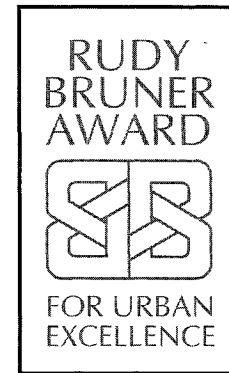

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MEDAL 1997



Cleveland Historic Warehouse
Cleveland, Ohio



This is an excerpt from:

Visions of Urban Excellence

1997

Rudy Bruner Award for Urban Excellence

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Library of Congress Catalog Card Number: 98-071243
ISBN: 1-890286-02-8

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130 Prospect St.
Cambridge, MA 02139

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The Cleveland Historic Warehouse District at a Glance

What is the Cleveland Historic Warehouse District?

- Adaptive reuse of a significant number of vacant historic commercial buildings on the edge of downtown Cleveland to residential, office, and retail uses.

Who Made the Submission?

- The Historic Warehouse District Development Corporation of Cleveland (HWDDC).

Major Goals

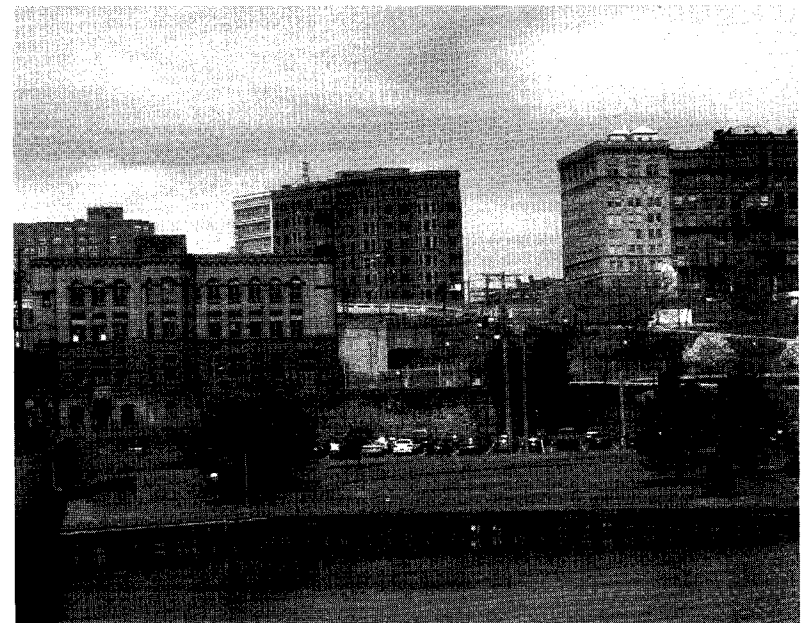
- Reversal of the wholesale demolition of historic warehouses, a process which had taken place in the district in response to demand for surface parking created by the City/County Justice Center and State Office Building located nearby.
- Establishment of mechanisms to protect and rehabilitate the historic warehouse buildings.
- Creation of a mixed use residential neighborhood with a critical mass of at least 1,500 residents in the heart of downtown.
- Attracting middle class people back to the city which had become predominately lower income.
- Clean up of blight caused by a concentration of under-utilized warehouse buildings.

Reasons for Including the Warehouse District as a Finalist

- Importance of bringing back middle class residents to the city.
- Enlightened use of building codes and financing mechanisms.
- Importance of preserving structures of historic value in the downtown.

Selection Committee Questions and Concerns for Site Visit

- Who was the motivating force for the project? Is there a strong leading entity? What is the project's current constituency and level of support?
- Has the area come together as a whole district or neighborhood yet? Is enough done; has it achieved critical mass?
- Are there significant pieces that are not yet done (buildings not renovated, vacant land, infrastructure not complete)? If so, does this contribute to a feeling of being unfinished? For elements that are not finished are there real plans, timetables and financing for their completion?
- What are vacancy rates for residential and commercial?
- Is the area lively? Are there people on the streets? At what times of day or week? Were there artists or other marginal users living



The Warehouse District is located on the bluffs overlooking the Cuyahoga River.

there before the project (even illegally)? If so, what happened to them; are they still there?

- Has the district had an impact on the surrounding area and on the balance of downtown?
- Has mid-level governance evolved (neighborhood association, etc.)? Are services provided? Are they adequate?
- What is the design quality of the original structures and the renovations?

Final Selection Committee Comments

- The Committee commended the Historic Warehouse District on the preservation of an important group of historic structures, and on introducing residential and new commercial uses into the downtown.
- The Committee felt that the district has yet to realize its potential in terms of coherent vision, urban impact, and quality of design. Much of its character and impact will depend upon the future disposition of the large unfinished areas in the heart of the district.
- There was some concern that while the City is now playing an active and supportive role with respect to the Historic Warehouse District, the City, in a period of crisis, shared responsibility for the initial deterioration of the fabric of the neighborhood.

Project Description

Chronology

Mid-1800s to early 1900s Evolution of the district into a major warehouse and manufacturing zone based on its location on the bluffs where the Cuyahoga River joins Lake Erie.

1960-1970s Over half of the historic structures in the area torn down for surface parking lots.

Late 1979 Protests stop threatened demolition of the Hilliard Block, oldest building in area.

1980 Formation of Historic Warehouse District Development Corporation of Cleveland.

1982 Designation of National Historic District; Hilliard block becomes a landmark.

1985 Initiation of master planning for the Historic District.

1991 Adoption of Historic Warehouse District Master Plan into Civic Vision, the city-wide Master Plan.

1991-1996 Investment in 30 buildings (new and historic) with a total of \$125 million in private and public funds, for 1,000 residents, office space, and retail and commercial uses.

Key Participants *(persons interviewed are indicated by an asterisk*)*

Historic Warehouse District Development Corporation of Cleveland

Katherine Boruff,* *Executive Director*

Jonathan Sandvick,* *Chairman of the Board of Directors*

Bill Boyer,* *Board of Directors*

Marilyn Casey,* *Board of Directors*

Bill Gould,* *Board of Directors*

Mike Miller, *Board of Directors*

Vic Pascucci, *Board of Directors*

Richard Sheehan, *Board of Directors*

City of Cleveland

Hunter Morrison,* *Director of Planning*

Terri D. Hamilton,* *Director of Community Development*

Paul Krutko,* *Downtown Housing Manager*

Steven Seaton,* *Manager of Business Retention/Expansion,
Department of Economic Development*

Community Groups

Ken Stapleton,* *Downtown Development Coordinator*

Kathy Coakley,* *Committee for Public Art*

Anda Cook,* *Living in Cleveland*

Tom Yablonsky,* *Historic Gateway Neighborhood Development Corp.*

Steve Strnisha,* *Deputy Director, Cleveland Tomorrow Inc.*

Foundations

The Chilcote Foundation,* Lee Chilcote (*also board member of HWDDC*)

The Cleveland Foundation, Jay Talbot,* *Senior Program Officer*

The Murphy Foundation, Allan J. Zambie,* *Vice President*

The Gund Foundation

National City Bank

Jim Evans*

Developers

Randy Alexander (National Terminals),* *The Alexander Co., Madison, Wisconsin*

Ric Hammitt (Bradley Building)*

Neil Viny (Hat Factory; Hoyt Block),* *The Deland Group*

Dave Gruenewald (Worthington/URS; 425 Lakeside),* *Jacobs Investments*

Bob Rains (seven projects),* *Landmark Properties*

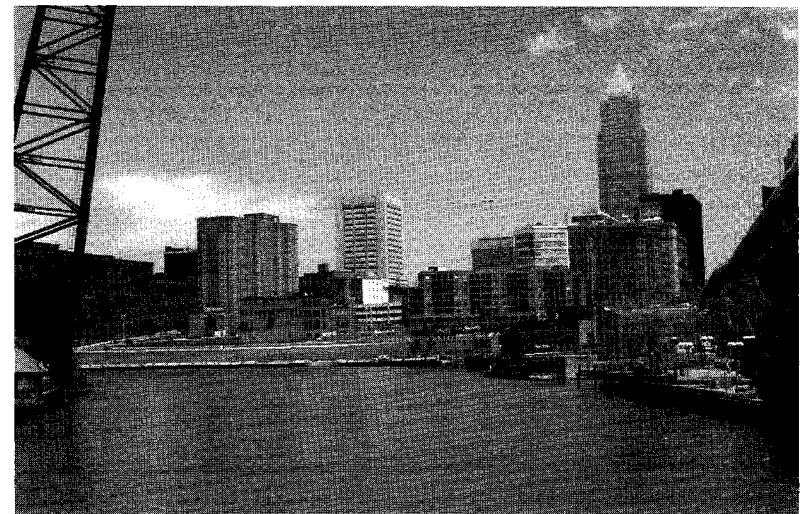
Development of the Warehouse District

(This section relies on sources provided by the HWDDC, including their walking tour brochure and draft revised Master Plan of 1997.)

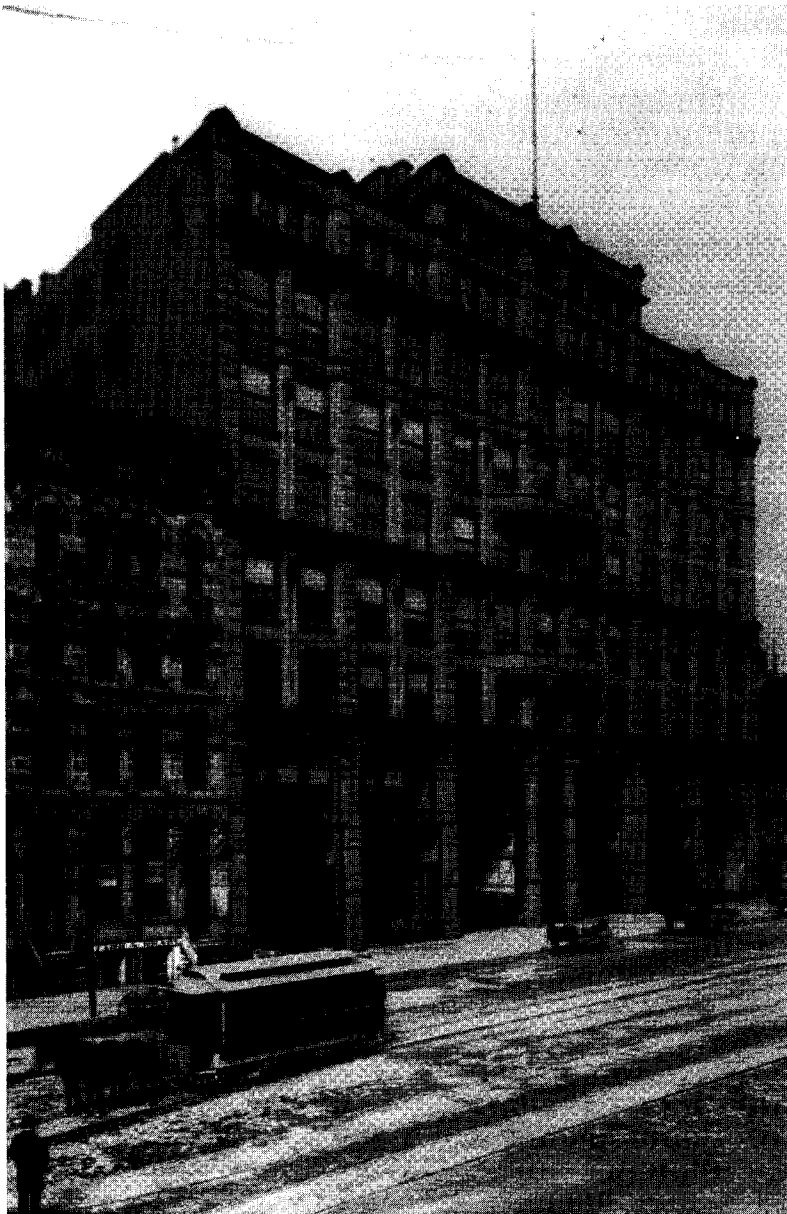
The Warehouse District occupies a strategic location on the bluffs above the Cuyahoga River where it flows into Lake Erie. The town's first settlement was here, since the lower lying land closer to the waterways was too marshy and insect-infested to provide appropriate building sites. While housing was built first, by the middle of the Nineteenth Century it was replaced with more intense uses as the district became the city's financial and business center. The warehouses housed large hardware distributors, marine suppliers and garment manufacturers. Smaller businesses

included dry goods, grocers, tool suppliers, and ship's chandlers. Larger office buildings served as headquarters for the iron, coal, and shipping industries. The garment industry gradually expanded so that by the 1920s Cleveland ranked close to New York City as a leading center of clothing manufacture. There were also hotels and saloons in the area, as well as the city's newspaper offices and a theater which was the site of John Wilkes Booth's last performance prior to his assassination of Lincoln.

Many of the existing buildings date from the middle and later nineteenth century, while some are more recent. The earlier structures are built of heavy timber with brick exteriors, though the finer buildings are clad, at least partly, in stone. Later buildings began to take advantage of new construction techniques, such as cast iron columns which allowed a more open facade with larger glass areas. Still later structures were built of reinforced concrete, but generally still clad in brick. Some of the warehouses have fewer and smaller windows than the manufacturing buildings which have larger glass areas needed to provide natural illumina-



Warehouse District in foreground with Society Tower beyond



Perry-Payne Building in the late 19th Century

tion for the tasks being performed. Most have high ceilings, allowing easy conversion into loft apartments and open offices.

Decline of the District and the Move for Preservation

After World War II, the district started to suffer serious decline as manufacturers began to abandon the area. This accelerated in the early 1970s, when the remaining large wholesale/retail occupant, the Worthington Company, moved out of the district. Buildings were increasingly abandoned and, at that time, the City placed little value on the historic structures — allowing them to be demolished and replaced by surface parking lots, then considered the “highest and best use.” The demand for parking was, in fact, stimulated by city and county actions, including construction of a large justice center with inadequate parking. More than half of the historic structures in the district were destroyed at this time. There were very few people living in the district, mostly urban pioneers and artists, some of whom were living illegally in their studios. Many buildings were vacant and a large pornography shop occupied a building that today houses an upscale Italian restaurant.



Warehouse District, mid-19th century

The critical moment and turning point for the district came in 1979, with an event that made people more acutely aware that the city was losing its history and heritage — and could do something about it. Protests by preservationists stopped demolition of the Hilliard Building, dating from 1849, the district's oldest remaining structure. This successful protest led more or less directly to the formation of the Historic Warehouse District Development Corporation in 1980, its initiation of a survey of the historic structures, and the successful effort to get the district listed on the National Register of Historic Places, and on the Cleveland Landmark List, in 1982. This series of actions effectively stopped the demolition of historic structures in the district.

The Historic Warehouse District Development Corporation

The Historic Warehouse District Development Corporation (HWDDC) has four main roles and responsibilities: it maintains an inventory of the buildings in the district, performs design review, offers marketing services for the district, and provides development teams and building owners with assistance in



Significant historic buildings were demolished to provide surface parking.

obtaining project approvals and financing. Design review is a mandatory step with HWDDC approval required by the City before it will proceed with a project. The review is based on detailed, clearly articulated guidelines which are intended to be consistent with other review agencies and, thus, to help applicants progress more easily through those later reviews. In addition to its regular activities, HWDDC also provided assistance in changing the state building code to give greater flexibility for the rehabilitation of historic buildings.

In terms of its organization and leadership, HWDDC has a group of very active trustees who are involved both in ongoing activities and in giving direction to initiatives (see What is Planned, below). HWDDC also has over 100 active volunteers as well as broad community support through membership, donations, and patronage of fundraising events. HWDDC's 1995 annual budget was about \$275,000, of which about \$175,000 came from grants and donations with the balance mostly generated by fundraising events.

HWDDC is one of approximately 30 local development corporations in Cleveland. The City and the organization itself view HWDDC as the “premier non-profit organization in downtown for preservation and redevelopment” and perceive the Warehouse District as pioneering the movement to bring residents back to the downtown area. As the district demonstrated that downtown could be attractive, adjacent areas such as Gateway have begun to convert older buildings to rental housing. In addition, there are at least two examples of innovative programs for which HWDDC is seen as pioneering for the rest of the city. One is the creation of one of the City's first Special Improvement Districts (SID) and the other is the creation of historic conservation easements, both of which were in process during the site visit and were expected to be emulated by others (see section below on What is Planned).

What Has Been Done

The Historic Warehouse District covers nine square blocks which comprise 43 acres. Since 1982, and especially since 1991, a great deal has been accomplished in the district. Residential projects which have been completed or are in process of construction in 1997 include the following number of housing units:

Status	Units	Estimated Residents
Occupied (as of early 1997)	624	936
To be completed in 1997	354	531
Total	978	1,467

In addition, significant amounts of office space have been created through renovation of historic buildings. Many commercial and retail spaces have also been added, including many restaurants, bars and clubs. In total, over two and one-half million square feet have been renovated. New construction has included additions and a few new buildings. Overall, more than half of the space in the district has been renovated, with a few large and difficult buildings on the edge of the zone accounting for much of the non-renovated space.

Street improvements have been completed in a few areas, but they are limited to only a portion of the paved area between the building and the street. A few areas have historic lighting fixtures with the remainder of the districts to be done by the city-owned electric company. The city now requires individual building owners to complete the street improvements as they renovate buildings, but those who renovated in the 1980s did not do the improvements.

Several art projects have been completed in the district by the Committee for Public Art, which has been active there for many years. Examples include:

- **West Sixth Streetscape** A national open competition with over 300 entries led to the selection of Seattle artist Lewis “Buster” Simpson. Inspired by the district’s history of warehousing —

with crates stacked on the sidewalks — he created stacks of sandstone blocks as seating/sculpture and also proposed sandstone and brick pavers on the sidewalks. Crafted between 1985 and 1988, these installations are still in place.

- **“Art Behind Bars”** consisted of installations behind the security bars in some windows of an old warehouse at street level on an active thoroughfare connecting the Warehouse District to the flats. Forty artists contributed to 24 month-long installations from 1986 to 1988.
- **“Signs of Life”** fostered collaborations between artists and businesses to create inventive and expressive street signs for a number of shops. Created from 1987 to 1988, most of the signs have disappeared.

What Is Planned

The current emphasis for the district — apparently shared by all relevant agencies and organizations — is on housing, especially



Granite blocks symbolizing packing crates, and decorative paving on West Sixth Street

housing for sale. The goal is to add to the diversity of the neighborhood by attracting stable residents who will have a continuing stake in the area — in other words, middle class households — a group that abandoned the city for the suburbs. Diversity will also be added at the other end of the spectrum through the inclusion of more than 120 low/moderate income units in the National Terminals and Water Street Apartment projects; see case study below. At the time

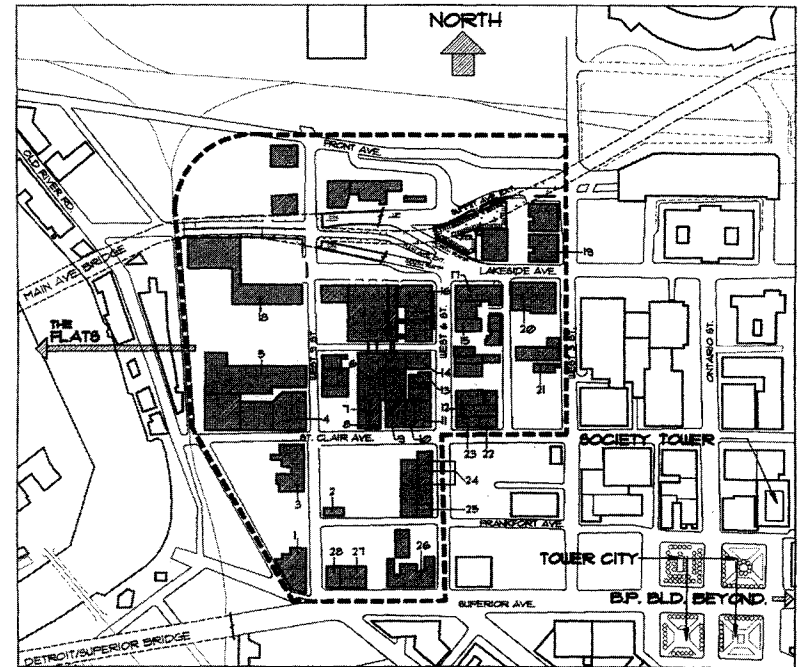
of writing, the for-sale market was about to be tested in a small way by a six unit project being developed by the HWDDC (see the case study on Kirkham Place). It appears that other developers are now planning housing for sale, initially as condo conversions of warehouse space.

Most of the best and more promising buildings have been or are being renovated. Only a few of the remaining buildings will be easy candidates for renovation, and most of them are being held by investors in hopes that the market will strengthen and they will be able to sell them at a profit. On the other hand, the higher prices they will command will make them more difficult to bring on line within market rents. The “problem” and difficult properties — those that are poorly located or configured, or have significant contamination or structural problems — may languish unimproved for a considerable time into the future. In fact, as the Warehouse District has become more successful and expensive, developers have turned their attention to other downtown neighborhoods (see Developers’ Perspective, below).

A new park at Surveyors’ Point has been designed and HWDDC has a 30-year renewable lease on the land with the county. Funding for park improvements, however, is yet to be obtained. Essentially a leftover triangle of land next to the bridge approach ramp, the site has historic significance as the location of the first surveyor’s marker for the city. Located near the north edge of the district, the park will be closest to the National Terminals project (see p. 99). It will provide a needed open space amenity, but is not large enough to offer recreational opportunities.

The most significant unfinished portion of the district consists of the large number of parking lots. These will, of course, require new construction. One quite large lot lies at the district’s heart. Another even larger one lies on the edge of the District, tying it to Public Square. In fact, the district’s boundaries were drawn to exclude it, since it was at one time destined

to support a very large office project that failed when its intended tenant declared bankruptcy. Its development, however, will be crucial to the district since it faces two major streets and



Warehouse District Map

- | | |
|---|---|
| 1. Western Reserve Building | 15. Hat Factory |
| 2. Hilliard Block | 16. Root-McBride/Bradley Buildings |
| 3. Crittenden Block/Crittenden Ct. Apts. | 17. 425 Lakeside/Stone Block |
| 3a. Lorenzo Carter Building | 18. National Terminals |
| 4. Otis Terminal/William Edwards Building | 19. Courthouse Square/Crown Building |
| 5. Bingham Building | 20. Lakeside Place/L.N. Gross Company |
| 6. Bloch Block and Miller Building | 21. Wohl's/Lawyer's Building |
| 7. George Worthington Building | 22. Grand Arcade/City Mission |
| 8. Gilcrest Building | 23. Waring Block |
| 9. Joseph and Feiss Building | 24. Johnson Block |
| 10. Hoyt Atrium/Garretson's Building | 25. L.F. & S. Burgess Grocers Building |
| 11. Hoyt Block | 26. Rockefeller Building |
| 12. Ace Shoe Building/Klein-Marks Building | 27. Perry-Payne Building |
| 13. Harry Weinraub | 28. 820 Building/Brotherhood of Railroad Trainmen |
| 14. New York Coach Building/Mill Distributors | 29. Water Street Apartments/Bardons & Oliver Building |

will give shape to the transition between the district and downtown. While the HWDDC does not have jurisdiction over the property, the City appears to be sensitive to the necessity of coordinating development review with HWDDC. The owner of one of the other large parcels within the district is said to be considering a project that would include a residential tower surrounded by townhouses appropriate to the historic district in scale and design. Retail would not be included, since demand for that type of space is limited.

Among HWDDC's current initiatives are the formation of a Special Improvement District (SID) and the creation of a program for historic conservation easements. The SID is very similar to the business improvement districts in other parts of the country, but has only recently been authorized by law in Ohio and HWDDC will be one of the first SIDs in Cleveland. The SID will be a self-taxing district providing a stable revenue stream for HWDDC to use for security services, street cleaning, and other improvements. While the local property owners expressed mixed reactions to the

SID, it was generally viewed as a positive step toward stabilizing the improvement of the area.

Historic conservation easements are a new tool in the Cleveland area, and are intended to encourage owners of historic structures to donate an easement in perpetuity to HWDDC for the conservation of historically significant portions of their buildings. This will allow them to qualify for additional special tax benefits. This innovative program will have the dual benefits of protecting historic features such as facades and interiors and making it more financially feasible to renovate historic buildings.

Quality of Buildings, Renovations and Urban Design

The district's historic building stock consists, with considerable variation, of generally high quality structures. Renovations have achieved varying levels of quality depending on the owner and architect — some are excellent and some are rather mediocre. Overall, however, the impact of the renovations is quite positive. All were subject to design review by the HWDDC, Cleveland's



A block of Warehouse District buildings before restoration



A block of Warehouse District buildings after renovation

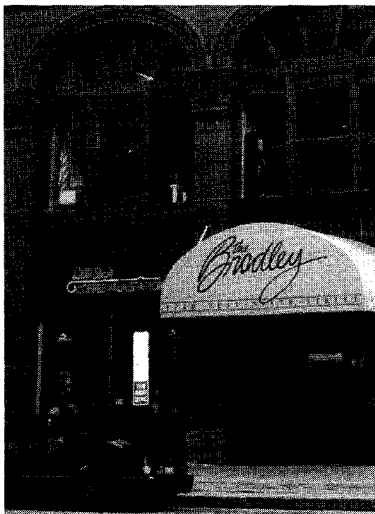
Landmarks Commission, the Ohio State Historic Preservation Office and the National Park Service.

The most serious detraction to the physical environment is the series of large open parking lots, created by the earlier demolition in the area, at the district's center and downtown edge. Although master planning and urban design guidelines for the City envision future mixed use development on those sites, currently they are a significant gap in the district's urban fabric.

In addition, other than street trees, which have been planted at regular intervals throughout the district, the street improvements are very spotty, done only in a few areas (primarily West Sixth Street). Where paving has been done, it covers only part of the sidewalks, and the sandstone is not holding up well (it is cracking and exfoliating). Historically styled lights have been installed in only a few locations, though Cleveland Public Power Company is now providing them throughout the district. Signage was inconsistent, though there are signs with a logo and text identifying the Warehouse District. Street signs have received no special treatment. All

new signs go through design review and Cleveland Landmarks approval. Each project is reviewed individually. A downtown master signage program for street signs, locators, and kiosks has been approved by the City for implementation in 1998.

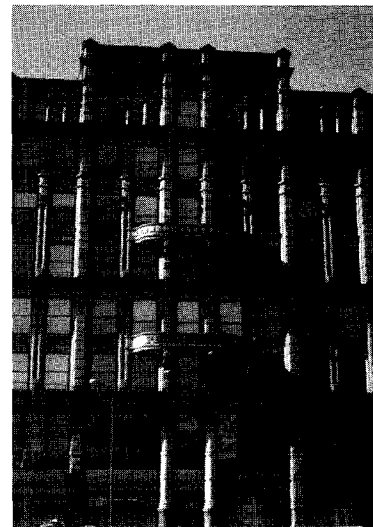
Case Study: Bradley Building, West Sixth and Lakeside
 Actually three buildings, the complex includes the Bradley Building, built in 1887 and the Root-McBride and Cobb's Buildings built in 1884. The



Bradley Building after renovation

project was the district's first adaptive reuse/mixed use project, finished in 1984 by a developer who still lives in the building. At the time the district was still mostly abandoned, so this was clearly a pioneer project. It consists of 38 large apartments (able to be bigger than those created today because of what were then lower costs), office space, and ground floor retail in 152,000 square feet on eight floors. While the building's first tenants were artists and "vanguards," it now has tenants more typical of the district.

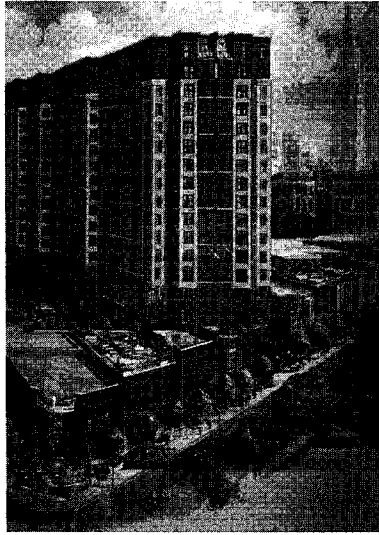
Case Study: Worthington Square and the URS Building, St. Clair Avenue at West Sixth
 Completed in 1996, this mixed use project combines two buildings from 1873 and 1878. It consists of 40,000 square feet, with five floors of offices, plus 52 apartments and ground floor retail. The project attracted a large architectural/engineering firm (URS Consultants) from the suburbs. It cost about \$12.5 million and included financing from Cleveland Tomorrow, a UDAG grant and bond financing from the City.



Perry-Payne building

Case Study: Perry-Payne, Superior Avenue near West Ninth
 Built in 1887 as a prestigious office building, and designed by leading Cleveland architects (Cudell and Richardson), this is one of the finer and more highly decorated structures in the district. Renovated in 1996 at a cost of approximately \$9 million, it consists of 100,000 square feet on eight floors which have been converted into 93 residential lofts and 8,000

square feet of ground floor retail, currently accommodating an upscale billiards hall.



Crittenden Court Apartments rendering

Case Study: Crittenden Court Apartments, West Ninth near St. Clair

This project is located at the western edge of the district on a slope that leads down toward the flats, close to the light rail stop. An archeological dig conducted on the site in 1994 found the foundations of two houses from the 1830s as well as remains from pharmaceutical industry activities. The project itself, completed in 1996, was the first apartment building constructed in downtown in over 30 years. It

consists of 208 units with ground floor retail and an attached parking structure. It was represented as having demonstrated the demand for housing at this density in the downtown area; however, for several people we interviewed, its design review process left something to be desired. Although the review led to some improvements (including changing from a sloped to a flat roof more like the warehouses and the re-proportioning of windows to make them more sympathetic to surrounding buildings), the project was under great pressure to gain approvals in order to qualify for federal funds that would otherwise have been lost. In the event, the project was sited, configured and detailed in a ways that could have been greatly improved. However, locals seemed to agree that, given the circumstances and pressures to allow it move forward, it was the best that could have been achieved.



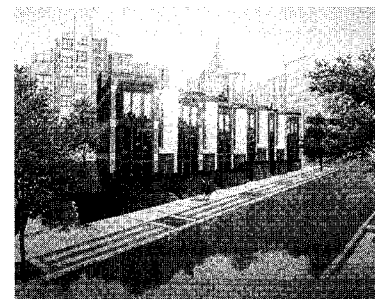
National Warehouse Terminals

warehouse in the region. It consists of 248 units plus upper ground floor retail on West Tenth Street and a number of amenities. Its recreated water tower serves as the project's logo. It is being renovated by the Alexander Company of Madison, Wisconsin which was brought in after local attempts to finance and complete the project had failed (the prior owner was in federal tax court). One special aspect of the project is its use of federal low income tax credit financing requiring a percentage of low and moderate income "affordable" units (at 60% of county income levels — which are higher than city incomes). 110 units of affordable housing will be mixed indistinguishably with market rate units. Cost of the project is about \$27 million, or about \$70,000 per unit. Among the eleven layers of financing are an equity contribution of \$8.5 million from corporate partner Kimberly-Clark,

Case Study: National Warehouse Terminals Apartments, West Ninth to West Tenth at Lakeside

This significant project was nearing completion at the time of the site visit. The 500,000 square foot terminal building dates from the early 1900s and was the largest refrigerated

revenue bonds, and loans from the City and from Cleveland Tomorrow, as well as \$4.4 million in historic tax credits.



Kirkham Place townhomes rendering

Case Study: Kirkham Place Townhomes, West 10th Street Six units of new housing for sale are being built by HWDDC, essentially as a demonstration

that demand exists for this type of accommodation. These will be the first fee-simple residential units built in downtown in over 100 years. On an infill lot, these townhouses will have about 2,500 square feet and sell for about \$275,000. All six are already reserved without marketing or publicity. While we were not able to study the project's design in detail, it appears to have taken a limited number of elements from the historic structures, but interpreted them in a current design vocabulary.

Moving the City Mission

One of the institutions located in the district before its redevelopment was a homeless mission, which found the area to be an appropriate location for serving its clientele. When a developer offered to purchase its building with the intent of renovation, the City Mission Inc. did a feasibility study which showed that it would be better served to take the money raised through the sale (together with added fundraising) and invest in creating a new campus on another edge of downtown. We were told that city agencies assisted in the negotiations with that community to help gain acceptance for the plan. Questions about the possibility that the mission was forced out in the face of gentrification were answered clearly and consistently – it was not the case. In fact, there was no community of residents in the district that could have been displaced by its redevelopment – almost no one lived there. The community which now inhabits the district has been newly created by the actions supported by HWDDC.

Who Lives in the District

Housing in the district is competing effectively with Cleveland's close-in suburban apartments. In fact, demand is so strong that the Warehouse District has one of the lowest vacancy rates in the city (under four percent at the time of our visit) and commands higher rents than comparable housing in the suburbs.

The first wave of residents are mainly young single people and older couples (“empty nesters”) who are attracted to the district for its convenience and amenities. The target tenant to date has been a moderate-to-middle income person who may work in or near downtown. Developers and building managers report the surprising statistic that approximately 50% of their tenants are new or returning to Cleveland (many from out of state) and that 25% of the tenants do not work in the downtown but reverse commute. The first low-to-moderate income housing is about to be completed, which will broaden the income range of residents.

The more recent thrust within the Warehouse District is to develop for-sale housing to attract longer-term, more stable residents and families to the area (see case study on Kirkham Place). Family oriented amenities, such as recreational open space and schools, do not yet exist in the district so presumably most of this housing will be for childless households. This kind of housing is consistent with the Mayor's objective of bringing higher income people back into the city in order to create a residential community with economic diversity in the downtown. However, it is an untested market, and the small size of the project does not adequately establish the depth of demand. Nonetheless, more such housing is in the concept stage of development.

The Historic Warehouse District as a Neighborhood

The Warehouse District can be characterized as an emerging neighborhood, already offering significant amenities to those who live there, but likely to improve as new projects are completed and more people are there to support added services. Prior to renovations, there was almost no one living in the area; today approximately 1,000 people live in the district and this number will grow to 1,500 when current projects come on line in the next year or two. The Warehouse District and the City of Cleveland are actively encouraging the mix of uses which will support long-term resi-

dential use in the downtown and create a “24 hour” city.

The position of the Warehouse District offers unique amenities to residents. It is located at the historic center of downtown Cleveland, with views toward Lake Erie, the Cuyahoga River, and Public Square. Downtown offices, Society Tower and the newly renovated train station, Tower City, with its attached upscale retail complex, the courthouse, and major public buildings are all within walking distance. The “Flats” (formerly industrial flat land at the base of the hill) is increasingly the site of restaurants and nightclubs which are infiltrating under-used industrial buildings. The Natural Science Museum and Rock and Roll Hall of Fame, as well as major sports complexes, are also close by.

All these features offer a high quality of life for new downtown residents and a destination for the city and the region. We were told that the downtown was completely lacking in evening activities prior to redevelopment of the Warehouse District and the flats.

High-end retail shopping is directly adjacent at Public Square but at the current time there is only one small grocery store in the district; larger scale grocery shopping must be done by car or transit. Other residential services such as laundries or drug stores are lacking and will require more residents to support them. There is a small park adjacent to the new transit station just below the district, and Public Square near the downtown, but there is currently no major green space within the district itself (see What is Planned, above). Thus, amenities that could attract families, such as outdoor recreation or schools, do not yet exist in the district.

Role of the City vis-a-vis Other Players

Cleveland is, in many ways, recovering well from its relatively recent financial and leadership crisis of the mid-1970s. In fact, the early move for preservation of the district coincided with the

beginning of civic recovery in the late 1970s and early 1980s and provided the supports necessary for redevelopment to occur.

Following the period of demolition in the 1970s, master planning for the Warehouse District was initiated by HWDDC. The Master Plan they developed in the mid-1980s was adopted in 1991 into the city master plan entitled Vision 2000, which itself was developed by the Cleveland Planning Commission and by Cleveland Tomorrow, an independent economic development organization representing the interests of the city’s largest corporations. The City’s planning effort was spearheaded by private organizations, due in part to the fact that the City was in financial disarray and could not have undertaken a planning effort at that time. Beginning with the election of Mayor Voinovich (now governor) and current Mayor Michael R. White, planning and economic development have again become priorities.

In recent years, the Planning and Community Development Departments have worked closely with HWDDC and with others involved in promoting the redevelopment of the Warehouse District. The City has made downtown housing a priority and the Community Development Department has created a Downtown Housing office which assists the district in facilitating the financing, development, and marketing of housing in the area. The City’s philosophy is to support developers and development groups whose projects are consistent with these planning objectives. In the case of the Community Development Department, the City has a more direct role through lending and financing initiatives under its control. The Director of Planning estimates that the City has invested upward of \$30 million in a variety of programs in the area.

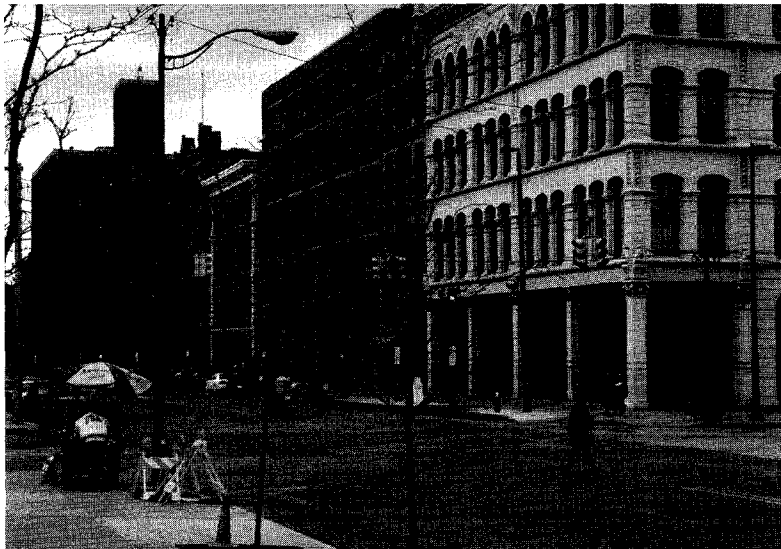
While the planning function continues to be carried out by the private sector, it is now with the cooperation of and input from the City. HWDDC is currently updating its 1991 plan, which will in turn be incorporated into the update of the city master plan. That

plan, called Civic Vision 2000 and Beyond, is a major planning effort being overseen by the City and Cleveland Tomorrow.

Given the City contributions, including property tax abatements, it is somewhat surprising that no “hard” data are assembled on the economic impacts of this investment in the Warehouse District. The immediate benefits to the city, particularly of housing and retail, are very significant in terms of sales tax revenues and especially income taxes (2% on the personal income of residents — a tremendous incentive for the City to attract new residents). However, the perception of all involved seems to be that property values of the neighborhood are increasing and, thus, that the city will benefit eventually. Increased property values, along with the other revenues and benefits, appears to more than justify City investments in the district.

Financing

Each of the projects in the district has had to create its own finan-



Street corner within the Warehouse District

cial package involving multiple lenders and sources of funds. One developer described this as “layer cake” financing, another as “baklava” financing. Early support came from local labor union pension funds, as unions saw the projects’ potential to create jobs for their members. At first it was necessary to find mostly non-commercial sources of financing. Now that the area has an established track record, banks will lend a higher percentage of the total package.

However, a few banks were willing to take some risk rather early on (mid-1980s) for several reasons: they perceived that something needed to happen in the area, some projects seemed to make financial sense, and the developer who approached them initially was well known to them and willing to sign a personal guarantee (pledging other assets if these projects failed). The personal guarantee suggests that the banks were hardly putting themselves at risk; however, once the district was more established and the risks reduced, such pledges became less necessary.

Some of the special financing programs that have been used in the area include the following (from the HWDDC draft Master Plan of 1997):

Property tax abatement This device requires a “but for” justification — but for the abatement the project would not be viable). These offer up to 100% abatement on improvements: historic improvements can be abated for up to 20 years and residential improvements for 10 to 15 years, depending on their scale.

Historic rehabilitation tax credit This is a 20% income tax credit if the project qualifies by National Park Service standards through being individually listed on the National Register of Historic Places or contributing to the district (which is listed).

UDAG (HUD Urban Development Action Grant) Redirect. These funds were left over from a project that did not proceed and have been used as City loans which can be recycled to other projects after they are paid off.

HUD Section 108 loan guarantees These come through the City Department of Economic Development for residential projects.

Low Income Tax Credits These are currently being used on the first such project in the district (National Terminals — see case study, above).

Outright low interest loans This type of loan comes from the City and from Cleveland Tomorrow.

(NB: In the last year the City Council has lowered the tax abatement available to projects, and has asked for annual review of net revenues to assess whether the abatement level should be lowered.)

The Developers' Perspective

Five of the area's developers, including pioneers and a recent arrival from out of town, told us how helpful HWDDC has been in expediting their projects and in supporting the evolution of the district. They described a highly effective spirit of cooperation in Cleveland, where the relevant city agencies work together to expedite projects that contribute to the city's overall objectives. This was said to be very different from other cities as well as from the atmosphere in Cleveland before about 1980.

The developers also described the risks and potential rewards of working in the Warehouse District. In terms of risks, some are inherent to rehabilitation projects where one simply does not know all the problems that will have to be solved until work starts. More significantly for the pioneers, there was no established market in this area. They had to believe in a vision and take risks which made it especially difficult to obtain financial backing early on. More recently, however, they feel that the vision has become reality in that the district is now an attractive market, in some ways stronger than the rental market in the suburbs. Higher rents allow them either to make profits on older projects or to justify higher costs for current projects. The developers were clear that rehabilitated historic properties offer highly attractive features

that new construction cannot achieve. These include more space and higher ceilings as well as special historical details.

All of the projects have had to cobble together financing from many sources (see section on financing), resulting in complicated deals which require considerable effort to put together. Given the limited number of properties which are appropriate for rehabilitation in the district, several of the developers see opportunity shifting to other parts of downtown where there are buildings that are easier to rehabilitate.

The Foundations' Perspective

This project benefited greatly from well timed but modest infusions of support from several local foundations. We interviewed representatives of three foundations which were centrally involved in the evolution of the district: the Chilcote, Cleveland, and Murphy foundations. These foundations appear to perceive the redevelopment of the district as important to the whole city and see HWDDC as a most capable agent for achievement of this goal. The foundations have played an important role in supporting HWDDC's general operations and many of its initiatives, though they do not fund the actual redevelopment work. The foundations also appear to be committed to continued support for appropriate initiatives.

Assessing Project Success

How Well It Met Its Own Goals

- *To stop the demolition of historic buildings and develop mechanisms to protect and rehabilitate them.*
HWDDC, together with the city, has been effective at stopping demolition of historic buildings and it is reasonable to presume that, barring exceptional circumstances, no more will be lost. This has dramatically reversed the situation that existed before

1980 when almost half the historic buildings were lost, many of them becoming parking lots.

HWDDC has been very active in developing mechanisms to protect and rehabilitate remaining buildings. These include the survey and master plan it prepared, participation in getting the district and individual buildings listed on the National Register of Historic Places, development and implementation of design guidelines and reviews, facilitating other agency reviews, and assisting with finding financing. In addition, they are developing an innovative historic conservation easement which will contribute to the preservation of historic features and make it easier for owners to rehabilitate and maintain their buildings.

- *To clean up blight caused by a concentration of under-utilized warehouse buildings*

While in a few areas there are still a fair number of buildings which have not been rehabilitated, it would no longer be accurate to describe the district itself as blighted. It appears that HWDDC has succeeded in cleaning up the blight. On the other hand, some of the remaining buildings will probably take many years to find appropriate uses and sources of funding for their rehabilitation, so there will be “holes” in the district’s urban fabric for some time.

- *To create a mixed use residential neighborhood in the heart of downtown*

The project has already succeeded to a significant degree in creating a real downtown neighborhood; when current projects bring almost 50% more residents in the next two years it will become even more vibrant. Residential amenities, however, are limited to a single convenience store.

Mixed with mostly professional offices, there are many restaurants, bars and clubs, as well as some destination retail establishments (including galleries) which draw downtown workers and suburbanites – a situation that is reported to be

completely changed from 10 years ago when there was nothing happening downtown after 5 pm. Now, on weekend nights, there are people coming in and out of restaurants and bars, enlivening the street scene. There are, however, only a limited number of neighborhood commercial services.

- *To attract middle class people back to the city*
The Historic Warehouse District has attracted a significant number of middle class people back to the city. Most are young professionals and empty nesters who appreciate the lifestyle. Half are new or returning Cleveland residents who want an urban experience and many reverse commute or work downtown without needing a car. The resident profile will become more diverse in the future — at both ends of the spectrum — with the first use of low income tax credits in the district and the new emphasis on building housing for sale. Since no low income (or other) people lived in the district prior to redevelopment, gentrification was not an issue.

How Well It Met Selection Committee Concerns

- *Is enough done yet; has it achieved critical mass?*
While still very much in transition, and with much yet to be accomplished, the Historic Warehouse District is coming together as a place and as a neighborhood. It is already an attractive area to live, to work, and to visit – and will improve with projects that are underway or soon to start. All this is to the great credit of HWDDC, the City, and the other participants.

On the other hand, there are reasons to believe that some large buildings that have not been rehabilitated will take a long time to be completed, as they pose more challenges than properties in other parts of downtown. Also crucial to the evolution of the district will be the disposition of parking lots within and bordering it. One very large lot provides the transition between the district and downtown and the way it is

handled will have a very major impact on the district, visually and as a place to live. There are currently no concrete plans for its development.

- *Has the district had an impact on the surrounding area or on the balance of downtown?*

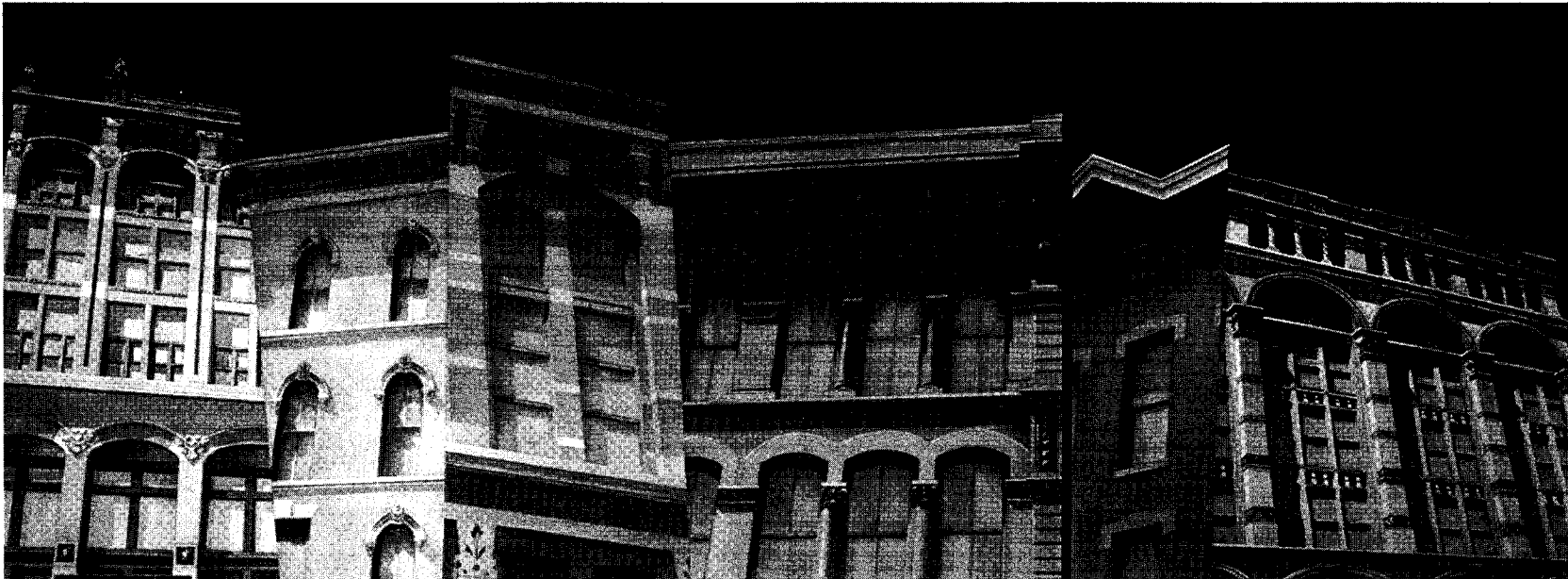
The district is credited with demonstrating that there is demand for downtown housing and for amenities such as restaurants and specialty shops that can attract visitors from the metropolitan area and the region. In this way, the district has helped to generate renewal in other in-town neighborhoods (e.g., Gateway), and is also providing organizational and programmatic models (such as the special improvement district and the historic conservation easement) which others are expected to emulate.

- *What is the design quality of the original structures and the renovations?*

The quality of the structures and the renovations vary considerably. Some original buildings are of exceptional architectural quality, while others are plain. Similarly, the design quality of historic renovation is uneven. The review process and the assistance offered with preservation and adaptive reuse have been helpful in improving the quality of what was done.

- *Are services provided? Are they adequate?*

City services are generally adequate, though the district is planning to improve on some of them — especially security and street cleaning — through the implementation of a Special Improvement District.



Watercolor of the Warehouse District, by local artist Marylou Ferbert

Values, Appropriateness and Quality of the Process and Place

After recovering from its fiscal and leadership crisis of the 1970s, the City of Cleveland appears to have become an excellent model of cooperation among agencies, public and private, and varied interests. They have structured a coordinated approach to redevelopment, downtown housing, and economic development which may be a model for other areas. Foundations, private not-for-profit organizations, and private developers appear to work together well toward common goals. We found no evidence of elitism, gentrification, or displacement.

Leadership Effectiveness

HWDDC is led by an active board of trustees who contribute greatly to its success. Staff is well qualified, knowledgeable, effective and respected by all the relevant players. The organization appears to have been very successful at handling leadership succession, both on the board and among staff.

Prospects for Sustainability

While the district has achieved critical mass, has many positive projects underway, and seems to have the needed support of governmental and private entities who recognize its importance, there are still some ways in which it may be vulnerable. The two main issues, already mentioned above, are the somewhat problematic remaining historic structures and the large scale surface parking lots. These will have to get effective attention over the next five to ten years in order for the quality and vitality of the district to be improved and even sustained.

Selection Committee Comments

The Selection Committee applauded the many achievements of the HWDDC, but viewed the district as a work in progress whose long term success will depend on the resolution of some critical

issues — especially the disposition of the large unfinished areas within it. Only then will it be possible to understand how the district will function and to assess its lasting impact on the city of Cleveland. While it was clear to the Committee that the district is playing a role in Cleveland's comeback, they wondered how important it was compared to other projects like the Rock and Roll Hall of Fame or Jacobs field.

The City of Cleveland was recognized by the Committee as having made important contributions to the Warehouse District in recent years. However, the Committee felt that, in its period of decline, the City had shared responsibility for the deterioration of the fabric of the neighborhood (having taken actions that encouraged and allowed indiscriminate demolition) and that its support for turning the district around was not as strong as it might have been in terms of leadership, financial incentives, and direct investment (e.g., in street improvements or parks).



Aerial view of the District, showing surface parking lots.

The Committee compared the Warehouse District to others they were familiar with, such as Lowertown in Saint Paul and concluded that, while the district was generally well done, it had not yet realized its potential in terms of coherent vision, urban impact, or quality of design. In particular, while some of the individual projects within the district were recognized as being of high quality, in others the Committee noted a certain lack of consistency in design.

Despite these concerns, the Committee was impressed with the ongoing contributions and innovations of the HWDDC and its present cooperative relationship with the City, which made the Committee feel that there was a good likelihood that the district would meet its future challenges.

Reference

Christopher Johnston, "The Revitalizing Warehouse District," *Urban Land*, April 1996, pp. 46-47.

For More Information

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