

Testimony
U.S. Senate Committee on Banking, Housing and Urban Affairs
Housing, Transportation and Community Development Subcommittee
Chairman: Robert Menendez

July 22, 2014

By: Joseph A. Calabrese, CEO/General Manager
Greater Cleveland Regional Transit Authority

My name is Joe Calabrese and I am the General Manager of the Greater Cleveland Regional Transit Authority (RTA). I have worked in the Public Transit Industry for over 30 years and have been in my current position for more than 14 years.

The Greater Cleveland RTA is a multi-modal transit system consisting of heavy rail, light rail, BRT, buses and paratransit, serving approximately 200,000 customers on the typical weekday.

Approximately 63% of our customers use our services to get to work, with an additional 23% using our services to get to schools and universities.

As in many other cities, the use of public transit, and the appreciation for the important role transit plays, is growing. No city can function effectively without an effective public transit system. In Greater Cleveland, RTA "Connects the Dots".

RTA's biggest challenge is keeping up with our aging infrastructure's "state-of-good-repair" needs, for which Federal Capital dollars are crucial. The USDOT estimates that, nationally, we have a backlog of \$87 billion in capital repairs, just to bring the nation's transit systems into a state of good repair; not including normal bus and facility replacements, nor the cost of any service expansions.

There is a tremendous resurgence underway in Cleveland, Ohio. In just the past few months we have signed "Johnny Football", been a finalist for both the RNC and DNC 2016 national conventions, and welcomed home LeBron James.

In the past few weeks, there have been articles in the *New York Times*, the *Los Angeles Times* and *USA Today* chronicling Cleveland's resurgence.

Political, civic and business leaders credit a visionary public transit investment, which opened in 2008, as jumpstarting this economic resurgence. That investment was a Bus Rapid Transit project along Cleveland's "Main Street", Euclid Avenue, which we named the HealthLine...and it has been great for the health of the city.

The HealthLine may have been the first FTA "New Starts" award for a project that was not traditionally rail. Although the HealthLine shares almost all the characteristics of a light rail system, except that the vehicles have rubber tires and not steel wheels, it could be constructed and operated for approximately 1/3 the cost of rail. These comments are by no means anti-rail. In many instances rail may be the best alternative, but I believe that in many situations, BRT done right, may be an even better answer.

These "rail like" characteristics are exclusive travel lanes, traffic signal prioritization, precision docking, level boarding, off-board fare collection, real-time information displays at 36 branded stations, and 20, 62 foot long hybrid-electric rapid transit vehicles with doors on both sides.

Our commitment to the community was that the HealthLine would be fast, clean, safe and first class. We promoted BRT as a new mode that was not a bus, and not a train, but the future.

This project was very comprehensive and included new sidewalks, curbs, roadway, lighting, traffic signaling systems, and bike lanes. 108 traditional bus stops were transformed into 36 well-lit and landscaped stations. The City of Cleveland even took this opportunity to upgrade water and sewer lines along the corridor.

This project replaced RTA's #6 bus route along Euclid Avenue, which was RTA's highest ridership bus route. The net result of the HealthLine, for our customers, was a 30% quicker travel time and a 48% increase in ridership just in the first year of operation, with an increase in ridership of 60% at the 5-year mark.

The net result for the community was billions in related investments. The \$168.4 million New Starts grant, 50% of which was funded through the FTA New Starts program, has now leveraged well over \$6 billion in development along the corridor.

In a front page article in the *Cleveland Plain Dealer* in February of 2008, months before the HealthLine opened titled "The Rebirth," credited the project with already bringing \$4.3 billion of new investment to the city.

The true economic development success of this 9.3 mile project, which was completed, on-time and on-budget, was a result of others leveraging this transit investment with private investments. These private investments then encouraged others to likewise invest.

A 2013 study by the Institute for Transportation Development Policy, concluded that the HealthLine had a return on investment at \$114 for every \$1 invested.

Beyond the 3,360 job months created by construction, the City's Department of Economic Development estimates that, as a result of this project there has been:

- 540,000 square feet of renovated office space
- 444,000 square feet of new constructed office space,
- The doubling and more of land values, and
- An additional 1,940 new jobs created.

An area that traditionally suffered from low occupancy rates has been transformed to an area that is realizing occupancy rates consistently in the area of 85% and above.

My champion on this project is a friend of many in this chamber, George Voinovich. Cleveland Mayor George Voinovich saw the vision, Ohio Governor George Voinovich was supportive and committed funding, and Senator George Voinovich led the charge for Federal participation.

I am very proud of the role public transit played in leading a tremendous resurgence in a city that, quite honestly needed help. This could not have been done without the commitment from the Federal Transit Administration and the support of Congress.

I urge a timely long-term fix for the Highway Trust Fund and the Mass Transit Account, which includes an increased investment for infrastructure state-of-good-repair efforts, workforce development and for projects such as the HealthLine.

Without a long-term solution with predictable and dedicated funding, projects such as the HealthLine, which take several years to plan, design and build, simply cannot happen.

Such projects can revitalize our cities, meet the mobility needs of our citizens and create needed jobs.

THE PLAIN DEALER

April 27, 2011

HealthLine exceeds expectations: 10M riders since launch in 2008

Rail-like transit draws
in riders, development

TOM BRECKENRIDGE
Plain Dealer Reporter

RTA will greet its 10 millionth rider on the HealthLine Thursday or Friday.

It's an impressive number. But even more impressive is the growing development along the streamlined, bus-centric street, officials say.

"I thought it was a waste of time," says public-finance expert Kevin O'Brien, whose Cleveland State University office looks down on the historic artery. "But something is at play. I'm really pleased at how wrong I was."

Two and a half years after its launch, the 7.1-mile rapid-bus system from Public Square to East Cleveland is seeing a steady increase in riders, RTA says.

The number of people hopping off and on the HealthLine's customized buses totaled 4.1 million in 2010, up 8 percent from 2009.

"It has, in every way, exceeded our expectations," General Manager Joe Calabrese said this week.

Riders, for the most part, say the HealthLine is a dependable, efficient ride.

"It's better than the regular buses," high school student Willie Gambrell, 18, of Cleveland, said while waiting for the HealthLine near East 18th Street. "There are less stops. The buses are cleaner, they have more room."

The \$197 million line opened in October 2008, after a sidewalk-to-sidewalk rebuild of a street that had fallen on hard times.

Original plans had called for an underground subway or light rail from Public Square to University Circle. They were deemed too expensive.

Instead, RTA opted for a rail-like, rapid-bus concept with bus stops in the center of Euclid.

The elongated buses dominate the street. Cars get only one lane, squeezed between bus-only lanes to the left and bike lanes to the right.

That's why O'Brien thought the line would fail. Research showed that light-rail lines have a dramatic impact on real estate, O'Brien said.

"I would not have imagined the same about a bus system," O'Brien said. "But the HealthLine wasn't a bus system. It was an urban-revitalization project, a landscaping. And it happened to have buses involved."



GUSCHAN | THEPLAIN DEALER

RTA's HealthLine will welcome its 10 millionth rider Thursday or Friday, RTA officials say. The bus here approached the East 55th Street station Tuesday afternoon.

SEE RTA | B2

cleveland.com/metro



Find out who gets the title of 10 millionth rider.

(Continued on Back)

2011-PD-32

RTA

FROM B1

HealthLine nears 10-millionth rider

RTA officials like to point out that more than \$3 billion in investment has gone up or is in the works near Euclid Avenue.

"I think our project was instrumental in convincing people and investors to invest in Euclid Avenue," Calabrese said.

The new sidewalks and sleek bus stops are eye-catching, said Joe Roman, head of the Greater Cleveland Partnership, the area's chamber of commerce.

"The street looks great, which entices investment," Roman said.

Developer Fred Geis calls it the "shiny new ball" effect.

His company, Hemingway Development, is making one of the bigger bets along the HealthLine.

Geis said a 125,000-square-foot technology center at 6700 Euclid will welcome its first tenant in June.

He's banking on demand for space from new companies spinning out of the Cleveland Clinic and Case Western Reserve University.

The HealthLine can shuttle entrepreneurs and employees between the research centers in University Circle and the financial centers in downtown, Geis said.

"It's all brand new," Geis said, "and the HealthLine can take people to lunch or get people to work."

The city is pleased that the HealthLine has spurred development despite the recession, said Chris Warren, chief of regional development for Mayor Frank Jackson.

"Developers have almost uniformly talked of the HealthLine as being a major competitive advantage for sites along Euclid Avenue," Warren said. "It's a good example of transit-oriented development."

A number of downtown businesses were hurt — and some closed — during HealthLine construction that hobbled car and pedestrian traffic along Euclid downtown.

Vacancies still dot the street. But many of the empty storefronts have been that way for years.

Past Cleveland State University, Euclid still features foreboding, blighted landscapes.

HealthLine rider Dennis Fields said he's disappointed by lack of development all along the route.

The bus-centric traffic on Euclid — especially the lack of left turns for cars — is discouraging retail development, he believes.

The head of RTA's citizens advisory board sees a lot of positives with the HealthLine. But the buses still aren't moving fast enough, said Brad Chase.

RTA reported last summer that the eastbound ride from Public Square to East Cleveland was averaging 40 minutes.

This week, the agency reported the ride was running from 30 to 39 minutes.

"We are continually striving to improve," Calabrese said. "We want to be faster, be on time, be friendlier."

Clearly, the line and its growing ridership are capturing attention. Officials from Pittsburgh to Germany have come to see how the HealthLine works.

"We're really pleased that some of the chances we took panned out," Calabrese said, "and even more pleased to see that other people are trying to replicate what we've done."

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The New York Times

NOVEMBER 30, 2011

Cleveland Turns Uptown Into New Downtown

Rebuilding a Faded City's Core With Some 21st-Century Trends

By KEITH SCHNEIDER

CLEVELAND — Since 1950, when its population peaked at 914,808, Cleveland has steadily shed residents and jobs. In 2010, just 396,815 people lived within the city limits, almost 81,000 fewer than a decade before, and about the same number of people who lived in Cleveland in 1900.

The sequence of events is sadly familiar: the disappearance of labor-intensive industry that paid a living wage, followed by entrenched poverty and the social disruption that it brings.

But in recent years Cleveland's municipal government and its Regional Transit Authority have rallied major employers, banks, foundations and developers around a central goal of rebuilding the city's core according to the new urban market trends of the 21st century — health care, higher education, entertainment, good food, new housing and expanded mass transportation.

A point of focus has been the emerging Uptown arts and entertainment district along Euclid Avenue, near where John D. Rockefeller and other industrialists and financiers built opulent mansions.

When it is finished next year, the new \$27 million Museum of Contemporary Art, designed by Farshid Moussavi, will perch, like a lustrous black gem, at the entrance to the district, at Euclid and Mayfield Road. A pedestrian plaza designed by James Corner Field Operations, a designer of the High Line elevated park in New York City, separates the new museum from two four-story, mixed-use residential buildings under construction on the north and south sides of Euclid.

The 60,106-square-foot south building will have 70 rental apartments above 21,189 square feet of restaurant and retail space. The north structure, larger at 84,399 square feet, has 44 apartments and 36,480 square feet of retail space that includes a bookstore and a big grocery, the first in the area. Both buildings were designed by Stanley Saitowitz of Natoma Architects in San Francisco, and built at a cost of \$44 million by MRN Ltd., a Cleveland development group.

To get residents and visitors to and from the arts district, the Regional Transit Authority is planning to move two existing rail stops on the city's 19-mile Red Line closer to Uptown, nearby Little Italy and Case Western Reserve University at a cost of nearly \$30 million.

"All of this new construction is enhanced by international design," said Ari Maron, a 33-year-old partner in the family-owned MRN Ltd. "The focus is the street. You provide the right mix of assets. You fill the buildings with people and open the storefronts to the sidewalk. You create a place where people want to be which didn't exist before."

In effect, the Uptown area will be what amounts to a new downtown for the University Circle neighborhood on the east side of the city. Within the square mile of University Circle, and within easy walking distance of Uptown, are Case Western Reserve, the Cleveland Institute of Art, the Cleveland Institute of Music, University Hospitals, Cleveland Clinic, the Cleveland Orches-



The \$27 million Museum of Contemporary Art in Cleveland, right foreground, is scheduled to open in 2012.



An emerging area of Cleveland includes a contemporary art museum.

tra, the Museum of Art and the Museum of Natural History.

Spread across a campuslike expanse of green space, these institutions form a distinct economic microclimate that has fostered the highest growth in job numbers, income and residents in a city that lost 17 percent of its population from 2000 to 2010.

"There are 5,000 more jobs here than in 2005," said Chris Ronayne, an urban planner who is president of University Circle Inc., a nonprofit community service organization that has helped man-

age the area's development. "About 50,000 people work here. The number of residents grew 11 percent since 2000. And there are 10,000 people who live here now."

By almost any measure of civic energy and interest, Uptown looks to be a success. Mr. Maron said MRN Ltd. had already leased all three retail and seven restaurant spaces in his project. The one-bedroom, one-bathroom, 750-square-foot apartments have drawn strong interest and will rent for about \$1,500 a month when they go on the market in January, he said.

Other new projects in Uptown include a planned \$26 million, 150-room Marriott hotel just down Euclid on Cornell Road. The Cleveland Institute of Art now trains 520 students in a 155,000-square-foot building, where Ford Model Ts were once made, that was recently renovated at a cost of \$35 million. Next June the institute is scheduled to break ground on a \$30 million, 91,000-square-foot, four-story addition — designed by Stantec Architecture, which has an office in Cleveland — that will be clad in multicolored panes of glass, said Grafton Nunes, the president and chief executive.

And just a block away, Case Western Reserve in 2002 completed a \$62 million, 152,000-square-foot classroom building, designed by Frank Gehry, for its Weatherhead School of Management.

"That area of the city is really coming fast as a center of Cleveland's growth," said Tracey A. Nichols, the director of the City Department of Economic Development. "We are convinced projects like Uptown will continue to be built and in the next generation this will be a city of 500,000 people again."

One of the first major projects for Uptown, completed in 2008, was the \$200 million reconstruction of Euclid Avenue, which included installing a dedicated lane for an unusual bus rapid transit line. The three-year-old line has attracted 12 million riders and connects the city's central Public Square to University Circle.

The bus service, known as the HealthLine, and the reconstructed boulevard are credited with contributing to a boom in development that The Plain

A diverse coalition engineers a turnaround after decades of losing people and jobs.

Dealer reported in July had reached a total of \$5 billion. Along with Uptown, where the investment so far totals \$162 million, other big projects include a \$560 redevelopment of University Hospitals Case Medical Center, a \$350 million casino on Public Square and a \$465 million, 555,000-square-foot convention center and medical mart downtown.

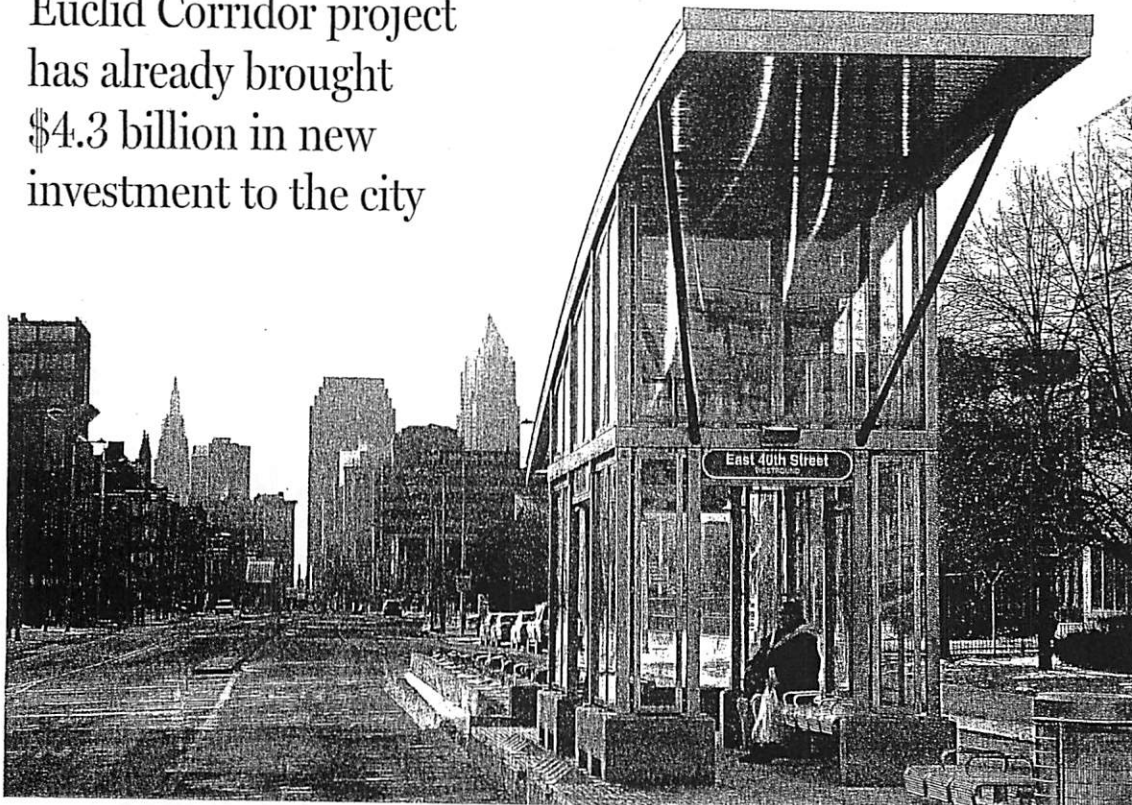
"There were skeptics about the HealthLine," said David Beach, an urban design expert with the Museum of Natural History. "It's proving that an investment in transit and improvements in streetscape do start to change real estate investment patterns over time. In a slow economy it takes a few years. But we are seeing new development up and down the Euclid corridor now."

THE PLAIN DEALER

FEBRUARY 10, 2008

The rebirth

Euclid Corridor project has already brought \$4.3 billion in new investment to the city



JOHN KUNTZ | THE PLAIN DEALER

Bus stops designed by Robert P. Madison International are a signature feature of the Greater Cleveland Regional Transit Authority's Silver Line on Euclid Avenue.

STEVEN LITT | PLAIN DEALER ARCHITECTURE CRITIC

AMID ALL THE BAD NEWS ABOUT CLEVELAND'S ECONOMY, one big, positive number is sure to impress all but the most hardened cynics: \$4.3 billion. ¶ That's how much fresh investment — conservatively speaking — is being poured into the four-mile-long strip of land flanking Euclid Avenue, the city's Main Street, between Public Square and University Circle. ¶ The spending, which encompasses everything from museums and hospitals to housing and educational institutions, includes projects completed since 2000, those now under way and those scheduled for completion within five or six years.

ANALYSIS Private developers with proven records as doers, not speculators, are gearing up to start projects worth more than \$1 billion along the corridor in the next five years or so. They include Douglas Price III, Nathan Zarembo, Ari and Richard Maron, and Gordon Priemer.

The amounts they and nonprofit institutions are investing will easily dwarf the money spent

by government and partners in the 1990s on sports stadiums and the Rock and Roll Hall of Fame and Museum.

One big reason for the energy is the Greater Cleveland Regional Transit Authority's \$200 million Euclid Corridor project, which is reshaping Euclid Avenue around a bus rapid transit line.

Pundits have long derided the project, funded primarily by federal money, as a boon-

doggie. Media coverage has focused primarily on businesses that failed during construction, along with the hassle of negotiating a sea of orange traffic cones.

The mortgage-foreclosure crisis, which has left as many as 12,000 homes vacant in Cleveland neighborhoods, has also obscured the impending rebirth of Euclid Avenue.

SEE EUCLID | A8

Inside

See where the more than \$4 billion in investment is along the Euclid Corridor. A8

THE REBIRTH OF EUCLID AVENUE



cleveland.com/news



See graphics, maps and extra photos and take a walk along Euclid Avenue in a video by The Plain Dealer's Lonnie Timmons III.

EUCLID

FROM A1

Project has brought \$4.3 billion in investment

But the developers say they see what's coming. With the RTA project due for a ribbon-cutting in October, they're rushing to renovate empty buildings and buy vacant lots.

"I'm a living example of it," says developer Dick Pace, who has spent \$7 million over the past two years to turn a 1910 auto showroom at East 71st Street and Euclid Avenue into labs and offices for pigment scientists, biomedical researchers and startup entrepreneurs.

"Before Euclid Corridor, I didn't feel it was a good investment," he said. Now his project is so successful, he said, he's looking for other buildings along the street to buy and rehab.

Pace and others say that by connecting downtown and University Circle, the city's two big employment hubs, Euclid Corridor is adding value and potential to everything that lies between.

Midtown getting an uptown feel

Indeed, the price of an acre in the long-blighted Midtown area has doubled in the past five years from \$200,000 to \$400,000, said Jim



The downtown stretch of Euclid Avenue teemed with activity in the early 20th century. Developers hope to restore vitality in the area by renovating vacant buildings with apartments, retail and offices.

Haviland, executive director of the nonprofit Midtown Inc., which has assembled 15 acres along Euclid Avenue for redevelopment.

Aside from the anticipated boon for riders, the RTA project is changing the mood on the avenue by freshening a major piece of public infrastructure with new

utilities, sidewalks, traffic lanes and transit stops.

"Developers gravitate toward places where they see investment happening," said Lillian Kuri, director of special projects for the Cleveland Foundation. "There's no question [about Euclid Corridor], it's a catalyst."

The robust growth of institutions on or near the avenue, such as the Cleveland Clinic and Cleveland Museum of Art, while not caused by the Euclid Corridor project, is likely to expand bus ridership and encourage further investment.

"It's huge," said Edward Hill, interim dean of the College of

Urban Affairs at Cleveland State University. "I look at Euclid Corridor and, to me, it's the single most exciting thing since the opening of Jacobs Field — and it has much more economic meaning."

If the momentum continues, blighted sections of Euclid Avenue could fill up with renovated apartments, retail shops, research labs, and medical and cultural facilities. Many projects are to break ground later this year or in 2009, just after Euclid Corridor is finished.

"It's going to be a visual delight, and everybody's going to be shocked," said David Goldberg, co-chairman of Amtrust Bank and an investor along the avenue. "I won't be shocked, because I know what's happening now. The city is at a tipping point."

This is still hard to imagine downtown, where many buildings along Euclid Avenue stand vacant. But East Fourth Street, where the Marons have invested \$110 million, is humming with nightclubs, apartments and restaurants.

Developers including Price and Eli Mann are hustling to join the Marons. Price wants to fill the vacant former William Taylor & Sons department store at 668 Euclid Ave. with apartments. He also wants to renovate and expand the empty Ameritrust bank complex at East Ninth Street and Euclid Avenue with apartments, a hotel and offices. Mann bought five mostly vacant

buildings between East Ninth and East 12th streets, including the Cleveland Athletic Club building, and plans to spend \$70 million to fill them with apartments and retail. Mann's architect, Jonathan Sandvick, wants to peel off glass and metal siding to reveal early 20th-century brick and terra cotta facades.

Farther up the avenue, CSU has started spending \$300 million on academic buildings, offices and housing.

In University Circle, the Cleveland Museum of Art is nearly halfway through a six-year, \$256 million expansion and renovation. The Cleveland Clinic is building \$868 million worth of projects, including a giant new heart center. University Hospitals has \$326 million worth of investments on tap.

Even Midtown, where development has lagged, is showing signs of vitality.

"I live it every day," said Scott Garson, senior vice president of NAI Daus, who is spending \$10 million to turn the vacant Victory Building warehouse at Euclid Avenue and East 70th Street into 102 apartments.

City is looking forward, not backward

The new Euclid Avenue won't resemble sepia-toned photographs of the 19th century, when the mansions of Millionaire's Row lined the street. Instead, the ave-

nue will be populated by students and medical workers, retirees and empty-nesters, who will be happy to ride the bus and save thousands of dollars a year by living without a second car.

Developers want to provide buildings with cars for short-term rentals, or include RTA bus passes with leases. They say it will be far quicker to go from a downtown apartment to the Clinic on the bus than to drive and hunt for a parking space.

Trends contributing to the rebirth on Euclid Avenue include the rising price of gas, which encourages transit use. Federal and state tax credits for historic preservation have tipped the balance in favor of renovating older buildings downtown. Growth in the medical sector is attracting research grants, venture capital and workers. A back-to-the-city movement among young professionals and retirees is also fueling growth.

Leadership is another big factor. Top positions at major institutions along Euclid Avenue are held by advocates of New Urbanism, a type of city planning that caters to pedestrians and mass transit, rather than to the automobile.

At CSU, President Michael Schwartz tore up a master plan he inherited from his predecessor, Claire Van Ummersen, which would have connected the university more firmly to the Inner Belt freeway and sealed its destiny as a commuter school.

CSU's new master plan envisions dozens of new apartment buildings rising north and south of glassy new academic buildings along the north side of Euclid Av-

enue from East 17th Street to the Inner Belt.

In Midtown, Haviland prepared for growth by leading the creation of a new zoning code, which outlaws stand-alone fast-food restaurants and requires new buildings to devote at least 60 percent of their ground-floor area to retail or other active uses.

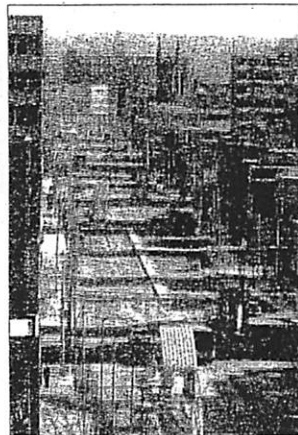
At the Cleveland Clinic, Chief Executive Officer Dr. Delos "Toby" Cosgrove recruited Berkeley, Calif., landscape architect Peter Walker to design parklike outdoor spaces to soften the Clinic's gigantic new buildings — and to make Euclid Avenue more pedestrian-friendly.

Chances for architectural achievement are high, with institutions such as the Museum of Contemporary Art Cleveland, the Cleveland Institute of Art and CSU hiring star designers for signature projects.

Then and now, Euclid Avenue is special

The impending revival has a certain déjà vu quality, said Christopher Leinberger, a visiting fellow at the Brookings Institution in Washington, D.C. Every city has a "favored quarter" with a spine that connects the downtown to the wealthiest dose-in suburbs, he said. In Cleveland, it's Euclid Avenue, which is being reborn for the same reason it attracted wealth in the 19th century.

He compared the avenue's renewed potential to that of great streets such as Massachusetts and Wisconsin avenues between Dupont Circle and Bethesda, Md., in the Washington area or Peachtree Street in Atlanta from Midtown to



A completed section of the Greater Cleveland Regional Transit Authority's \$200 million Euclid Corridor project, looking east, left, shows how the street — once dilapidated — has been significantly freshened. Looking west, right, telltale orange barrels show work still continues.

the Buckhead neighborhood.

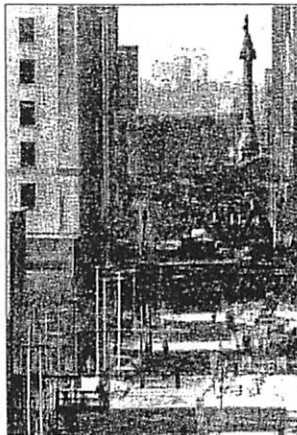
What's different here is that the catalyst in Cleveland is bus rapid transit, a relatively new idea in the United States. On RTA's "Silver Line," as it's called, diesel electric buses will move quickly along special lanes with coordinated lights at intersections.

Euclid Corridor was one of 10 bus rapid transit demonstration projects launched by the Federal Transit Administration in 1999 in Boston, Charlotte, N.C., Miami, Las Vegas, Honolulu and other cities. It's also a vastly scaled-down

version of what planners envisioned decades ago as the "Dual Hub," a light rail line connecting downtown to University Circle.

Planning literature is packed with proof that streetcars and light rail inspire "transit-oriented development." So far, it seems, bus rapid transit is doing the same in Cleveland.

The \$4.3 billion figure cited above is based on news stories and interviews with developers. It doesn't include the \$200 million Euclid Corridor project itself. Nor does it include projects such



CHRIS STEPHENS | THE PLAIN DEALER

the surrounding Hough, Fairfax and Central neighborhoods north and south of the Euclid Avenue zone.

Already, there are signs of that happening. The Finch Group of Boca Raton, Fla., and Heartland Developers of Cleveland are planning a large residential development in Hough called Upper Chester, north of the Cleveland Clinic and west of East 105th Street. The Clinic is collaborating with the nonprofit Fairfax Renaissance Development Corp. on a \$28 million biomedical research facility on Cedar Avenue.

"The Euclid Corridor project was always about connecting those two centers [downtown and University Circle] through Hough and Fairfax in a way that creates spinoff," said Cleveland Planning Director Robert Brown.

Despite the emerging benefits, the rebirth of Euclid Avenue may have only limited impact on the city as a whole, said James Rokakis, Cuyahoga County's treasurer. Too many neighborhoods are being hollowed out by defaults on subprime mortgages. The new growth along Euclid Avenue, while laudable, won't do much in the short run to boost school tax revenues, because much of the new development is tax-exempt, he said.

Caveats aside, there's a striking energy among those involved with Euclid Avenue. In a city pummeled by news about crime, population loss and decay, it's a great, shining exception — and one solid reason to be excited about Cleveland's future.

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THE REBIRTH OF EUCLID AVENUE

STEVEN LITT | THE PLAIN DEALER

Over the past century, Euclid Avenue has gone from being Cleveland's most prestigious address to a Main Street riddled by blight. Now, thanks in part to the Greater Cleveland Regional Transit Authority's Euclid Corridor bus rapid transit project, the avenue is rebounding as the backbone of the city's new economy. But while a transformation is in the works, nothing is guaranteed. The national economy, the location of the much-discussed Medical Mart and disruptive highway work by the Ohio Department of Transportation could blunt the multibillion-dollar reinvestment now gathering momentum. Shown below is an overview — by no means exhaustive — of construction projects in the Euclid Corridor zone.

What's driving the development?

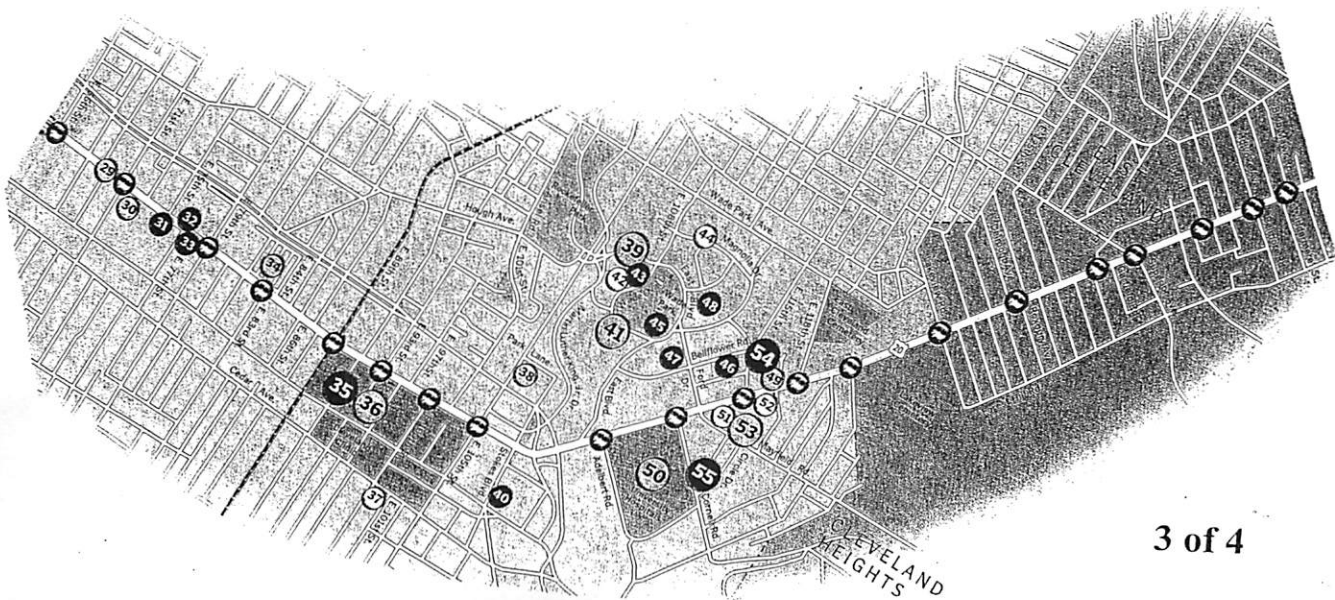
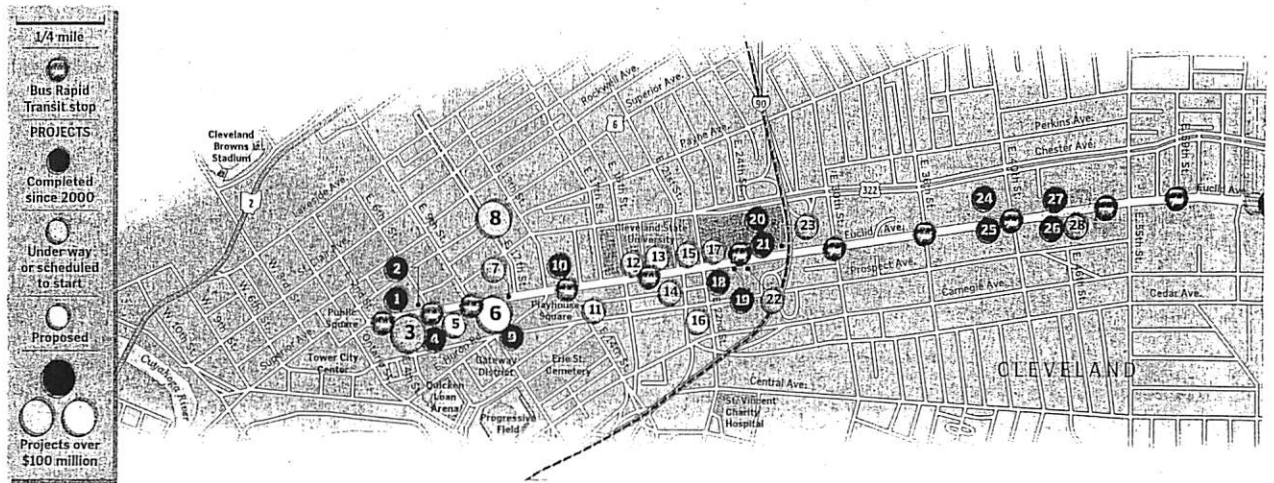
Observers say Euclid Avenue and adjacent blocks are benefiting from a "perfect storm" of positive factors including:

- The rising price of gasoline, which is encouraging dense, pedestrian-oriented development around the RTA bus line.
- Federal and state historic-preservation tax credits have made it viable for developers to renovate dozens of early 20th-century buildings downtown.
- Continued growth at the city's big medical centers and at Cleveland State and Case Western Reserve universities.
- The bottoming-out of local real estate prices, now viewed by lenders and developers as a bargain in comparison with prices in more expensive cities.
- Demand for new, in-town housing, driven by the steady influx of hospital employees and spin-off industries, plus the growing back-to-the-city movement among retirees and empty-nesters.

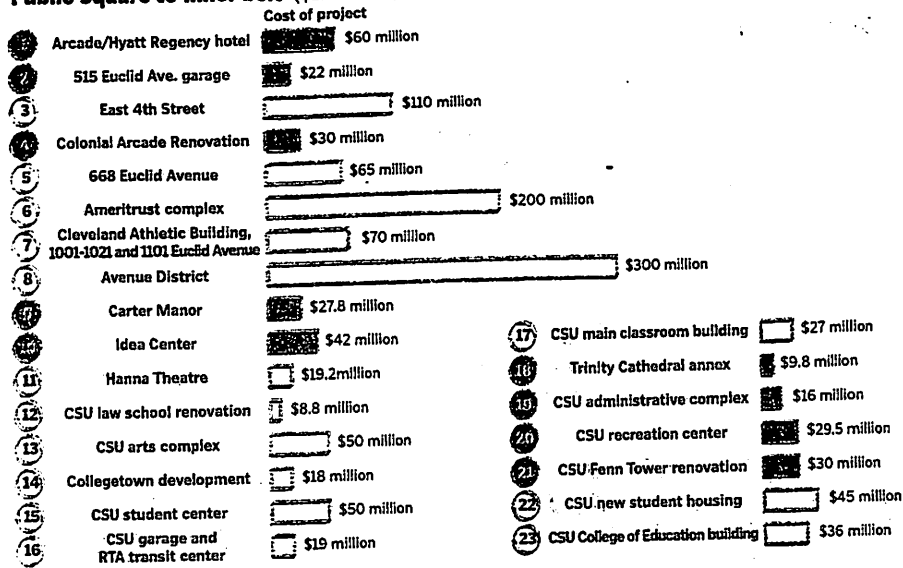
What are the possible roadblocks?

Despite the proven investments under way, the rebirth of Euclid Avenue could be hampered by other factors:

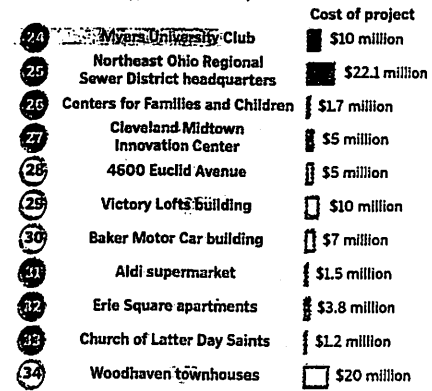
- A looming recession and tightening of credit among lenders could slow the recovery along Euclid, but won't stop it, developers say. Housing developers say they're optimistic they will find the capital they need.
- The Ohio Department of Transportation's \$1.5 billion reconstruction of the downtown Inner Belt could impose a 15-year tourniquet on the city's main traffic artery and strangle property values. Developers say there's a critical need to maintain the flow of traffic. "Our politicians have to be all over this," said Doug Price III, chief executive of the K&D Group.
- The proposed Medical Mart and new convention center could damage the city for decades if located in Midtown near the Cleveland Clinic. The projects would bleed energy from the existing business district and undercut decades of investment there, developers and planners say.



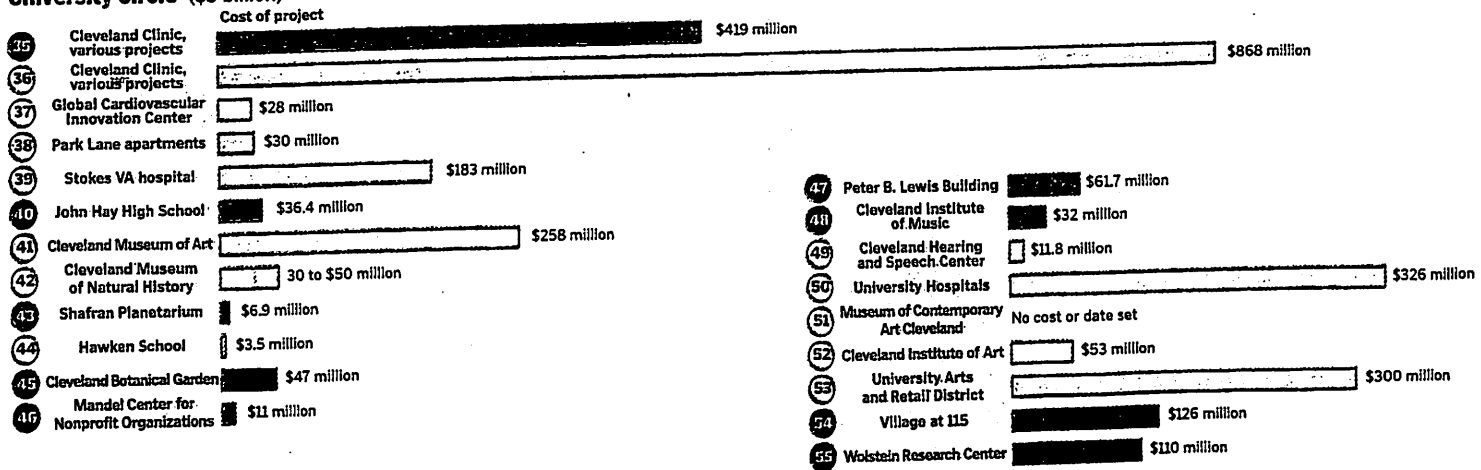
Public Square to Inner belt (\$1.3 billion)



Midtown (\$87.3 million)



University Circle (\$3 billion)



SOURCES: Historic Gateway Neighborhood; Cleveland State University; Midtown Cleveland Inc.; Cleveland Clinic; University Circle institutions