



**Connecting Cleveland
2020 Citywide Plan**

RETAIL

RETAIL DEVELOPMENT

OVERVIEW

As a mature city, Cleveland faces many challenges in maintaining stable neighborhoods. One of those challenges is providing city neighborhoods with a full array of high quality shopping services. This has become increasingly difficult as the consumer base has spread outward (with retailers in hot pursuit), not only into suburban Cuyahoga County, but into the five-county metropolitan area that includes Geauga, Lake, Lorain and Medina counties. This thinning of the populace that once supported a host of neighborhood stores has, in turn, led to an inevitable erosion of shopping opportunities within the city. The result has been that many of the residents who have remained in Cleveland, particularly those in the outer fringe neighborhoods, are ironically now forced to travel to suburban and exurban areas even for basic goods and services.



The Gordon Square Arcade in the Detroit-Shoreway neighborhood typifies Cleveland's streetcar-style retail architecture. [Gordon Square Arcade]

Unlike many of the newer suburban communities, however, where the nearest shopping center frequently sits on an isolated outlying site accessible only by automobile, the neighborhood shopping district in Cleveland is seen as integral to the life—and viability—of the local community. Indeed, most of these retail districts, which tend to be linear in shape, date from the streetcar era of the 1910s and 1920s, before the automobile had become affordable to the masses, when most residents rode mass transit to and from work and other daily activities. At the end of the day, when they got off at their stop, they would patronize locally owned stores that were but a short walk from their homes. Major thoroughfares like Lorain and Detroit Avenues on the west side and St. Clair and Kinsman Avenues on the east are still lined with the remnants of this type of retail.

In other cases, the integration of shopping into the neighborhood has been the result of a planning policy that places a value on the creation and preservation of an urban “sense of place” and endorses the concept that a vibrant retail district adds to the quality of life in the surrounding neighborhood. The presence of a variety of retailers offering a wide array of goods can be a deciding factor when families or individuals are looking for an area in which to rent an apartment or purchase a home. Being able to walk, bike or drive to a conveniently located retail node is, for many, the critical piece of an urban lifestyle and affords an option unavailable in most suburban areas. The Kamm’s Corners and Lee-Harvard



Sidewalk cafes add color, vitality and energy to traditional neighborhood retail areas [Shaker Square outdoor cafe]

retail districts, revitalized in the 1990s through the reconstruction of their main shopping plazas, are examples of this type of deliberate retail planning.

The *Connecting Cleveland 2020 Citywide Plan* takes the “sense of place” concept one step further. The Plan is predicated on the concept that a retail district can be much more than just a place to shop for the necessities of life. Rather, it views retail districts as places of “connection” in a neighborhood—lively, bustling forums where people gather to shop, dine, meet, converse and have a good time. A retail district can be a “town center” that gives a neighborhood its special character and identity; a retail district can also be seen as a generator of jobs and entrepreneurship that contributes to the economic health of a neighborhood and generates tax revenues to provide public services.

TRENDS

Several trends have been identified that give a clearer picture of the challenge before us, and may also suggest some areas of greatest vulnerability (or opportunity), where connections with appropriate community assets could be helpful:

- **Rise and Growth of E-Commerce:** Since the mid-1990s, as use of the Internet has become widespread, there has been a corresponding rise in online shopping by consumers. No longer is it necessary to travel to a retail outlet to view products as diverse as clothing, books, household goods or electronics. Both entrepreneurs and traditional retailers have developed Web sites that offer the opportunity for comparison shopping, wide selection and the convenience of payment by credit card. The growth of shippers like Fed Ex, DHL and UPS has, in turn, made it possible to receive goods ordered online with next day service. This combination of factors has resulted in predictions that U.S. e-commerce will grow at a 19 % compound annual growth rate over the next decade. Continued growth in this segment of the retail economy could have a profound impact on traditional retailers who may as a result no longer need the number of retail outlets previously envisioned. E-commerce, with its low overhead and 24-hour cyberspace presence represents a real and growing threat to traditional store-based retailing, which in turn, impacts the prospects for additional neighborhood retail.
- **“Big Box” Convenience:** Over the past decade, consumers have become accustomed to patronizing stores that provide one-stop shopping opportunities. So-called “big box” stores of 100,000-plus square feet featuring groceries, clothing and general merchandise, as well as video rentals, banking and car repair services, have proliferated across the country and in Ohio. Local examples include national retailers Wal-Mart, Target, Super Kmart and the super-sized supermarkets offered by regional chains like Giant Eagle and Topps. These stores, while they have been slow to enter the city of Cleveland, are turning



Cityview Center in suburban Garfield Heights combines big box retail in a power center setting. [Cityview Center, Garfield Heights]

up in growing numbers along its periphery in suburbs such as Fairview Park, Brooklyn, Garfield Heights and Cleveland Heights.

- **Power Center Retailing:** Concurrent with the rise of big box stores has been the growth of the “power center”, which typically features three or more big box stores interspersed with mid-sized and smaller stores within a strip or on adjoining outlots. Power centers range in size from 400,000 square feet to as much as 1-million square feet and typically include anchor stores such as warehouse clubs, discount department stores and stores featuring consumer electronics, home improvement and off-price clothing. The main impact of power centers has been on older strip shopping centers, which have seen many of their major tenants relocate to the newer power centers to feed off the customer draw of the big box anchors. The Steelyard Commons Shopping Center, due to open in April 2007 adjacent to the Tremont neighborhood, will become Cleveland’s first example of this type of retail offering.
- **Retailers’ Anti-Urban Bias:** Since the 1960s and 1970s, large parts of Cleveland’s inner-ring neighborhoods have been effectively abandoned by the retail industry. The city itself hasn’t fared much better, as it suffers from a lack of grocery, discount department and consumer electronic stores. As a result, many residents are forced to travel long distances to shop in nearby suburban areas. Analysts attribute these conditions to perceptions by retailers and retail developers that city markets are less attractive than suburban venues. These include a shrinking population, undesirable demographics, safety concerns, a shortage, on the one hand, of buildings of sufficient size and, on the other, difficulties with land assembly, and the quality and dependability of the work force. The first two concerns involve perceptions that can be addressed by local community development corporations; the last three, issues that only local government can rectify.
- **Demise of Locally-Owned Retailers:** The coming of national big box chain retailers to Northeast Ohio has brought with it a corresponding decline in the number of locally owned businesses Clevelanders can patronize. Specialty retailers offering everything from hardware or appliances to men’s or women’s clothing have found it difficult to compete with the buying power and discount pricing that the Home Depots, Best Buys and Targets of the world can offer. This change in buying habits has, in turn, had a profound effect on the city’s traditional retail streets (e.g., Lorain, St. Clair and Broadway Avenues), which have seen growing numbers of vacant storefronts as neighborhood-based retailers have gone out of business.

These trends, at first glance, paint a rather bleak picture; but they are not the whole picture. Cleveland also has some significant strengths that must also be taken into consideration; these include a number of innovative programs and newly enacted zoning provisions that are yielding very promising results. As in other areas of city life, it is important to look, not only at the problems, but also at what tools can be utilized to effectuate positive changes.

ASSETS

Cleveland has a number of strong assets in the area of Retail Development that can be built upon. Among Cleveland's hidden (or newly innovated) strengths are:

Strong Retail Consumer Base: The income, buying power and retail spending of city residents have long been thought incapable of supporting quality retail; Census figures, traditionally the major source for this kind of information, are often cited to support this assumption. Critics of this view, however, have questioned the reliability of these figures, which are largely gleaned from poverty and unemployment records, contending that the numbers dramatically understate the true health of the urban economy. Nevertheless, widespread beliefs regarding urban buying power has shaped the quality of goods and services found in many of the city's newer retail developments, which are not on a par with those found in nearby suburbs.

The Census figures, in any case, tell only part of the story. The *Connecting Cleveland 2020 Plan* argues that other evidence suggests many national and local retailers are underestimating the buying power in Cleveland. The fact is that many city residents habitually travel to outlying suburban malls to enjoy a selection of merchandise that is not available to them in their own neighborhoods, while residents of the city's so-called of "edge" neighborhoods such as Collinwood or Kamm's Corners admit they regularly slip "over the border" into Euclid or Rocky River to do their shopping. The 2020 Plan therefore advocates a policy to increase the quality of locally available retail to meet, not just the basic needs, but the *expectations and wants*, of city neighborhood residents. It is this realization, and strategy, that helped lay the groundwork for the Steelyard Commons project.

Architecturally Significant Retail Districts: The architectural styles of commercial structures in Cleveland's retail districts are often charming reminders of the era in which they were constructed. Many were built in the 1910s and 1920s during Cleveland's streetcar heyday. Unlike many latter retail buildings, which are characterized by a setback, usually to accommodate a parking lot, these pre-automobile culture structures were typically built right up to the street right-of-way line, that is, the edge of the sidewalk. This vintage urban feature, when combined with modern transit accessibility and above-street-level housing, gives Cleveland's retail districts a pedestrian-oriented, mixed-use character—and, in an era that once again values "walkable",

largely self-sufficient neighborhoods, gives these areas a competitive edge over many nearby suburban retail centers. Ironically, the latest "cutting-edge" suburban retail developments such as Westlake's Crocker Park and Lyndhurst's Legacy Village are attempts to recapture the look and feel of these older urban districts through their "new urbanist" designs. Cleveland, on the other hand, has the real thing; and the *Connecting Cleveland 2020 Plan* proposes to re-establish the competitiveness of these special places.

Specialized Retail Districts: Many of Cleveland's retail districts have embraced the notion of "specialization" or "niche marketing." Retail districts, for example, that would ordinarily attract



The commercial buildings along West 25th Street in Ohio City create a pedestrian-friendly retail environment. [West 25th Street]

only local shoppers have been transformed into regional attractions by offering a specialized clustering of goods and services not commonly found in a single location. In Cleveland, this specialization can take many forms, including:

- 1) "ethnic-themed" retail districts that capitalize on the diversity of population in city's neighborhoods like Little Italy and Chinatown;
- 2) "arts and culture" retail districts that capitalize on their proximity to theaters, museums and similar institutions, such as Playhouse Square and the developing Gordon Square Cultural Arts District;
- 3) recreation-oriented retail districts like the Flats that are poised to capitalize on their proximity to Lake Erie, local waterways and the developing Towpath Trail system; and
- 4) districts such as Tremont and the Lorain Avenue Antiques District that specialize in such offerings as entertainment, dining, antiques, artwork, and household furnishings. Each of these areas is successfully capitalizing on the ability of a large metropolitan retail market to support specialized retail clusters.



Mayfield Road in the Little Italy neighborhood attracts a region-wide clientele to its collection of art galleries and ethnic-themed restaurants. [Little Italy]

The City of Cleveland, for its part, has developed a number of important regulatory tools that constitute powerful instrumental assets in the area of Retail Development. These include:

Locally-Based Design Review Districts: The City's *Business Revitalization District (BRD)* zoning overlay permits community development corporations to establish locally-appointed and staffed design review boards. These bodies have jurisdiction within a geographically defined area and serve in an advisory capacity to the Cleveland City Planning Commission. Review by such groups helps to ensure that the design of all new construction and changes to existing building facades are compatible with the character of the surrounding architecture. To date, there are 17 active BRDs across the city.

Pedestrian Retail Overlay District: This overlay zoning district is intended for use in neighborhood retail districts characterized by the presence of retail buildings located at the sidewalk's edge. PRO districts ensure that the pedestrian-oriented character of these shopping areas is preserved. This is achieved through a requirement that any new buildings be set back no further than five (5) feet from a street right-of-way. It further allows for up to a 33 % reduction in required parking and mandates that accessory parking spaces be located at the rear of buildings, where feasible. Most importantly, while the PRO district permits those uses allowed in the underlying Local or General Retail district, it specifically prohibits certain uses that detract from the pedestrian-oriented character of the district. These uses include automobile sales lots, gas stations, car washes and restaurant drive-thrus, whose driveways intersect with a pedestrian retail street and inhibit the flow of sidewalk foot traffic.

Business Improvement Districts (BID): Like many of its peer cities around the country, Cleveland has adopted enabling legislation that permits the establishment of *Business Improvement Districts*, commonly referred to as BIDs. Under the BID concept, property owners in a defined geographic area, such a retail district, assess themselves a charge over and above their regular property taxes. This creates an income stream that provides funding for services at a level over and above that

normally supplied by the municipality. Services that can be funded by a BID generally fall into three categories: aesthetics, safety and maintenance. Coordinated physical improvements such as new sidewalks, lighting, benches, trash receptacles and identity or directional signage can dramatically improve the appearance of local commercial streetscapes. The presence of additional security patrols or video cameras to complement City police services can enhance the perception of safety in a commercial area. Finally, the desirability of a commercial area as a place to shop and dine can be improved through the development of a regular maintenance program that focuses on sidewalk cleaning, graffiti removal and landscape maintenance services.

Storefront Renovation Program: This initiative, begun in 1983 and run by the City's Community Development Department, has been used to upgrade the visual appearance of more than 1,000 building façades citywide, representing an investment in excess of \$30-million. The program offers rebates and/or low-interest loans in geographically targeted areas of the city to property owners who agree to comprehensively rehabilitate their building exteriors. Property owners are required to use construction materials and techniques based on the federal Secretary of the Interior's commercial rehabilitation standards. To aid in this effort, professional design assistance, in the form of a detailed design standards manual and oversight by a storefront renovation specialist, is provided to program participants by the City of Cleveland.



Before and after photos dramatically illustrate the impact of the City's Storefront Renovation Program [Napier Building, Broadway Neighborhood]

CHALLENGES

Cleveland faces a number of challenges in the area of Retail Development that must be addressed. Several are identified here, along with some possible solutions:

- **Retail Land Assembly:** One of the major challenges facing developers seeking to construct new retail opportunities in Cleveland is the difficulty in assembling sites of sufficient scale. This is because the city has been fully developed or "built out" for many years. In areas where land is plentiful, it is often owned by a number of individual owners and/or may be contaminated due to past uses. Gaining title and securing a clean site can be a long, laborious and expensive proposition. The City presently lacks a formal retail land assembly program that could be a useful tool for overcoming this often daunting challenge.
- **Lack of Conveniently Located Parking:** One major limitation affecting the growth and success of Cleveland's traditional strip-style retail is the shortage of inexpensive, conveniently-located parking. This is because much of the city's inventory of retail space was developed

during the streetcar era on shallow lots that front on major arterials. Parking was either not considered at all or was at best an afterthought. This situation greatly limits the development potential of available retail space that is otherwise advantageously located in the midst of Cleveland's densely populated neighborhoods. The establishment of a City-sponsored Commercial Parking development strategy centered on identifying opportunity areas and coordinating the assembly and development of these sites into commercially viable parking lots could go a long way toward restoring the vitality of many of these commercial areas.

- **Creating Neighborhood Wealth:** For reasons explained above, the wealth created by Clevelanders shopping in local stores all too often finds its way to the bank accounts of people living in other parts of the region and in other parts of the country. Although significant outside ownership is inevitable in today's retail economy, there is real potential to increase the concentration of wealth in city neighborhoods by expanding opportunities for Clevelanders to own the stores in which they shop. The *Connecting Cleveland 2020 Plan*, through its commitment to promoting small-scale, urban retail districts, will significantly increase prospects for local ownership, which is typically absent in larger-scale and "big box" retail developments. This commitment to an "urban form" that is conducive to local ownership must be supplemented by initiatives to provide the capital, financing and technical assistance required to facilitate successful entrepreneurship.
- **Understanding Market Opportunities:** A close examination of many Cleveland retail districts a disturbing discrepancy between the buying power of the surrounding neighborhoods and the goods and services offered them in their own back yard. In many cases, this buying power rivals that of nearby suburban communities; the local retail offering, quite simply, doesn't. In addition, the physical appearance of many city retail districts leaves much to be desired when compared with the orderliness and cleanliness of their suburban competition. So what would it take to get retailers and retail developers to appreciate the considerable, but too often hidden strengths offered by these city retail districts, such as ready access to densely populated markets with substantial collective buying power? Market studies are needed; and then, armed with these facts and insights, the city and community development corporations need to develop strategies incorporating everything from types of retail needed to parking solutions and streetscape designs that will better position the city's retail districts vis-à-vis their suburban competitors.
- **The Re-Invention of Local Retail:** Once astute retailers recognize that they need to compete with larger marketers, they must then examine the strengths and weaknesses of their own operations. While most can't compete on price, there are other ways they can create a more formidable—and successful—operation. For example, by providing a higher level of personal service such as home delivery of goods, more convenient store hours, a wider assortment of various types of products, and the cleanliness and appearance of their store.

POLICIES & STRATEGIES

The overarching goal is to provide Cleveland residents with a broad range of high quality, conveniently located retail shopping opportunities. The Connecting Cleveland 2020 Plan therefore puts forth a comprehensive set of policies, each addressing a key issue—along with practical strategies through which we might take immediate steps toward their implementation:

- 1) **Building on Strengths.** Re-establish the competitiveness of Cleveland’s neighborhood retail districts by building upon their traditional strengths as pedestrian-oriented, mixed-use districts with distinctive architectural character.
 - a. Increase resources available through the City’s storefront renovation program. Provide streamlined services to Storefront Renovation Program participants (i.e., priority permit review by Building & Housing).
 - b. Prepare urban design and development plans, design guidelines, and retail market studies for each of the City’s neighborhood retail districts.
 - c. Use specialized zoning districts to foster well-designed, pedestrian-oriented, mixed-use retail districts with an identifiable anchor use that generates traffic and helps define the district.
 - d. Capitalize on Cleveland’s rich cultural and ethnic diversity by incorporating cultural or ethnic themes into the strategies for strengthening retail areas.

- 2) **Preservation.** Give priority to renovation and infill development, as opposed to large-scale new development, as the principal means of providing competitive retail shopping in Cleveland.
 - a. Create “Business Improvement Districts” or other mechanism to channel funding to security, maintenance, streetscape, marketing, parking and other measures to strengthen neighborhood retail districts.
 - b. Increase utilization of the City’s nationally renowned Storefront Renovation program as a tool to facilitate aesthetic changes in commercial buildings in Cleveland’s retail districts.
 - c. Enforce building codes to (a) ensure vacant properties are properly maintained, and (b) inspect properties with a view toward aesthetics and design when they inspect.
 - d. Avoid public subsidies for retail projects that provide direct competition for existing designated retail districts.

- 3) **Building Smart.** Strategically locate and design a limited number of large-scale shopping centers in a manner that will stem the outflow of retail spending from the city of Cleveland, while complementing the city’s traditional retail districts.
 - a. Undertake market studies to identify areas of the city that possess the requisite demographic and economic characteristics to support large-scale shopping centers that complement existing viable retail nodes.
 - b. Target land assembly to facilitate development of strategically located shopping centers.

- c. Encourage the use of “green” building practices to reduce commercial building energy consumption and decrease the amount of storm water runoff.
 - Discourage demolition of viable, architecturally significant structures in target retail districts.
- 4) **Consolidating.** Consolidate retail shopping to create and reinforce mixed-use “town centers” that serve as focal points of neighborhood activity.
 - a. Implement land-use plans for retail consolidation through zoning map changes.
 - b. Employ the Pedestrian Retail Overlay (PRO) zoning district to ensure that a pedestrian-friendly character is maintained in neighborhood retail districts where retail buildings are located at the sidewalk’s edge.
 - c. Conduct retail market analysis for existing retail districts to determine uses that complement the established retail mix and promote the clustering of such establishments.
- 5) **Niche Marketing.** Transform selected retail districts into regional attractions by clustering stores around common themes—such as arts and culture, ethnic identities, antiques, and recreation and scenic resources.
 - a. Capitalize on unique attributes like the Towpath Trail and University Circle, the West Side & East Side Markets to create distinct retail areas that offer a shopping experience that caters to a cross-section of residents ranging from core users to casual visitors.
 - b. Encourage CDC’s to avoid costly individual placement of magazine and or newspaper ads as part of their neighborhood marketing campaigns in favor of larger area Web based advertising as a retail marketing tool
 - c. Utilize street fairs, special sales, couponing, sponsorships and similar promotions to promote awareness of retail areas.
 - Create “welcome to the neighborhoods” coupon packages from area retailers that are either mass-mailed periodically, or mailed to new residents in the surrounding area.
 - d. Market districts such as Chinatown, Little Italy, Tremont and Downtown as a single entity rather than an agglomeration of individual businesses.
- 6) **Tapping the Market.** Improve the quantity and quality of retail in Cleveland neighborhoods by tapping into hidden market segments that are often overlooked by national retailers.
 - a. Provide national retailers with demographic and economic data such as Social Compact’s City of Cleveland Neighborhood Market Drilldown, which illustrates and quantifies the extent of the city’s understated buying power.
 - City should identify a retail “salesman” – high energy, charismatic – who knows retailing, understands the reasons retailers use for not locating here, and understands neighborhood markets enough to advocate and create counter-arguments in support of urban neighborhood locations. This person can then “sell” appropriate sites to attract retailers and restaurants with financial strength to cover market rents in improved buildings.

- b. Assemble and disseminate figures that show that the buying power of many of the city's outlying neighborhoods, such as Kamm's Corners, Lee-Harvard or Collinwood, rivals or exceeds that of adjacent suburban communities.
 - c. Identify specific neighborhoods capable of supporting a "niche" retail environment.
 - d. Utilize new "Discover Cleveland" concept where Visitors Bureau includes specific marketing to these "niche" neighborhoods and ways to get there.
- 7) **Creating Employment.** Recognize that retailing provides jobs that are often the first introduction to the workforce for young people and that provide senior citizens with opportunities for supplemental income and socialization.
 - a. Pursue matches between retailers and young people and seniors as part of a workforce preparation strategy.
- 8) **Creating Wealth.** Maximize opportunities for Cleveland residents to own and operate retail businesses in the city.
 - a. Target economic development assistance in a manner that facilitates local entrepreneurship and provides quality retailing and retailing in under-served areas.
 - b. Solicit the assistance of larger ethnic and/or business-based groups in mentoring city residents as business owners.
- 9) **Connecting to Transit.** Link new and revitalized retail development to public transit, as well as to pedestrian and bicycle routes and public amenities.
 - a. Provide pedestrian & cycling amenities such as bike racks, benches, water, air for tires, and lockers in and around major commercial districts and shopping centers.
 - b. Work with the Greater Cleveland Regional Transit Authority to develop additional community circulator bus routes to serve major retail districts citywide.
 - c. Encourage the development of convenience retail at rapid transit stations and major transit nodes.
- 10) **Building Safe.** Design retail developments to maximize public safety, and work with merchant and community organizations to ensure ongoing safety and security.
 - a. Incorporate reviews of public safety by qualified experts such as police officers into the design review process for major building and streetscape projects.
- 11) **Streetscape.** Improve the appearance and vitality of retail district "streetscapes" through the use of public art, banners and signs, benches, street trees, decorative paving, underground wiring, sidewalk cafes, etc.
 - a. Coordinate a regularly scheduled City-sponsored maintenance program that provides basic maintenance for public rights-of-way elements within commercial districts, including sidewalks, light poles, street pavement and striping, street and pedestrian lights, etc.
- 12) **Parking.** Develop strategically located shared parking lots and garages in neighborhood retail districts that are under-served by parking.
 - a. Conduct a detailed study of successful districts that appear to be "underparked" (e.g. Little Italy, Tremont) and conversely the use of unsuccessful or underutilized district

parking plans developed in the 1980s (Kamms, Detroit-Shoreway, Ohio City) to determine best practices for successful parking/historic district program.

- b. Identify underutilized strategically located parcels in retail districts for acquisition and redevelopment as parking facilities.
- c. Work with community development corporations to create neighborhood-based management strategies to operate and maintain parking facilities.

Specific identified opportunities relating to retail are listed in the [Development Opportunities](#) section of the Citywide Plan website.