendous need was foreseen to have more people working in the downtown area. More people would occupy more office space, help retail trade, and serve as an important economic “generator.” But it would be difficult to get more people — which means more major employers — to move to Cleveland unless down-

Smith: Renaissance of Cleveland, Ohio
town: Cleveland could be made
competitive with other major of-
fice centers.

So Ernst & Ernst suggested in its overall report, "Guidelines for Action," two complementary plans, one a short-range program that could be implemented within a year to two years to make the entire downtown area more attractive and livable, the other a strong concrete effort by the entire downtown community to attract more businesses to Cleveland.

The short-range program was directed toward these objectives:

1. Improving the physical appearance and housekeeping of the downtown.
2. Improving circulation, transportation, and parking in the downtown and access to and from it.
3. Providing a better mix of goods and services in the downtown section.
4. Coordinating and unifying the efforts of the area's merchants, property owners, and realty and development organizations to promote the downtown, its office facilities, stores, and services.
5. Creating a physical plan for the total downtown and specific development plans for projects to enhance downtown investment, economy, and service.

Central group stipulated

And finally, Ernst & Ernst warned, to be successful, an effective and unified downtown organization must be developed to carry out needed plans — an organization which must represent all major downtown interests. They pointed out that Cleveland's downtown had much going for it. Its assets included:

- A central retail core (currently with few vacancies) that was oriented toward the most modern regional shopping center design with a mall (Euclid Avenue), anchored at either end by major department stores, that provided a wide variety of goods and services.

- A strong existing office complex and an emerging new one that had brought Cleveland national

recognition and was stimulating added confidence and investor interest in downtown.

- A wide range of finance and government services along with one of the nation's largest and most modern exhibit convention centers.

- A concentration of the above functions that made them easily accessible to one another.

- Good access from a central transportation complex of air, water, rail, highway, and suburban rapid transit not found in any other downtown in the country.

Liabilities were listed as these:

- Increasing urban sprawl.
- High downtown land costs.
- Increased auto congestion brought about by limited highways, streets, and parking.
- High downtown property operating costs—taxes, labor, rents.
- Lack of the downtown or community leadership needed to help overcome core area problems.

However, many of the assets are potential assets rather than existing ones. The central retail core — stretching almost a mile along Euclid Avenue between two major department stores — would be an asset if it were properly developed with the proper mix of shops and services.

By the same token, Cleveland's overall transportation system is good. However, its Rapid Transit System was designed for the commuter, not for the downtown shopper. This is unfortunate in that the shopper coming from an outlying area to the downtown has to go to the railroad station and then make his way by bus to his eventual destination. This might be a mile or so away. But still, Euclid Avenue and the Transit System are strong assets; the facilities do exist; they are not planners' dreams.

The shop buildings exist along Euclid; it is a question of improving their appearance and upgrading merchandise and selling methods. The Rapid Transit System is there. It would have to be extended to serve the downtown.

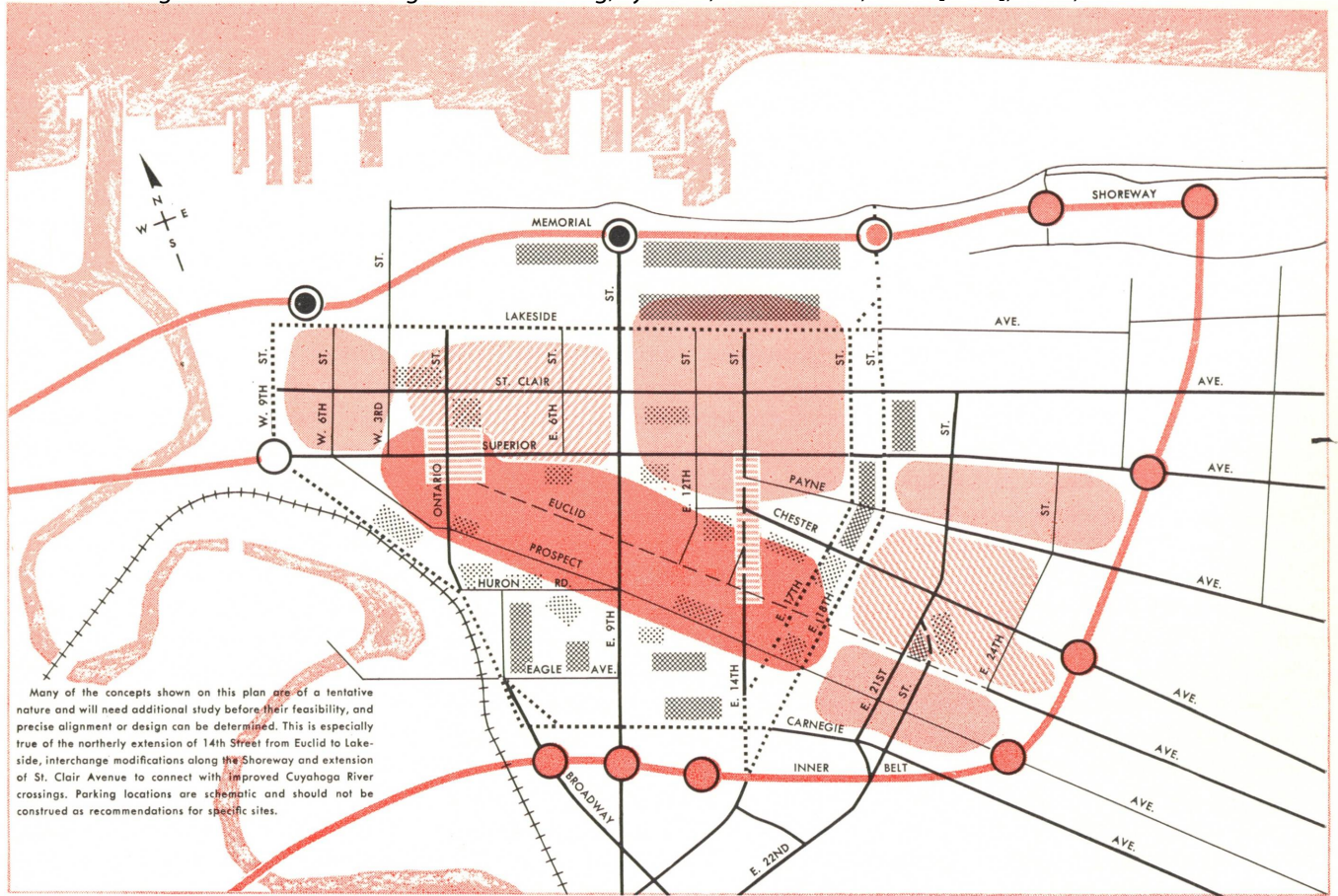
By the same token, there is adequate office space in downtown Cleveland in total. Many buildings

Cleveland's assets:

- ***A central retail core that could easily be adapted to a shopping mall***
- ***A strong existing office complex***
- ***A wide range of finance and government services***
- ***A good transportation complex***

Cleveland's liabilities:

- ***High downtown land costs***
- ***Automobile congestion because of limited streets and parking facilities***
- ***Lack of integrated community leadership***



DOWNTOWN CLEVELAND CONCEPTUAL CIRCULATION PLAN

LEGEND:

| TRAFFIC AND TRANSIT FACILITIES | | PARKING (GENERAL LOCATIONS) | | GENERALIZED MAJOR LAND USES | |
|--------------------------------|---|-----------------------------|----------------------|-----------------------------|--------------------------|
| ----- | FREEWAY AND RIVER CROSSING | [Pattern] | MAJOR PEDESTRIAN WAY | [Pattern] | RETAIL—OFFICE CORE |
| | BELT AND ARTERIAL ROUTE | [Pattern] | SHORT-TERM PARKING | [Pattern] | RENEWAL AREAS |
| ———— | MAJOR STREET | [Pattern] | ALL-DAY PARKING | [Pattern] | OFFICE—GOVERNMENT CENTER |
| — — — — | TRANSIT STREET (INCLUDES DEMONSTRATION PROJECT "SHUTTLE" SERVICE) | [Pattern] | | [Pattern] | FENN COLLEGE AREA |
| + + + + | RAPID TRANSIT | ● | EXISTING INTERCHANGE | | |
| | | ○ | PROPOSED INTERCHANGE | | |
| | | ● | REVISED INTERCHANGE | | |
| | | ○ | FUTURE INTERCHANGE | | |

Courtesy Wilbur Smith and Associates

Circulation map of city shows both present routes and some of the changes proposed by Wilbur Smith and Associates. Rapid transit lines (shown at lower left hand corner) actually represent access from both east and west. Shaker Heights Line, from east, uses Cleveland Rapid Transit line tracks from point south of area shown in the map.

must be modernized; in some cases they will need new facades. But they are not so dilapidated that they must be razed.

Each is an asset — if it is improved. And improvements in any one will benefit the others. If the stores improve the quality of their goods and their promotion methods they will draw more people away from suburban shopping centers. If the transit system is developed so as to get people closer to their ultimate destination, the number of downtown shoppers will increase.

If the offices are improved and more tenants are found for them, the number of people circulating in the area and shopping in downtown stores will increase.

Obviously, achieving these multiple, interrelated goals will take cooperation and participation by all segments of the downtown community and integration of the many different downtown interests into one coordinated organization.

Ernst & Ernst stimulated creation of such a group and spelled out as its main objectives:

“To undertake and/or assist in developing action programs and worthwhile projects conducive to the continued progress of the downtown community.

“To assist in formulating policies, enacting legislation, and encouraging private codes or public ordinances necessary for renewal of the downtown.

“To develop a close and effective liaison with the City of Cleveland and other public and private agencies concerned with the downtown.

“To develop specific recommen-

dations regarding all the following:

- Traffic transportation and parking
- Assessment practices and land use
- Public and private facilities and services
- Merchandising and promotion
- Property maintenance and development.”

It was recommended that the needed Downtown Organization be organized as an independent, special-purpose arm of the Cleveland Growth Board — the regional industrial development agency — to work closely with the Chamber of Commerce, the Growth Board, the Cleveland Development Foundation, and the Convention and Visitors Bureau.

Also recommended was creation of an Advisory Council of Architects, Engineers, and Planners to assist the Downtown Organization to evaluate existing structures in the downtown to see which could be rehabilitated or redeveloped and which areas should be entirely replanned and redeveloped; to develop standards for downtown revitalization; and to perform the physical planning itself.

Plans geared to 1980

The end product of these efforts was to be an updated general plan for the Downtown Cleveland of 1980, including a definition of its functional character, its transport pattern, its land use, and its development schedule.

A similar Real Estate Advisory Board was also suggested in “Guidelines for Action” to provide advice, counsel, and assistance in such areas as:

- Assessment and taxation
- Appraisals
- Market and re-use studies
- Building management costs and problems
- Leasing and financing criteria for developments
- Attraction of tenants.

Plans were also outlined to coordinate the work of the new Downtown Organization with that

Smith: Renaissance of Cleveland, Ohio of existing promotional and development organizations.

The key element of the development program was one effective organization representing all downtown interests, receiving advice from and channeling its plans through two paid technical groups — the Advisory Council of Architects, Engineers, and Planners and the Real Estate Advisory Board.

Downtown industry was also given careful consideration in the proposed development plan. Downtown Cleveland is primarily a white collar and merchandising area. What industry there is is that often associated with office concentrations. Ernst & Ernst and State of Ohio projections indicated that manufacturing activities in the downtown area would continue to decline but that office employment would probably rise. So the desirable industry was not a plant, or several plants, but large clerical enterprises — perhaps an insurance company.

The city must be ready for such a windfall if and when it comes through. And it is working toward that goal, not by wholesale destruction and reconstruction in given areas, but by trying to plan development activities so that each area of the downtown can concentrate on the activities in which it is strongest today or which offer the greatest development potential. Another Ernst & Ernst suggestion, in line with their whole approach to the problem, is to build on economic realities first, to improve the strong points and gradually eliminate the weak ones.

Planning areas

Thus, the firm divided the entire downtown area into seven project planning areas, centered around:

1. *The Core Area.* This included the most built-up section of Euclid Avenue, the town’s major artery, and the Public Square, a four-block open area where Euclid Avenue starts. This was designated as the primary retail, office, and government center and included the pioneer new office complex

already constructed at Erieview I.

2. *Lakefront-Port Area.* This region, traditionally a transportation and distribution area, was reserved for these uses with a further suggestion that recreational facilities might be expanded. It already houses a stadium and Burke Lakefront Airport. Runways at the latter could be extended to 6,200 feet, which would make the Downtown Airport practicable for both short- and medium-range jet planes. If this were done, Cleveland would have an airport capable of receiving trunk and local air carriers far closer to the center of town than most other major cities. Moreover, airports traditionally breed nearby hotels or motels, and this is another of Cleveland’s needs if it is to attain its full potential as a convention city. Conventions, of course, would bring people — to the benefit of the adjacent core area.

This would further strengthen the need to develop recreational facilities clustered in the center of the Lakefront Area near the stadium, with Burke Airport to the east and the shipping port facilities to the west. Eventually, plans call for a special bus service connecting this area directly to the retail center at the core, with service possibly subsidized by downtown department stores.

3. *Erieview II Area.* Immediately to the East of the Erieview I office complex, now part of the core area in Ernst & Ernst plans, Erieview II has already been planned primarily for residential facilities. It thus fits neatly into the overall plan since it can serve as a second “anchor” for the Euclid Avenue retail complex, which formerly had the Public Square transportation center as its focal point. It also, of course, if successful, will bring more shoppers into the downtown.

4. *Northeast Area.* On the extreme northeastern fringe of the downtown section, it was planned that this area should continue to function in its traditional role — as a manufacturing, wholesaling, and distribution center. It can also serve to house businesses and people displaced by changes



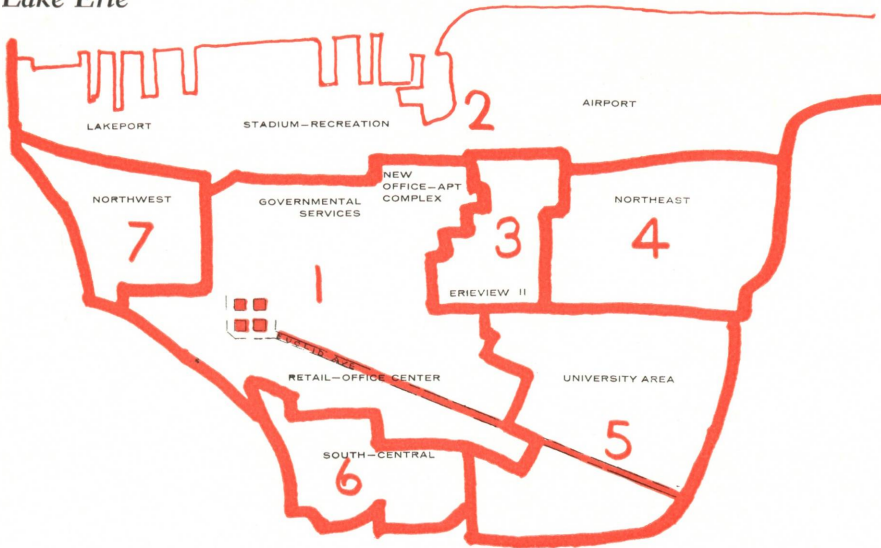
Courtesy Wilbur Smith and Associates

Downtown Cleveland at night. Tall building in center is the Terminal Tower.

in the other areas. This area, badly run down now, is close to the railways, the highways, and Cleveland's port so it is naturally suited to both manufacturing and distribution. Perhaps even more important, it borders on the two areas in downtown Cleveland slated for heavy residential development, Erievue II and the University Area.

5. *The University Area.* The development of Cleveland State University in the downtown is a key element of the redevelopment program. The Ohio State University, at Columbus, the state's third largest city, has a student population of more than 34,000. But Columbus, in the center of the state, is far from the greatest center of population—the Cleveland-Akron area. A

major extension of the State University system has long been planned for the Cleveland area, but it was generally thought it would be located somewhere in Cleveland's pleasant suburbs rather than in the downtown. However, the Cleveland Development Foundation and city officials, realizing what a boost a major university could give the entire downtown re-



Map shows seven distinct areas in downtown complex suggested by Ernst & Ernst. Square and line running from Area 1 through Area 5 are, respectively, the Public Square and Euclid Avenue.

gion, campaigned hard, and when the final decision was made, the downtown had been selected for the major campus.

Cleveland State University, which plans to enroll 12,000 full-time-equivalent students by 1970 and 20,000 by 1980, will spawn a multitude of supporting businesses. It will also offer the prospects of a heavy residential concentration in a formerly underdeveloped area of downtown. Finally it will provide another "anchor" in the downtown.

6. *South Central Area.* Immediately south of the retail heart of Euclid Avenue, this area is planned for development as a future major office complex when the core area has reached saturation point. Interim plans call for broadening the retail mix in the area to include such items as imports, gifts, handicrafts, and specialty household items. Automotive repair and garage facilities will also be concentrated in the area.

7. *The Northwest Area.* Like its corresponding number, the Northeast Area, this is reserved for manufacturing and wholesaling activities. Like the Northeast, it is on the railroad, close to the port, and

has good highway connections. Again like the Northeast, its buildings are largely obsolescent. Its recommended development closely parallels that of the Northeast Area.

The development plan, "Guidelines for Action," also set forth a number of recommendations applicable to the entire core area. Of prime importance was a proposal that the city designate the Downtown Organization a Redevelopment Agency to undertake selective rehabilitation and redevelopment projects and to coordinate and direct downtown redevelopment activities. Programs sponsored by the Downtown Organization should be privately financed wherever possible and should, said Ernst & Ernst, include:

- "Identification of the specific areas and/or structures where condition, appearance, or use detract from or limit the development of the downtown.
- "The architectural, engineering, and planning studies necessary to evaluate present use, condition, and potentials for the areas and/or structure concerned.
- "Development of local or state ordinances necessary to properly

utilize the city's powers of eminent domain in designating redevelopment areas.

- "Assembly of sufficient land parcels to make possible desired developments.
- "Coordination and direction of the redevelopment program, including the elimination of blighted or nonconforming structures and the upgrading or improving of sub-standard areas or structures.
- "Preparation of recommended changes in the ordinances, building, and safety codes necessary to prevent future blight or deterioration.
- "Development of suggested criteria to be used in the acquisition and demolition of properties, the relocation of present tenants elsewhere in the downtown, and the manner in which new tenants can be attracted.
- "Coordination of survey and planning activities with potential developers, investors, and land and building owners.
- "Preparation of a general physical plan for each of the designated renewal areas concerning land use, transportation, parking, and services."

Eminent domain needed

The city's power of eminent domain was a key element in the proposed development program. "Guidelines for Action" spells out the reason:

"While most cities have problems in their downtown land ownership patterns, our analysis has revealed some major Cleveland roadblocks which must be overcome. A number of downtown properties are owned by nonresidents who are primarily interested in return on their present investments. A large number of key properties are owned by individuals in the community who have placed high values on their properties or who are not interested in disposing of or developing them for other purposes."

Ernst & Ernst, drawing on previous reports by other groups, made other specific recommendations for immediate improvement. These in-

cluded setting limits on the type, size, and appearance of signs and displays throughout the downtown area, street plantings along the two main shopping streets, installation of street furniture, uniform arcades over the sidewalks, and installation of false fronts on some of the older buildings. Also urged were an improved street lighting and building illumination plan to make the area attractive by night as well as by day and construction of multilevel garages instead of the open street-level parking lots that are so ubiquitous in Cleveland today.

Retail core

But perhaps the most ambitious immediate program is one aimed at revitalizing the retail center of the city along Euclid and Prospect Avenues. The CPA firm has proposed to the Downtown Organization that these two streets should be considered as a retail entity — like a suburban shopping center — with an overall plan to provide a mix of merchandise and services that will ensure maximum customer demand. Together with this, Ernst & Ernst has made certain recommendations (based on a concurrent study of downtown Cleveland's traffic, transportation, and parking problems by Wilbur Smith and Associates, New Haven engineers) for rerouting of traffic on some downtown arteries, construction of one additional rapid transit station immediately to serve the Cleveland State University area, and the extension and expansion of some downtown streets to improve traffic flow.

One of the most difficult problems throughout the study has been to weigh the time factors so that office and residential construction will be ready for new people when it is needed but will not lie idle for long periods of time before it is needed.

A small amount of residential construction is not too great a gamble; in a city the size of Cleveland a market exists for quality apartments in town. Erievue II can meet this need. By the same token

immediate residential needs in the Cleveland State University area can be predicted with some reliability. Office construction or remodeling, though, involves some risks. The development program calls for at least 15,000 new office employees by 1975; leading interests are campaigning hard to lure more large concerns to Cleveland. But in the interval, it is possible that some fairly expensive renovation of existing buildings may be necessary in order to retain existing tenants.

While Ernst & Ernst have projected space needs on a year-by-year basis, they have also emphasized that some developers or property owners may have to be prepared to accept an occupancy rate of 80 per cent or lower at one time or another during the next ten years, depending on the timing of developments. In effect, they are employing another standard business technique—planning ahead for several years and then modifying the plan for the period immediately ahead. Thus, if one new building siphons tenants from a remodeled building and they are not immediately replaced by new workers, plans for construction of more new buildings would be re-evaluated.

Financing redevelopment

How is all this to be financed? Estimates are that 50 million dollars a year will be required for the next twenty years — a billion dollars all told. This is a great deal of money, of course, but no higher than the present level of capital investment in the downtown area. The main difference is that now there is the beginning of an overall, integrated plan to be followed in which each dollar spent will reinforce the effect of every other dollar spent. Moreover, under the new program a substantial part of the required investment will come from Federal and state sources through urban renewal grants and funds for Cleveland State University. The City of Cleveland too will have to contribute heavily. Both Erievue II and the Cleveland State Uni-

versity complex will require new schools; money will have to be spent on tighter building inspection and code enforcement procedures, on street extension, and on improving housekeeping services.

All told, approximately twenty million dollars a year is expected to be supplied from Federal, state, and municipal sources. The balance — thirty million dollars a year — should come from private sources.

No one in Cleveland seriously doubts that the money will be forthcoming now that there is a clear forward direction in which the city can move. The plan so far is not really that; it is only a guide to a plan. But it appears feasible, it makes sense, it can be done. And best of all, it has helped to bring the combined attention of the community as a whole to bear on the problems.

Progress to date

Substantial progress has already been made. In the several months following submission of "Guidelines," the Downtown Organization has been established as an arm of the Greater Cleveland Growth Board, and an aggressive fund raising program is under way.

William Slayton, U.S. Urban Renewal Commissioner, said recently: "Cities have to command a voice in deciding their own fate, not just leave it to the private developers. The cities in the ascendency in the next ten years are going to be the ones who have analyzed their potential, attracted the new, and encouraged change — in short, entrepreneurs, instruments of activity. They must take advantage of all the tools and not just urban renewal — which has become a term of fear, conjuring up mass demolition and displacements. Renewal has to be used along with code enforcement, park acquisition, schools, highways, beautification — in the best ways and combinations that a clever entrepreneur can find."

He might have been describing the exact process Cleveland is currently going through.