

Memorandum

To: Squire Patton Boggs
From: Econsult Solutions, Inc.
Date: November 11, 2024
RE: Economic and Fiscal Impacts of Cleveland Browns Relocation to Brook Park and Market Evaluation of Proposed Development

1 Purpose

Econsult Solutions, Inc. (ESI) was engaged by Squire Patton Boggs to evaluate the economic and fiscal impacts of the Cleveland Browns (Browns) developing a new stadium (Brook Park Stadium) on a site just east of Cleveland Hopkins International Airport in Brook Park, Ohio in Cuyahoga County (County). The Browns are also proposing substantial mixed-use development at the site, including hotel, office, retail, event space, and apartments.

The purpose of this analysis is to:

- 1) quantify the potential net losses of economic impacts (including output, earnings, and jobs supported) and tax revenue from the City of Cleveland (City) with the relocation of NFL games and other stadium events to Brook Park Stadium¹ and,
- 2) evaluate the market potential for the proposed uses for the Brook Park Stadium site through analyzing site conditions and land use compatibility, market area demographics and economics, market trends and conditions of proposed property use types, and the landscape of competitive districts within the County. This analysis also considers the potential adverse impacts of this development on Downtown Cleveland.

Econsult Solutions, Inc. (ESI), a nationally recognized firm based in Philadelphia. ESI brings extensive expertise in economic development, land use, and public policy, with a team of seasoned economists, planners, and policy experts. The firm has successfully contributed to high-profile development projects and strategic planning initiatives in Cleveland, Pittsburgh, Philadelphia and numerous other communities nationally.

¹ Economic output is a measure direct spending and re-spending within a select geography, similar to GDP, but is a more robust measure of economic activity. This economic activity supports earnings and jobs, which in turn, supports tax revenue for local jurisdictions.

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2 Conclusions

2.1 Economic Losses to the City

The relocation of the Browns to Brook Park Stadium will result in the City losing at least \$30 million in direct, indirect, and induced economic output annually, including \$14 million in employee compensation that supports approximately 360 jobs. A large portion of this lost economic activity will likely impact Downtown Cleveland. The City will also lose approximately \$11 million in direct, indirect, and induced tax revenue annually from team and stadium operations and visitor spending.^{2 3}

The projected programming of more than 50 non-NFL events at Brook Park Stadium and environs would draw activities from existing sports, entertainment, and convention venues in the City that could more than double these economic losses from the City.

2.2 Market Evaluation

The development site, immediately east of Cleveland Hopkins International Airport, is surrounded by industrial uses, which substantially limits its marketability for mixed-use development. Market conditions in the areas surrounding the development site are weak compared to other parts of the County, especially those with recently built mixed-use development. The amount of proposed development for the site would be unprecedented in this part of the County and there is limited demand for the proposed uses.

Given slow regional economic growth and the County's declining population, the success of the proposed development would be dependent on drawing market demand from other parts of the City and County, which would have an adverse impact on Downtown Cleveland.⁴ Given market conditions, the development would shift economic activity outside of Cleveland and would not generate net new economic and fiscal impacts to the County or State of Ohio.

² Tax revenue is generated from economic activity; therefore, with the relocation of the Browns, the City would lose \$30 million in economic output and \$11 million in tax revenue annually.

³ The data supporting the economic and fiscal impact analysis were provided by the City of Cleveland, including direct admissions, income, and property tax payments from the Browns as well as from publicly available sources, including stadium attendance and average per capita visitor spending. ESI did not receive any data or information directly from the Browns. In some cases, reasonable assumptions were made based on industry standards and ESI's experience conducting similar analyses.

⁴ Throughout this memorandum, "the region" or "regional" activity refers to the Cleveland Metropolitan Statistical Area (MSA).

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3 Summary of Key Findings

3.1 Attendance and Patron Spending at Huntington Bank Field (Current Stadium)⁵

- **With an average annual attendance of 642,200, stadium patrons generate an estimated \$59 million in annual offsite spending** on hotels, retail, food and beverage, transportation, and other activities attributable to games and events, including approximately 28,900 hotel room nights in the City, or around 3,000 room nights per event. This level is more than one third of the City's total supply of 8,225 rooms.
- There are approximately 4,800 hotel rooms in the core parts of Downtown, more than half of the City's supply; therefore, **Downtown's hotel supply has the capacity to satisfy all of the room nights generated by overnight patrons of the Current Stadium**, which creates an opportunity to capture a greater share of their spending within the City.
- **Patrons of the Current Stadium spend approximately \$20.5 million on retail and food and beverage offsite in the County.** While retail sales vary depending on the type of retailer or restaurant, using an industry standard of \$350 in average sales per square foot, **this spending supports just over 58,000 square feet of retail space throughout the County.**

3.2 Economic Impacts of Current Stadium Patrons

- **Within the County, Current Stadium patron spending generates approximately \$100 million in total direct, indirect, and induced economic output**, of which, \$48 million is employee compensation supporting 1,230 jobs.
- **With the relocation of the Browns to Brook Park Stadium, the City would lose at least \$30 million in total direct, indirect, and induced economic output**, including \$14 million in employee compensation that supports 360 jobs. A large proportion of these losses would impact Downtown Cleveland.

3.3 Fiscal Impacts of Current Stadium Patrons

- **In total, with the Browns relocating to Brook Park Stadium, the City would lose approximately \$11 million in annual tax revenue.**
 - **The City currently captures approximately \$10 million in direct taxes annually from the Browns**, including income, admissions, and property taxes as well as from contractor spending for stadium operations and maintenance.

⁵ Since the Brook Park Stadium site is only 10 miles southeast of Downtown in Cuyahoga County and three miles from the team headquarters and practice facility, it is assumed that the relocation would not significantly impact housing or operational spending decisions by the organization or players, coaches, and staff (although further study would be needed to understand if this would result in significant changes to the Browns' contracting activities with City-based vendors). The lost tax revenue and economic activity would primarily come from the lack of games and events at the Current Stadium, including direct taxes paid by the Browns and taxes generated from offsite patron spending.

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- **The City also collects approximately \$1 million in taxes annually generated from offsite patron spending**, including hotel and parking tax as well as taxes from indirect and induced economic activity. Since the City does not have a sales tax, the loss of patron spending activities would have a relatively small impact on the City's tax base.

3.4 Impacts on Other Venues in City

- In addition to NFL games, **the Browns have indicated that the Brook Park Stadium would also host more than 50 concerts, special events, and collegiate sports annually, while domes in comparable Midwestern markets host substantially fewer events each year (less than 15).**
- **In 2023, dome stadiums in comparable markets**, including Ford Field (Detroit), Lucas Oil Stadium (Indianapolis), and U.S. Bank Stadium (Minneapolis), **hosted four to twelve major events (with attendance of approximately 50,000 or more) for a ratio of 1.6 to 2.8 events per 1 million residents in the MSA.** Each dome also hosted four to ten smaller events such as high school tournaments or conventions. Based on the size of the Cleveland MSA, the Brook Park Stadium could expect to host around four major events and four or five smaller events.
- **The only way to achieve the goal of 50 annual events is to draw patronage from Rocket Mortgage FieldHouse, Progressive Field, Huntington Convention Center of Cleveland, I-X Center, and other major venues, including conference hotels.** Therefore, the combined losses in economic activity to the City from losing Current Stadium and major venue patronage would more than double.

3.5 Real Estate Development Program and Site Evaluation

- **The Browns have proposed a new stadium with a seating capacity of approximately 70,000 and several additional structures containing a mix of uses totaling more than 2.6 million square feet on a site in Brook Park.** The proposed mixed-use development includes 645 apartments, 495,700 square feet of office space, 299,000 square feet of retail, 405 hotel rooms, an 85,000 square foot event venue, 30,700 square foot team store, 102,000 square foot operations facility, and surface and structured parking. The estimated cost for the stadium itself is \$2.4 billion with no available cost estimate for the proposed mixed-use development.
- **The approximately 190-acre site is bordered by industrial uses and transportation infrastructure.** The site is bordered by the Ford Motor Company Cleveland Engine Plant No. 1 (with a workforce of around 1,600 to the north), logistics and warehousing space to the west and south, rail tracks and Berea Freeway followed by Cleveland Hopkins International Airport to the west, and Interstate 71 followed by a neighborhood of modest single-family homes to the east (with recent sales of \$150,000 to \$200,000).

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- **The broader area is primarily industrial.** Not including the airport, more than 91 percent of commercial real estate within a mile of the Brook Park site comprises of industrial uses (5.84 of 6.37 million total square feet). The site is also zoned industrial and does not permit any of the Browns' proposed uses.
- **Pedestrian accessibility and connectivity are limited** – Given the surrounding industrial uses, walkability is very limited to and from the site. There is not a direct pedestrian route from Brook Park Station with walk-times of 15 to 20 minutes along Engle Road that has poor sidewalk conditions and has limited curb appeal for pedestrians.
- **The proposed mixed-use development is incompatible with adjacent land uses and the site has very limited marketability for these types of uses due to nuisances (e.g., noise, truck traffic, and air pollution) and lack of nearby open space and recreational amenities.** The site is substantially less competitive than other suburban mixed-use developments built in the last 10 years, including Westlake (Crocker Park), Beachwood (Pinecrest), and Brecksville (Valor Acres).
- **Given surrounding uses, the proposed development would have limited catalytic potential to attract more mixed-use investment in the area** – The surrounding area is primarily industrial with very few developable parcels; therefore, there is very limited opportunity for the proposed redevelopment to spur additional investment in housing or commercial uses.
- **The site is most appropriate for industrial uses and growing the Cuyahoga County's industrial employment base.** According to CoStar, there is 3.3 million square feet of industrial space proposed for the site, and given moderate socioeconomic conditions in the market area, the creation of industrial jobs would provide economic opportunities for the workforce living in surrounding communities.

3.6 Market Area Demographics and Economics

- **Socioeconomic conditions in the market area (within three miles of the site) are stable and moderate.** Since 2010, the population in the market area has declined, although this is consistent with countywide trends and trends throughout the Cleveland Metropolitan Statistical Area (MSA). The median household income in the market area is just under \$63,500, which is consistent with the county and MSA medians. However, compared to three-mile areas around Crocker Park, Pinecrest, and Valor Acres in other suburban communities in the County, the socioeconomic conditions in the Brook Park market area are substantially weaker.
- **More than a third of jobs in the market area are in industrial sectors.** There are just under 24,000 jobs in Manufacturing, Wholesale Trade, Transportation & Warehousing, and Other Services (except Public Administration) representing 35 percent of the market area's employment base, compared to only 15 percent in Cleveland and 21 percent in the County. Conversely, only 13 percent of the market area's jobs are in professional sectors, including

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Information, Finance & Insurance, Professional, Scientific & Technical Services, and Management of Companies & Enterprises, compared to 22 percent in Cleveland and 18 percent countywide. The market area has a substantial industrial economic base, which would provide less demand for quality office space and higher-end apartments compared to other parts of the County.

3.7 Real Estate Development Analysis

- **There has been limited multifamily development in the market area over the last decade. Of the apartments that have been built, the majority consists of affordable and/or senior-oriented apartments indicating limited market potential for the proposed higher-end market rate apartments.** According to CoStar, around 70 percent of the market area's supply of just over 6,000 units was built before 1970. Since 2015, 532 units have been built across four properties, three of which are senior properties, including a Section 8 property.
- **There is a limited pool of higher-income renters in the market area to support the proposed 645 units.** For the property to be successful, it would need to attract tenants from a much broader area, including from areas with stronger economic conditions and better access to retail, amenities, and open space, including Downtown Cleveland.
- **Given the MSA's weak office market post-pandemic, the Brook Park site's office space will likely struggle to compete with already established commercial districts unless it can find an anchor tenant to lease a large share of the nearly 500,000 square feet of proposed space.** While Downtown has the County's largest concentration of office space, Westlake has captured the largest share of new office deliveries over the last decade, adding more than 1.0 million square feet. The County's speculative (spec) office market is weak post-pandemic with net negative absorption of space every year since 2019. Prospective tenants are being very selective of space based on quality and location and the Brook Park location would be substantially less competitive than Downtown Cleveland or established suburban commercial areas like Westlake or Beachwood.
- **Given proximity to the airport, the market area has a large supply of hotel rooms, although the supply is lower quality and less competitive.** The Average Daily Rate (ADR) of \$104 in the market area is significantly lower than ADR in Cleveland (\$160) and the other parts of the county (\$122). Additionally, occupancy of the market area hotel supply (60.8 percent) is lower than Cleveland (64.0 percent) and parts of Cuyahoga County outside of Cleveland (63.4 percent).
- **Hotel demand in the County has not recovered from the pandemic and there is a risk that increasing supply would pull demand from other established submarkets like Downtown Cleveland.** The total number of room nights in the County over a 12-month period from August 2019 to August 2024 is seven percent lower. The recovery in the City has been slightly stronger

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with only a five percent decline. In the market area, the decline was substantially higher at 15 percent.

- **The market area has a relatively large supply of retail space with 4.8 million square feet, although new development has been limited.** Less than 200,000 square feet of new space has been added in the market area since 2015 and there is no other proposed space. Most of this new retail space includes gas stations, auto dealerships, fast food restaurants, and a smaller strip center with Aldi grocery store at 6820 Pearl Road in Middleburg Heights. The proposed retail space on the Brook Park site exceeds total retail space delivered in the Brook Park market area for over a decade, and creating an entertainment focused retail destination would be unprecedented in this part of the County.
- **While the proposed amount of retail space for the site only represents about 10 percent of the amount of retail space delivered in the suburban portions of the County since 2015,** given the poor marketability of the site for retail uses, socioeconomic conditions in the market area, and competition from more attractive retail districts, **there would not be a sustaining local customer base for non-event days.**

3.8 Competitive Districts Analysis

- **Three competitive suburban mixed-use districts in Cuyahoga County were identified for evaluating market conditions.** These districts include Crocker Park in Westlake, Pinecrest in Beachwood, and Valor Acres in Brecksville (which is still under development).
- **While the total population within the Brook Park market area is larger than the competitive districts, median household income and median housing values are substantially lower compared to the other districts.** In fact, median housing values in the competitive market areas are approximately twice as high as within the Brook Park market area. Levels of educational attainment – which are often a site selection criterion for higher-end national retailers – are also substantially lower for the Brook Park market area.
- **Average office and retail rents are much lower in the Brook Park market area compared to the competitive districts.** Average office rents in the Brook Park market area of \$16.30 per square foot are lower than the competitive districts of \$19.14 to \$22.52 per square foot. Average rents for newer construction are much higher ranging from \$21.48 to \$29.99 per square foot. Average rents for retail space in the Brook Park market area of \$13.84 per square foot are also much lower than the competitive areas of \$17.31 to \$21.08 per square foot.
- **Given the Brook Park site’s limited marketability for mixed-use development and relatively weak socioeconomic conditions with the market area, the proposed development may struggle to attract national retailers, office tenants, and residents without offering discounted rents or other concessions compared to these other competitive and more attractive districts.**

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3.9 Impacts to Downtown Cleveland

- Given weak market conditions and slow regional economic growth, **the success of the proposed development will depend on its ability to draw demand from other parts of the County and region, putting Downtown Cleveland especially at risk. In other words, the proposed development will effectively shift economic activity within the County and will not generate net new impacts.**
- **As the Cleveland region’s hub of employment, arts, culture, entertainment, and tourism activities, the success of Downtown directly impacts the region’s competitiveness and economic trajectory.** As Downtown continues to recover in the post pandemic era, its economic future also impacts neighborhoods throughout the urban core. Without a strong Downtown, the economic viability of the entire region will be threatened.
- **Conversely, new mixed-use investment activity Downtown at the scale of what is proposed for the Brook Park site, could have a substantial catalytic impact on the City’s economy.** This type of investment would further bolster Downtown’s growing residential community and leverage recent investments in its hospitality ecosystem, including the \$49 million expansion of the Huntington Convention Center. This type of investment would also create synergies with Downtown’s sports and entertainment anchors, including Rocket Mortgage FieldHouse and Progressive Field.

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4 Economic and Fiscal Impact Analysis

4.1 Overview of Economic Impact and Methodology

Economic impact estimates are generated by utilizing input-output models to translate an initial amount of direct economic activity into the total amount of activity that it supports, which includes multiple waves of spillover impacts generated by the spending on goods and services by the Browns, labor income by coaches, players, and staff as well as spending from patrons of Huntington Bank Field at area hotels, restaurants, retailers, and other service providers. The economic impacts from these expenditures are modeled using IMPLAN, an industry standard input-output model software program. Such models are designed to estimate two sets of spillover impacts from direct expenditures:

- The **indirect effect**, which measures the multiplier effect from the purchase of goods and services from local vendors (i.e., supply chain impacts); and
- The **induced effect**, which measures the multiplier effect from the spending of labor income by employees within a geography (i.e., labor income impacts).

IMPLAN models these impacts at the county level; therefore, in order to demonstrate the impacts of the Browns relocating to the Brook Park Stadium (that is in a different part of Cuyahoga County), a “sharedown” assumption is used to determine the proportion of impacts that occur in the City based on the distribution of population and employment.

4.2 Identification of Impacts

The Browns organization, their home games at Huntington Bank Field, and special events such as concerts and other spectator entertainment at the stadium generate economic activity in the City, including economic output and earnings and supporting jobs. These activities also generate direct revenue for the City through admissions tax from ticket sales, property tax from the stadium, and income tax from players, coaches, and staff.

Economic Impacts

- **Team and Stadium Operations:** When the Browns pay for contractors to support the team and operate events at Huntington Bank Field, and when the Browns pay their players, coaches, and staff who then spend their wages on housing, groceries, and other household needs, this spending generates economic and fiscal impacts. The Browns’ practice facility and corporate headquarters (CrossCountry Mortgage Campus of the Cleveland Browns) are also in Cuyahoga County in Berea; therefore, the move would have very little influence on the home locations of players, coaches and staff. It is assumed that the move would not substantially impact contracting decision making for team and stadium operations. In other words, contractors for the Browns today, whether the company and are located in the City or outside the City, would likely not change (although further evaluation would be needed to understand the Browns’ future business relationships with City-based vendors). However, wages paid to on-site

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contractors for the operations and maintenance of the stadium for games and events are subject to City income tax and would adversely impact the City's tax base (explained below).

- **Browns and Other Event Ancillary Visitor Spending:** The Browns relocation to Brook Park Stadium would have a substantial adverse impact to ancillary patron spending activity – or spending that occurs outside of the stadium supporting local businesses, hotel room nights, jobs, and tax revenue. While patron spending at the Current Stadium on food, beverage, and concessions directly supports the Browns, the relocation to Brook Park Stadium would have an impact on where patrons spend money before and after games and events, since a substantial share of this spending activity would then occur outside of the City. The inclusion of a hotel, retail, and entertainment space at the Brook Park Stadium site would further exacerbate this trend leaving patrons with much less propensity to spend money in the City, if at all.

Tax Revenue Impacts

- **Direct Taxes from the Browns:** The operations of the Current Stadium and team during home games directly generate municipal income tax, property tax, and admissions tax for the City. However, since the Browns' practice facility and headquarters are located in Berea, income tax revenue is shared between the City and the City of Berea. If the Browns relocate to Brook Park, the City will lose all direct tax revenue associated with the team.
- **Taxes from Contractor Wages for Stadium Operations:** While it is assumed a move to Brook Park would not have substantial impact on contracting activities, wages paid by contractors for operations and maintenance activities at the Current Stadium are subject to City income tax that would be effectively lost with a move to Brook Park.
- **Taxes from Visitor Spending:** Beyond direct taxes, ancillary spending by stadium patrons contributes to parking tax, hotel tax, and income tax from businesses such as retailers and restaurants.

4.3 Visitation and Spending

Huntington Bank Field, with a seating capacity of 67,400, serves as the home venue for Browns games and hosts various events and festivals. Over the past three years, annual stadium attendance has averaged approximately 642,200, with over 90 percent attending Browns home games (585,500 patrons). Since zip code or survey data for stadium patrons was unavailable, for the purposes of this study, it is estimated that 80 percent of visitors are daytrippers (or those not supporting hotel room nights), with the remaining 20 percent as overnight visitors supporting hotel room nights in the Cleveland region.

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Figure 4.1: Average Annual Attendance by Event Type and Visitor Origin, 2022 to 2024

Attendance	Daytrip	Overnight	Total
Football	468,400	117,100	585,500
Events	45,300	11,300	56,700
Total	513,800	128,400	642,200

Source: ESPN (2024), City of Cleveland (2024), Econsult Solutions, Inc. (2024)

Ancillary visitor spending refers to expenditures made outside of the stadium. In-stadium purchases, such as concessions and team merchandise, directly support the Browns, and are thus excluded. Recreational spending is excluded from the visitor spending profile, as spending on game and event tickets falls within this category.

Based on the average daily visitor spending profile, this study assumes that 50 percent of average daily retail and food and beverage expenditures by daytrippers occur outside the stadium, while 100 percent of average daily transportation spending can be attributed to a stadium visit (e.g., rideshare, parking, gasoline, public transportation). For overnight visitors, it is assumed that one day of average daily lodging expenses can be attributed to stadium events, while 30 percent of transportation costs can be attributed to a stadium visit (e.g., flight to Cleveland, long-distance drive).

This study assumes that the vast majority of overnight visitors (90 percent) would stay within Cuyahoga County due to its proximity to the Current Stadium, with the remainder staying in other parts of the region. According to CoStar, over the past 12 months, the City accounted for approximately 50 percent of the total hotel room nights in Cuyahoga County. As a result, this study assumes that 50 percent of the Current Stadium’s overnights visitors stay within the City, with the remainder in other parts of the County.

Figure 4.2: Average Visitor Spending Profile and Assumptions, Per Person Per Day⁶

Category	% Offsite Spending Attributed to		% Offsite Spending Attributed to	
	Daytrip	Stadium Visit	Overnight	Stadium Visit
Lodging	\$0	0%	\$76	100%
Retail	\$20	50%	\$30	50%
Food/Beverage	\$35	50%	\$69	50%
Recreation/Sightseeing/Entertainment	\$21	0%	\$32	0%
Transportation to Destination	\$49	100%	\$97	30%
Total	\$125		\$303	

Source: OhioTourism (2023), CoStar (2024), Econsult Solutions, Inc. (2024)

⁶ OhioTourism provides a daily visitor spending profile but does not consider higher spending estimates for overnight visitors (e.g., multiple meals, higher transportation costs, etc.). This study assumes a multiplier of 1.5 to 2.0 for select line items to account for these differences.

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Figure 4.3: Estimated Hotel Room Nights and Revenue Supported by Huntington Bank Field Patrons

	Cleveland	Rest of Cuyahoga County	Total
Hotel Room Nights	28,900	28,900	57,800
ADR	\$181	\$134	
Revenue (\$M)	\$5.2	\$3.9	\$9.1

Source: City of Cleveland (2024), CoStar (2024), Econsult Solutions, Inc. (2024)

On average, patrons of Huntington Bank Field spend around \$58.6 million annually outside of the stadium on lodging, retail, food and beverage, and transportation.

Figure 4.4: Total Annual Visitor Spending Attributable to Huntington Bank Field (in \$M)

Category	Daytrip	Overnight	Total
Lodging	-	\$9.1	\$9.1
Retail	\$5.1	\$1.9	\$7.0
Food/Beverage	\$9.0	\$4.4	\$13.5
Transportation to Destination	\$25.3	\$3.7	\$29.0
Total	\$39.4	\$19.2	\$58.6

Source: TourismOhio (2023), CoStar (2024), Econsult Solutions, Inc. (2024)

4.4 Economic Impacts

While a large portion of ancillary spending from Current Stadium patron occurs in the City, patrons also spend money on meals or retail in other parts of the County or elsewhere in the region. With the Browns relocating to Brook Park Stadium, the City would lose a very large share of current spending activity. This analysis assumes that the City would lose 29 percent of the current economic impacts generated within Cuyahoga County, based on a proportionate share of the City’s population to the County.⁷

Direct visitor spending in these sectors generates indirect and induced impacts as dollars circulate through the local economy. The estimated \$58.6 million in ancillary spending by stadium patrons results in:

- A total annual economic impact of \$29.5 million in Cleveland, supporting approximately 360 jobs and generating approximately \$14.0 million in employee compensation;

⁷ As explained previously, a sharedown method is typically used to proportionally allocate economic impacts within a county to a particular municipality based on distribution of employment and/or population (in this case, 29 percent). Currently, the City likely captures much more than 29 percent of economic activity given the Current Stadium’s location Downtown. With the relocation to Brook Park Stadium, this analysis assumes that the City would lose 29 percent of current economic activity in the County with a portion of impacts still occurring in the City. For example, a small proportion of Brook Park Stadium patrons will likely stay Downtown.

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- A total annual economic impact of \$100.3 million within Cuyahoga County, supporting 1,230 jobs with over \$47.6 million in earnings; and,
- Approximately \$126.9 million total annual economic impact in Ohio, supporting 1,320 jobs and around \$53.0 million in employee compensation.

Figure 4.5: Estimated Annual Economic Impact of Ancillary Visitor Spending Attributable to Huntington Bank Field by Geography

Economic Impact	Cleveland	Cuyahoga	Ohio
Direct Output (\$M)	\$15.5	\$52.7	\$58.6
Indirect and Induced Output (\$M)	\$14.0	\$47.6	\$74.1
Total Output (\$M)	\$29.5	\$100.3	\$126.9
Total Employment (FTE)	360	1,230	1,320
Employee Compensation (\$M)	\$14.0	\$47.6	\$53.0

Source: IMPLAN (2022), Econsult Solutions, Inc. (2024)

4.5 Fiscal Impacts

The City benefits from direct taxes generated by the Browns' operations and stadium activities, as well as from taxes on businesses supported by visitor spending from football patrons and event attendees. If the Browns relocate to Brook Park Stadium, the City stands to lose approximately \$11 million in annual tax revenue.

- **Income Tax (Brown’s Operation):** Since the Browns’ practice facility and headquarters are located in Berea, the City only captures the portion of the team’s payroll attributable to home games. According to the City, it collected approximately \$900,000 in income tax from the Browns in 2023. The City would no longer collect this revenue if the Browns relocated to Brook Park Stadium.
- **Income Tax (Stadium Operations and Maintenance):** Wages for on-site contractors at the Current Stadium for operations and maintenance are subject to City income tax. Desk research and review of the Green Bay Packers’ annual financial report for 2023 (since the team is publicly owned and publishes its financial records), a reasonable estimate for NFL stadium operations and maintenance is around \$30 million annually. Based on IMPLAN modeling, this spending generates just under \$300,000 in annual income tax for the City.
- **Property Tax:** While Huntington Bank Field is owned by the City, as the stadium’s operator, the Browns are not exempt from property tax. According to the City, in 2023, the stadium generated \$787,287 in property tax (to be collected in 2024).
- **Admissions Tax:** Browns home games, concerts, and other events generated just over \$7.3 million in admissions tax revenue in 2023, up from just under \$6.0 million in 2022. From January

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to August 2024, the city has already collected \$7.4 million. Therefore, it is assumed that in a typical year moving forward, the City would collect an average of \$8.0 million annually.

- Parking Occupancy Tax:** The City collects an eight percent tax on parking fees. Data on parking revenue from stadium events is unavailable, but assuming an average parking cost of \$25 per vehicle, 2.5 persons per vehicle, and 75 percent of patrons arriving by personal vehicle, this equates to approximately \$4.8 million in parking revenue [642,210 patrons * 75 percent arriving by personal vehicle / 2.5 persons per vehicle * \$25 average parking fee] and approximately \$385,000 in parking tax [\$4.8 million * 8.0 percent parking tax], rounded to \$400,000.
- Hotel Tax (Transient Occupancy Tax):** Out of town stadium patrons, including those who live in the region but choose to stay in a Downtown hotel as part of the experience, support the city’s hotel tax base. As outlined in Figure 4.3, overnight visitors on average contribute approximately \$9.1 million in hotel revenue. As the City of Cleveland collects a three (3.0) percent Transient Occupancy Tax on hotel revenue, it is estimated that these lodging expenditures contribute around \$273,000 in tax revenue to the City, rounded to \$300,000.
- Income Tax (from Visitor Spending):** Employment wages are directly, indirectly supported, and induced by visitor spending also contribute to the City's income tax revenue. On an annual basis, visitor spending supports around \$11 million in wages paid by businesses within the City. At a 2.5% income tax rate, this generates an additional \$275,000 in income tax revenue for the City.

Figure 4.6: Summary of City Tax Revenue Generated from Cleveland Browns and Ancillary Visitor Spending

Tax Category	Average Annual Revenue (in \$M)
Direct Taxes from Browns	
Income Tax (Team)	\$0.8
Income Tax (Stadium O&M)	\$0.2
Admissions Tax	\$8.0
Property Tax	\$0.8
Taxes from Visitor Spending	
Hotel Tax	\$0.3
Parking Occupancy Tax	\$0.4
Income Tax	\$0.3
Total	\$10.8

Source: City of Cleveland (2024), Cleveland CCA (2024), IMPLAN (2022), Econsult Solutions, Inc. (2024)

5 Broader Impacts to Cleveland and Downtown

5.1 Impacts to Downtown’s Economic Trajectory

As the Cleveland region’s hub of employment, arts, culture, entertainment, and tourism activities, the success of Downtown directly impacts the region’s competitiveness and economic trajectory. As Downtown continues to recover in the post pandemic era, its economic future also impacts neighborhoods throughout the urban core. As regions throughout the country compete for talent, investment, and economic development opportunities, promoting access to vibrant, walkable, and amenitized commercial districts is essential. Therefore, without a strong Downtown Cleveland, the economic viability of the entire region will be threatened.

Given weak market conditions and slow economic growth in the MSA, the success of the proposed development will be dependent on its ability to draw demand from other parts of the County and region. According to the Ohio Department of Development, from 2020 to 2050, the County’s population is projected to decline by more than 18 percent for a net population loss of more than 230,000. While slow or no growth regions still need to replace aging or obsolete real estate, in this case, given the amount and expected quality of the proposed development, future demand would have to come from other parts of the County, putting Downtown Cleveland especially at risk.

Downtown Cleveland has been resilient over the last decade. It has been one of the fastest growing neighborhoods in Cleveland with its total population growing by 55 percent from 2010 to 2024, compared to the City losing eight percent and the County losing three percent of their populations during this time period. Downtown Cleveland has also accounted for around a third of the City’s new multifamily development since 2015.

Figure 5.1: Population and Multifamily Development Trends

Use Type	Downtown Cleveland	City of Cleveland	Cuyahoga County
Total Population, 2010	9,470	397,111	1,280,122
Total Population, 2024	14,700	365,993	1,236,639
Change, 2010-2024	55%	-8%	-3%
Multifamily Units Built Since 2015	3,911	11,699	15,991
Share of Total Units	40%	19%	11%

Source: CoStar (2024), Esri Business Analyst (2024)

Given that the Brook Park market area does not have adequate demand to support the 645 proposed multifamily units (analysis provided in following section), the absorption of these units would require capturing net new demand from higher-income renters entering the market and from attracting existing renters from the City and Downtown. This, coupled with continued decline of the office market post-pandemic, would adversely impact Downtown’s retail market and overall vibrancy leading to further economic and fiscal decline.

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Conversely, new mixed-use investment activity Downtown at the scale of what is proposed for the Brook Park site, could have a substantial catalytic impact on the City’s economy by further bolstering Downtown’s growing residential community and leveraging recent investments in its hospitality ecosystem, including the \$49 million expansion of the Huntington Convention Center. This level of investment would also create synergies with Downtown’s sports and entertainment anchors, including Rocket Mortgage FieldHouse and Progressive Field.

5.2 Added Losses from Additional Events at Brook Park Stadium

Events at Dome Stadiums in Comparable Midwestern Markets

In addition to NFL games, the Browns have indicated that the Brook Park Stadium would also host more than 50 concerts, special events, collegiate sports, and conferences. Dome stadiums in comparable Midwestern markets, including Ford Field (Detroit), U.S. Bank Stadium (Minneapolis), and Lucas Oil Stadium (Indianapolis), also host NFL home games, major concerts and events, and smaller events. In this context, major concerts and events typically have an attendance of 50,000 or more for national artists such as Taylor Swift, Garth Brooks, and Metallica as well as professional wrestling (WWE) and major collegiate sporting events such as Bowl games. In 2023, Ford Field had the most major event days with 12, while U.S. Bank Stadium and Lucas Oil Stadium had six and four event days, respectively. Based on regional (MSA) population, these domes hosted between 1.6 and 2.8 major events per one million residents. These domes also hosted five to ten smaller events such as high school tournaments, conventions, and motorcross. Based on the Cleveland MSA population of just under 2.1 million, the Brook Park Stadium would expect to host around four major events and four or five smaller events.

Figure 5.2: Non-NFL Events at Dome Stadiums in Comparable Markets, 2023

Stadium	City	NFL Team	MSA Population	Major Concerts and Events	Major Events per 1 million residents
Ford Field	Detroit	Lions	4.3M	12	2.8
U.S. Bank Stadium	Minneapolis	Vikings	3.7M	6	1.6
Lucas Oil Stadium	Indianapolis	Colts	2.1M	4	1.9

Source: U.S. Census (2024), Ford Field (2024), U.S. Bank Stadium (2024), Lucas Oil Stadium (2024)

Impacts of Drawing Activities from Existing City Sports, Convention, and Entertainment Venues

Based on activities at comparable dome stadiums, achieving a goal of 50 events annually would draw events and activities from other venues in the City, including Rocket Mortgage FieldHouse, Progressive Field, Huntington Convention Center of Cleveland, and I-X Center. For example, Monster Jam, currently hosted at Rocket Mortgage FieldHouse, attracts approximately 15,000 to 18,000 patrons per event over a three-day period. Moving this event to Brook Park Stadium would pull approximately 50,000 patrons out of the City and Downtown. Attracting conferences from the convention center would also lead to substantial losses in economic activity and room nights from the City. Since the details on the projected 50 events at Brook Park Stadium are unknown, Figure 5.3 shows order-of-magnitude hypothetical

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scenarios of lost economic activity from the City. For example, assuming 50 annual events averaging 10,000 patrons, the City would lose \$23 million in economic output, including \$11 million in employee compensation supporting 300 jobs. If average attendance for these events is higher, the City stands to lose an even greater amount of economic and fiscal activity.

Figure 5.3: Lost Impacts of Cleveland-Based Events Relocating to Brook Park Stadium and Environs

Economic Impact	Hypothetical Attendance Scenarios			
	50,000	100,000	500,000	1,000,000
Direct Output (\$M)	\$1.2	\$2.4	\$12.1	\$24.2
Indirect and Induced Output (\$M)	\$1.1	\$2.2	\$10.9	\$21.8
Total Output (\$M)	\$2.3	\$4.6	\$23.0	\$46.0
Total Employment (FTE)	30	60	300	600
Employee Compensation (\$M)	\$1.1	\$2.2	\$10.9	\$21.8
Tax Revenue (\$M)	\$0.1	\$0.1	\$0.6	\$1.2
Hotel Room Nights	2,300	4,600	23,000	46,000

Source: IMPLAN (2022), Econsult Solutions, Inc. (2024)

5.3 Conclusions

With the continued uncertainty of the office market in the post-pandemic era, downtown areas nationally continue to recover and redefine their economic purpose. The continued loss of market support for retail and storefronts would have adverse spillover impacts leading to declining conditions, increasing storefront vacancies, and negative perceptions from visitors. Many downtowns have focused on tourism, hospitality, and entertainment as part of their recovery strategy to compensate for the decline in purchasing power from the daily office workforce. The Brook Park Stadium plans would be contrary to these types of efforts and momentum.

In addition to lost economic and fiscal activity, the construction of Brook Park Stadium would create substantial costs for the City and other jurisdictions through needed infrastructure investments, including upgrades to roadways, utilities, and public transportation serving the site, in addition to added costs for event circulation planning and public safety enhancements. Conversely, Downtown’s infrastructure and service providers are already in place to serve not just Huntington Bank Field, but the City’s other prominent sports, entertainment, and hospitality venues and complementary commercial uses.

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6 Stadium Development Market Analysis

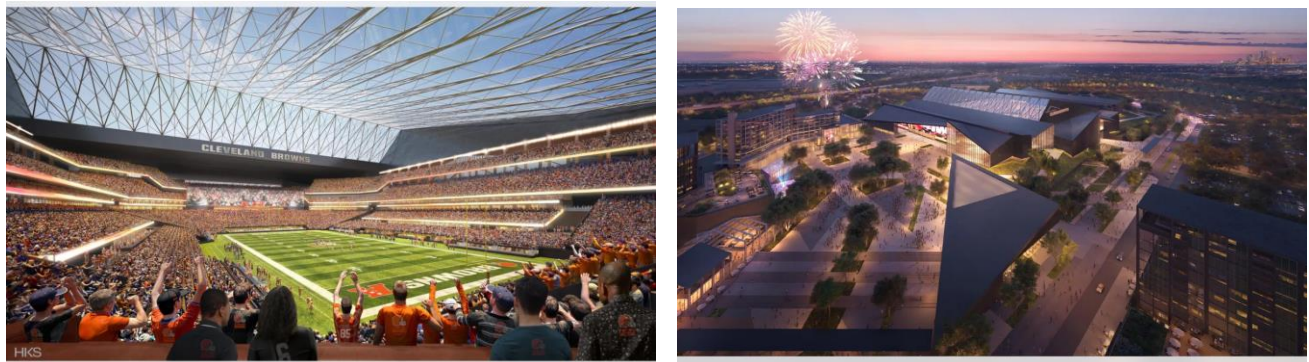
The following analysis evaluates the marketability of the proposed mixed-use development, including the site and each of the proposed asset classes, including multifamily, office, retail, and hotel.

6.1 Proposed Development

Development Program

The Browns have proposed a new dome stadium with a seating capacity of approximately 70,000 and a mix of uses containing more than 2.6 million square feet, including apartments, office, retail, event venue, team store, operations facility, and surface and structured parking for a site in Brook Park, Ohio. The estimated cost for the stadium itself is \$2.4 billion with no available cost estimate for the proposed mixed-use development.

Figure 6.1: Renderings of Proposed Brook Park Stadium and Mixed-Use Development



Source: Cleveland Browns (2024)

Figure 6.2: Proposed Brook Park Site Development Program

Proposed Use	Total Square Feet (SF) / Units / Rooms
Multifamily	645 units, 1,358,000 SF
Office	495,700 SF
Retail	299,000 SF
Hotel	405 rooms, 233,000 SF
Stadium Operations Facility	102,000 SF
Event Venue	85,000 SF
Team Store	30,700 SF
Total	2,603,400 SF

Source: City of Cleveland (2024)

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Future Events and Programming

In addition to NFL games, the Browns have indicated that the Brook Park Stadium would also host concerts, special events, and collegiate sports. Dome stadiums in comparable Midwestern markets, including Ford Field (Detroit), U.S. Bank Stadium (Minneapolis), and Lucas Oil Stadium (Indianapolis), also host NFL home games, major concerts and events, and smaller events. In this context, major concerts and events typically have an attendance of 50,000 or more for major national artists such as Taylor Swift, Garth Brooks, and Metallica as well as professional wrestling (WWE) and major collegiate sporting events such as Bowl games. In 2023, Ford Field had the most major event days with 12, while U.S. Bank Stadium and Lucas Oil Stadium had six and four event days, respectively. Based on MSA population, these domes hosted between 1.6 and 2.8 major events per one million residents. These domes also hosted five to ten smaller events such as high school tournaments, conventions, and motorcross. Based on the Cleveland MSA population of just under 2.1 million, the Brook Park Stadium would expect to host around four major events and four or five smaller events.

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Source: U.S. Census (2024), Ford Field (2024), U.S. Bank Stadium (2024), Lucas Oil Stadium (2024)

Site Location

The proposed site (Brook Park site) is in Brook Park containing approximately 190 acres bordered by Ford Motor Company Cleveland Engine Plant No. 1 to the north (with a workforce of around 1,600), logistics and warehousing space to the west and south, rail tracks and Berea Freeway followed by Cleveland Hopkins International Airport further west, and Interstate 71 followed by a neighborhood of modest single-family homes to the east. The site is approximately 10 miles southwest of Huntington Bank Field, generally within a 20-minute drive.

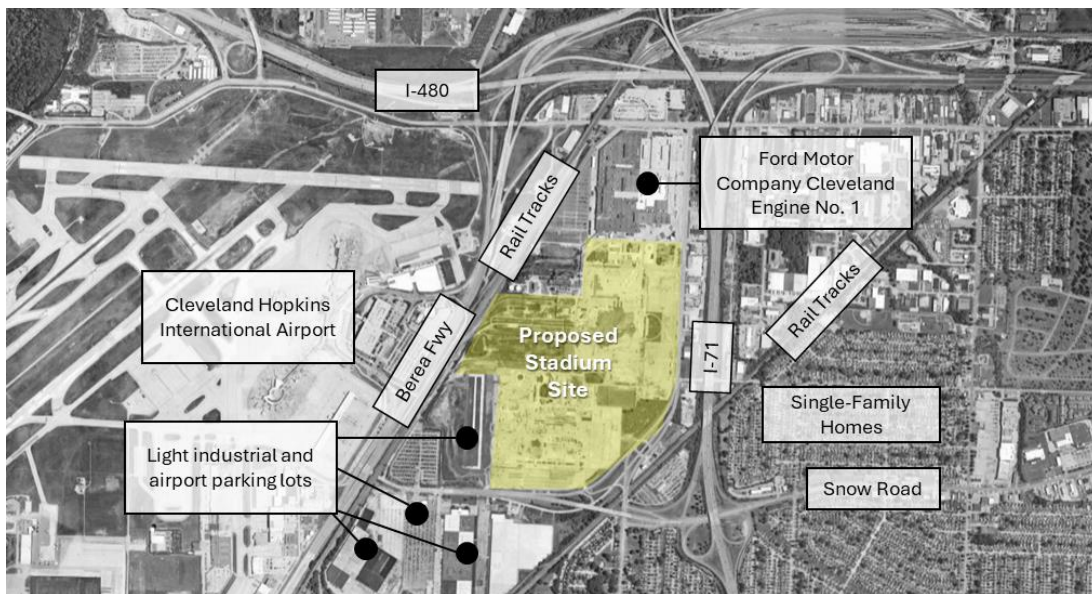
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Figure 6.4: Site Location



Source: Google Map (2024), Econsult Solutions, Inc. (2024)

Figure 6.5: Proposed Brook Park Stadium Site Aerial



Source: Google Earth Pro (2024), ESI (2024)

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Land Use and Compatibility

The areas surrounding the Brook Park site are primarily industrial with airport-serving uses throughout, including long-term parking lots. Based on data from CoStar, within a mile of the site, not including the airport, there is just under 6.4 million square feet of commercial real estate, of which, 5.8 million square feet, or just over 91 percent is light industrial, warehousing, flex, or manufacturing space, including the 1.7 million square foot Ford facility immediately north. There is one multifamily property, Glenbrook Townhomes, which was built in 1960 and is in average condition.

According to CoStar, the only proposed development within this area includes more than 3.3 million square feet of industrial space proposed for the Brook Park site (CoStar does not list the Browns Stadium redevelopment as a proposed development).

Figure 6.6: Existing Commercial Real Estate within One Mile of Brook Park Site

Proposed Use	Area (million SF)	Share
Industrial/Flex	5.84	91.6%
Multi-Family	0.13	2.0%
Hospitality	0.13	2.0%
Office	0.13	2.0%
Specialty (airport hangar)	0.06	1.4%
Retail	0.09	0.9%
Total	6.37	

Source: CoStar (2024)

According to the Zone Map of City of Brook Park, the Brook Park site is zoned U-5A Industrial District and according to the Brook Park Zoning Ordinance 1121.321 the district is “to provide, in appropriate and convenient districts, areas for industrial uses in order to promote employment and strengthen the economy of the community.” Permitted uses include veterinary hospitals and industrial or manufacturing uses. The proposed uses of office, hotel, retail, residential or entertainment uses are not permitted in this district and a variance and/or zoning change would be required prior to development.

Therefore, the most compatible uses for the Brook Park site are industrial (warehousing, logistics, or manufacturing) or other complementary uses serving the airport.

6.2 Site Marketability Analysis

The adjacent industrial uses as well as the proximity of Cleveland Hopkins International Airport severely limit the marketability for mixed-use development.

- **Incompatibility with adjacent land uses** – Mixed-use development, including multifamily, office, retail, and entertainment uses would be incompatible with adjacent land uses that include the Ford plant to the north, logistics and warehousing space to the west and south, airport further west, and industrial uses followed by Interstate 71 to the east. The areas further east include single-family residential neighborhoods consisting of very modest

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homes in average condition. According to Zillow, home sales over the last two years in these areas have generally ranged between \$150,000 and \$200,000.

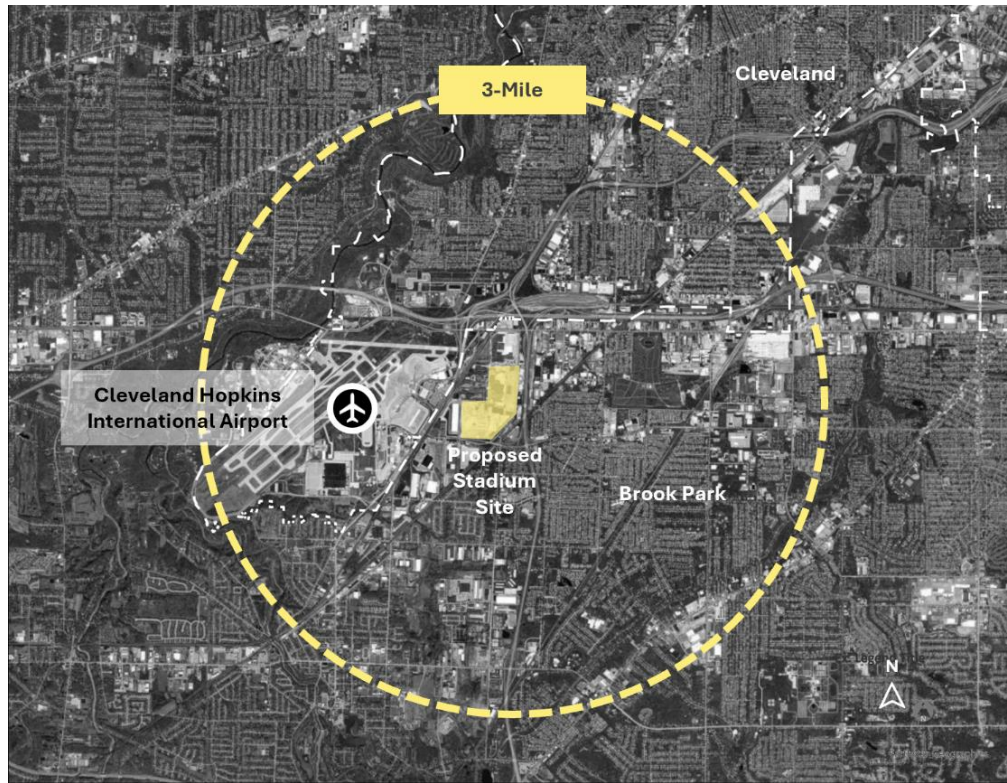
- **Pedestrian connectivity is limited** – Given the surrounding industrial uses, walkability is very limited to and from the site. There is not a direct pedestrian route from Brook Park Station with walk-times of 15 to 20 minutes along Engle Road that has poor sidewalk conditions and has limited curb appeal for pedestrians.
- **Poor environmental conditions for mixed-use development** – Given the proximity of the airport, the area has significant noise and poor air quality. There is limited nearby greenery, open space, or recreational uses limiting the competitiveness of the site for office and residential uses. The area’s industrial character and nearby uses would also create a nuisance for residents, office workers, and retail customers with emissions and truck traffic.
- **Hotels development would be a complementary use for the airport** – The existing hotel supply is below average, and a new hotel would improve the quality and condition of the supply. However, beyond event days and hotel demand from the airport, the hotel would have limited marketability without active retail or better accessibility.
- **Given surrounding uses, the proposed development would have limited catalytic potential to attract more mixed-use investment in the area** – The surrounding area is primarily industrial with very few developable parcels; therefore, there is very limited opportunity for the proposed redevelopment to spur additional investment in housing or commercial uses.

6.3 Market Area

This study defines a three-mile radius around the proposed stadium site as the market area. The market area includes portions of Cleveland, Brook Park and Berea. Most of the western portions of the market area include Cleveland Hopkins International Airport.

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Figure 6.7: 3-Mile Radius Market Area of Proposed Stadium Development



Source: Google Map (2024), Econsult Solutions, Inc. (2024)

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6.4 Demographic Conditions

Socioeconomic conditions in the market are generally consistent with countywide conditions and trends. The population within the market area has been declining, although this is consistent with trends in Cleveland and the County. The median household income in the market area is just under \$63,500, which is consistent with the county and MSA medians.

As a primarily working-class neighborhood, the market area has a median home value just under \$178,000 – higher than the City of Cleveland but lower than both the county and MSA medians of \$214,289 and \$234,675, respectively. Levels of educational attainment in the market area and Brook Park are also relatively low. In Brook Park, only 18 percent of the population aged 25 and older have at least a bachelor’s degree, compared to 24 percent in Cleveland, 38 percent in Cuyahoga County, and 36 percent in the MSA.

Figure 6.8: Demographic Profile and Trends

	Market Area	Brook Park	City of Cleveland	Cuyahoga County	Cleveland MSA
Population - 2010	72,410	19,201	397,111	1,280,122	2,178,763
Population - 2024	69,218	17,906	365,993	1,236,639	2,165,812
Population Change	-4%	-7%	-8%	-3%	-1%
Median Household Income	\$61,453	\$65,257	\$39,220	\$62,403	\$68,279
Median Housing Value	\$177,696	\$166,196	\$115,237	\$214,289	\$234,675
% Pop. with bachelor’s degree+	26%	18%	24%	38%	36%

Source: Esri Business Analyst (2024)

6.5 Employment Analysis

There are just under 70,000 jobs in the market area, representing about seven percent of the total employment in Cuyahoga County. The largest share of these jobs is in manufacturing (18.7 percent) and when aggregating Wholesale Trade, Transportation and Warehousing, and Other Services employment, more than a third (35 percent) are industrial and related jobs, compared to 15 percent in Cleveland and 21 percent throughout the county. The market area has just under 9,000 professional sector jobs, (including Information, Finance & Insurance, Professional, Scientific & Technical Services, and Management of Companies & Enterprises) representing 13 percent of the workforce, compared to 22 percent in Cleveland and 18 percent countryside. This further demonstrates that the area is a major hub for industrial jobs in the county and is less competitive for professional sector jobs and higher quality office space. This also informs the types of housing that would be in demand from the market area’s workforce – a large share of the workforce is seeking quality affordable or workforce housing as opposed to higher-end apartments.

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Figure 6.9: Employment by Sector, 2024

Industry Sector	Market area		Cleveland		Cuyahoga County	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	6	0.0%	181	0.0%	364	0.0%
Mining	0	0.0%	818	0.2%	1,441	0.2%
Utilities	19	0.0%	3,000	0.7%	3,535	0.4%
Construction	2,307	3.4%	7,938	2.0%	26,740	2.8%
Manufacturing	12,848	18.7%	24,143	6.0%	91,774	9.7%
Wholesale Trade	3,750	5.5%	8,859	2.2%	30,790	3.3%
Retail Trade	6,223	9.1%	16,977	4.2%	77,038	8.2%
Transportation & Warehousing	4,494	6.5%	6,210	1.5%	15,452	1.6%
Information	524	0.8%	6,753	1.7%	19,722	2.1%
Finance & Insurance	1,017	1.5%	10,103	2.5%	35,605	3.8%
Real Estate, Rental & Leasing	1,735	2.5%	5,934	1.5%	23,306	2.5%
Professional, Scientific & Tech Services	7,315	10.6%	70,617	17.4%	116,565	12.4%
Management of Companies & Enterprises	20	0.0%	1,994	0.5%	2,228	0.2%
Admin, Support & Waste Management Services	1,368	2.0%	6,313	1.6%	21,166	2.2%
Educational Services	2,738	4.0%	17,589	4.3%	50,813	5.4%
Health Care & Social Assistance	8,981	13.1%	149,973	37.0%	243,175	25.8%
Arts, Entertainment & Recreation	996	1.4%	10,664	2.6%	20,590	2.2%
Accommodation & Food Services	4,822	7.0%	18,664	4.6%	60,508	6.4%
Other Services (except Public Administration)	2,759	4.0%	19,941	4.9%	56,125	5.9%
Public Administration	6,552	9.5%	17,087	4.2%	41,962	4.4%
Total	68,732	100.0%	405,170	100.0%	943,493	100.0%

Source: Esri Business Analyst (2024)

6.6 Residential Analysis

Multifamily

There are 645 apartments proposed for the Brook Park site totaling just under 1.4 million gross square feet. This would represent the largest number of multifamily units built within the market area for more than a decade.

According to CoStar, around 4,250 of the market area’s total supply of 6,077 multifamily units (around 70 percent) was built before 1970, and since 2015, only 532 units across four properties have been delivered. Of this newer supply, three of the properties (448 of the 532 units, or 94 percent) are senior-oriented properties, including the 203-unit Riverside Park Phase II, which is a Section 8 property. The only non-senior market rate property is The Centaur, which is an adaptive reuse of a former office building containing 84 units. Given its location bordering the airport, average rents of are \$1,661, or \$1.90 per square foot, well-below average rents for new construction in Cuyahoga County outside of Cleveland, which averaged around \$2,294 for units built after 2015.

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There is one market rate property under construction, The Villas at Brookview at 14105 Snow Road, which will include 89 duplex rental units with attached garages. While this property has posted asking rents at the very high end of the market (\$2.19 per square foot), since the units have yet to be absorbed, market rents at these levels are still untested. Additionally, this type of product is not indicative of market demand for the proposed higher-end, higher-density apartments at the Brook Park site. The proposed development will also offer more than seven times the number of units as The Villas at Brookview.

Figure 6.10: Multifamily Development in Market Area since 2015

Property	Address	City	Total Units	Year Built	Description
The Centaur	21200 Brookpark Road	Fairview Park	84	2022	Adaptive Reuse
Riverside Park Phase II	17800 Parkmount Ave	Cleveland	203	2022	Section 8 Senior
Sheldon Square	125 Sheldon Rd	Berea	120	2022	Senior Apartments
Parma Village	11500 Huffman Rd	Parma	125	2016	Senior Apartments

Source: CoStar (2024)

Average rents in the market area (\$1,085) are slightly lower than Cleveland and the county average. Of new supply built since 2015, the average rents in the market area are also lower.

Cuyahoga County has had significantly less multifamily development outside of Cleveland. Since 2015, the county added around 16,000 new units, of which, 11,700 were built in Cleveland (73 percent). Outside of Cleveland, the only communities delivering more than 500 units over the last 10 years were Westlake (717 units) and Beachwood (787 units), both with much stronger socioeconomic and market conditions compared to Brook Park and the Brook Park market area.

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Figure 6.11: Multifamily Housing Market Profile, YTD 2024

	Market Area	City of Cleveland	Rest of Cuyahoga County	Total Cuyahoga County
Total Units	5,688	60,142	81,933	142,075
Total Built Since 2015	532	11,699	4,292	15,991
% Units Built Since 2015	9%	19%	5%	11%
Proposed Units	0	2,856	1,006	3,871
Average Rent – Total Supply	\$1,085	\$1,214	\$1,146	\$1,175
Average Rent –Supply Since 2015	\$1,810	\$1,855	\$2,294	\$1,973

Source: CoStar (2024)

There are around 34,000 households earning more than \$75,000 in the market area who could likely afford units at the Brook Park site.⁸ Based on the distribution of renter-occupied households by income in Cuyahoga County, there are around 7,300 renter-occupied households who could afford units at the Brook Park site. Based on conventional housing demand modeling, this returns a capture rate of 8.6 percent. Lenders typically seek a capture rate of less than five percent. This indicates that the proposed apartments would have to attract households from a much broader area, although it may struggle to attract tenants from more competitive and amenitized neighborhoods in suburban areas or Cleveland. While the adjacent airport and Ford plant would offer some demand for the proposed apartments, given assumed rent levels, they would be unaffordable to a sizable proportion of this workforce.

Figure 6.12: Housing Demand Model for Market Area

Income Range	Households in Market Area	Assumed Minimum Rent Affordability	Assumer Renter Household	Eligible Households
\$75,000 - \$99,999	12,088	\$1,563	26%	3,143
\$100,000 - \$149,999	13,791	\$1,667	20%	2,801
\$150,000 - \$199,999	5,354	\$2,500	20%	1,071
\$200,000+	2,758	>\$3,333	10%	276
Total Households	33,992		Total Eligible	7,290
Capture Rate for 645 units				8.8%

Source: ACS (2023), Esri (2024), Esri Business Analyst (2024)

⁸ While conventional affordability standards are around 30 to 35 percent of income toward rent, higher-income households typically allocate less income towards rent. This model assumes affordability of 20 to 25 percent of income towards rent.

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Single-Family

According to the Zillow Housing Value Index (ZHVI), the average home value in Brook Park is just over \$198,000 ranking it among the lowest municipalities in Cuyahoga County and just below the county average of \$205,000. Property value appreciation in Brook Park has generally followed countywide and MSA trends. According to Zillow, in the last 36 months, there have only been seven sales of single-family homes built since 2010 in the market area indicating very little new construction for more than a decade.

Figure 6.13: Zillow Housing Value Index (ZHVI), August 2015 to August 2024

	Brook Park	Cuyahoga County	Cleveland MSA
ZHVI 2015	\$103,854	\$105,893	\$126,150
ZHVI 2024	\$198,292	\$205,186	\$231,550
Change in Value	+91%	+94%	+84%

Source: Zillow (2024)

6.7 Office Analysis

There are 495,700 square feet of office space proposed for the site. Within the market area, there are 3.5 million square feet of office space, of which, around 500,000 square feet are vacant (around 15 percent). This vacancy rate is consistent with the parts of Cuyahoga County outside of Cleveland (14 percent). The vacancy rate is not as high in Cleveland at around nine percent.

There has only been 43,000 square feet of office space built in the market area since 2015 (20600 Emerald Parkway) and this space has a marketable location adjacent to the Rocky River and Bridle Trail and within easy access from Interstate 480. Most of the office space within a mile of the Brook Park site is older and less competitive, primary built in the 1960s and 1970s, which is why the average rent of \$16.30 per square foot is lower than in Cleveland (\$20.40 per square foot) and other parts of the County (\$19.79 per square foot).

There has very little new office development in the County since 2015 with only 2.6 million square feet of space delivered, of which, 1.9 million square feet, or 73 percent was built in Cleveland. Overall, given the impacts of the COVID-19 pandemic, vacancies continue to increase with negative net absorption in the County of 331,500 square feet over the last 12 months. While leasing trends indicate that newer and higher quality office space can be competitive (aka “flight-to-quality”), most newer office space in the suburban portions of the County is in areas with stronger socioeconomic conditions, including Westlake that has delivered more than a million square feet of space since 2015. While a recent JLL office market report for Q2 2024 indicates that the market has stabilized,⁹ the proposed office space would have to compete with already established commercial districts in the County and could only be successful if an anchor tenant leasing a large proportion of the nearly 500,000 square feet of proposed space could be

⁹ <https://www.us.jll.com/content/dam/jll-com/documents/pdf/research/americas/us/q2-2024-office-market-dynamics/jll-us-office-market-dynamics-q2-2024-cleveland.pdf>

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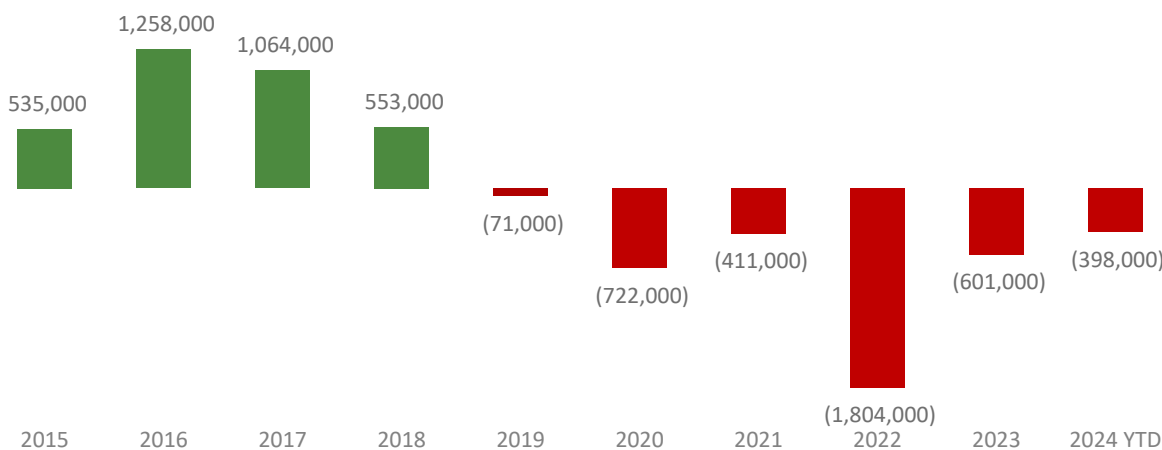
identified. At the same time, this is a large amount of space for a single tenant. For comparison, the Sherwin-Williams Research & Development Center that is under development in Brecksville will contain approximately 600,000 square feet.

Figure 6.14: Office Supply Profile, 2024 YTD

	Market Area	Cleveland	Cuyahoga County (excl. Cleveland)	Total Cuyahoga County
Total Supply (MSF)	3.5	53.2	41.9	95.1
Vacancy Rate	15%	9%	14%	11%
Total Vacant Space (MSF)	0.5	4.8	5.7	10.5
Average Rent	\$16.30	\$20.40	\$19.70	\$20.10
12-Month Net Absorption	12,300	(207,000)	(124,500)	(331,500)
Built since 2015 (MSF)	0.4	0.7	1.9	2.6
Average Rent	N/A	\$23.40	\$23.720	\$23.60

Source: CoStar (2024)

Figure 6.15: Annual Net Office Absorption, Cuyahoga County, 2015 through 2024 YTD



Source: CoStar (2024)

6.8 Retail Analysis

There is just under 300,000 square feet of retail space proposed for the site, not including the more than 30,000 square foot team store and 85,000 square foot event venue. The market area has a relatively large supply of retail space with 4.8 million square feet, although new development has been limited with less than 200,000 square feet of new space added since 2015 and there is no other proposed space. Most of this retail space includes gas stations, auto dealerships, out lot fast food restaurants, and a smaller strip center with Aldi grocery store at 6820 Pearl Road in Middleburg Heights. The proposed retail space on the Brook Park site would represent the most retail space delivered in the

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market area for over a decade and creating an entertainment focused retail destination would be unprecedented in this part of the County.

Average retail rents are relatively low in the market area – \$13.84 per square foot compared to \$17.35 per square foot in the suburban parts of the County – which can be attributed to market conditions, quality of the existing supply, and lack of new development.

While the proposed amount of retail space for the site only represents about 10 percent of the amount of retail space delivered in the suburban portions of the County since 2015, given the poor marketability of the site for retail uses, socioeconomic conditions in the market area, and competition from more attractive retail districts, there would not be a sustaining local customer base for non-event days.

Figure 6.16: Retail Supply Overview

	Market Area	Cleveland	Cuyahoga County (excl. Cleveland)	Total Cuyahoga County
Inventory MSF	4.8	33.2	56.0	89.2
Vacancy Rate	3.6%	2.6%	3.7%	5.0%
Average Rent	\$13.84	\$14.61	\$20.07	\$16.33
Built since 2015 MSF	0.2	0.8	2.8	3.6
Average Rent	\$13.45	\$15.08	\$19.08	\$18.19

Source: CoStar (2024)

6.9 Hotel Analysis

Given the presence of the airport, there is a sizable supply of hotel rooms within the market area with 2,643 rooms representing 28 percent of the hotel supply in Cuyahoga County outside of Cleveland; however, most of the supply is lower quality and less competitive as reflected by the Average Daily Rate (ADR) of \$104, significantly lower than the ADR in Cleveland (\$160) and the other parts of the County (\$122). Additionally, occupancy of the hotel supply within three miles of the site (60.8 percent) is lower than the City (64.0 percent) and parts of the County outside of the City (63.4 percent). New development has been very limited within three miles of the site with only 170 rooms delivered since 2015 compared to 1,758 rooms in the City and 1,635 rooms in the areas of the County outside of City. The proposed hotel development of 404 rooms on the Brook Park site would represent more than double the number of rooms added to the market area since 2015.

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Figure 6.17: Hotel Supply Overview

	Market Area	Cleveland	Cuyahoga County (excl. Cleveland)	Total Cuyahoga County
Total Rooms	2,643	8,225	9,336	17,561
12-Month Occupancy	60.8%	64.0%	63.4%	63.7%
12-Month ADR	\$104	\$160	\$122	\$140
Rooms Built since 2015	170	1,758	1,635	3,393
12-Month Occupancy	60.2%	67.5%	63.4%	65.7%
12-Month ADR	\$126	\$164	\$135	\$150
Total Proposed Rooms	0	345	244	589

Source: CoStar (2024)

Hotel demand in the county has not recovered from the pandemic – the total number of room nights in Cuyahoga County over a 12-month period from August 2019 to August 2024 is seven percent lower. The recovery in Cleveland has been slightly stronger with only a five percent decline. In the market area, the decline was 15 percent.

While new hotel development would vastly improve the market area’s hotel supply, it is a less competitive area for higher-quality hotels. Given that Cuyahoga County’s room night demand is still below pre-pandemic levels, the success of a new hotel would require capturing demand from other parts of the County. This would especially impact Downtown Cleveland, which has also not recovered from the pandemic with total 12-month room nights of 1,068,000 as of August 2024 (235,239) compared to 1,150,000 in as of August 2019, for a seven percent decline.

Figure 6.18: Hotel Demand Overview, 12-Month Room Nights, August 2019 vs. August 2024

	Market Area	Cleveland	Cuyahoga County (excl. Cleveland)	Total Cuyahoga County
12-Month Room Nights, Aug. 2019	710,000	1,960,000	2,420,000	4,390,000
12-Month Room Nights, Aug. 2024	600,000	1,860,000	2,200,000	4,060,000
Net Change	(110,000)	(100,000)	(220,000)	(330,000)
% Change	-15%	-5%	-9%	-7%

Source: CoStar (2024)

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6.10 Competitive Districts Analysis

Competitive Suburban Mixed-Use Districts

Three competitive suburban mixed-use districts in Cuyahoga County were identified for evaluating market conditions, including Crocker Park in Westlake, Pinecrest in Beachwood, and Valor Acres in Brecksville (which is still under development).

In terms of size, scale, and uses, Crocker Park in Westlake is the most comparable to the Brook Park development program, including 534 multifamily units, around 900,000 square feet of office space, 1.1 million square feet of retail space, and 110 hotel rooms (although the influence of Crocker Park is more substantial given adjacent development in Westlake).

While the population within the Brook Park market area is larger than the competitive districts, median household income and median housing values are substantially lower for the Brook Park site compared to the other districts. In fact, median housing values in the competitive market areas are effectively twice as high as within the Brook Park market area. Levels of educational attainment – which are often a site selection criterion for higher-end national retailers – are also substantially lower for the Brook Park market area.

The description of each district, aerial image, and demographic profile for each district within a three-mile radius is presented on the following pages.

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Figure 6.19: Profiles of Competitive Mixed-Used Districts

Croker Park

177 Market St, Westlake, OH

Year Built: 2004-Present
Area: 120 Acres

Developed by Stark Enterprise, Croker Park started with a 250,000 SF strip center and expanded over 20 city blocks. The development is integrated with the City of Westlake’s downtown development, and attracted nearly 20 million visitors annually.

Type	Existing Area
Multifamily	534 Units
Office	897,700 SF
Retail	1,058,200 SF
Hotel	110 Units



Image Sources: Google Map (2024), Stark Enterprises (2019)

Pinecrest

200 Park Ave, Beachwood, OH

Year Built: 2018
Area: 44 Acres (Est.)

Pinecrest mixed use residential and commercial development locates at the Harvard Road exit of I-271 with street-level retails, movie theaters, class A offices, boutique hotel and high-end apartment units.

Type	Existing Area
Multifamily	87 Units
Office	216,500 SF
Retail	434,500 SF
Hotel	145 Units



Image Sources: Google Map (2024), CallisonRTKL, Digeonino Companies

Valor Acres

9000 Canvas Parkway, Brecksville, OH

Year Built: 2024 (Expected)
Area: 35 Acres (Est.)

Valor Acres development is incentivized and anchored by the new adjacent 660,000 SF Sherwin Williams R&D Center and the relocation of DiGeronimo Companies to the 50,000 SF office space on site.

Type	Proposed Area
Multifamily	186 Units
Office	183,950 SF
Retail	46,260 SF
Hotel	-



Image Sources: Google Map (2024), CoStar

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Figure 6.20: 3-Mile Radius of Competitive Mixed-Use Districts



Source: Google Map (2024), ArcGIS Pro (2024), Econsult Solutions, Inc. (2024)

Figure 6.21: Demographic Profile Within 3-Mile Radius of Competitive Mixed-Use Districts

3-Mile Radius	Proposed Site (Brook Park)	Croker Park (Westlake)	Pinecrest (Beachwood)	Valor Acres (Brecksville)
Population (2010)	72,410	54,920	42,737	16,815
Population (2024)	69,218	56,698	44,054	16,383
Population Change (2010-2024)	-4%	3%	3%	-3%
Median Household Income	\$61,453	\$118,663	\$92,857	\$127,976
Median Housing Value	\$177,696	\$346,608	\$366,516	\$363,659
% with Bachelor's Degree+	26%	62%	58%	63%

Source: Esri Business Analyst (2024)

A review of newly built apartments in or near these districts indicates that with the exception of Crocker Park in Westlake, average rents per square foot are above \$2.00, and in some cases above \$2.50 per square foot. Crocker Park has 534 units, making it substantially larger than the other properties and is

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now around 10 years old. The proposed development program includes 645 units and would represent the most units built within a single development in the suburban parts of Cuyahoga County for several decades. Given its location, it would not be able to achieve rents at the same levels as this competition in areas with stronger market conditions.

Figure 6.22: Competitive Suburban Commercial District Apartments

	Crocker Park Living (Westlake)	4th and Pinecrest (Beachwood)	The Hiatus (Beachwood)	The Aster (Beachwood)	Canvas at Valor Acres (Brecksville)
Total Units	534	87	146	206	168
Year Built	2015	2018	2022	2018	2023
Occupancy	97%	96.5%	93.8%	94.4%	73.6%
Average Studio Rent	\$1,380	-	\$1,410	-	-
Rent PSF	\$1.74	-	\$3.10	-	-
Average One-Bedroom Rent	\$1,715	\$2,701	\$1,882	\$1,784	\$1,932
Rent PSF	\$1.99	\$2.81	\$3.02	\$2.24	\$2.56
Average Two-Bedroom Ret	\$2,493	\$3,557	\$2,853	\$2,175	\$3,643
Rent PSF	\$1.94	\$2.80	\$2.77	\$1.87	\$2.59
Average Three-Bedroom Rent	\$2,679	\$4,298	-	\$3,421	\$4,242
Rent PSF	\$1.90	\$2.54	-	\$2.27	\$2.78
Total Average Rent	\$2,023	\$3,199	\$1,888	\$2,007	\$2,422
Rent PSF	\$1.96	\$2.79	\$2.99	\$2.06	\$2.58

Source: CoStar (2024)

Office development built since 2015 in each of the competitive market areas has average rents ranging from \$21.48 to \$29.99 per square foot with retail space building since 2015 ranging from \$14.27 to \$22.43 per square foot. Among the competitive districts, Beachwood has the highest average rents. Average retail rents for the Brook Park site are lower for newer supply and total supply. Average office rents are also lower than the competitive areas.

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Figure 6.23: Office and Retail Development Within 3-Mile Radius of Competitive Mixed-Use Districts

3-Mile Radius	Proposed Site (Brook Park)	Croker Park (Westlake)	Pinecrest (Beachwood)	Valor Acres (Brecksville)
Total Office Supply (SF)	3.5M	4.1M	8.4M	2.1M
Average Rent (PSF)	\$16.30	\$20.64	\$22.52	\$19.14
Total Office Built since 2015 (SF)	.04M	1.1M	0.43M	.05M
Average Rent (PSF)	N/A	\$21.48	\$29.99	\$23.93
Total Retail Supply (SF)	4.8M	3.6M	5.0M	.83M
Average Rent (PSF)	\$13.84	\$17.31	\$21.08	\$18.58
Total Retail Built since 2015 (SF)	.2M	.75M	1.0M	.05M
Average Rent (PSF)	\$13.45	\$14.27	\$22.43	\$17.89

Source: CoStar (2024)