



CITY OF CLEVELAND
Mayor Frank G. Jackson

URS

Business of Brownfields Conference

Brownfield Redevelopment in the Urban Environment—
Unique Challenges/Lessons Learned

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CITY OF CLEVELAND
Frank G. Jackson, Mayor



Introduction

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Brownfields in Cleveland





Cleveland Brownfield Programs

Programs

- Industrial-Commercial Land Bank
- Technical Assistance and Traditional ED Funding
- Environmental Assessment

Resources

- 2 Staff and Support
- State and Feds
- \$1m Federal Funds
- \$7.5m State Funds
- \$15m City Funds
- 8 Consultant Firms
- 3 Demo/Cleanup Firms





Need for Programs and Resources- Cost of Brownfields

- It Costs the City More to Provide Basic Services Than Taxes Generated from a Vacant Property
- Vacant Properties Bring **Additional** Costs in Maintenance and Public Safety

Example Midland Steel

Total Property
Taxes Paid 2004: \$22,000

City Cost For
Basic Services*: \$132,000

Difference: \$110,000

*According to City of Cleveland 2005 Budget, The City Spends Approximately \$6,000/Acre for Public Services and Public Safety





Need for Programs and Resources- Loss of Tax Base

- City Loses All Income Tax and Vast Majority of Property Taxes When a Facility Closes
- It's Cheaper and Less Risky for Owners to Maintain Vacant Properties

Example Midland Steel

Total 2002 Taxes: **\$277,000**
\$87,000 (Property) + \$190,000 (Income)

Total 2004 Taxes: **\$22,000**
Lost Taxes: **\$255,000**

Lost of Income & Property Taxes from Peak Year 2000: **\$485,000**





Need for Programs and Resources- Public Safety Hazards

- Public Health Risks
- Risks to First Responders
- Scenes of Criminal Activity
- Millions in Demolition





Need for Programs and Resources- Benefits of Reuse

- **Jobs**
- **Business Attraction, Retention, & Expansion**
- **Increase in Property & Income Tax Revenues**
- **Reduction in Crime & Blight**
- **Cleanup of Environmental Contamination**

ROI (City-Share)

Property Taxes: \$14,219/acre

Income Taxes: \$12,481/acre

Annual Taxes: \$26,700/acre

Breakeven Takes 7 years





Consultants and Contractors



- Be Part of the Team
 - Ownership
 - Civic Responsibility





Consultants and Contractors



- Experience
- Reputation
- Creativity
- Cost Savings
- Depth
- Understanding

