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The price of good will

Surprise tax abatement for Steelyard Commons cleanup offers the chance for acts of good corporate citizenship

There's always been a lot to like about the Steelyard Commons retail complex: Its intriguing re-use of old industrial land. The promise of some badly needed, suburban-style shopping in Cleveland. And maybe most of all, the insistence of developer Mitchell Schneider that he could, and would, do the project without local incentives.

Schneider, mindful of the hullabaloo that once surrounded the plan, has tried to be a good corporate citizen. He's building the portion of the Towpath Trail that runs through Steelyard Commons. He's preserving artifacts of the property's steel-making days. He has worked with neighbors to ease concerns about traffic, aesthetics and the impact on their business districts. He enthusiastically embraced an idea to help underwrite other parts of the Towpath Trail and to aid small retailers by tapping the non-schools portion of the extra property taxes that Steelyard Commons will generate.

Only now a cloud hangs over that last promise. Schneider and some of the major retailers who bought parcels within Steelyard Commons took part in an Ohio program that encourages developers to clean up brownfields on their own dime in return for certification that bars the state or anyone else from ever bringing an environmental lawsuit against them. Without such liability protection, many reclamation projects would never get financed.

But the Covenant Not to Sue brings another perk: a 10-year exemption from all property taxes on the increased value of the cleaned-up

land. At the moment, it's a *mandatory* exemption that involves no local government approval and supersedes any tax arrangements a developer might prefer. Schneider, who has done no other brownfields projects, says he had no idea that provision existed. When his lawyers told him, he quickly informed City Hall and is looking for a remedy that gets money flowing to the schools and the other projects that were to benefit.

So far, only one exemption has been issued: to Wal-Mart, which owns the parcel where a superstore is to open this fall. Home Depot is awaiting certification, as are Target and the rest of the complex, which Schneider controls.

It is tempting to look for blame here. The city's development team, which drew up the tax-sharing agreement introduced under Mayor Jane Campbell and approved under Mayor Frank Jackson, clearly failed to do its homework. And it's hard to imagine that all of the private-sector actors and their attorneys just learned of the exemption.

But a way exists to fix this. The General Assembly passed an amendment in December that allows participants in the voluntary cleanup program to turn down or give back their tax exemptions.

If Schneider and the other companies — notably Wal-Mart, which hopes to create a more eco-friendly image — want to abide by the agreement they publicly touted, there's a door opening to do it. By walking through it, Steelyard Commons can yet be a win for this city.