

12-1-2005

# Transforming our Regional Economy

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## Repository Citation

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## Cuyahoga County of Ohio Blue Ribbon Task Force

# Transforming Our Regional Economy

## Action Plan 2006

Presented to:  
Cuyahoga County Board of Commissioners

Cleveland, Ohio  
December 2005

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## Executive Summary

This strategic action plan focuses on the future of Cuyahoga County and sets forth a roadmap to build a more prosperous economy.

It is not the only road map available to us, and we can certainly improve upon it. But, it is a roadmap that is practical, one that we can begin using today. We have set out initiatives that can and should be implemented.

At the outset, we need to make three points clear.

**Focus, alignment, and scale** - This strategic action plan focuses on the role of the county's Department of Development in promoting an economic transformation in our region. In designing this strategy, we are careful to underscore the importance of other efforts currently underway. Among them are the Fund for Our Economic Future, the region's emerging Manufacturing Advocacy and Growth Network, Team NEO, Greater Cleveland Partnership, JumpStart, BioEnterprise, and NorTech's technology strategy.

Some people look at these efforts and see fragmentation.

There is another view. If the governance of each initiative widely explains its mission and shares its information, we achieve alignment, not fragmentation. We achieve scale through networks, not consolidation.

**Collaboration** - Another important, related point: this action plan represents a collaboration. For a number of months, a group of informed leaders in Cuyahoga County has engaged in deep and sustained conversations about the future of our region. The county's Department of Development and Commissioner Peter Lawson Jones invited us to explore an important question: How could the county government play a constructive, collaborative role in economic transformation?

In our discussions, we got beyond "bumper sticker" thinking and super heated rhetoric. This action plan, while not perfect, is good enough to get started. By moving to implementation, we can build even broader collaborations within the county and figure out what is working. The county's strategy, as set forth in this action plan, reflects the continuation of a vital trend to our future: the close collaboration of the county with existing economic development efforts.

**Privately led, publicly supported strategies** - Here is the third key point. This action plan explores the county role in privately led, publicly supported strategies. These are strategies in which the majority of economic development funding comes from the private sector, with the public sector playing a minority role.

We have a great deal of experience in our region with the other type of economic development strategy: publicly led and privately supported. Publicly led strategies financed the transformation of Cleveland with Gateway, the Browns stadium, the Science Center, and the Rock Hall.

We have been less successful with privately led, publicly supported strategies. Figuring out how the county can support these efforts is more subtle and complex. Yet, these strategies are far more transformative and enduring. These are the strategies that other regions, notably Silicon Valley and the Research Triangle, have used to build innovative, growth-oriented economies. The challenge for the county comes in balancing the need to co-invest with the private sector, with the need to maintain accountability over public funds.

The initiatives in this action plan strike that balance. This plan demonstrates how Cuyahoga County can:

- Get started immediately with five transformative initiatives and an investment of \$8.5 million;
- Adopt a tested new approach to economic development to insure collaboration, focus, and scale;
- Leverage county resources by transforming the Department of Development's mission and budget;
- Build an inclusive public process with which to align the region behind common goals and regional transformation initiatives.

Like any good roadmap, this action plan outlines in clear terms **where we want to go and our next steps.**

For the last 35 years, our economy has been compressing under a number of relentless pressures. Globalization - the collapse of the cost to connect to global markets - has led to a loss of employers in the old industrial economy. Like the rest of the country, we are in the midst of a profound economic transformation. We are moving from an economy in which we create wealth through the control of resources, to an economy in which we create wealth through ideas, knowledge, and innovation. Andrew Carnegie and John D. Rockefeller created wealth by controlling resources with huge industrial complexes. Bill Gates generates wealth from new ideas and software you can carry in your pocket.

We can state the central challenge for this generation of civic leaders in Cuyahoga County simply: How can we devise an investment strategy that will accelerate the transformation of our regional economy toward knowledge and innovation?

We start with a clear recognition. Federal and state governments can offer only limited help. Budget cuts mean that we cannot rely heavily on outside public funds. The strategy for our economic transformation must emerge from our local civic leadership and be driven predominantly by local investment, both public and private.

In sum, we will have to think and act in new ways. The economic transformation of Cleveland in the 1980s relied on federal and state investments. Today, we must focus more on leveraging our local resources. To transform our economy successfully, the private and public sectors within our region must join together to become fully engaged, flexible, and responsive partners.

The challenges ahead are daunting. In addition to globalization, demographic shifts are creating another set of pressures on our local economy. As our workforce ages, we will have increasing difficulty replacing lost skills, and lost skills mean lost income. At the same time, globalization means that our labor force faces global competition for skills. Increasingly, anyone can manufacture anything anywhere in the world. Finally, of course, technology continues to advance at a rapid rate and creates even higher demands for skills. In simple terms, a high school education is no longer a ticket to the middle class.

We are only beginning to build a stable economic foundation to replace the businesses and jobs we are losing. One fact is clear: our county has not adapted well to the new opportunities born from innovation. In large part, our lack of civic collaboration - our fragmentation - has undercut our ability to adjust. The challenges we face are complex. No one individual, no one organization has all the answers. There are no "silver bullets," no magic solutions, no One Big Project that will guarantee that our transformation will succeed.

We can see the consequences of our inability to move to an innovation-led economy by looking at per capita income levels. Per capita income represents one very good measure of economic performance. Since 1970, our metro area has lagged dramatically behind leading edge metropolitan areas such as Austin and Charlotte. If we compare ourselves to other industrial areas in the Great Lakes, we see that our performance even falls behind such areas as Pittsburgh, Cincinnati, and Milwaukee.

Investments by the county, if carefully managed, can help us accelerate our transition to an innovation economy. However, the commitment of the county's general revenue funds to economic development raises important strategic questions. How can the county best utilize its funds to leverage private investment in economic transformation? What investments matter most? How should the county commit these funds while maintaining accountability over the public's money?

To explore these questions and provide some answers, the Department of Development and Commissioner Peter Lawson Jones established the Blue Ribbon Task Force (BRTF). After spending nearly a year exploring the different initiatives underway in the region, the BRTF turned its attention to devising a strategy for the county's Department of Development.

The process began by establishing the criteria the county should use in evaluating any new economic development initiative. First and foremost, any economic development initiative should focus on increasing the flow of new dollars into the local economy or stemming the outflow of dollars out of the region. The BRTF determined that our strategy should concentrate on:

1. Helping existing businesses to become more innovative; the result is business expansion and growing employment.
2. Attracting new businesses to locate in Northeast Ohio by creating open innovation networks or "clusters".
3. Supporting universities as the generators of new ideas.

## Transformative Initiatives

To be effective, the county should position investment at the boundary of new markets. These investments are inherently risky, and the county should be willing, within limits, to take some risks. Initiatives should focus on learning quickly what works. There is no textbook that clearly outlines a path to prosperity. In the end, economic development is a game of trial and error. The best way to learn quickly and to spread risk is to build trusted partnerships that enable us to move quickly.

After defining these criteria, the BRTF explored a wide range of different ideas for initiatives. Through several workshops, the BRTF boiled these ideas down to twelve initiatives, of which it prioritized these five:

- CuyahogaNext
- North Coast Clusters
- Cuyahoga Innovation Zones
- Invest in Children
- New Start Partners

### ***CuyahogaNext***

CuyahogaNext is designed to reinforce new patterns of civic leadership in our region. The initiative includes two components, CuyahogaNext *partners* and CuyahogaNext *advisors*. CuyahogaNext *partners* represents a core group of civic leaders who must collaborate on an ongoing basis. Without this minimum core of collaboration, very little can get done in the county.

Standing alone, however, the *partners* group can become isolated and lose its effectiveness. The second component of CuyahogaNext involves an informal group of advisors. These advisors are drawn from a network of people engaged in economic development. The role of CuyahogaNext *advisors* is threefold: 1) advise the *partners* on new directions; 2) assist the *partners* in implementing initiatives; and 3) design an on-going process of civic engagement to solicit and test new ideas from residents in the county.

CuyahogaNext should evolve into an important hub for economic development conversations and action. For it to become a hub, CuyahogaNext needs to provide value to all the stakeholders. This value is rooted in three important dimensions:

- **Focus:** CuyahogaNext will guide a regional economic development process and portfolio-based approach to managing initiatives.
- **Scale:** Through a process that focuses on measurable results, CuyahogaNext will open new avenues for investment.
- **Alignment:** Through the engagement of different parties involved in regional transformation, CuyahogaNext will enable our region to recalibrate and learn continuously about what works.

### ***North Coast Clusters***

North Coast Clusters provides the opportunity for the county to co-invest with other private sector entities in emerging technology-based business opportunities. Across our county, a number of entities, including JumpStart, BioEnterprise, and NorTech are building new innovation networks. The county can play a role in building these clusters if this role is carefully designed and monitored.

The county is already moving in this direction. Through a partnership with CAMP, the county invests in new product development for manufacturing companies. To qualify for investment, these products must be manufactured in the county. Creating partnerships in this way represents an established strategy to accelerate business development.

### ***Cuyahoga Innovation Zones***

Cuyahoga Innovation Zones borrows an important concept from Michigan and Pennsylvania. In the growing knowledge economy, business development is concentrated around our college, university, and research campuses, such as NASA and the Cleveland Clinic. To stimulate this growth, both Pennsylvania and Michigan have established programs encourage business development investments around these campuses.

We can build a powerful innovation zone along Euclid Avenue from downtown to General Electric's Nela Park in East Cleveland. The RTA will already be pumping millions of dollars into the Euclid Avenue corridor to streamline transportation. We have other anchors - colleges, universities, and research facilities such as NASA - around which we can build innovation zones.

### ***Invest in Children***

Invest in Children represents the surest investment in economic development that the county can make. Invest in Children represents solid investments in brainpower, the critical resource in today's knowledge economy. For a number of years, research findings have been pointing to one conclusion: investments in early childcare pay large, steady dividends. Our brains develop early and rapidly. From birth, a child's brain is responsive to learning, and the quality of these early experiences can dramatically improve prospects later in life.



Beginning in the late 1990s, governors in several Southern states came to recognize the importance of early childhood development to economic development. They began funding early childhood development as an economic development strategy. As South Carolina's director of economic development wrote recently, "The economic return on investment' from quality early childhood care and education is extraordinary."<sup>1</sup>

### ***NewStart Partners***

Cuyahoga County can become a globally recognized leader in "regeneration strategies" – converting older industrial areas into magnets for new investment. The county's brownfield remediation program, which reclaims environmentally contaminated properties, is already nationally recognized. To become a global leader, we need a far more aggressive and strategic effort to regenerate older properties. NewStart Partners represents an ambitious effort to design and implement an aggressive regeneration strategy that includes both brownfields and grayfields, obsolete commercial and industrial properties. We need both a new financing vehicle and a new process to target our investments strategically across the county. Our regeneration strategy needs to be closely tied to market opportunities. NewStart Partners will design and implement this new approach.

### **From Words to Actions**

Taken together, these five initiatives provide a balanced portfolio for the county's new economic development program. The BRTF recommends that the county take two steps to implement this plan. First, the county should increase its commitment to economic development from \$5 million to \$8.5 million in 2006. Second, the county should start transforming its existing economic development initiatives around the priorities set forth in this strategic action plan. This transformation does not mean the termination of any existing program; rather, it means refocusing the existing programs toward investments in innovation, early child care, and regeneration.

The BRTF has set out a very clear implementation plan to start moving on this road map in January 2006. By starting implementation, the BRTF recommends that the county focus on "strategic doing" – moving transformative ideas from words to action. Only in this way can we productively broaden the engagement of civic leaders across the county. In civic life, just as in our personal lives, we build trust through our actions, not our words alone.

In a global economy driven by innovation, Cuyahoga County can only survive by becoming proactive and not relying on reactionary policies. If we collaborate, we will be more competitive. We will be able to learn faster, spot opportunities faster, align resources faster, make decisions faster, and above all, make progress faster. If we fail to overcome our differences, fragmentation will surely drag us all down. Unfortunately, our children will be the ones to pay the full costs of our failure.

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<sup>1</sup> Some BRTF members proposed this idea to deal with situations like the Defense Finance and Accounting Services and OfficeMax. In other regions, Chambers of Commerce establish opportunity funds. These funds are usually included in a broader chamber fund-raising campaign to support economic development.

## Transforming Our Regional Economy

Globalization, demographic, and technological trends are all pressuring our region. If we are to endure and thrive in the face of this pressure, our region must become more competitive. It must change from a predominantly “old” economy into a vibrant “new” economy driven by innovation. Indeed, a deep commitment by civic leaders to collaboration and innovation will define our Next Economy.

***Cuyahoga County can play a key role in transforming our regional economy and making change happen.***

Economic development is not a simple “set it and forget it” government responsibility. Markets are constantly shifting. New opportunities emerge as old strengths fade. The Cuyahoga County economy, like other regional economies in the Great Lakes, is confronting a “perfect storm” of globalization, aging demographics, and technological advancement. How well our region weathers this storm will determine its position in the global economy. That, in turn, will determine our citizens’ prosperity and way of life for generations to come.

Globalization has exposed numerous weaknesses in the county economy. At the same time, these forces create a series of imperatives for civic leaders in our region:

- **Weakness:** Loss of the entrepreneurial spirit and “can do” attitude that made this region the national leader at the turn of the 20th century (e.g., oil industry was born in Northeast Ohio).  
**Imperative:** We must rebuild a deep, sustained commitment to entrepreneurship and innovation.
- **Weakness:** Loss of large employers and jobs tied to old economy industries (e.g., locus of the new economy automotive industry is in the south) and our region’s inability to attract replacements (e.g., the southern and western locations of our country are most attractive to new economy companies in all industries coming to the U.S.)  
**Imperative:** We must utilize our region’s unique assets, especially knowledge-based assets like our colleges, universities, and libraries in new and different ways, creating unique value propositions that will attract and retain businesses that create high-paying new economy jobs.
- **Weakness:** Falling behind the rest of the world in creating an able and willing new economy workforce (e.g., India is graduating more engineers per year than the U.S.)  
**Imperative:** We must instill a spirit of lifetime learning in our children, and create a deep regional commitment to flexible, continuous learning.
- **Weakness:** Lack of collaboration with which to create the focus and scale needed to make our region competitive (e.g., Asian as well as eastern European nations collaborating and forming regional trading blocks)  
**Imperative:** We must learn and practice new habits of dramatically closer collaboration among government, non-profit, philanthropic, educational, and business organizations.

As the population ages in our region, those people with the means to do so will move to climates more hospitable for the elderly. Those people without the means to move will stay in Northeast Ohio, gaining political strength and putting an increasing burden on social and government services. We must offset this accelerating trend by attracting new businesses, younger people with new economy talents, and money to our region.

Technology, as always, continues to change markets, behaviors, and economies. Our region missed the information technology revolution. We are in danger of losing in the biotechnology revolution. Emerging technologies, such as nanotechnology and alternative fuels represent new frontiers in which our region has valuable assets. We can capitalize on these emerging trends only through a deep and sustained commitment to collaboration across our region. Cuyahoga County can join with others in Northeast Ohio to lead us in this new direction.

***We recommend that Cuyahoga County tackle head-on the issues facing our region.***

- **Commit \$8.5 million dollars in 2006** to implementing five initiatives, each with the potential to transform our region.
- **Adopt a proven open source approach** to economic development to ensure regional focus and scale.
- **Energize county resources** by aligning the Department of Development's mission and budget with the five transformative initiatives.

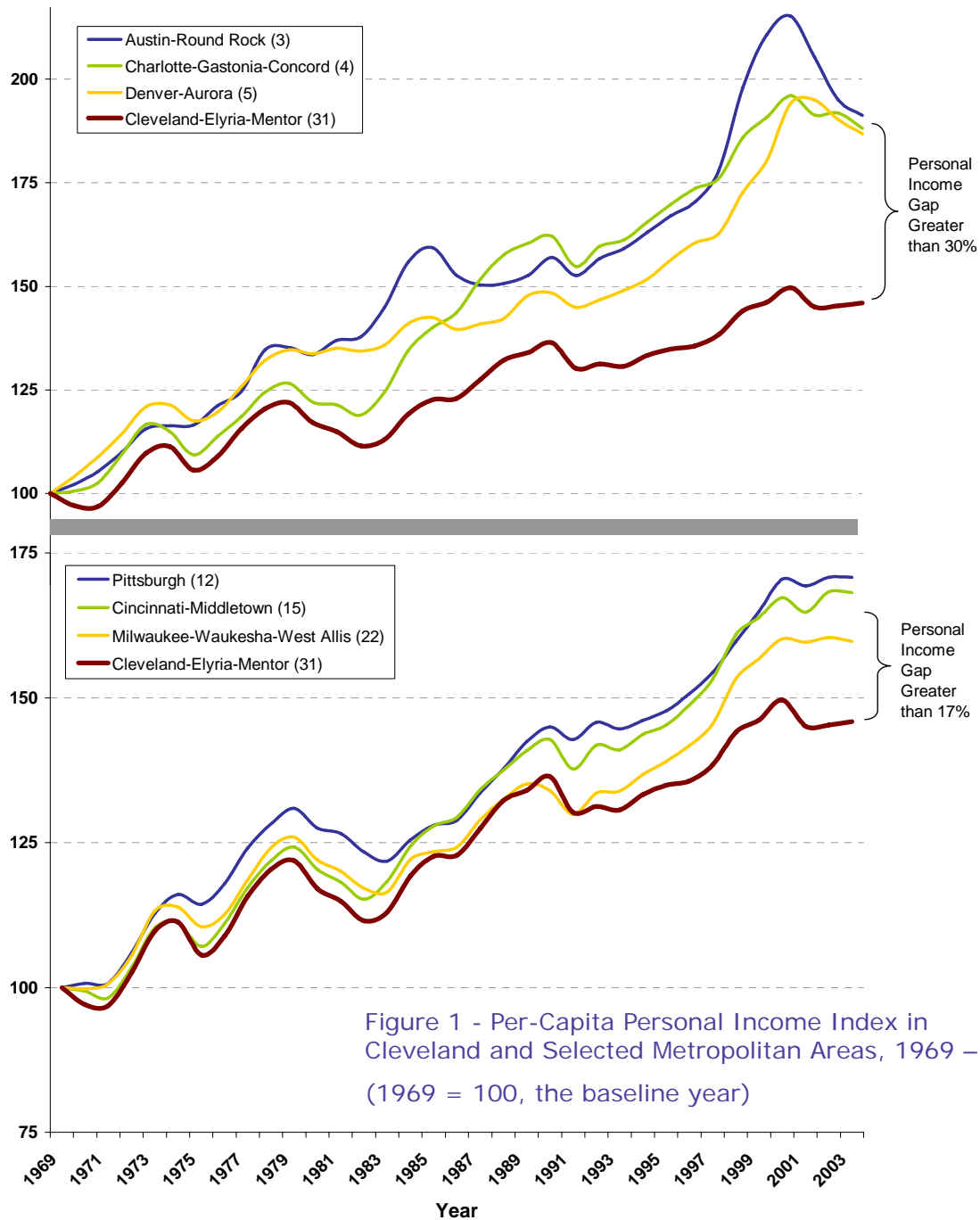
In mobilizing its resources to address our region's issues, Cuyahoga County will face a stark reality: state and federal economic development budgets will not provide the resources we need to transform our economy. These traditional sources of funding economic development are also under pressure from the same trends facing our region. To transform our region successfully, Cuyahoga County must engage the private sector to gain access to the county's best people, ideas, and capital – these are the instruments of transformation.

By engaging the private sector in a collaborative fashion, Cuyahoga County will build the unity, momentum, and scale to implement this Action Plan 2006 quickly and successfully. By proving and publicizing results early (2006), our county government will be in a good position to accelerate these and other economic development initiatives in 2007 and beyond. With the desire to see our region thrive and prosper, and strength in the number of organizations in the county and the resources at their disposal, public and private sectors can work together toward the common goals that will guide our economic transformation.

This Action Plan 2006 provides an initial roadmap, a beginning along a path of transformative change. If we aim for incremental improvements only, the perfect storm heading our way will likely sweep away our efforts. If we stand together and deploy our collective resources to their "best use," we can survive the storm and thrive in its aftermath.

## Urgent Need For Change

Our region has experienced an alarming economic decline over the last thirty years when compared to leading regions (personal income gap greater than 30%). Even when compared to regions similar to our own, our region shows an economic decline (personal income gap greater than 17%).



The graphs demonstrate that the Cuyahoga County economy has not fared well in this new era of global competition...and the pressure is only beginning.

In the years ahead, global pressures on our economy will intensify. By the end of this decade, Chinese manufacturers, with the assistance of their U.S. and European partners, will begin exporting large volumes of high quality cars to the U.S. These shifts will place increasing financial pressure on middle class families throughout the county, lowering wages and eliminating jobs. The Delphi bankruptcy and the major restructuring announced by General Motors represent just the first wave of these transformations, in just one industry.

The cost of connecting global markets and doing business worldwide has been collapsing for forty years. The first wave of this collapse hit our region in the 1970s with the first wave of steel mill closings. In the intervening years, the pressure has continued to grow. Advances in information technologies, communications, and logistics, coupled with a spreading regime of liberalized trade agreements continue to place relentless pressure on our county's manufacturing companies.

At the same time, China, India, and other countries in Asia and Eastern Europe are advancing rapidly with remarkable technological sophistication. In many cases, U.S. multinational companies are accelerating this development as they transfer sophisticated technology to these markets while lowering their costs.

In the mid 1990s, a technological development took place that no one anticipated. The commercialization of the web browser in 1994 by Netscape led to an explosion in Internet use that no one anticipated. The Internet quickly revealed to us the linkages across national markets, and provided us with the tools to expand and use these connections. In addition, the Internet drives the opportunities and risks of globalization into smaller firms. For example, it is now possible for a relatively small corporate accounting firm in South Carolina to outsource some of its routine tasks to partners in India.

We have no time to waste in adjusting to these new realities. Economic development programs of the past will not, by themselves lead our economic transformation. We must adopt a different approach to propel us to the next level. We cannot rely solely on programs that simply pass through federal and state economic development dollars. The county commissioners have recognized the need to expand our economic development investments with general revenues. The challenge of the Blue Ribbon Task Force has been to define the best alternatives for this expanded investment.

Building a new economic base for the county will require comprehensive and effective levels of civic collaboration unseen in this region in our lifetimes. We need to:

- Build new partnerships that focus on extending the considerable strengths of our regional economy into new products, services, and markets.
- Invest more aggressively in our schools, colleges, universities, and libraries.
- Support hundreds of new civic entrepreneurs.
- Participate with the private sector in productive and transformative co-investment to help our region survive and thrive.

### Staggering blow: Delphi's bankruptcy ominous sign for fading auto industry

UAW showdown looms as company plans to shutter U.S. plants, cut workers, slash benefits

By Bill Viasic and Brett Clanton / The Detroit News

The American auto industry was rocked to its foundation Saturday as Delphi Corp., the world's second-largest parts manufacturer, filed for bankruptcy and laid plans to dramatically downsize its U.S. operations.

It was the seismic event that Detroit's Big Three automakers and their workers, suppliers and investors had anticipated for years, some with dread and others with hope.

### Biggest bankruptcies

Delphi's bankruptcy ranks among the largest in U.S. history:

Pre-bankruptcy assets (in billions):

Company	Year	Assets
Worldcom	2002	\$103.9
Enron	2001	63.4
Conseco	2002	61.4
Texaco	1987	35.9
Financial Corp. of America	1988	33.9
Global Crossing	2002	30.0
Enron	2001	29.8

BusinessWeek online

### Chrysler compacts to be made in China for US

(Agencies)  
Updated: 2005-04-22 08:52

DaimlerChrysler hopes to make compact cars in China for sale in the United States, a company executive said Thursday.

Chrysler's China chief, Ruediger Grube, said the compact would be a "totally new" design that wouldn't affect production of current DaimlerChrysler, Jeep or other models in the United States. Grube said China's low labor costs figured heavily in the decision.



### Here Come Chinese Cars

Detroit isn't looking in its rearview mirror -- yet

audacious, gutsy, and maybe a little nutty -- how else to describe the push by New York auto entrepreneur Malcolm Bricklin and China's Chery Automobile Co. President Yin Tongyao to import and sell 250,000 mainland-made sport utilities, sedans, and sports coupes in the U.S. starting in 2007? After all, Chery produced only 80,000 cars in all of 2004, has near-zero brand recognition outside China, and has been sued by General Motors Corp.'s (GM) South Korean unit for allegedly ripping off the design for its best-selling QQ.

## Transformative Initiatives Increase Economic Development Effectiveness

As part of the action planning process, the Blue Ribbon Task Force (BRTF) identified the top five economic development priorities for our region. The numbers refer to the relative weight assigned to each priority out of a possible 100 based on our analysis of the data provided to us by the BRTF.

- Entrepreneurship and innovation – 86.67
- Business retention and attraction; job creation – 77.33
- Education/public schools (future workforce preparation) – 52.00
- Regional coordination and cooperation – 49.33
- New technology innovation clusters – 48.00

Based on the characteristics and commonalities between these priorities, the BRTF identified twelve transformative initiatives. These initiatives directly address the BRTF priorities to get the “best use” of economic development dollars. All the initiatives meet the proven criteria for economic development success in today’s global, technology-driven economy.<sup>2</sup> All the initiatives have the potential to transform our region.

The BRTF chose to prioritize and focus on developing the action plans to begin implementing five of these transformative initiatives in 2006 using an open source approach to economic development.<sup>3</sup>

The open source approach to economic development is collaborative in the civic space and first looks to developing a portfolio of prioritized initiatives. Only when the portfolio is in place do the interested parties look to financing

Initiative	Desired Outcome	Proven Economic Development Criteria						
		Desired Money Flows	Boundary Activity	Strategic Doing	Increases Leverage	Cluster-Based	Process-Based	Portfolio-Based
CuyahogaNext	Cuyahoga County becomes and remains a leading location in the nation			✓	✓	✓	✓	✓
North Coast Clusters	Cuyahoga County known nationwide for attracting and retaining people with “new economy” skills	✓	✓	✓	✓	✓	✓	✓
Cuyahoga Innovation Zones	Cuyahoga County recognized as one of most attractive areas in the US in which to locate business operations and research facilities	✓	✓	✓				✓
NewStart Partners	Cuyahoga County is an internationally recognized leader in implementing sustainability and regeneration strategies	✓	✓	✓		✓		✓
Invest In Children	Motivated young children who are well-prepared for grade school		✓	✓		✓		✓
		✓ Meets Criteria						

<sup>2</sup> See “Economic Development Primer” in the Appendix

<sup>3</sup> See “Open Source Economic Development” in the Appendix

the initiatives. At this stage, they only adjust the plan to accommodate funding constraints and restrictions. This approach keeps all parties focused on the desired outcomes with only minor course and speed adjustments. As implementation gets underway, the interested partners gauge progress and evaluate new information, making pertinent adjustments as needed to the plan.

The open source approach is unlike traditional economic development programs which are formulated around the availability and means of financing. As such, traditional programs are not configured optimally, nor managed to achieve desired outcomes in the most effective way possible. There is only limited community engagement and limited ability to react to external market changes.

The BRTF first developed the details of each transformative initiative with no regard for the sources or constraints of funding. The BRTF then budgeted each initiative based on realistic implementation and management assumptions, and on balancing resource requirements with funding constraints.

The first five transformative initiatives form the core of the county's economic development portfolio. Balanced in terms of ease-of-implementation, time-to-results, and funding, the portfolio approach hedges against "Murphy's Law" – if anything can go wrong, it will. This portfolio approach should be used also to evaluate and prioritize the individual projects undertaken as a part of each initiative.

These transformative initiatives, especially CuyahogaNext, are designed to serve as a catalyst to unify the many economic development plans in our region. If coordinated and implemented successfully through CuyahogaNext, this Action Plan 2006 will become the linchpin of collaboration across our region. By bringing into focus the pattern of activity already underway among different organizations, these initiatives help to define what role the county government can best play in transforming our region.



## Initiative #1 – CuyahogaNext: \$500,000 Allocation

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The Blue Ribbon Task Force (BRTF) has been a useful experiment in creating an inclusive countywide civic forum. The BRTF openly explored and debated broad economic and regional strategy issues. A broad consensus around critical economic development initiatives emerged during the second half of 2005. Momentum also took shape toward action.



We need to continue building on this civic process and spirit of collaboration. That is the purpose of CuyahogaNext *partners* and CuyahogaNext *advisors*. Together, *partners* and *advisors* form CuyahogaNext.

### Vision

Cuyahoga County becomes and remains a leading location in the nation.

### Mission

Achieve regional transformation by aligning interested parties in the region with Cuyahoga County as the regional conveyor.

### Strategies

CuyahogaNext will leverage the best of the community by using an “open source” approach to “strategic doing.” It will develop and implement a regional strategy using a systematic public space economic development process. “Strategic doing” emphasizes the importance of defining collaborations quickly, moving to actions that reinforce trust, and then adjusting the collaborations as results come in.

*Partners* and *advisors* are jointly responsible for making CuyahogaNext successful. They will relentlessly promote civic collaboration in Cuyahoga County first and then in the Northeast Ohio region.

**CuyahogaNext *partners*** is a formal group of civic leaders in the county. They participate by virtue of their influence and ability to mobilize resources of sufficient scope and scale to transform our region.

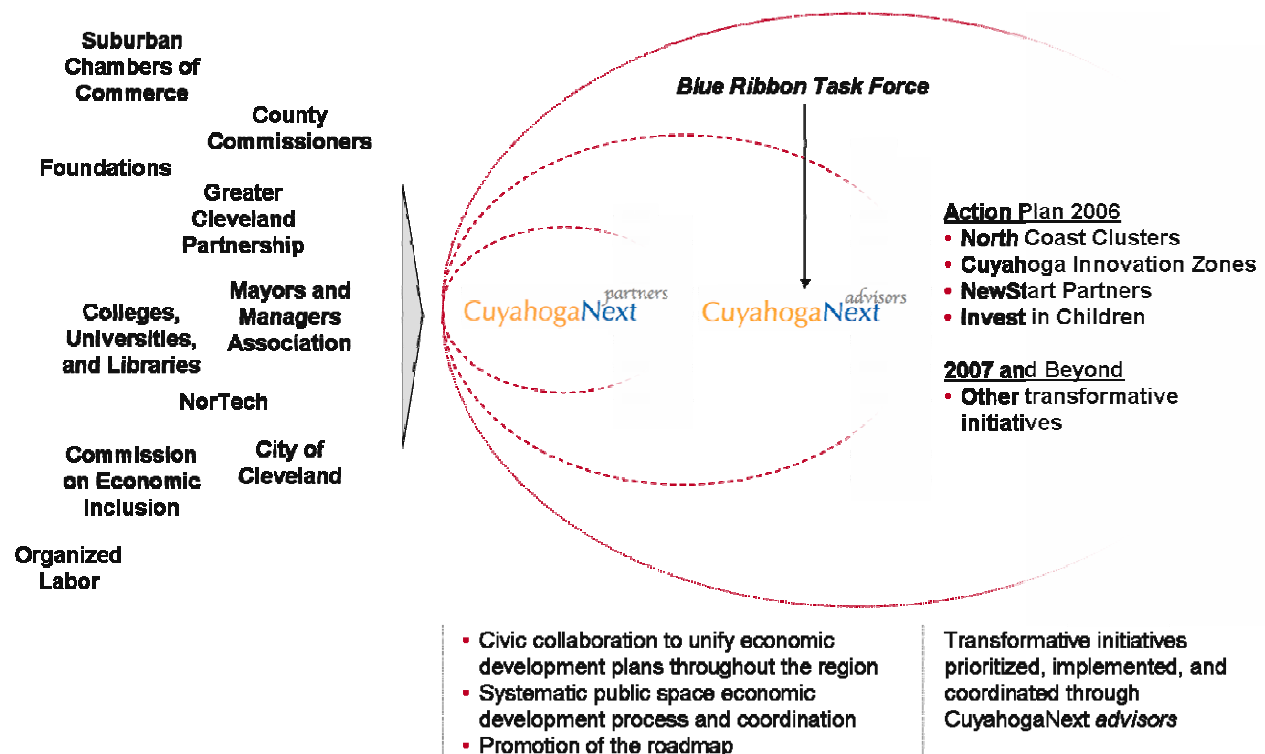
**CuyahogaNext *advisors*** is a formal group of community representatives. They participate by virtue of their expertise, position, and willingness to work on transformative initiatives. *Advisors* represent a broadening and expanded continuation of the Blue Ribbon Task Force.

CuyahogaNext needs both groups to drive collaboration to the next level. *Partners* without *advisors* risks becoming an isolated group of leaders meeting in the back room. *Advisors* without *partners* risks becoming yet another well-meaning, but ineffectual citizens group.

CuyahogaNext should be organized as a “cooperative community” (see appendix). As a cooperative community, it will put into practice the collaborative approaches with which to create connections among government, academic, and private sector interests. CuyahogaNext must unite the various interests in our region and accelerate the regional economic development activities already underway. If it does so, CuyahogaNext will bring the advantages of size, economies of scale, and the “bully pulpit” to confronting the challenges facing our region. To achieve success, CuyahogaNext must:



- Refine periodically the roadmap for Cuyahoga County's next economy
- Design and implement a systematic public space economic development process
- Coordinate the organizations working on roadmap initiatives
- Monitor progress and results, making course and speed corrections as needed
- Keep the roadmap in front of our public and civic leadership
- Promote the roadmap and progress to the public



Many authors today are contributing to this roadmap. These include the strategies and plans of organizations such as the Greater Cleveland Partnership, NorTech, TeamNEO, JumpStart, BioEnterprise, and the Fund for Our Economic Future. By coordinating and aligning the different plans of these groups and by helping civic and private sector leaders understand how all these plans fit together into a portfolio of economic development initiatives, CuyahogaNext will provide the forum our region needs to align activities and leverage resources.

## Success Indicators

Since CuyahogaNext's mission is to create the collaborations with which to transform our region, success indicators will fall into two categories:

- **Economic development indicators:** private-to-public capital investment ratio (leverage), the time needed to move economic development activities from the edge of the economy into the mainstream private sector, and the net present value of economic development investments.

- **Effectiveness indicators:** the number of organizations participating meaningfully in CuyahogaNext *advisors* (“meaningful” defined as working on achieving specified objectives), the ratio of initiatives and organizations achieving their objectives the density of communications per initiative, and the frequency of communications with CuyahogaNext per initiative. These metrics represent the overall effectiveness of the social network represented by CuyahogaNext *advisors*.

In further developing these success indicators, CuyahogaNext must define what it means to be a “leading location in the nation.”

## Primary Activities

- Develop and implement a coordinated economic strategy for Cuyahoga County. Ensure that the strategy is consistent with the strategies and actions of the most influential and effective economic development organizations working in the county and with other counties in Northeast Ohio.
- Mobilize countywide leadership in support of the coordinated strategy.
- Mobilize internal Cuyahoga County leadership and resources to align with the strategy and action initiatives.
- Develop and organize a systematic, countywide economic development process and coordinated decision criteria; use proven portfolio management techniques to balance short- and long-term tradeoffs, low cost and high cost projects, and expected risk/return profiles.
- Advise county economic development organizations on coordination and funding.
- Take action in the short- and long-term to influence the organizations that can help make our regional economy more competitive.
- Develop simple metrics to measure progress and publicize results consistently.
- Develop and manage a process of continuous civic engagement to keep citizens continually informed and to solicit new ideas for collaboration within the county.
- Expand inclusion to adjoining counties in the region.

## County Role

The county’s role in CuyahogaNext is to be an influential participant. It should start by joining the Fund for Our Economic Future (\$100,000) in a leadership capacity. It should also use this Action Plan 2006 to align the various regional transformation strategies. Doing so will demonstrate that the county is serious about collaboration and accelerating the economic development of our region.

## Partners

CuyahogaNext *partners* needs to be formalized with the following membership and votes:

- County Commissioners (one vote)
- City of Cleveland (one vote)
- Mayors and Managers Association (one vote)
- Greater Cleveland Partnership (one vote)
- NorTech, as the representative of “new economy” economic development (one vote)
- Commission on Economic Inclusion (one vote)

- Local colleges, universities, and libraries (one vote)
- Local foundations (Cleveland and Gund Foundations, one vote each)
- Organized labor (one vote)
- Suburban Chambers of Commerce (one vote)

Guidelines for forming, empowering, and operating CuyahogaNext *partners* include:

- Keeping the formal group small (no more than 15 members) to ensure the priorities are decision-making and action as opposed to debate.
- Defining a charter, governance, expectations, participating organizations' roles, and a process for airing and addressing grievances.
- Empowering *partners*: the commissioners and participating organizational leaders need to empower their CuyahogaNext *partners* representatives to make and act on decisions; the fewer the projects and the faster, more publicized the results, the better for building and sustaining momentum for long-term success.

CuyahogaNext *partners* determines the types of organizations and skills needed to identify, organize, and implement successfully initiatives that can transform our region. *Partners* should invite capable, energetic individuals to join as *advisors* based on these requirements. The purpose of *advisors* is to:

- Provide advice and guidance to the *partners*.
- Communicate with or participate in transformative initiatives coordinated through CuyahogaNext.
- Design and manage a process of continuous civic engagement across the county and beyond.

The founding of CuyahogaNext *advisors* should start with the current membership of the BRTF. *Partners* can invite additional people to join as *advisors*. Before inviting an individual to participate as an *advisor*, the *partners* should make clear their expectations of *advisors*. These expectations should include active participation guidelines and an attendance rule that drops *advisors* if they miss too many meetings.

## Milestones

### ***Short-Term (January 2006 – March 2006)***

- *Partners* formed and charter drafted.
- *Advisors* formed; BRTF migration complete.
- Relationship between CuyahogaNext and the Cuyahoga County Board of Commissioners agreed to and formalized in an operating agreement.
- Two to three economic development initiatives planned and launched. One of these initiatives can be the adoption of NEO Sourcing Office, with a target of 60 communities and 6 products within one year. The people working on this initiative are finalizing plans today – this can be done and publicized as part of this transformative initiative. Other initiatives can be those specified in this Action Plan.

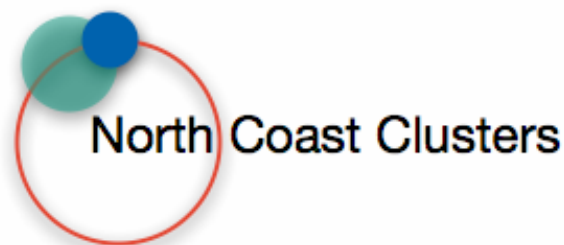
### ***Medium-Term (January – December 2006)***

- Charter adopted; systematic working relationships in place with the Cuyahoga County Board of Commissioners, Fund for Our Economic Future, Greater Cleveland Partnership, NorTech, the city of Cleveland, Mayors and Managers Association, and other organizations as needed.
- Operational leader in place – dynamic, aggressive consensus-building executive from private sector, on-loan, on the payroll, or retained contractually.
- Countywide coordinated economic development strategy adopted.
- Systematic public space economic development process implemented, with data acquisition systems and measures in place, including a portfolio management approach to economic development.
- Regular meetings and informal reviews drive priorities and monitoring of activities.
- First publicity program launched, promoting strategy and process to civic leaders and the public.
- Commitment secured for first tranche of significant financing (e.g., \$100 million) to accelerate large-scale initiatives.

### ***Long-Term (Within 3 Years)***

- Financing arm established to promote the transformation of our county's economy.
- Participating economic development organizations conduct their planning and operational activities in coordination with that of CuyahogaNext.

## Initiative #2 – North Coast Clusters: \$3 Million Allocation



The rationale for North Coast Clusters is that it fills a current need in the Northeast Ohio marketplace for creating and encouraging a culture of innovation and entrepreneurship.

This need has come about from a multi-generational lack of successful, local entrepreneurs who can mentor successive generations of entrepreneurs and startup companies. The loss of private sector entrepreneurship is not atypical in aging economies. It is in the regional public's long-term interest for local governments to help temporarily fill this marketplace gap in old economies. By creating an incentive for a new generation of successful private sector entrepreneurs to emerge, the county can help accelerate the region's move to a new economy.

North Coast Clusters uses public funds to leverage aggressive private sector investments in forming high potential clusters and promising startup companies. This strategy can only work if the county develops strong, trustworthy relationships with proven private sector and nonprofit partners. Proven partners already have the professional expertise to evaluate high potential growth opportunities, make investment decisions, and monitor those investments. **The county's role is to co-invest with these partners. It should not act as a lead investor in North Coast Clusters companies. It must relinquish investment-related decision-making and activities to its partners, while reserving final approval over funds use and disbursement.**

Because North Coast Clusters carries risk that falls outside the normal operations of county government, the county needs to evaluate its participation closely. We propose a three-year experiment. After three years, the county should reevaluate its role and determine whether its participation is a sufficiently valuable investment of public funds.

### Vision

Cuyahoga County known nationwide for attracting and retaining people with "new economy" skills.

### Mission

Attract private sector talent and investment by encouraging productive risk-taking and rewarding entrepreneurial success.

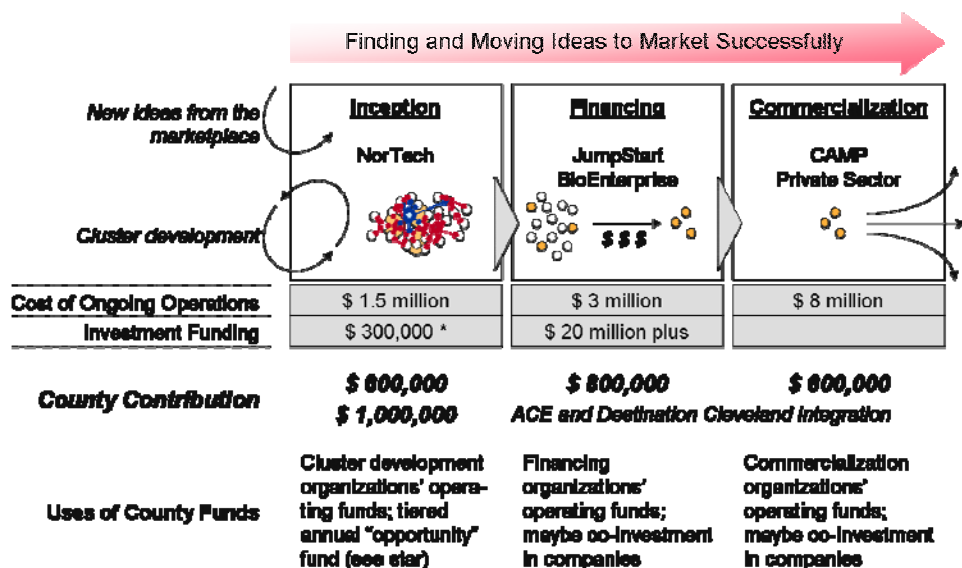
### Strategies

The county already supports entrepreneurship with its new product development program, administered in partnership with CAMP. However, the current program does not go nearly far enough to stimulate a countywide culture of entrepreneurship. By building on the current program, the county can help better align the activities of organizations already focused on innovation and entrepreneurship.

North Coast Clusters must systematically address the first three stages of moving an idea into the marketplace:

- **Finding and encouraging new ideas and opportunities** that have significant economic growth potential. This typically involves new technologies, new markets, and new ways of delivering value to customers using existing resources.
- **Evaluating and investing in the most promising new companies.** The venture capital industry considers companies in this stage as being in the pre-seed or seed capital round of funding.

- **Selectively supporting the commercialization efforts of new and old companies** that are positioned best to succeed in the marketplace. This typically means companies with good management, adequate funding in place, and a potentially winning strategy.



As new ideas begin to take shape, they increasingly generate interest and activity. As the ideas mature, entrepreneurs form new companies with products and services based on the ideas. As the ideas gain recognition in the broader marketplace, existing companies reconfigure their businesses to capitalize on the emerging trends. These high-growth "clusters" of dynamic companies represent the engine that moves an old regional economy into a new one. As each cluster grows,

some companies emerge as the dominant ones, anchoring the cluster. Eventually, a network of support businesses emerges around those companies that anchor a cluster. As the cluster enters the mainstream marketplace, it becomes an important contributor to a region's employment and revenue base.

### ***Inception Stage Support***

The objective of the North Coast Clusters inception stage is to:

- **Form innovation clusters** in promising growth industries. These clusters are a short-term way of increasing high-wage employment in the county. Cluster formation should center on existing companies in Cuyahoga County, especially dynamic mid-size companies that can anchor a cluster. These companies should be leaders in their industries and have a regional concentration of suppliers.
- **Invest in emerging innovation clusters** based on promising new ideas and technologies. Colleges, universities, and research institutions located in the county can provide a pipeline of ideas through their research and technology transfer programs.

### **Forming Clusters Based on Existing Company Concentration**

This strategy broadens the county's new product development program to encompass the county's existing manufacturing and service base.<sup>4</sup> It extends the county's role into one of supporting all the economic development organizations already working in this space. By helping organize clusters around traditional industries, the county can work with the Greater Cleveland Partnership and NorTech to strengthen the promoters of these clusters and their quest to increase the county's high-wage job base.

Within the BRTF discussion, we have identified the following traditional industry capabilities within Cuyahoga County that have high innovation cluster potential. The ideas and activities represented in Table 1 have exhibited momentum and drawn the attention of the economic development organizations.

<sup>4</sup> This strategy should align with a forthcoming manufacturing strategy from the Manufacturing Roadmap Project.

The appropriate county role is to help the promoters facilitate the formation, empowerment, and operation of each cluster. The county should also consider acting in a co-investment role with other intermediary organizations trying to build that cluster.

Table 1 - Innovation clusters based on traditional industries with high growth potential

"Traditional" Clusters	Promoter	Existing County Investment?
Innovative manufacturing	CAMP (in addition, RAMTEC is also promoting a collaboration among component suppliers)	Yes
Power and propulsion	NorTech, Ohio Aerospace Institute, Ohio Fuel Cell Coalition	No
Polymers and advanced materials	NorTech	No
Tourism, conventions, and gaming	Greater Cleveland Partnership, Convention and Visitors Bureau	Yes
Instruments, controls, and electronics	NorTech, CSU	No
Advanced transportation and logistics	TeamNEO, TransTech	No
Advanced automotive	TeamNEO, TransTech	No

We recommend that TeamNEO become more active in this strategy, working closely with NorTech.

### Investing in Emerging Clusters

Within the BRTF discussion, we have identified the following "new economy" opportunities in Cuyahoga County that have high innovation cluster potential. The ideas and activities represented in Table 2 have exhibited momentum and drawn the attention of economic development organizations.

Table 2 - Emerging high growth potential innovation clusters

"Traditional" Clusters	Promoter	Existing County Investment?
Medical devices and equipment	BioEnterprise	No
Biopharmaceuticals and diagnostics	BioEnterprise	No
Healthcare information technology and services	BioEnterprise, NorTech	No
Disease management	Center for Health and Disease Management (proposal partially funded by Civic Innovation Lab)	No
Regenerative medicine	Case, Cleveland Clinic, University Hospitals	No
Micro-electrical mechanical systems (MEMS)	Ohio MEMS	No
Nanotechnology	Nano-Network	No
Creative digital media	Cleveland Institute of Art, Community Partnership for Arts and Culture	No
Sustainability businesses	Entrepreneurs for Sustainability	No
Environmental remediation	TeamNEO, E4S	No
Alternative Energy	NorTech	No

The appropriate county role is to help NorTech facilitate the formation, empowerment, and operation of each cluster. The county should also consider acting in a co-investment role with other intermediary organizations trying to build that cluster.

If NorTech (and by extension the Greater Cleveland Partnership) adopts the inception stage strategy, NorTech's mission will need to expand into one of supporting all emerging innovation clusters, not only technology-based clusters.



The BRTF estimated \$600,000 to fund the inception stage strategy. This needs to be vetted and agreed to by North Coast Clusters partners. NorTech should use part of this funding to accelerate its activities to attract state and federal funding for research and development.

As part of this strategy, the county should consider an opportunistic reserve fund overseen by NorTech, with three tiers of approval. For example, the county would authorize NorTech to spend up to \$25,000 without express county approval; to spend funds between \$25,000, and \$100,000 with county approval; and board level approval by NorTech and the county for spending in excess of \$100,000. One purpose of the reserve fund would be to use it to react quickly to marketplace events for attracting or retaining key anchor companies.<sup>5</sup> The Greater Cleveland Partnership and NorTech could administer this fund jointly. This type of rapid deployment funding does not exist today.

### ***Financing Stage Support***

The objective in this stage of cluster development is to evaluate and invest in the most promising new companies. Cuyahoga County needs to participate at this stage of cluster development. An appropriate county role is to work closely with JumpStart and BioEnterprise to determine how best to support their investment initiatives immediately. This could come in the form of 1) contributing funds for operating organizations that provide pre-seed and seed stage financing or 2) co-investing with these organizations in a venue similar to the county's new product development loans program.

It is at this stage that professional investors make their first investment decisions. By capitalizing on the investment expertise of the private sector, the county could broaden and deepen its commitment at this stage. Commitment of county funds would be contingent on meeting a number of high performance criteria, such as private-to-public investment leverage and appropriate risk management. A county investment strategy may be to focus exclusively on those organizations that NorTech, JumpStart, BioEnterprise, and CAMP identify as potential anchor investments.

The BRTF estimated \$800,000 to fund the financing stage strategy. The primary purpose of this funding is to accelerate JumpStart and BioEnterprise investment initiatives already underway. This needs to be vetted and agreed to by North Coast Clusters partners.

### ***Commercialization Stage Support***

Cuyahoga County needs to expand its participation at this stage of cluster development. The county plays an important role by broadening the mission of its new product development program to include new product introduction in all private sectors. Although there is much activity in new product development in the county's manufacturing segment, there are few organizations promoting non-manufacturing product development and, even more importantly, commercialization (e.g., the Northeast Ohio Software Association – NEOSA – is one).

The objective in this stage is to accelerate job and wage growth by supporting selectively the commercialization efforts of companies in the best position to succeed in the marketplace. By focusing on those companies that successfully pass the financing stage, investments in the commercialization stage should accelerate the development and introduction of new products and services to the marketplace.

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<sup>5</sup> Some BRTF members proposed this idea to deal with situations like the Defense Finance and Accounting Services and OfficeMax. In other regions, Chambers of Commerce establish opportunity funds. These funds are usually included in a broader chamber fund-raising campaign to support economic development.



JumpStart will play a critical role at this stage by cultivating relationships with professional venture capital firms to help move companies out into the marketplace. By aligning the county's new product development program with JumpStart, BioEnterprise, and NorTech, North Coast Clusters partners can create a seamless continuum through which to move promising ideas from inception to marketplace success.

The BRTF estimated \$600,000 to fund the commercialization stage strategy. In arriving at this estimate, the BRTF included the county's existing new product development program in its thinking. This needs to be vetted and agreed to by North Coast Clusters partners.

### ***Integrating Existing County Programs***

We identified the county's existing Arts & Culture (\$500,000 budget in 2005), Destination Cleveland (\$500,000 budget in 2005), and new product development (\$1 million budget in 2005) programs as a good fit with North Coast Clusters. Rapidly integrating these three programs into the broader, more transformative North Coast Clusters initiative will increase their ability to gain private-to-public leverage, and their effectiveness as economic development tools.

The county should work with the Greater Cleveland Partnership and the Convention and Visitors Bureau to redefine its Destination Cleveland program in the context of the tourism, conventions, and gaming cluster.

The county should work with NorTech, the Cleveland Institute of Art, and the Community Partnership for Arts & Culture to redefine its Arts and Culture program within this cluster initiative, perhaps in the context of the creative digital media cluster.

The county, working closely with NorTech, JumpStart, BioEnterprise, and CAMP, should reformulate its new product development program in the context of providing commercialization stage support.

We recommend the county allocate an additional \$1 million to the \$2 million budget estimated by the BRTF. By integrating the three existing programs and reworking the resultant \$3 million budget, the county can speed up the work in this area already underway.

## **Success Indicators**

The ultimate measure of North Coast Clusters success is the number of companies started and thriving, and the number of high-wage new economy jobs created. Success indicators will fall into two categories:

- **Economic development indicators:** private-to-public capital investment ratio (leverage), the time required to move from ideas to market penetration, and the net present value of economic development investments.
- **Volume, speed, and yield indicators:** the rate of growth as represented by the number of companies in each of the three stages of cluster evolution, the average time it takes for a company to move through each stage into the next one, and the ratio of successful companies to the total number of companies in each stage.

## **Primary Activities**

North Coast Clusters activities are already underway within the organizations working on innovation and entrepreneurship. Upon transforming its new product development program, the county's activities are primarily communicating continually with North Coast Clusters organizations and monitoring their progress. To do this effectively, the county should develop and implement a process to gauge success.

Activities that need strengthening among all North Coast Cluster organizations involve better collaboration and communications among the participants, anchored in a seamless process that moves ideas from inception to marketplace success. It also involves coordination with CuyahogaNext and, through CuyahogaNext, with the other initiatives.

## Partners

To implement effectively the North Coast Clusters strategies, the county needs to form trusting relationships with two types of partners: tactical (operational) partners and co-investors.

Tactical partners that help guide North Coast Clusters operations include NorTech, BioEnterprise, JumpStart, and CAMP. The funding for these organizations comes mainly from:

- foundations (through the Fund for Our Economic Future),
- Greater Cleveland Partnership,
- federal government,
- State of Ohio.

The role of these tactical partners is to allocate the North Coast Clusters budget to operating North Coast Clusters and investing in North Coast Clusters companies. In contributing public funds, the county can and should restrict the use of those public funds when it comes to investing in North Coast Cluster companies. One option would be for the tactical partners to use the county's funds to administer their operations. This option frees up less restricted funds for tactical partners to invest in individual companies.

To make investment decisions, tactical partners will:

- Use funds contributed from the county as well as other interested contributors (e.g., the foundations) according to the restrictions imposed on those funds.
- Solicit additional funds from private sector investors.

If tactical partners (JumpStart in most cases) use the funds at their own disposal to make investments, the tactical partners are in the lead investor role. If the tactical partners solicit and secure funding from private sector investors, the tactical partners and those investors are jointly in the lead investor role.

Angel investor networks and institutional venture capital companies will always be the lead investors if they invest in individual North Coast Clusters companies. When North Coast Cluster tactical partners also invest in individual companies, they are also lead investors. If the county chooses to invest in a company alongside a North Coast Clusters tactical partner, it should follow that partner and invest as a co-investor.

## Milestones

### ***Short-Term (January 2006 – March 2006)***

- The county's proper role and framework for investment in North Coast Clusters confirmed.
- North Coast Clusters formed and charter drafted, with a definition of each tactical partner's role.
- North Coast Cluster tactical partners agree on priorities and pertinent budget.

- County Arts and Culture, Destination Cleveland, and new product development programs reformulated and aligned with this initiative.
- Relationship between North Coast Clusters and the county's Department of Development agreed to and formalized in an operating agreement.
- Funds allocated to tactical partners based on roles, priorities, and budget plan.
- Partners on board for initial participation.

***Medium-Term (January – December 2006)***

- Systematic process for coordinating activities among organizations implemented and working.
- Reporting and communications systems implemented and working, including the interface with CuyahogaNext.
- Alliances formed with angel investor networks and venture capital firms outside of our immediate region.
- County program reforms implemented and working.
- Formalized public relations and publicity campaigns underway, coordinated through CuyahogaNext.

***Long-Term (Within 3 Years):***

- Continual assessment of innovation cluster needs and formulation into action.
- North Coast Clusters strategy report card; continue initiative or disengage.

## Initiative #3 – Cuyahoga Innovation Zones: \$2.5 Million Allocation



### Cuyahoga Innovation Zones

The purpose of Cuyahoga Innovation Zones is to:

- Stimulate productive investment by focusing physical development activities in the county.
- Provide a place for companies to grow and thrive (complements the North Coast Clusters initiative).
- Build collaborations among higher education institutions, research organizations, businesses, and other entities to promote the development of high-growth businesses.

Cuyahoga Innovation Zones is a **physical place-based initiative**. It creates the environment in which organizations and individuals can thrive. Zones could combine large art and civic spaces with vibrant housing, retail and leisure activity anchors, and dynamic public transportation where appropriate (e.g., fixed rail along the Euclid Avenue Corridor connecting downtown with University Circle). Zones could also promote many types of sharing among employers (e.g., jointly underwritten health and benefit plans, sharing computing and transportation resources, advantageous education and child-care programs, etc.).

Cuyahoga Innovation Zones builds on similar initiatives in Michigan and Pennsylvania. Michigan's initiative is called Smart Zones.<sup>6</sup> Pennsylvania's program is called Keystone Innovation Zones.<sup>7</sup> We designed the Cuyahoga program to blend the best the two have to offer and added innovations from the private sector.

### Vision

Cuyahoga County recognized as one of the most attractive areas in the country in which to locate emerging and thriving business operations, and research facilities.

### Mission

Integrate the business, research, educational, and cultural assets our county has to offer into physical zones that fuel creativity and innovation.

### Strategies

When the county designates a physical area as a Cuyahoga Innovation Zone, it must work to:

- Align state, county, and local resources to the individual strategy of each zone.
- Prioritize its budget to promote development around the county's key new economy assets.

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<sup>6</sup> The Michigan initiative started in 2001. Each zone has a technology focus. See: <http://medc.michigan.org/smartzones/>

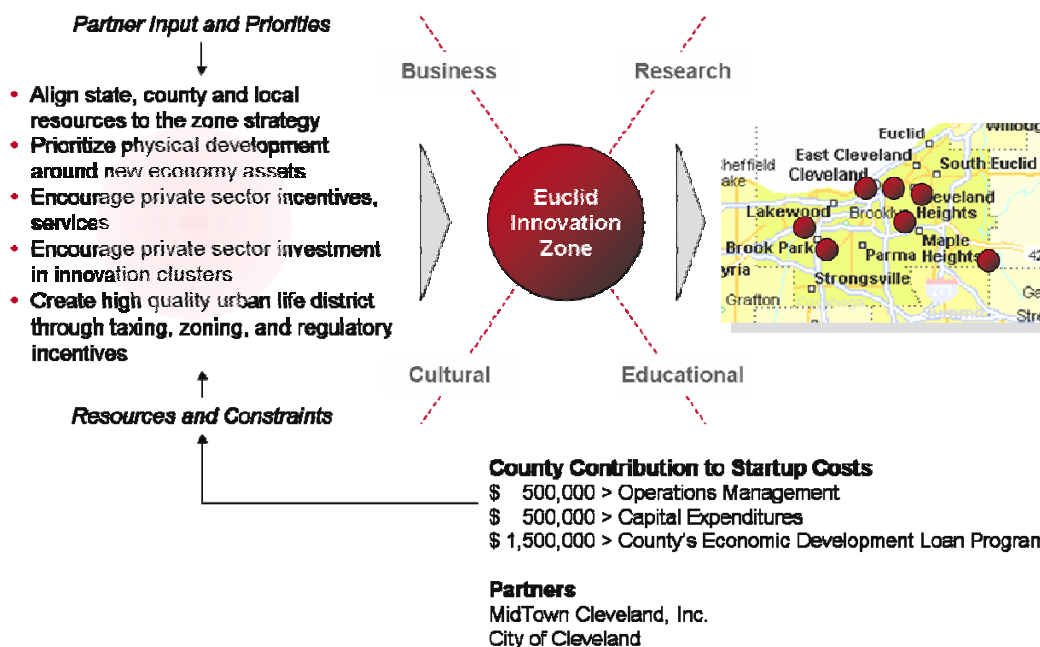
<sup>7</sup> The Pennsylvania program was launched in 2005. The Keystone Innovation Zone program is designed to provide a strong link between Pennsylvania's colleges and universities and the state's industries. See "Keystone Innovation Zones created to lure entrepreneurs," *Philadelphia Business Journal*, January 3, 2005 at: <http://philadelphia.bizjournals.com/philadelphia/stories/2005/01/03/focus17.html>

- Encourage the private sector to provide incentives to each zone – such as providing low cost professional services, free or discounted healthcare, and/or university tuition subsidies/buyouts to companies locating in the zones.<sup>8</sup>
- Encourage the private sector to invest in innovation clusters within the zones (e.g., companies that provide incubation services and market access to clusters and/or new startups get matching funds) – this strategy needs coordination with North Coast Clusters.
- Create a district of high quality urban life through innovative combinations of tax, zoning, and regulatory incentives to attract and retain the entrepreneur and creative classes.

### Phased Implementation

The county should implement its five zone strategies on a zone-by-zone basis, starting with one or two zones, and then encouraging the private sector to help develop additional zones.

- In 2006, designate the MidTown Corridor as the first Cuyahoga Innovation Zone, bounded by Cleveland State University and the Cleveland Clinic. Keep the zone small to encourage density and achieve critical mass faster.
- At a later appropriate time, expand the zone in both directions to include the Metro Health campus as the western boundary and University Circle as the eastern boundary. Designate the second zone, perhaps connecting the NASA and Baldwin-Wallace campuses or one along the I-77 corridor to spur sustainability industries in the Cuyahoga Valley area.
- Establish an elective program in which organizations can get together to design and establish other innovation zones around other college and university campuses in the county.



<sup>8</sup> For example, New Mexico has the private Biotechnology Partnership (BioTeP) initiative. Providers of legal, banking, Internet, marketing, and accounting services will help young biotech companies save money, increase their appeal to investors, and make it easier to recruit new companies to the state. See: "Discounts could help grow state's biotech development initiative," *New Mexico Business Weekly*, July 31, 2005 at: <http://msnbc.msn.com/id/8783210/>

### ***Pilot Project: Euclid Innovation Zone***

- Establish a shared governance structure similar to the Cleveland–Cuyahoga County Port Authority.
- Approach MidTown Cleveland to share their office space, at least initially, with Euclid Innovation Zone management personnel (estimate three persons).
- Use the MidTown Technology Center (E.61<sup>st</sup> Street between Euclid and Chester) as the pilot facility for housing technology companies. The BRTF estimated 400,000 square feet total build-out space.
- Retain management – the zone executive director should be a dynamic, creative individual with experience in running this type of initiative; might need to go outside the region to find the right person (e.g., Research Park Triangle).
- Provide the following incentives for companies to locate in the Euclid Innovation Zone:
  - Access to knowledge bases (Cleveland State University, Case, Cleveland Clinic, University Hospitals, and others in the area),
  - Wireless broadband infrastructure (One Cleveland),
  - Tax, zoning, and regulatory incentives (city, county, and state),
  - Close proximity to a workforce,
  - Transportation infrastructure (Euclid Corridor project),
  - Mixed use districts (commercial, retail, residential, and leisure).
- Estimated 2006 budget is \$1 million for operations and capital expenditures as follows:
  - Operations include management salaries and benefits (\$250,000); consultants (\$75,000); operating budget (\$75,000); and branding and marketing, including website (\$100,000).
  - Capital expenditures include broadband (\$100,000); partial build-out of Midtown Technology Center (\$250,000), and streetscaping (\$125,000).
- The county should work with MidTown Cleveland, Inc. and the city of Cleveland to supplement the 2006 zones budget with its economic development loans program (\$1.5 million), which needs to be reformulated to fit the zones initiative. Until the zones initiative is proven, the county should commit only a portion of its economic development loans program to the Euclid Innovation Zone.
- The county should also include MidTown Cleveland, Inc., the City of Cleveland, the Cleveland Institute of Art, and the Community Partnership for Arts & Culture to ensure that the reformulation of its Arts and Culture program (\$500,000 budget in 2005) for the North Coast Clusters initiative is also revised in the context of Cuyahoga Innovation Zones.

## **Success Indicators**

To define success, Cuyahoga Innovation Zones must first decide what it means to be an “attractive area in which to locate emerging and thriving business operations, and research facilities.”

Metrics to measure performance could follow the example of Pennsylvania.<sup>9</sup> We recommend Cuyahoga Innovation Zones develop these metrics in parallel with the physical planning. Although all zones should share a common set of metrics, the relative importance of each and their target levels of performance will vary by zone and by districts within a zone. Metrics for the Euclid Innovation Zone, for example, might be different from the zone surrounding the NASA/B-W zone, or the Case campus district might vary from the Cleveland State University or Metro Health campus districts.

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<sup>9</sup> See Keystone Innovation Zone Program Guidelines

In addition to the economic development indicators of private-to-public capital investment ratio (leverage), and the net present value of economic development investments, zones would include more traditional indicators such as:

- number of employees per zone,
- property values,
- number of high growth companies per zone (high growth needs a consistent metric), and
- capital invested in businesses per zone.

## County Role

The county could provide a range of incentives and services to the zones. These include:

- Leading the creation of the management team and hiring a person to lead the zones (investigate what the working relationship will be with the city of Cleveland in managing this initiative).
- Providing tax and/or regulatory relief for private sector development in a zone.
- Providing tax and/or regulatory incentives for companies to locate in a zone.
- Assisting in planning physical development.
- Promoting “green” and mixed use development; adjusting regulatory and zoning requirements.
- Focusing work-force training programs on company requirements located in zones.
- Providing funding for zone incubators and accelerators (coordinating with the North Coast Clusters initiative).
- Co-investing with intermediaries (coordinating with the North Coast Clusters initiative).
- Co-investing in university research programs.

## Partners

The county needs a phased approach to building the partnerships needed to implement zones effectively. Primary partners focused on the Euclid Innovation Zone include the county, the city of Cleveland, and MidTown Cleveland, Inc. Secondary partners include:

- Hospitals: Cleveland Clinic, University Hospitals, Metro Health
- Colleges and Universities: Case, Cleveland State University, Cleveland Institute of Art, Cuyahoga Community College, Baldwin-Wallace, Kent State University’s Urban Design Center, John Carroll, Myers, and others,
- North Coast Clusters partners NorTech, JumpStart, BioEnterprise, and CAMP
- TeamNEO
- World Trade Center
- NASA Glenn Research Center
- Regional Transit Authority
- OneCleveland
- University Circle Inc. and other University Circle institutions
- Ohio Department of Development, and community development corporations



Tertiary partners include:

- Ingenuity Cleveland
- WVIZ/Ideastream
- Cleveland Public Library
- Community Partnership for the Arts and Culture
- Museums
- Workforce Board

## Milestones

### ***Short-Term (January 2006 – March 2006)***

- The county's role defined in Cuyahoga Innovation Zones.
- Vision established for zones in collaboration with proposed primary partners.
- First zone and its objectives defined, including preliminary boundaries.
- Primary partners on board for the creation of the first zone; roles clearly defined.
- County's Department of Development role agreed to and formalized in an operating agreement with the zone partners.
- County Arts and Culture program reformulated and aligned with this initiative as well as the North Coast Clusters initiative.
- County economic development loans program aligned with this initiative.
- Primary partners agree on priorities and the first zone development project plan and budget.
- Management team assembled; team leader hired (perhaps a county employee) to run zones.

### ***Medium-Term (January – December 2006)***

- Development plans finalized (zones in general and the first zone in particular).
- Initial funding secured for the development plan.
- First zone formed, probably the Euclid Innovation Zone.
- Publicity campaign launched.
- Collaborative processes and continual communications established, especially with CuyahogaNext and North Coast Clusters participants.
- County and city incentives in place.
- First private sector incentives in place.

### ***Long-Term (Within 3 Years):***

- Anchor companies thriving in the first zone.
- Second zone launched, incorporating "lessons learned" from the first zone.
- Comprehensive incentives and metrics in place for all zones.



## Initiative #4 – NewStart Partners: \$2 Million Allocation



**NewStart Partners**  
Cuyahoga County  
Regeneration Projects

Cuyahoga County has developed a national reputation for innovative financing in the remediation of “brownfields” – environmentally damaged land. Cuyahoga County’s growing national reputation opens the door to developing a clear international identity as a leader in sustainability and regeneration strategies. Regeneration strategies represent a category of economic development that focuses on reusing older industrial sites. This approach to economic development is well established in Europe, especially the United Kingdom.<sup>10</sup>

The NewStart Partners initiative leverages the nationally recognized work of the county and builds on its successful partnership with TeamNEO, taking both to the next level.

NewStart Partners is a redevelopment fund and authority. Its purpose is to increase the number of properties, whether brownfields or “grayfields” – obsolete and aging properties – redeveloped into valuable parcels. By organizing the fund as a leveraged financing mechanism, NewStart Partners should achieve independent credibility and sufficient scale to generate serious investment and tax revenues for the region. Although the county’s brownfields program could remain in place, we recommend that the county closely align it with NewStart Partners.

### Vision

Cuyahoga County is an internationally recognized leader in implementing sustainability and regeneration strategies.

### Mission

Increase the number of properties redeveloped into valuable parcels.

### Strategies

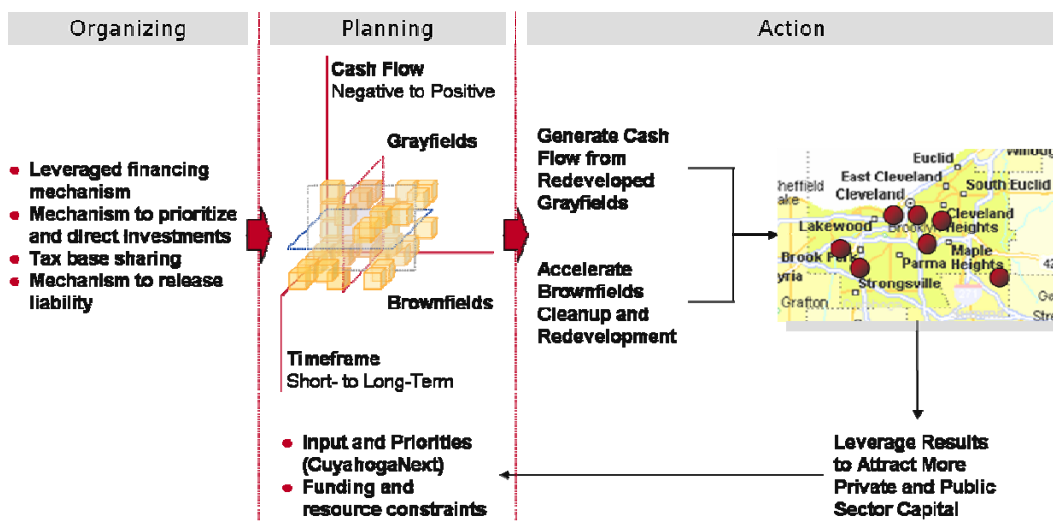
There are two phases to the NewStart Partners strategy. Both require Northeast Ohio leaders to join forces and accelerate the number of large regeneration projects in the region to generate more wealth and earnings tax revenues. Both require that Northeast Ohio leaders promote regional perspectives and rank regeneration opportunities on a regional basis.

**In the first phase**, the strategy is to prioritize and manage the remediation of grayfields to supplement existing work on brownfields. Grayfields remediation is in most cases much faster than brownfields remediation. NewStart Partners must develop a regional portfolio management approach to prioritize its regeneration projects and to balance the relative risks and returns. It also needs to work closely with participating organizations in CuyahogaNext and Cuyahoga Innovation Zones to fine-tune its remediation priorities.

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<sup>10</sup> See <http://www.regeneration-uk.com/>

**In the second phase**, as redeveloped grayfields begin generating positive cash flow, NewStart Partners will have to determine the appropriate allocation between grayfields and brownfields projects. This allocation will have to be based on a portfolio of expected cash flow yields and constraints that come with sources of funding. Over time, NewStart Partners will have to allocate an increasing percentage of its resources to brownfields regeneration. Having proven its “grayfields/brownfields” portfolio approach, NewStart Partners will be much more likely to attract a significant amount of private and public sector capital for the remainder of its activities.



**County Contribution to 2006 Startup Costs**  
 \$ 1,000,000 > Startup Operations  
 \$ 1,000,000 > County's L.A.N.D. Program (brownfields)

There is not yet civic consensus on whether or not to house NewStart Partners within the county government or found it as an independent entity, either for-profit or not-for-profit. We recommend the county and interested parties form NewStart Partners as a public-private development authority. We believe this is important to align the interests of the public and private sectors. By virtue of

its independence and collaborative approach, NewStart Partners should be able to:

- Work in tandem with the county to leverage financing for significant land assembly and redevelopment from government, foundations, and private sources.
- Prioritize and direct investments based on a sound business model with clear return on investment to the region from the end use of the redeveloped land.
- Focus on faster development cycles that are possible with the redevelopment of “grayfield” sites that have fewer complex environmental issues.
- Develop networks of local expertise across the municipalities in Cuyahoga County first, and later throughout the region.
- Take the necessary business risks during development without putting a risk burden on public entities.
- Develop mechanisms to release developers from unknown environmental liabilities, and to inventory all possible projects in the county and the region.
- Achieve tax-based sharing to replenish the development fund and achieve equity across the region.
- Independently establish a redevelopment process and criteria, issue requests for proposals, and identify projects with the best return on investment and private-to-public funding leverage.

The BRTF estimated \$1 million to fund the formation of NewStart Partners and to begin work on select grayfields. Funding for the county’s brownfields program (\$1 million budget in 2005 for the L.A.N.D. initiative with Team NEO), would supplement NewStart Partners with an additional \$1 million in 2006.

## Success Indicators

Success indicators will fall into two categories:

- **Economic development indicators:** private-to-public capital investment ratio (leverage), cash flow breakeven time on a per project basis, and the net present value of economic development investments.
- **Property value indicators:** the percentage of acres needing remediation to total acres in the county, the rate of growth in the value of remediated properties in comparison to all properties in the county, and the aggregate new tax revenues generated per remediated acre.

## Partners

- Grayfield and brownfield property owners
- Developers
- County Commissioners
- Municipalities: the host cities
- Private sector funding sources (investors and lenders)
- Other public sector lenders (e.g., Port Authority)
- Federal government
- State government
- Foundations
- Other non-profits, such as community development corporations
- Real estate brokers
- End users, future tenants, and future landowners

## Milestones

### ***Short-Term (January 2006 – March 2006)***

- Working group in place to form NewStart Partners.
- Founding objectives established and clearly communicated (tax base sharing; objectives for investments, and so on).
- Initial business plan complete.
- NewStart Partners founded with clearly defined goals for 1) a leveraged financing mechanism; 2) a mechanism to prioritize and direct investments; 3) tax base sharing; and 4) a mechanism to release liability.
- Sources and uses of funds for 2006 identified.
- Relationship between the county's current brownfields program and New Start Partners clearly defined, with an action plan and an operating agreement in place.
- Charter, governance, expectations, participating organizations' roles, and a process for airing and addressing grievances clearly defined and agreed to by public-private partners.
- Charter adopted; systematic working relationships in place.

### ***Medium-Term (January – December 2006)***

- NewStart Partners leadership in place and accountable for day-to-day operational management.
- Portfolio management and other operational processes with decision-making criteria in place: project management and decision-support software implemented and in production.
- Technical and civic advisory panel in place; roles and accountabilities defined.
- Business plan detailed; sources and uses of funds for the next three years identified.
- Redevelopment underway on the highest prioritized grayfields and brownfields.
- Three-year funding secured; first tranche in place.

### ***Long-Term (Within 3 Years)***

- Target number (identified in the business plan details) of prioritized parcels completed; cash flow measurement systems in place and functioning.
- System for replenishing the redevelopment fund in place.
- Replenishment working; funding allocated to prioritized new projects.
- Components of successful program all operating:
  - Leveraged financing mechanism
  - Trusted mechanism to prioritize/direct investments
  - Tax-based sharing for equity and regional collaboration
  - Mechanism to release liability

## Initiative #5 – Invest in Children: \$500,000 Allocation



High-performance new economies run on brainpower. Advances in the psychological and neural sciences in the last decade underscore the importance of early childhood education to long-term education performance.

In recent years, civic and business leaders have come to understand that investments in early childhood education make good economic development sense. For example, in 2002, the Committee for Economic Development, an independent and non-partisan group of business and education leaders, released its report, [Preschool for All: Investing in a Productive and Just Society](#).<sup>11</sup>

Recently, Art Rolnick and Rob Grunewald of the Minneapolis Federal Reserve Bank published a paper examining the returns on investment of early education in Minnesota.<sup>12</sup> The response to their paper has been extraordinary. The authors have been invited around the country to discuss their findings. The authors compared investment in early education to other state investments. They concluded that early education investments yield a return that far exceeds the return on most public economic development projects. After evaluating several studies of model programs, the authors found a return on investment of 16 percent, with 80 percent of the benefits going to the general public. In the last few years, many states have increased their investment in early childhood education as a strategy to boost long-term economic performance.

With the nationally recognized Invest in Children program, Cuyahoga County sits on the leading edge of these developments. However, locally, we have tended to view Invest in Children as a human services initiative, not an economic development initiative.

Invest in Children needs to expand and involve the business community. The high-quality pre-school education and preparedness that should result from this initiative needs to be available to all pre-school age children, not only those from disadvantaged families.

This initiative looks to the long term. From this perspective, the county has no more important economic development investment. The ultimate goal of Invest in Children is to ensure that all pre-school children are prepared to learn and achieve their potential in grade school. By ensuring equal access to high quality pre-school education, Invest in Children can provide a strong foundation for building lifetime learning skills in all the county's children. Invest in Children must become the obvious choice for parents who, for whatever reason, are incapable of instilling lifetime learning values in their children.

### Vision

Motivated young children who are well prepared for grade school.

### Mission

Achieve continual performance improvement in grade-school children by providing all pre-school children with an equal opportunity for high-quality education and gaining lifetime learning values.

<sup>11</sup> See: <http://www.ced.org/projects/educ.shtml>

<sup>12</sup> To learn more about the connection between early childhood education and economic development, see Federal Reserve Bank of Minneapolis, Rob Grunewald, and Arthur J. Rolnick, [Early Childhood Development: Economic Development with a High Public Return](#) at: <http://minneapolisfed.org/pubs/fedgaz/03-03/earlychild.cfm>

## Strategies

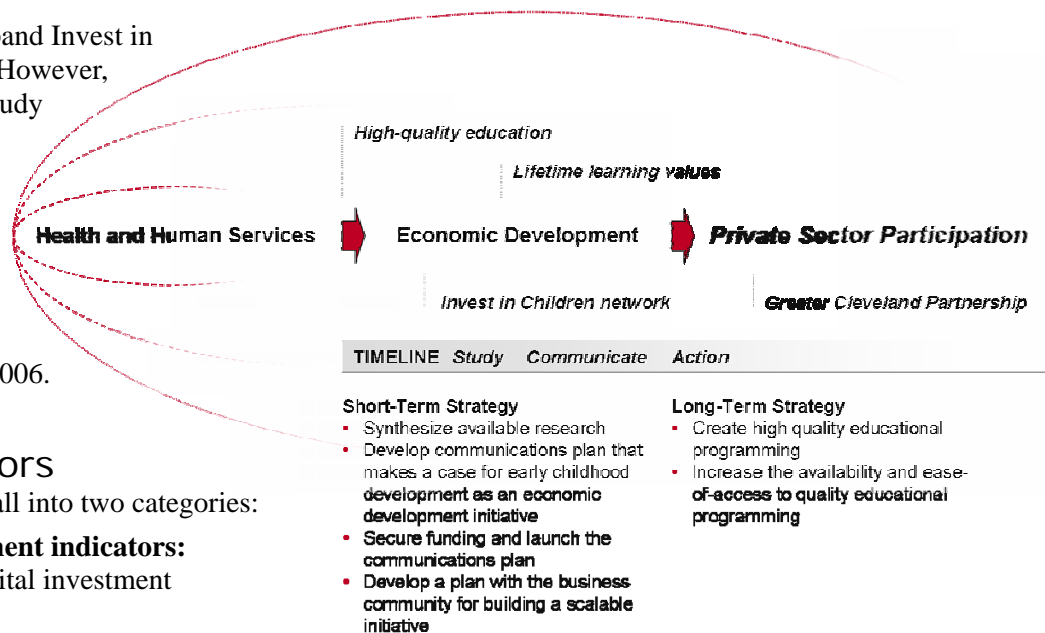
In the short-term, this strategy involves promoting Invest in Children to the business community as a critical economic development strategy for the county.<sup>13</sup> The rationale for this is that the foundation for learning and good work habits are formed early in a child's life. That foundation is what enables children to do well in school. When doing well in school, children are more likely to pursue post-high school education and continual learning in adult life. In moving from an old to a new economy, these lifetime learning skills are crucial to maintaining global competitiveness.

The first step involves building the business case for investments in early childhood. This step requires synthesizing the available research in partnership with the Federal Reserve Bank of Cleveland. Next, Invest in Children must secure funding. The primary use of funds will be to:

- Develop and implement a world-class, deep, and broad communications plan that focuses on the connection of early childhood education to economic development.
- Develop a plan for building a scalable initiative in partnership with the business community.

In the long term, this strategy involves developing the programs necessary to accomplish the mission. These will fall into two broad areas: 1) creating high quality educational programming, and 2) increasing programming formats, venues, availability, and ease-of-access. We believe the partners who work on Invest in Children are already, in essence, an innovation cluster focused on early childhood education. In developing a more formalized approach to collaborating on innovations in education program creation and delivery, these organizations could work more closely with North Coast Clusters (primarily NorTech) in forming companies that can bring their innovations to the marketplace.

The BRTF wanted to expand Invest in Children by \$1 million. However, we recommend further study and planning with the Federal Reserve Bank, the Greater Cleveland Partnership, and the leaders of the Invest in Children network; we estimate that \$500,000 is enough for 2006.



## Success Indicators

Success indicators will fall into two categories:

- **Economic development indicators:** private-to-public capital investment ratio (leverage).
- **Activity indicators:** the percentage of the early childhood population voluntarily enrolled in Invest in Children programs, the percentage of parents actively involved, attendance and dropout ratios, and the ratio of average grade school grade-point average of Invest in Children “graduates” to the average for all children.

<sup>13</sup> To learn more about Invest in Children, see the assessment completed by the Center for Urban Poverty and Social Change at Case, *Cuyahoga County Early Childhood Initiative Evaluation* at: [http://povertycenter.cwru.edu/urban\\_poverty/dev/pdf/ECIExecsum\\_Final\\_Rev\\_0505.pdf](http://povertycenter.cwru.edu/urban_poverty/dev/pdf/ECIExecsum_Final_Rev_0505.pdf)

## Partners

The county needs to open up the Invest in Children program to a larger number of collaborators within the county. The first two partners are of primary importance:

- Invest in Children network: a strong partnership network is already in place.
- Greater Cleveland Partnership: can assist the county in moving early childcare from a social service issue to a core economic development activity.

Secondary partners include:

- Mayors and Managers Association: can provide important political support for a transformative economic development strategy.
- Coalition of superintendents and school boards: can assist with the implementation of a universal pre-K system (has facilities and resources, and knows the requirements for grade-school success).
- Universities and colleges: can improve the number and quality of early childhood educators.
- Chambers of commerce: provide a strong communication link to businesses.
- State legislators: promote the passage of “best-in-class” legislation to move Ohio toward equal opportunity, high quality pre-school access.
- Center for Community Solutions: provides effective support for advocating state level legislation.
- Federal Reserve Bank and universities: can provide research on best practices and economic benefits.

## Milestones

### ***Short-Term (January 2006 – March 2006)***

- Key groups convened for expanding Invest in Children.
- Agenda completed for making investments in early childhood education part of the region’s economic development agenda.
- Business case well documented and clearly articulated.
- Strategy in place for enhancing the county’s program, including how the county will align the current health and human services program to economic development.

### ***Medium-Term (January – December 2006)***

- New products and services launched that expand the availability and quality of early childhood education.
- Publicity campaign launched, targeted at the business community.

### ***Long-Term (Within 3 Years)***

- “Best-in-class” state legislation passed, supporting equal opportunity and access to high quality early childhood education.



## Transformative Initiatives for 2007 and Beyond

In addition to the five high-priority initiatives planned for 2006, the Blue Ribbon Task Force (BRTF) identified seven more initiatives with the potential to transform our region. Each initiative falls into one of the five economic development portfolio categories. Each initiative relates closely to one of the five prioritized initiatives. **It is crucial that CuyahogaNext and the county coordinate the activities between these initiatives to keep a fast pace and gain maximum leverage and private sector support.**

We recommend that the county evaluate the potential of each initiative in the fourth quarter of 2006. It will be the role of CuyahogaNext and the promoters of each initiative to work with the county to:

- Prioritize the most valuable initiatives based on the CuyahogaNext public space economic development process (to be implemented in 2006).
- Develop the sequencing and implementation plan (2007 and beyond) based on CuyahogaNext's portfolio management criteria that matches priorities to the county's resource availability and implementation ability.

### One Cuyahoga Campus

#### **Promote a pre-kindergarten through grade 14 education for every child.**

This short-term initiative looks to long-term results. It promotes building brainpower. One Cuyahoga Campus involves creating financial incentives for students to continue their education at Northeast Ohio Council on Higher Education (NOCHE) institutions, provided they are willing to stay in the region after graduation.

The county treasurer has initiated a pilot scholarship program along these lines already.

The strategy may also involve promoting pilot programs for improving reading and computer literacy, and reducing dropout rates. Many of these pilot programs are available through the National Dropout Prevention Center.<sup>14</sup>

### One Cuyahoga Workforce

#### **Develop flexible, responsive, and collaborative delivery of higher education and workforce training.**

This short-term initiative looks to medium-term results. It promotes building brainpower. One Cuyahoga Workforce requires promoting more collaborative efforts among the region's colleges and universities, and between these institutions and the business community. College 360°, an initiative of NOCHE, represents one significant component of this initiative.<sup>15</sup>

The One Cuyahoga Workforce strategy involves:

- Expanding the county's pilot scholarship program to the university level and to workforce training.
- Coordinating other ideas with One Cuyahoga Campus.
- The continued integration of the county and city workforce boards.

<sup>14</sup> National Dropout Prevention Center is available at: <http://www.dropoutprevention.org>

<sup>15</sup> Learn more about College 360 at: <http://www.noche.org/neo.html>



## North Coast Entrepreneurs

### **Invest in training entrepreneurs to develop their ideas and innovate.**

This short-term initiative looks to medium-term results. It promotes designing open innovation and entrepreneurship networks. The strategy for North Coast Entrepreneurs includes four components:

- Expanding entrepreneurial training in schools (coordinated with One Cuyahoga Campus).
- Connecting inner-city and immigrant entrepreneurs to area business schools.
- Supporting stronger entrepreneurial networks (coordinated with North Coast Clusters).
- Supporting business development incubators and accelerators (coordinated with North Coast Clusters and Cuyahoga Innovation Zones).

### **Expand entrepreneurial training in schools**

Several promising entrepreneurial education initiatives are underway in Cuyahoga County and need to expand. In particular, E-City builds from a successful model developed by the National Foundation for Teaching Entrepreneurship.<sup>16</sup> Other communities have accelerated the development of FastTrac training, developed by the Kauffman Foundation.<sup>17</sup>

### **Connect inner city and immigrant entrepreneurs to area business school faculty and students**

The county should form a partnership with the Institute for a Competitive Inner City (ICIC). The ICIC's founder, Harvard Business School professor, Michael E. Porter, wants to encourage the development of business – real business, competitive business – in the inner cities. This national nonprofit is the result of several years of research on inner-city economic and business development. ICIC recently launched Opportunity Newark to build competitive businesses in Newark by focusing on the following clusters: health services, education, entertainment and the arts, and logistics and light assembly.<sup>18</sup>

### **Support stronger entrepreneurial networks**

The Greater Cleveland Partnership and its partners have launched NEO411.biz to provide easy access to resources for entrepreneurs. The website however does not meet the performance standards of leaders in the field such as KCSOURCELINK in Kansas City.<sup>19</sup> Entrepreneurship networks – when explicitly designed and promoted consistently over a period of years – can provide a successful approach to economic development, especially in depressed neighborhoods. These networks form the basis of successful micro-lending programs.

In another case, the Appalachian Center Economic Networks (ACEnet) has shown impressive results in Southern Ohio.<sup>20</sup> Economic developers in Littleton, Colorado, have launched a similar approach they call “economic gardening.” This strategy focuses on providing information to existing businesses at a very low cost.<sup>21</sup> With Cuyahoga County's extensive library system, this network strategy looks promising.

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<sup>16</sup> In addition to E-City, there are a wide range of other resources that appear to be only loosely connected. They include the Key Entrepreneur Development Center at Tri-C. See the E-City website: <http://www.ecitycleveland.com/>

<sup>17</sup> See their website at: <http://www.fasttrac.org/>

<sup>18</sup> See the website for Opportunity Newark at: <http://www.opportunitynewark.com/>

<sup>19</sup> See their website at: <http://www.kcsourcelink.com/>. Entrepreneurs Edge represents a new initiative in Northeast Ohio that promotes entrepreneurship and innovation among existing and new companies through a series of recognition events

<sup>20</sup> See the ACEnet website at: <http://www.acenetworks.org>

<sup>21</sup> See “Economic strategy could all jobs,” April 11, 2005 Coloradoan online at: <http://www.coloradoan.com/apps/pbcs.dll/article?AID=/20050811/BUSINESS/508110304/1046>. You can learn more about the approach at the Littleton, CO, website at: <http://www.littletongov.org/bia/economicgardening>

### **Support business development incubators and accelerators**

Cuyahoga County does not have a wide range of business incubators (focused on startup businesses) or accelerators (focused on small, growth-oriented firms). Business incubators and accelerators are at the heart of Montgomery County, Maryland's economic development strategy.

The partnership between the Beachwood Chamber of Commerce and Cleveland State University could be a model for implementing similar partnerships throughout the county. In Lorain County, a successful partnership among the county, the chamber of commerce, and Lorain County Community College provides the foundation for a successful program in GLIDE, the Great Lakes Innovation and Development Enterprise.<sup>22</sup> In Youngstown, the Youngstown Business Incubator provides another promising model.

## **Green City Blue Lake Network**

### **Connect Cuyahoga Valley, the Lakefront, and other water and open space resources in the county using Cuyahoga Innovation Zones.**

This medium-term initiative looks to long-term results. It promotes developing quality and connected places. The benefit of the Green City Blue Lake Network is to provide the region with a place-based strategy that 1) aligns development activities throughout the region, and 2) places Cuyahoga County at the center of the center of the region and the strategy.

Green City Blue Lake Network relates closely to Cuyahoga Innovation Zones (that in turn helps NewStart Partners prioritize brownfields and grayfields regeneration). It uses a successful zones initiative as a foundation upon which to build a network of zones, creating maximum leverage and "best use" of land and water resources. Closely coordinated with CuyahogaNext, the Green City Blue Lake Network should start by linking eight existing initiatives together with the zones strategy:

- The Cuyahoga Valley Initiative (promoted by the county)
- The Lakefront development program (promoted by the city)
- The West Bank Flats project (promoted by the city and developer Scott Wolstein)
- The preservation of Whiskey Island
- The new position of sustainability director<sup>23</sup> for the city of Cleveland
- The GreenCityBlueLake Network<sup>24</sup> promoted by EcoCity Cleveland
- Promoting water-related industries and environmental remediation businesses through Team NEO and NorTech (positioned as one or more innovation clusters, part of the North Coast Clusters inception stage strategy)
- Encouraging new energy and efficient transportation technologies promoted by NorTech and Team NEO (positioned as one or more innovation clusters, part of the North Coast Clusters inception stage strategy).

Although regeneration and sustainability strategies are emerging as a major force in Europe, they do not have much exposure in the U.S. (see, for example, the UK government's sustainable development website<sup>25</sup> and the London Sustainability Network<sup>26</sup>).

Cuyahoga County should take a lead role in defining these strategies and establishing the standard for other communities and regions in the U.S. By designating zones as part of the Green City Blue Lake Network, the county will:

- Align and promote existing development efforts
- Promote the core strength of the region's water resources
- Reposition the county as a live, work, play economy
- Establish Cuyahoga County as an innovator in sustainability and regeneration

This network of Cuyahoga Innovation Zones would operate more closely to the model of the Michigan SmartZone.<sup>27</sup> Although the SmartZones are designed to encourage innovation, they provide a model of the type of focus that we should bring to regeneration and sustainability. Here, at length, is a description of SmartZones. Similar in language to that of Michigan SmartZones, the county can focus its efforts on developing internationally recognized policies and technologies for regeneration and sustainability:

“The locations in the Green City Blue Lake Network represent areas that comprise a critical mass of sustainability and regeneration growth opportunities including:

- > Commitment to supporting sustainable technology development and regeneration – leadership and commitment from the public and private sectors to enable an environment that encourages and emphasizes sustainability innovation
- > Leadership and commitment of research institutions to support technology development in sound environmental and economic practices
- > Coordinated access to capital – seed, venture, and conventional
- > Business development networks – high quality business service providers and potential customers and suppliers
- > Established infrastructure – laboratory space, open spaces, access to university facilities, high bandwidth telecommunications, and incubator space
- > Educated and talented workforce – access to top technology talent from universities and the private sector
- > Proximity to research and development partners such as industry, universities, hospitals, and research laboratories
- > Education and training opportunities
- > Quality of Place – access to top cultural, entertainment, educational, recreational, residential, and other quality of life amenities.”

Depending on how the Green City Blue Lake Network is implemented, the county may have a need for a new position to coordinate sustainability efforts with Cleveland and other municipalities.

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<sup>22</sup> See their website at: <http://www.glideit.org/>

<sup>23</sup> See website at:

[http://www.city.cleveland.oh.us/government/departments/pubutil/sustainability/sustainability\\_program.html](http://www.city.cleveland.oh.us/government/departments/pubutil/sustainability/sustainability_program.html)

<sup>24</sup> See website at: <http://www.greencitybluelake.org/>

<sup>25</sup> See website at: <http://www.sustainable-development.gov.uk/>

<sup>26</sup> See website at: <http://www.london21.org/>

<sup>27</sup> See website at: <http://medc.michigan.org/smartzones/program/>

## Creative Cuyahoga Cities

### **Link cities throughout the county by using common “live, work, and play” development principles.**

This medium-term initiative looks to long-term results. It promotes developing quality and connected places. Creative Cuyahoga Cities responds to the needs of cities in Cuyahoga County to promote themselves as great “live, work, and play” communities.

Creative Cuyahoga Cities is based on the [Cool Cities](#) initiative<sup>28</sup> launched by Michigan. Although Michigan’s Cool Cities program is a single reinvestment strategy<sup>29</sup>, Creative Cuyahoga Cities is portfolio-based transformative initiative linked closely with Cuyahoga Innovation Zones and North Coast Clusters. It also relates closely to community development activities, bridging the need for coordinating economic development and community development initiatives.

Creative Cuyahoga Cities will link together:

- The county’s current investments in arts and cultural organizations (see North Coast Clusters and Cuyahoga Innovation Zones for references to recommendations on the county’s Arts & Culture and Destination Cleveland programs).
- The interests of the First Suburbs Consortium and the national trend toward “town center” development (this builds on NewStart Partners and Cuyahoga Innovation Zones).
- The interests of city planning departments in the outer ring suburbs.
- The investment of private philanthropy in arts organizations.
- The marketing of business programs based on creativity and innovation<sup>30</sup>.
- The extensive creative assets in the region.

The role of the county in the Creative Cuyahoga Cities initiative will be to provide planning grants, much like the state of Michigan. With this relatively small amount of money, the county would be able to align and focus development efforts throughout the county.

## CuyahogaBest

### **Create a branding collaborative around three themes: creativity, innovation, and sustainability.**

This medium-term initiative looks to medium-term results. It promotes creating powerful branding experiences around Cuyahoga County, the transformative initiatives, and the region. The themes of “creativity, innovation, and sustainability” encompass the thrust of the transformative economic development initiatives. Using the county’s ability to convene and its role as investor, a commission could encourage different organizations and municipalities to focus their branding initiatives around these three themes. Depending on the progress in 2006 of the first five initiatives, CuyahogaNext could begin forming this initiative and its key messaging and brand elements by the end of 2006.

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<sup>28</sup> See <http://www.michigancoolcities.com/>

<sup>29</sup> You can download a white paper at: <http://www.coolcities.com/cm/attach/65FCD505-DBB5-43A9-AB66-F7D84978B9A7/CCWhitePaper.pdf>

<sup>30</sup> See “Getting Creative in Class,” *Cleveland Plain Dealer*, July 18, 2005 at: <http://www.cleveland.com/entertainment/plaindealer/index.ssf?/base/entertainment/1121679206300520.xml&coll-2>

## CuyahogaForums

### **Create unifying “test bed” forums for regional cooperation to galvanize timely action on critical issues.**

This short-term initiative looks to long-term results. It promotes close collaboration in our county and region. We need purposeful countywide dialog and decisions that will lead to timely action on two specific areas of great and immediate importance to our region:

- Stimulating the development of a countywide plan for air quality attainment as mandated by the federal government.
- Promoting innovation in the delivery of government services to achieve better quality and lower total cost of government regionally.

### **Stimulate the development of a countywide plan for air quality attainment**

The county is in non-attainment of federal air quality standards. This status puts a major obstacle in the way for future development plans and access to federal funds. More important, county residents and businesses will need a well-designed process to understand different options for reducing emissions. Although NOACA has formed a committee around this issue, there needs to be multi-county leadership to accelerate this effort. CuyahogaNext, supported by Cuyahoga County, should step into this role and assert leadership.

### **Promote innovation in the delivery of government services**

This is an important component of the county’s overall economic development strategy. Through innovation, municipalities within the county can manage the cost structure of government. This cost structure represents the major driver of the relatively high tax rates in the county, contributing to our economic decline. By freeing up cash through lower cost and higher quality delivery of services, the county could reallocate those savings to accelerate work on transformative initiatives, or return them to the private sector with incentives to boost private sector leverage in economic development.

The commissioners have already undertaken steps (e.g., regional summits and the Northeast Ohio League for Leadership and Advocacy) to look into this opportunity. The Mayors and Managers Association, through its regionalism committee, is also working in this area (e.g., NEO Sourcing Office). Close coordination and cooperation led by CuyahogaNext and the county could accelerate this effort.

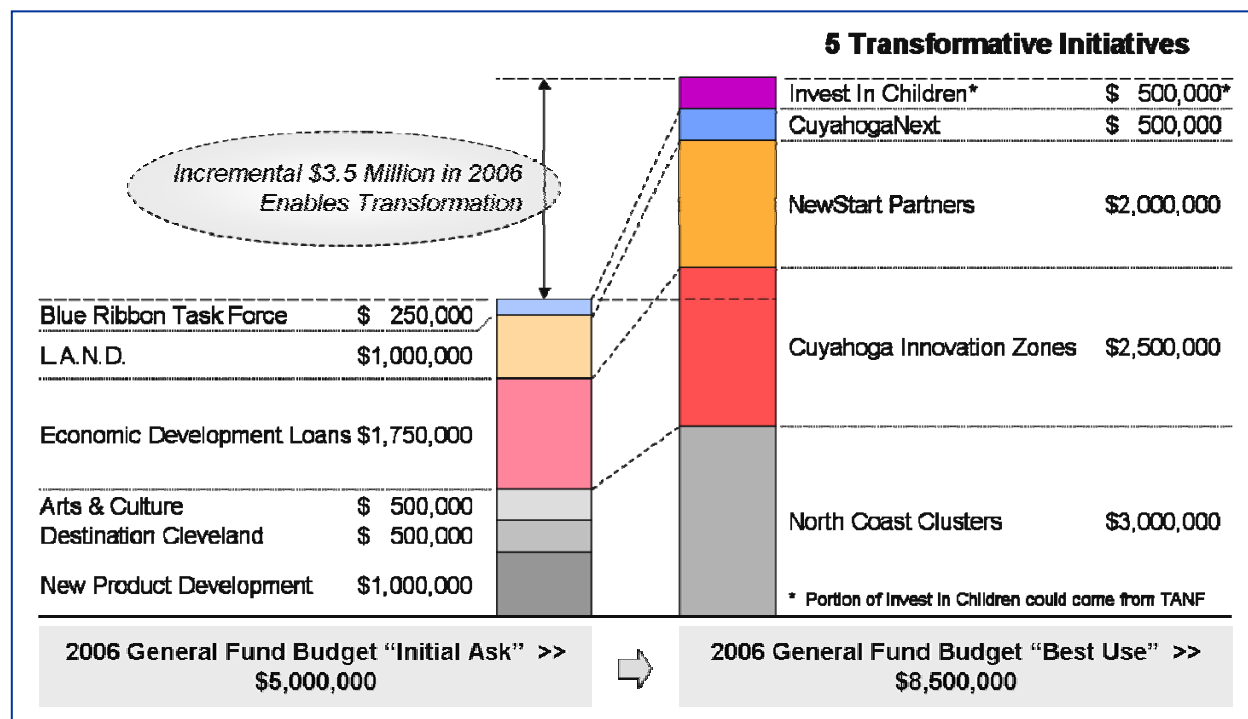
## Transforming Department of Development Programs

Cuyahoga County's Department of Development currently has the following economic development programs in place with a 2005 budget of \$5 million. The county commissioners need to transform these programs in 2006 within the context of the five transformative initiatives.

Table 3 – Current Department of Development economic development programs

County Program	Description	Purpose
Economic Development Loans	Low interest loans for businesses	Job creation and retention
LAND (Local Assets for New Development)	Brownfields redevelopment	Return parcels to viable community and economic assets
New Product Development	Financial and technical assistance to promote manufacturing businesses	Encourage innovations among manufacturers
Arts & Culture	Grants to support arts and culture projects; an award-winning grant program	Use arts and culture to produce an economic return
Destination Cleveland	Funds projects that promote tourism, the region, and community activities	Promote the region to attract tourism
Blue Ribbon Task Force (BRTF)	Funds community engagement in economic development	Community engagement in developing an economic development strategy

The budget for the five transformative initiatives adds \$3.5 million to the Department's \$5 million budget. To get the "best use" of the \$8.5 million total, the county needs to transform its six programs in the context of the five transformative initiatives. We recommend that the county integrate its current economic development programs into the five transformative initiatives developed by the BRTF (below).



Unlike its six economic development programs, the county organized its program for Invest in Children program under the Family and Children First Council (a part of Health and Human Services).

We recommend that the county start to consider Invest in Children as a crucial long-term economic development initiative. We also recommend that the county investigate the best placement for this initiative and make the appropriate transition in 2006. The first step would be to establish Invest in Children as an initiative staffed by both the Departments of Development and Health and Human Services. A jointly staffed task force could initially coordinate these two branches of the county.

Integrating the seven (including Invest in Children) current county economic development programs into the five initiatives has an added, highly desirable effect. It facilitates the necessary change in the Department to align it more closely with the initiatives and accelerate Department activities and the leverage it can create.

We believe a new economic development mission statement would also help the Department make the transition. The current mission statement of the Department of Development reflects a program-centric approach that combines economic and community development:

“The Division uses its resources to empower and serve communities. Through quality program delivery, we create and enhance economic and community development that promotes livable neighborhoods, improves the social well-being of residents, and supports business and commercial vitality.”

The Department’s economic development mission and values need to better facilitate: 1) moving from the old economy to a new economy, and 2) focusing on publicly valuable activities that are not currently, but will become profitable for the private sector to pursue. The Department should also focus on the economic development criteria<sup>31</sup> of transformative initiatives, redefining its mission in that context.

As an example, the Department could formulate a simple, focused economic development mission statement similar to this:

“Create the environment for transforming our regional economy by leveraging private sector resources and collaborating with the community.”

Similarly, a mission statement for the community development portion of the Department of Development should reflect a broader way of serving the communities to help better position and prepare them for our region’s transition to a new economy. For example:

“Help Cuyahoga County communities thrive by working with them to resolve community issues that put them at an economic disadvantage.”

Where economic development focuses on attracting to and retaining resources in our region, community development focuses on improving the circulation of money within the county. Both mission statements put collaboration at the center of the Department’s approach to serving the public.

Both missions align the entire Department behind a single goal – transforming our region.

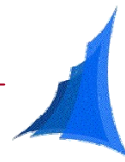
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<sup>31</sup> See appendix section “Economic Development Primer”



## Action Plan 2006

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## Action Plan 2006

Cuyahoga County needs to create a sense of urgency in starting on the first five initiatives with which to transform our regional economy. By virtue of its position (most municipalities and citizens pertinent to a successful transformation reside in the county) and the scale of its resources (billion dollar-plus budget dwarfs most municipality and foundation budgets), the county can play a leadership role in shaping and executing a regional transformation strategy. If it fails to do so, it risks falling behind as initiatives already underway (e.g., Fund for Our Economic Future) and these five gain further momentum.

The county has an opportunity to come from behind and position this economic development action plan as the linchpin of collaboration across the region.

Although each transformative initiative has its unique requirements, most of the initial action steps are the same across all five. Specifically, these all revolve around getting the initiative organized and started.

The work entails close collaboration with the private and public sector partners that are the most pertinent to a successful implementation. Many of these partners and their leaders are one-and-the-same for each initiative, making their recruitment and gaining their commitment manageable in a short time. Each county commissioner has a role in further tightening existing good relationships and addressing those that need improvement. The faster the county accomplishes this, the sooner it will start to turn around the existing situation.

The Blue Ribbon Task Force (BRTF), as an experiment in creating an inclusive countywide civic forum, is a model upon which the county can capitalize to gain civic support and build toward a common set of goals and actions. The fastest way to demonstrate resolve to the county's constituencies and citizens is for each county commissioner to become actively involved in leading one or more of the five initiatives.

The first steps to transforming our regional economy start with:

- Unanimous approval of this Action Plan 2006 by the Cuyahoga County Board of Commissioners,
- Making and publicizing this Action Plan 2006 and the leadership choices of the commissioners,
- Convening the initial sets of purposeful meetings with the most pertinent organizations identified in this Action Plan 2006 to gain their support and commitment to implementation,
- Vetting the Action Plan 2006 and revising as needed to facilitate rapid implementation in collaboration with participating organizations,
- Organizing the initial working sessions for each initiative,
- Revising and aligning the Department of Development mission, stressing the:
  - Importance of open collaboration with partners that are pertinent to the mission,
  - Need to transform existing programs working with those partners to improve the effectiveness and accelerate the results of each program.
- Prioritizing the launch of CuyahogaNext, with the launch of the other four initiatives not far behind.

By moving quickly, the commissioners can harness the momentum they have gained through the BRTF with the county's civic leadership in the last six months.

## Action Plan 2006: CuyahogaNext

### *Short-Term (January 2006 – March 2006)*

Action Steps	Responsibility	Timing
Adopt Action Plan 2006	County Commissioners	December 2005
Invite key organizations/people to serve as members of CuyahogaNext <i>partners</i>	County Commissioners	January 2006
Work with CuyahogaNext <i>partners</i> to invite organizations/people to serve as members of CuyahogaNext <i>advisors</i>	County Commissioners and <i>partners</i> members	January 2006
Convert Blue Ribbon Task Force (BRTF) into CuyahogaNext <i>advisors</i>	County Commissioners	January 2006
Conduct organizational meeting of <i>partners</i> and <i>advisors</i> to get organized and take up the work of the BRTF	County Commissioners and <i>partners</i> members	January 2006
Define the relationship between CuyahogaNext and the Department of Development; design the next level of detail for how they will work together and oversee Action Plan 2006 initiatives	Department of Development Management and <i>partners</i>	February 2006
Draft a simple charter, setting out purpose, operating principles and governance (including grievance guidelines); adopt when complete	CuyahogaNext <i>partners</i>	February 2006
Determine management structure, including the type of relationship and compensation; hire/engage an executive/director/coordinator	CuyahogaNext <i>partners</i>	March 2006
Establish systematic working relationship with the Fund for Our Economic Future, Greater Cleveland Partnership, NorTech, and TeamNEO to immediately begin coordinating action items of joint interest	CuyahogaNext <i>partners</i> and <i>advisors</i>	March 2006
Establish regular meetings to review progress on Action Plan 2006 implementation and to establish time tables, milestones and next steps	CuyahogaNext <i>partners</i> and <i>advisors</i>	March 2006
Launch two to three initiatives, coordinated with the other four Action Plan 2006 initiatives	CuyahogaNext <i>partners</i> and <i>advisors</i>	March 2006

The short-term objective of launching two or three initiatives within CuyahogaNext is to get short-term “wins” and to build trust. One of the initiatives can be the adoption of NEO Sourcing Office with a target of 60 communities and six products within one year. The people working on this initiative are finalizing plans today – this can be done and publicized as part of this transformative initiative.

### ***Medium-Term (January – December 2006)***

<b>Action Steps</b>	<b>Responsibility</b>	<b>Timing</b>
Develop a unified regional economic development strategy based on an inclusive set of initiatives; start with this Action Plan 2006, NorTech scenario planning work, Greater Cleveland Partnership strategy, and other pertinent plans of high value	CuyahogaNext <i>advisors</i>	June 2006
Formally begin promoting the regional economic development strategy to the public; build momentum by coordinating with Voices and Choices forthcoming results	CuyahogaNext <i>advisors</i>	June 2006
Launch large-scale funding effort	CuyahogaNext <i>advisors</i>	June 2006
Design a systematic public process for identifying, analyzing, portfolio-fitting, financing, and monitoring of economic development initiatives	CuyahogaNext <i>advisors</i>	September 2006
Implement the process, including software (project management, portfolio management, and collaboration systems)	CuyahogaNext <i>partners and advisors</i>	December 2006

### ***Long-Term (Within 3 Years)***

Establish a financing arm for CuyahogaNext that would enable large-scale investment initiatives that promote the transformation of the county's economy.

## Action Plan 2006: North Coast Clusters

### *Short-Term (January 2006 – March 2006)*

Action Steps	Responsibility	Timing
Evaluate and confirm the county's proper role in North Coast Clusters	County Commissioners and Department of Development Management	January 2006
Adopt the framework for investment in innovation clusters (see below)	County Commissioners and Department of Development Management	January 2006
Select the key partners in each stage of county involvement	County Commissioners and <i>partners</i> members	January 2006
Draft a simple charter, setting out purpose, operating principles and governance (including grievance guidelines); adopt when complete	Department of Development Management and <i>partners</i>	February 2006
Determine and agree on funds disbursement guidelines and authorizations	Department of Development Management and <i>partners</i>	February 2006
Negotiate and sign an operating agreement between the county and its operational partners. Include specific criteria to guide the county's investment strategy, with a focus on private sector leverage	Department of Development Management and <i>partners</i>	February 2006
Build concurrence for the negotiated agreement at the Commissioners' level and at the county's project management level	Department of Development Management	March 2006
Evaluate the county's Arts & Culture and Destination Cleveland programs; integrate their best elements into this initiative as part of the emerging create digital media cluster	Department of Development Management	March 2006
Evaluate current partners' business plans and the county's new product development program. Specify reforms. Evaluate the broadening of CAMP's role into new product commercialization, aligning it more closely with JumpStart and BioEnterprise; incorporate "old" and "new" cluster thinking into NorTech's plans.	North Coast Clusters partners	March 2006
Establish regular meetings to review progress on North Coast Clusters Action Plan 2006 implementation and to establish time tables, milestones and next steps	North Coast Clusters partners	March 2006
Begin formally promoting North Coast Clusters through CuyahogaNext to ensure messaging consistency, continuity, and timing	North Coast Clusters partners	March 2006

We recommend that the county follow these guidelines when developing its framework for investment in innovation clusters.

- Cluster development (mainly by NorTech); need to provide funding for clusters to organize themselves (this could be implemented using a tiered opportunity fund; e.g., make a funding pool available, with NorTech able to spend up to \$25,000, needing county approval to spend between \$25,000 and \$100,000, and board and county approval to spend more than \$100,000).
- Financing (JumpStart provides pre-seed and seed funding to individuals and companies of all clusters. BioEnterprise assists companies in obtaining venture capital in the biomedical clusters). The idea here is to leverage private sector investment funds.
- Commercialization and product development (CAMP and the private sector provide these services).

### *Medium-Term (January – December 2006)*

- The county should adopt the recommended reforms from March 2006 to its new product development program.
- North Coast Clusters partners to design and implement systematic processes, supported by portfolio management collaboration software systems for:

- Moving ideas from inception into the marketplace,
- Communicating and reporting to partners,
- Forming alliances with angel investor networks and professional venture capital firms in this area of the country.
- North Coast Clusters partners to manage and track progress through quarterly reports. Provide more specificity to investments within Cuyahoga County (number of companies, type of clusters in which companies participate, size of investments, etc.).

***Long-Term (Within 3 Years)***

- North Coast Clusters partners to assess and respond to the needs of new growing clusters.
- North Coast Clusters partners to assess and respond to the needs of new clusters that are not technology-intensive.
- Department of Development to evaluate the county's continuing role in the North Coast Clusters initiative.

## Action Plan 2006: Cuyahoga Innovation Zones

### *Short-Term (January 2006 – March 2006)*

Action Steps	Responsibility	Timing
Define the county's role in Cuyahoga Innovation Zones	Department of Development Management	January 2006
Select the primary partners for this initiative; define roles clearly	Department of Development Management and primary partners	January 2006
Draft a simple charter, setting out purpose, operating principles and governance (including grievance guidelines); adopt when complete	Department of Development Management and primary partners	January 2006
Establish the vision for "zones" and a definition of what constitutes an innovation zone; provide a sense of mixed-use place and sustainability design principles	Department of Development Management and primary partners	January 2006
Define the first zone; boundaries, objectives, key attributes, and priorities (keep it small to build density and momentum) – coordinate this effort with North Coast Clusters and CuyahogaNext initiatives	Department of Development Management and primary partners	January 2006
Determine the county's role in the first zone and the management structure; formalize it with an operating agreement among partners	Department of Development Management and primary partners	February 2006
Reformulate and align the county's Arts and Culture program with this initiative (also part of the North Coast Clusters initiative, so requires coordination); align the economic development loans program as well	Zones partners	February 2006
Develop detailed plan and budget for the zones initiative; define what the county has to do to spur the zone	Zones partners	February 2006
Build concurrence for what the county has to do at the commissioners' level and at the county's project management level	Department of Development Management	March 2006
Build concurrence for what the affected cities have to do at the mayor level and at the city project management levels	Department of Development Management	March 2006
Determine and agree on funds disbursement guidelines and authorizations	Zones partners	March 2006
Assemble the management team (may need to hire a team leader from the outside the region)	Zones partners	March 2006
Establish regular meetings to review progress on Cuyahoga Innovation Zones Action Plan 2006 implementation and to establish time tables, milestones and next steps	Zones partners	March 2006

### *Medium-Term (January – December 2006)*

Action Steps	Responsibility	Timing
Develop a plan for zone build-outs; detailed build-out project plan (basic building locations, types, and functions) for the first zone, with priorities clearly defined	Zones partners	April 2006
Identify key organizations for zone build-out; begin to negotiate contracts with organizations that will participate in detail design work – early input from the private sector will help prioritize the zone incentives that need implementation first	Zones partners	May 2006
Identify prospective financiers; begin to negotiate agreements - early input from the private sector will help prioritize the zone incentives that need implementation first	Zones partners	May 2006
Obtain agreement from the commissioners on county, and the mayors on city incentives for the first zone	Department of Development Management	May 2006
Form the first zone (Euclid Innovation Zone in MidTown) and simultaneously launch a publicity campaign through CuyahogaNext to ensure messaging consistency, continuity, and timing	Zones partners	June 2006
Begin formally promoting Cuyahoga Innovation Zones through CuyahogaNext to ensure messaging consistency, continuity, and timing	Zones partners	July 2006

Action Steps	Responsibility	Timing
Begin to implement the tax, regulatory, and zoning incentives approved by the commissioners and city mayors	Zones partners	August 2006
Begin to implement programs for private sector incentives	Zones partners	September 2006
Design a systematic process for identifying, analyzing, portfolio-fitting, financing, bidding, and monitoring of zone programs; include CuyahogaNext and North Coast Clusters in the performance reporting and communications loop	Zones partners	September 2006
Implement the process, including software (project management, portfolio management, and collaboration systems)	Zones partners	December 2006

### ***Long-Term (Within 3 Years)***

- Zones partners to launch the second zone, incorporating “lessons learned” from the first zone.
- Zones partners to secure and establish anchor tenants/owners in the first zone.
- Zones partners to implement additional incentive plans and measures for each zone.



## Action Plan 2006: NewStart Partners

### *Short-Term (January 2006 – March 2006)*

Action Steps	Responsibility	Timing
Select a working group to guide the implementation of NewStart Partners (see below)	County Commissioners and Department of Development Management	January 2006
Working group partners define objectives (see below)	Working group	January 2006
Define the relationship between the county's current brownfields program and New Start Partners; specify alignment plan (see below)	Department of Development Management with working group	January 2006
Develop the initial value proposition and basic business plan for NewStart Partners	Department of Development Management with working group	February 2006
Draft a proposed plan to create New Start Partners with 1) a leveraged financing mechanism; 2) a mechanism to prioritize and direct investments; 3) tax base sharing; and 4) mechanism to release liability	Department of Development Management with working group	February 2006
Identify sources and uses of funding for 2006 remediation work (prioritize grayfields and brownfields work for 2006 in collaboration with CuyahogaNext and Cuyahoga Innovation Zones partners)	Working group	March 2006
Draft a simple charter, setting out purpose, operating principles and governance (including grievance guidelines); adopt when complete (see below)	Department of Development Management with working group	March 2006
Negotiate and sign an operating agreement between the county and its NewStart Partners. Include specific criteria to guide the county's investment strategy, with a focus on private sector leverage	Department of Development Management with working group	March 2006
Build concurrence for the negotiated agreement at the commissioners' level and at the county's project management level	Department of Development Management	March 2006
Establish regular meetings to review progress on NewStart Partners business plan implementation and to establish time tables, milestones and next steps	NewStart Partners' partners	March 2006
Determine and agree on funds disbursement guidelines and authorizations	NewStart Partners' partners	March 2006

- The working group would consist of representatives from:
  - mayors and city managers,
  - county commissioners,
  - private sector developers,
  - nonprofits and foundations.
- Objectives and guidelines for this initiative include tax base sharing, investment return criteria, grayfields and brownfields prioritization criteria, etc.
- To align the county's current brownfields program with NewStart Partners, determine whether the program should stand alone or be rolled into New Start Partners. This will depend on NewStart Partners' organizational structure – the key is to make sure state and federal funding are not jeopardized by the change.
- There is not yet civic consensus on whether the NewStart Partners entity should be housed within county government or formed as an independent entity, either for-profit or not-for-profit. It is also unclear to what degree it is a redevelopment authority. The working group needs to address these organizational and structure questions early in the founding process. We recommend the county and interested parties form NewStart Partners as a public-private development authority.

***Medium Term (January – December 2006)***

Action Steps	Responsibility	Timing
Assemble management team from represented partner resources	NewStart Partners' partners	April 2006
Identify prospective financiers; begin to negotiate agreements	Partners	April 2006
Develop and implement a process (including a database software system) for creating and maintaining an inventory of potential grayfields and brownfields sites, and communicating status	Partners management	May 2006
Develop and implement a process for prioritization, clean-up, redevelopment, and remediation (including portfolio management, project management, and collaboration software systems) based on sound portfolio management principles and resultant cash flow from end use; coordinate with CuyahogaNext and Cuyahoga Innovation Zones	Partners management	June 2006
Develop and implement a process for managing proposal solicitations and accounting for redevelopment from cities and/or developers	Partners management	July 2006
Develop and implement a process for monitoring activities, continual communications with partners, and status reporting; coordinate with CuyahogaNext and Cuyahoga Innovation Zones	Partners management	July 2006
Launch first set of NewStart Partners redevelopment and remediation projects on highest priority parcels	Partners	September 2006
Begin formally promoting NewStart Partners through CuyahogaNext to ensure messaging consistency, continuity, and timing	Partners	September 2006
Develop a detailed business plan, including sources and uses of funds for the next three years; step up funding efforts	Partners management	October 2006
Define a technical and civic advisory role to gain broader community perspective; clearly define roles and expectations	Partners	October 2006
Recruit members who can add technical remediation and economic development expertise, and specific public and private perspectives	Partners management	November 2006

***Long-Term (Within 3 Years)***

- Partners to step up the redevelopment process on priority parcels as additional funding becomes available.
- Partners to begin the process of replenishing the fund and taking on additional projects.
- Partners continually review the initiative and individual projects, making course and speed adjustments as needed to ensure all are operating successfully:
  - Leveraged financing mechanism,
  - Trusted mechanism to prioritize/direct investments,
  - Tax-based sharing for equity and regional collaboration,
  - Mechanism to release liability.

## Action Plan 2006: Invest in Children

### *Short Term (January 2006 – March 2006)*

Action Steps	Responsibility	Timing
Organize an early childhood working group to define the county's agenda for this expanded Invest in Children initiative, including an active representative with decision-making authority from the Greater Cleveland Partnership; send invitations	County Commissioners and Joe Roman	January 2006
Compile research on the economic effects of investing in early childhood education from the Federal Reserve Bank of Cleveland and/or local universities; summarize and circulate to the working group	Departments of Development, and Health and Human Services (HHS) Managements	January 2006
Define the action plan and the rationale for making early childhood education part of the region's economic development agenda	Departments of Development, and HHS Managements	February 2006
Convene key groups to expand the existing program and develop an agenda for making investments in early childhood education part of the region's economic development agenda	County Commissioners and Greater Cleveland Partnership	February 2006
Determine how the county's current health and human services thrust in this arena should evolve into including an economic development thrust; decide what actions have to be taken and by whom	Departments of Development, and HHS Managements	March 2006
Develop a strategy that enhances the county's current program, building on it to carry it through to achieving its long-term goals	Departments of Development, and HHS Managements and Greater Cleveland Partnership	March 2006
Determine and agree on county departmental funds disbursement guidelines and authorizations (investigate TANF funding options)	Departments of Development, and HHS Managements	March 2006
Negotiate and sign an operating agreement between the county and its operational partners (primarily the Greater Cleveland Partnership)	County Commissioners	March 2006
Establish regular meetings to review progress on Invest in Children strategy implementation and to establish time tables, milestones and next steps	Departments of Development, and HHS Managements	March 2006
Begin formally promoting Invest in Children directly to the business community, and through CuyahogaNext to the public in order to ensure messaging consistency, continuity, and timing	Departments of Development, and HHS Managements	March 2006

### *Medium Term (January – December 2006)*

- County to launch new products and services that expand the availability and quality of early childhood education:
  - Increased availability of early childhood programs,
  - Increased access to early childhood programs and materials,
  - New products/companies around early childhood goods and services.
- County to step up its communications initiatives to the business community on the importance of early childhood education to long-term workforce development.

### *Long Term (Within 3 Years)*

- County to lobby the State of Ohio to enact “best-in-class” legislation to support early childhood education.

## Key Decisions and Getting Started

The roadmap to implementation starts with the adoption of this Action Plan 2006 by the Cuyahoga County Board of Commissioners. This involves:

- Making a commitment to implement and fund the plan, with a commissioner overseeing the implementation of each initiative and the Department of Development aligned to the initiatives.
- Deciding on the timing and venue for publicizing the plan and the actions the county is taking.

For example, the commissioners could invite the media to a public declaration of support that includes:

- A signing ceremony involving the members of the Blue Ribbon Task Force (BRTF),
- Signing a check for \$100,000 to join the Fund for Our Economic Future, demonstrating the county's desire to join with other community leaders in transforming our region,
- Announcing the expanded new mission of the Department of Development and its close alignment with the public and private organizations that will carry out the plan,
- Attendance by Frank Jackson, demonstrating the county's desire to form strong bonds with the city of Cleveland in jointly addressing our region's competitive issues.

This type of news-making event is a great way to launch Action Plan 2006.

The next step is to convene the initial sets of purposeful meetings with the most pertinent organizations identified in this Action Plan 2006 to gain their support and commitment to implementation. This begins the process of invitation to form and join CuyahogaNext *partners*. This also begins the process of converting the BRTF into CuyahogaNext *advisors*. Should the county accomplish this in January 2006, it would gain the benefit of 1) fast follow-through to the BRTF work and 2) creating additional excitement and momentum in the civic space as many BRTF members move into new roles as CuyahogaNext *advisors*.

By prioritizing the formation of CuyahogaNext and vetting this Action Plan 2006 with public and private partners, the commissioners are putting civic collaboration into action.

This Action Plan 2006 is simply a first of many markers in the road to regional transformation. As the county and CuyahogaNext launch these initiatives, continued civic participation and thoughtful insight will be invaluable to making these initiatives successful and to our region achieving the desired outcomes we developed jointly over the last six months.

## Appendix

- Lexicon of Economic Development Terms
  - Open Source Economic Development
  - Economic Development Primer: Foundation for Transforming Our Regional Economy
  - Forming, Empowering, and Operating Cooperative Communities
  - Action Plan 2006 Process
  - Civic Involvement in the Action Plan 2006 Process
  - Signature Page
- 
- Executive Summary, current Invest in Children program  
submitted by the Cuyahoga County Office of Early Childhood, Department of Invest in Children

## Lexicon of Economic Development Terms

### Economic Development

Economic development is a process of creating wealth with co-investments by two or more partners among the public, private, and nonprofit sectors. These initiatives within a regional economy form a **portfolio** of economic development initiatives.

### Open Source Economic Development

The term open refers to a new model of economic development designed to build clusters of innovative companies and organizations. This model views a regional economy as a series of networks embedded in other networks. Effective regional strategy involves continuously aligning these networks. The model works heuristically; that is, it generates insights by providing civic leaders with guidelines or “rules of thumb.” The open source model posits that a prosperous region or cluster must invest in 1) world class brainpower; 2) innovation and entrepreneurship networks to convert brainpower into wealth; 3) quality, connected places to retain wealth in the region; 4) effective branding to shape perceptions by telling compelling stories; and 5) new habits of collaboration to accelerate **strategic doing**.

### Strategic Doing

Strategic doing<sup>™</sup> is a management discipline that generates new collaborations and translates ideas about these collaborations into action. The process involves four steps: 1) generating hypotheses about collaborations by exploring strengths and mutual opportunities; 2) defining a collaboration by specifying clearly the mutual benefits from collaboration, specifically how the collaboration will generate value, how value will be allocated among the parties, and how parties can exit the collaboration; 3) aligning resources and developing action plans to implement the initial phase of the collaboration; and 4) executing the action plan, and measuring progress and results.

### Cluster

A cluster is a network of firms and organizations within a geographic region that provide products and services to a related group of markets. Clusters operate as open innovation systems in which participants regularly share ideas and resources.

### Innovation

Innovation is the process of converting ideas into wealth. It involves the introduction of a new or significantly improved product or service to the market, or the introduction of a new or significantly improved process within a business. Innovation can be the result of the introduction, adaptation, or adoption of new knowledge or technological developments. It can also be the result of the combination of existing technologies in a new business model.

### Traded Business

A “traded business” represents a business that generates more than 50% of its revenues from customers outside a region. In economic development, a traded business imports income into a region – we refer to this as “good money.” Typically, traded businesses pay higher wages than firms that serve a local market. Traded business that relocates employees and facilities outside a region are exporting capital – we refer to this as “bad money.”

### Sheltered or Local Business

A “sheltered business” circulates income within a local or regional economy – we refer to this as “neutral money.” More than 50% of its customers are local. Sheltered businesses typically contribute to the quality of life in a regional economy.

### **Old Economy or First Curve Businesses**

These traded businesses arose in the industrial age. Their business models depended generally on the control of cost and building economies of scale through volume production and vertical integration. By building volume and a relatively low cost position, the largest companies became the most profitable. These companies tended to have the highest stock market capitalizations from the 1960s–1980s, when the market valued tangible assets the most.

### **New Economy or Second Curve Businesses**

These businesses represent a new generation of firms that integrate knowledge and information into their products and services. Indeed, they blur the distinction between products and services. These firms rely on **innovation** (top line growth) to power their business models. They build value based on networks, and they achieve their scale through networks. Just as business models evolved, so has the stock market. The market today values intangible assets (e.g., people and their ability to create intellectual property) the most, rewarding these companies with the highest market capitalizations.

### **Portfolio**

In Open Source Economic Development, a portfolio is a collection of economic development initiatives designed to work together and stimulate the development of **brainpower**; open **entrepreneur and innovation networks**; **quality, connected places**; effective **branding**; and civic **collaboration**. A region's civic leadership should balance and align its economic development initiatives among these types of investments. A portfolio also provides multiple dimensions in which to contrast and evaluate initiatives (e.g., timeframes, cash flows, risk, wealth, jobs, etc.) There are many readily available software tools available for managing portfolios and evaluating initiatives.

### **Collaboration**

Collaboration represents a process of joint decision-making that achieves collective results beyond what participants could accomplish working alone. Collaboration involves a range of activities, including communication, information sharing, coordination, cooperation, problem solving, and negotiation. There are many readily available software tools for helping organizations and people collaborate. Collaboration implies innovation that leads to breakthrough results.

### **Brainpower**

Brainpower represents mental ability. Recent advances in brain science reinforce the notion that our brains continuously change throughout our lifetime, and that early childhood experiences are especially important in determining long-term mental ability. Neural networks that form the “hardware” of our intelligence increase with use and decrease with disuse.

### **Entrepreneur and Innovation Networks**

These are informal networks within a region that accelerate idea and business development. If these networks are weak, idea and business development measured by the rate of business formation and survival is relatively low. In contrast, regions that aggressively and continuously build these networks have economies characterized by innovation, flexibility, and resiliency. The networks effectively move resources – people and money – to areas of the greatest opportunity.



## **Quality, Connected Places**

Quality, connected places refer to built environments that reflect principles of high quality design and sustainability. For example, quality neighborhoods are distinctive, accessible, diverse, linked to other areas, and environmentally friendly. Quality commercial districts include distinctive, balanced, and linked mixed uses. In addition, broadband access has become a critical component of quality, connected places.

## **Branding**

Branding represents the civic process by which a region explicitly manages the stories that leaders use to describe the region to residents and outsiders. Branding involves describing experiences with these stories. Effective stories shape perceptions and alter behavior. Community or regional branding relies on these stories to build a platform from which to launch different marketing campaigns.

## **Leverage**

Within a specific economic development project or initiative, leverage measures the ratio of one investment partner to the total amount of co-investment. In economic development, leverage also measures the ratio of economic development investment to directly related private investment. (The private investment would not have occurred but for the economic development investment.)

## **Civic Process**

In Open Source Economic Development, a civic process is an explicitly designed series of meetings and forums to generate ideas for collaboration and translate the best ideas into action using an **economic development process**. A successful civic process includes both open participation and leadership direction.

## **Economic Development Process**

As a subset of the civic process, a region's civic leadership should agree to share in the development and use of a common economic development process that turns the best ideas into action in a systematic, effective, and efficient way. A "best practices" economic development process meets four criteria: it is recurrent; it involves coordination; it can work in different ways but must always contribute to the region's wealth (i.e., must be measurable); and it must improve some aspect of the region's ability to compete. Implementing a good economic development process is key to 1) ensuring a region's economic development organizations are adaptable, 2) finding and sustaining a region's competitive edge, 3) keeping costs and risks low in turning ideas into action through the use of good tools (e.g., portfolio management and collaboration software) to coordinate actions.

## Open Source Economic Development

Our economy is moving from older, hierarchical industrial organizations to networks. Companies are learning that innovation and customer value are now generated through increasingly open networks of collaboration. Firms, through a growing array of partnerships, are turning to suppliers, customers, and universities for new ideas to grow their businesses. Inside companies, managers are exploring new ways to build informal networks in order to manage knowledge.

Michael Porter, a professor at the Harvard Business School, pointed to this trend some years ago when he argued that clusters – groups of related firms and institutions – provided the innovation engine that moved regional economies forward. Clusters represent open innovation systems that operate within a particular geographic area. So, for example, in southeast Ohio, a cluster of food processing firms has evolved around Athens, Ohio. These businesses explicitly share their business networks to improve their economic prospects.

The practice of economic development is slowly catching up to Porter's insights. Open Source Economic Development is a new model designed to implement cluster-based strategies at the local and regional level. The model is heuristic in that it provides insights to guide civic leaders on how to build clusters. The open source model establishes perspectives from which to view a regional economy, and it guides leadership to new opportunities for collaboration. By generating simple, intuitive, and inclusive strategy maps, the model both accelerates and focuses discussions on how to translate ideas into action.

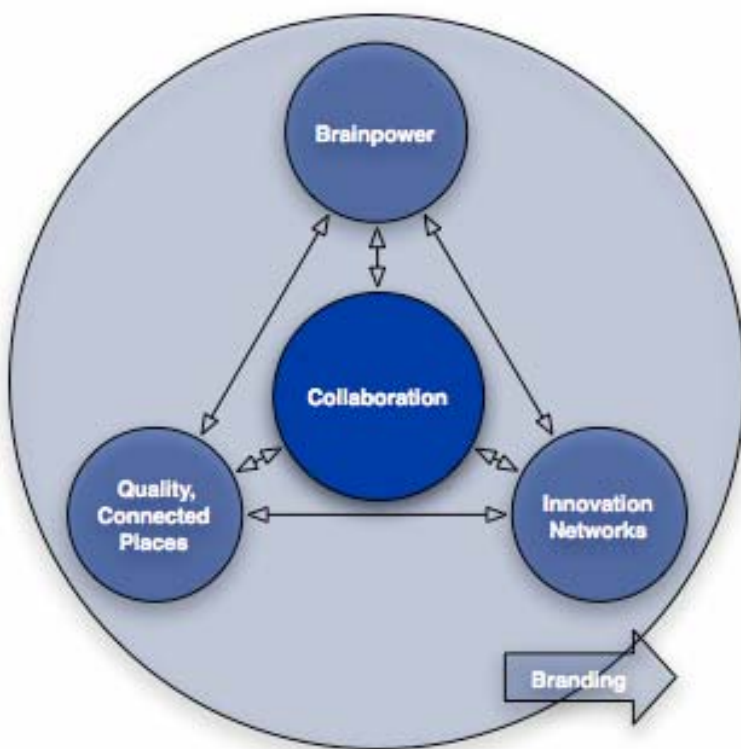


Figure 2 – Open Source Economic Development framework developed by I-Open

The core of the Open Source Economic Development model is a high-level strategy map that depicts a regional economy as a network of networks. To thrive in this environment, regional economies need balanced strategies that encourage new networks in the following areas:

## Strengthening Brainpower

In today's global economy, brainpower provides the only basis for sustainable competitive advantage. This fact presents us with some clear imperatives. Advances in brain science tell us that, in a knowledge economy, workforce development begins with a pregnant mother. Every child needs pre-school education. Every child should be able to read and comprehend well by the third grade. Dropping out of high school creates a lifetime economic disability. In sum, education issues – from parental training and early childcare to post secondary education and workforce training – stand at the core of successful economic development.

## Connecting innovation and entrepreneurship networks

These networks convert brainpower into wealth through new products, new services, and new markets. Innovation provides the process and entrepreneurship provides the skills to translate ideas into prosperity. Continuously weaving new networks that accelerate business development provides the surest path to sustained economic growth.

## Building quality, connected places

Smart people can live anywhere. They will choose to live in regions that respect sound principles of physical development and offer the best combinations of “live, work, and play.” Equally important, quality places have thick and effective connections to other people and markets. Investing in quality, connected places provides the best insurance of retaining the wealth we build.

## Promoting an effective brand

Prosperous regions have positive stories to tell. These stories create a unique experience, a special identity, a common understanding of core strengths, and a shared view of future opportunities. Civic branding is particularly tricky because of the different markets involved – visitors, investors, talent – and, because in the civic space, no one can tell anyone else what to do.

## Strengthening civic habits of collaboration

In a globally connected economy, no one can go it alone. Prosperous regions will develop civic habits of thinking and acting together. Building collaboration and trust carries real competitive advantages: the regions that collaborate will spot opportunities and move more quickly than regions that do not.

Civic leaders can use this high-level strategy map to generate additional maps to guide their discussions, identify stakeholders, align activities, allocate budgets, and establish goals (see example).



## Economic Development Primer

### Theoretical and “Best Practices” Foundation for Transforming Our Regional Economy

The Blue Ribbon Task Force developed its transformative initiative recommendations for the county based on fundamentally sound theory and proven regional economic development practices. The June and July meetings provided “on-the-job” education based on the following information for the development of initiatives with which to transform our regional economy.

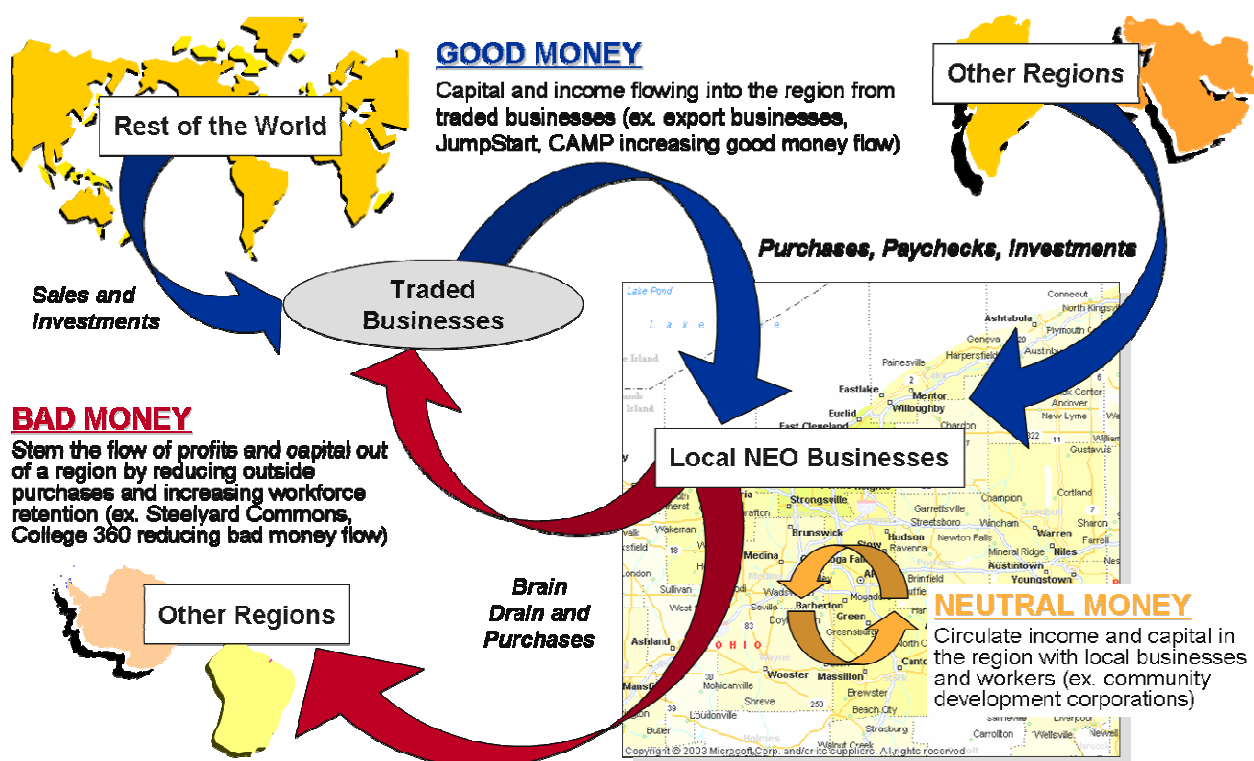


Figure 3 – Money moves into, around, and out of regions. The objective of regional economic development is to increase the flow of good money, reduce the flow of bad money, and let the private sector, as much as possible, circulate neutral money.

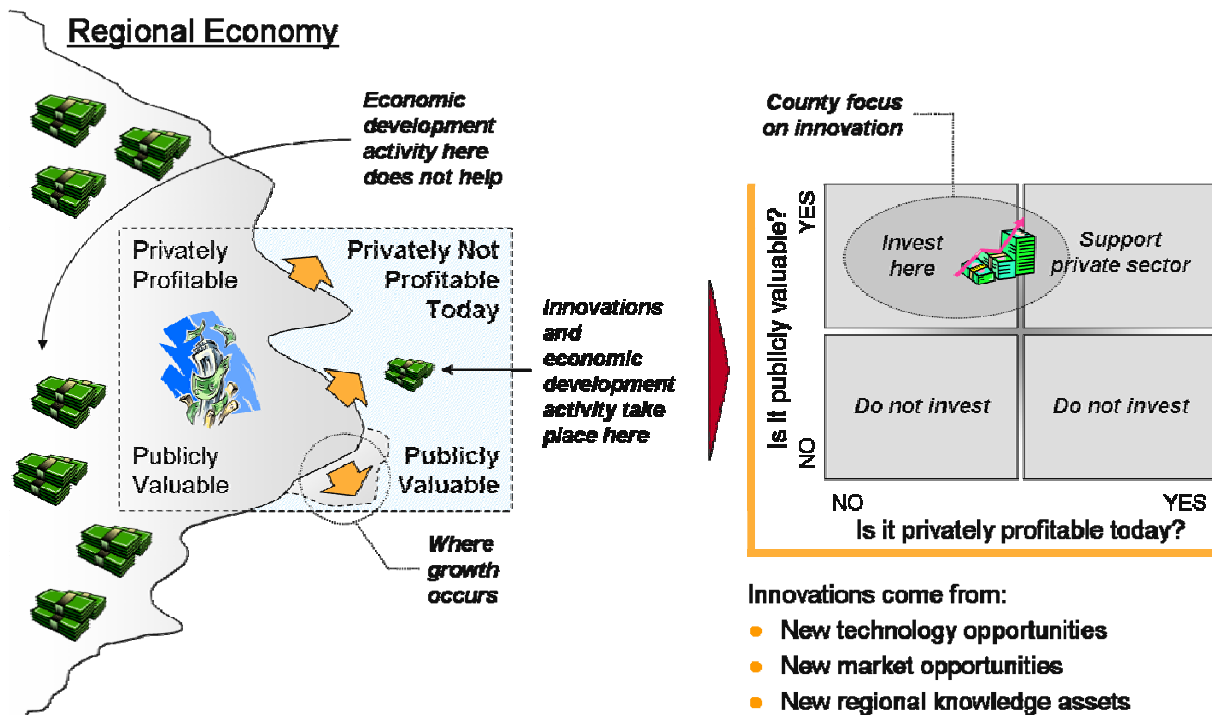


Figure 4 - Economic development happens at the boundary of a regional economy, where it is not profitable for the private sector today, but is publicly valuable. Successful economic development means investing today to attract private investment tomorrow. It means focusing on increasing total good money flows while reducing bad ones to expand the boundaries of the regional economy.

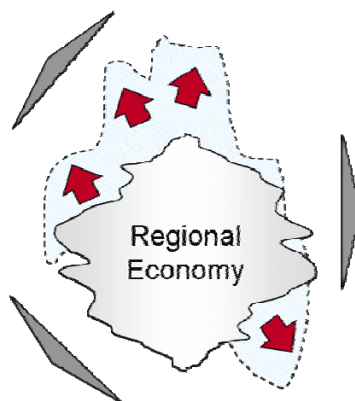
Figure 5 - "Strategic doing" focuses scarce resources into potentially productive growth areas at the economic boundary to make economic growth sustainable and to increase the likelihood of attracting private sector capital.

### Region Comparative Strengths *regional knowledge innovations*

- Materials science (chemicals, polymers, plastics)
- Instrumentation and controls
- Transportation and logistics
- Metalworking and automotive
- Industrial design
- Health-related research
- Advanced patient care
- Fresh water
- Universities

### Civic Processes *what we call "strategic doing"*

- Uncover promising growth opportunities
- Evaluate and rank growth opportunities matched to regional strengths
- Design action on best opportunities
- Take action on best opportunities
- Monitor progress



### Potential Growth Areas *new technology & market innovations*

#### BRAINPOWER

- On-line education

#### INNOVATION

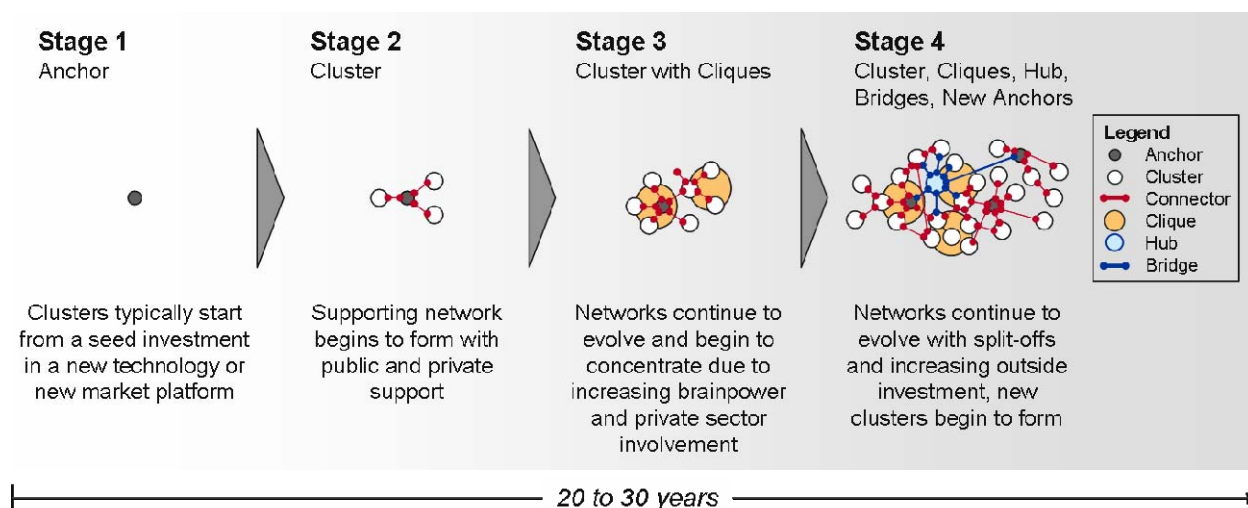
- Semiconductors
- Optical networking
- Wireless networking
- Interactive television
- Nanotechnology
- Financial services
- Software
- Biotechnology
- Medical devices
- Health services
- Alternate fuels
- Smart materials

#### QUALITY PLACES

- Teleworking
- Sustainable development
- Broadband deployment

#### BRANDING

- Web sites and e-commerce
- Deep stories and experiences



- **Open Innovation systems facilitate faster knowledge creation and dissemination**
- **Scarce resources allocated efficiently by market forces (clusters are self-selecting)**
- **Clusters that are inefficient, ineffective, or economically not viable will perish**
- **Clusters that survive attract private sector capital**
- **Organizations spawned through cluster innovation can become new technology or market leaders**

Figure 6 - "Open source" approach to strategic doing relies on the marketplace innovating at the boundary of the economy. Policies and programs that encourage the formation of "innovation clusters" yield maximum results in the civic space.

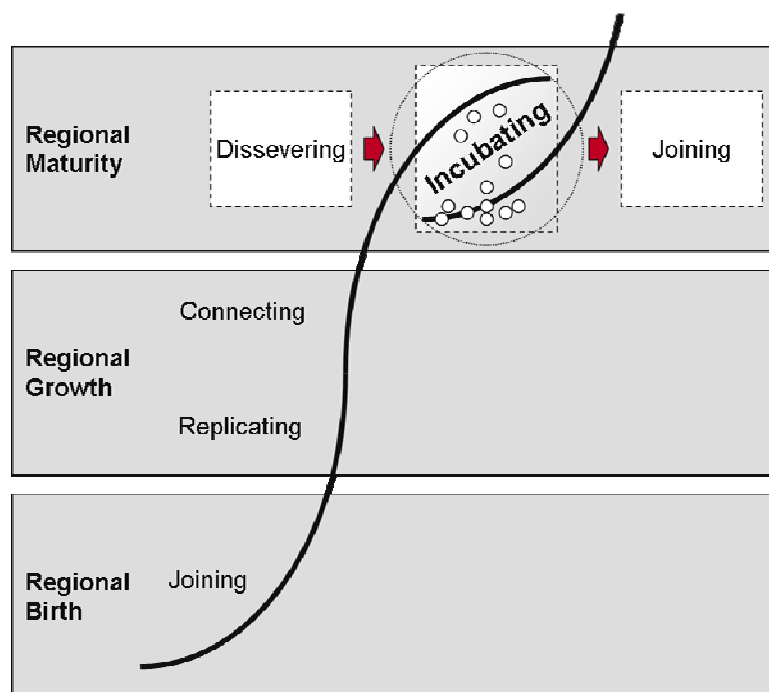


Figure 7 - Innovation clusters facilitate the transition of an "old" economy into a "new" one. As an economy ages, growth slows and innovation clusters appear to develop new technologies and opportunities in an effort to introduce change. Colleges, universities, and other institutions of research and learning play a key role in developing the changes and then making them "stick", facilitating the move to a new "S-curve." "Best use" policies and programs promote the incubation of new ideas and the joining together of interested communities of knowledge and practice for future growth.



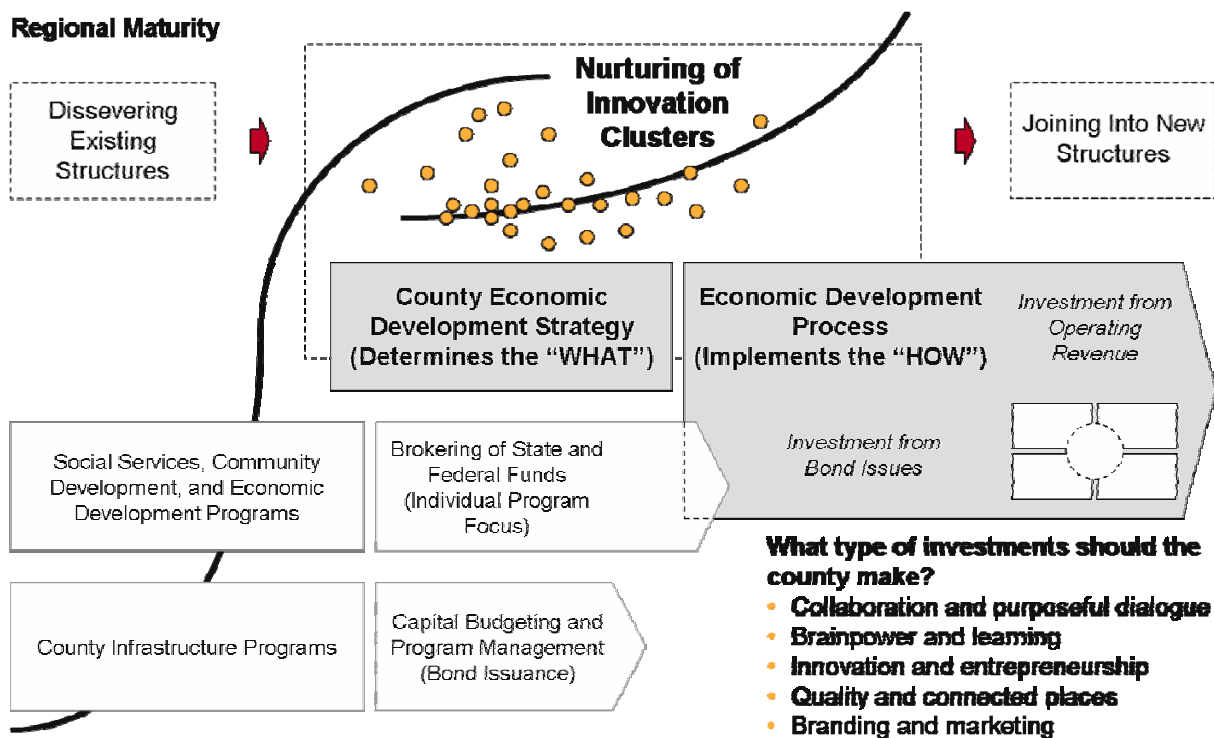
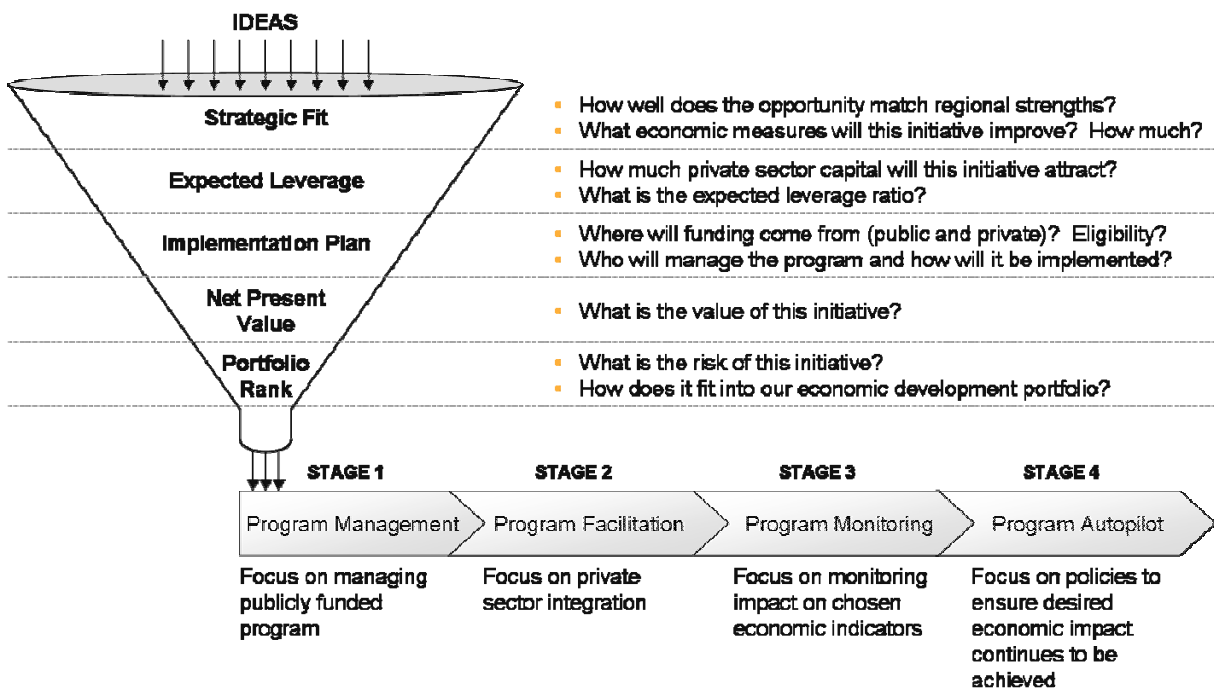


Figure 8 - Public space economic development thinking and practices must change. Individual program focus based on their sources of funding must evolve to broader programs that 1) encourage innovation cluster activity and 2) mobilize the resources needed to facilitate the move to the new economy.

Figure 9 - A systematic economic development process gets better use of public moneys. It improves the effectiveness and efficiency of economic development investments while reducing the risk of failure when moving to the new economy.





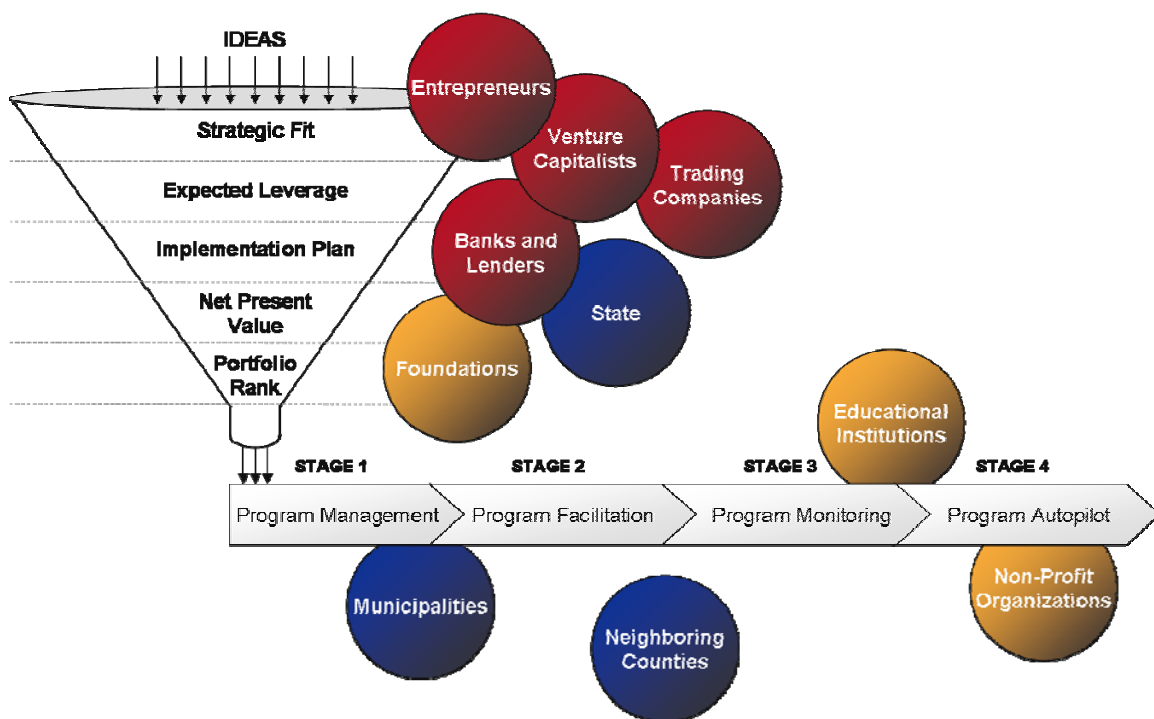
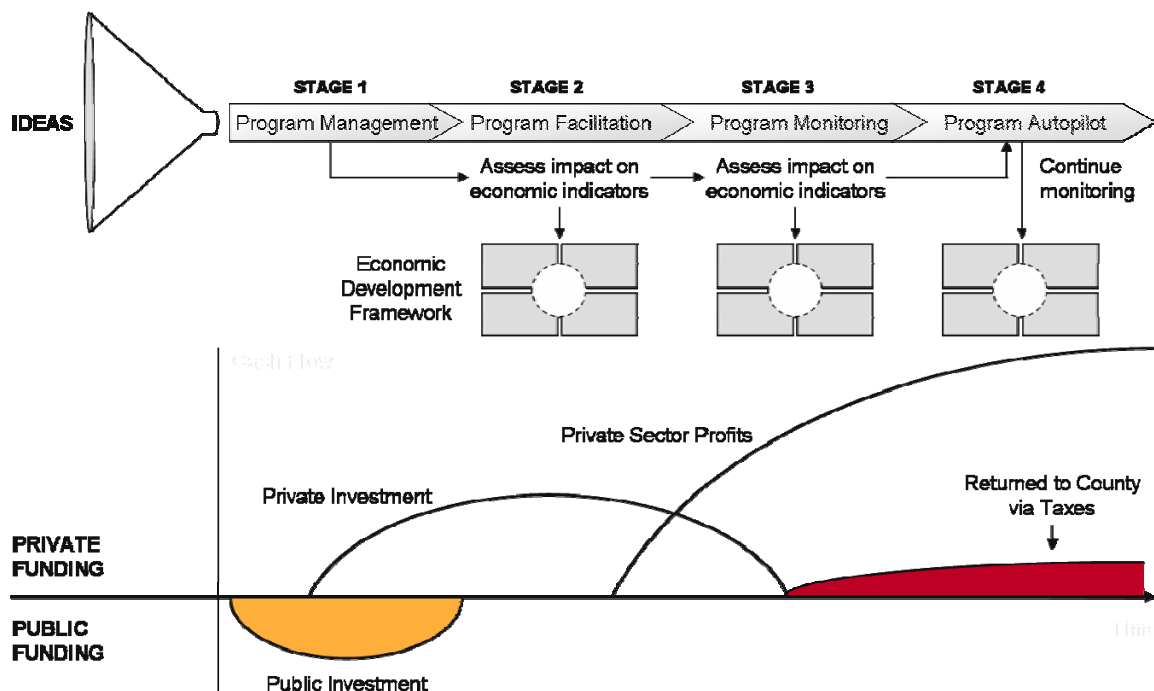


Figure 10 – A public space economic development process works through close partnerships with the appropriate community participants united to achieve a desired set of outcomes. This approach creates consensus (or at least compromise) on priorities and increases private sector attractiveness for investment.

Figure 11 - As the public economic development process is implemented, the most important measures of success become the private-to-public capital investment ratio (what we call “leverage” as it becomes privately profitable to invest at the economy’s edge), and the net present value on our economic development investment.



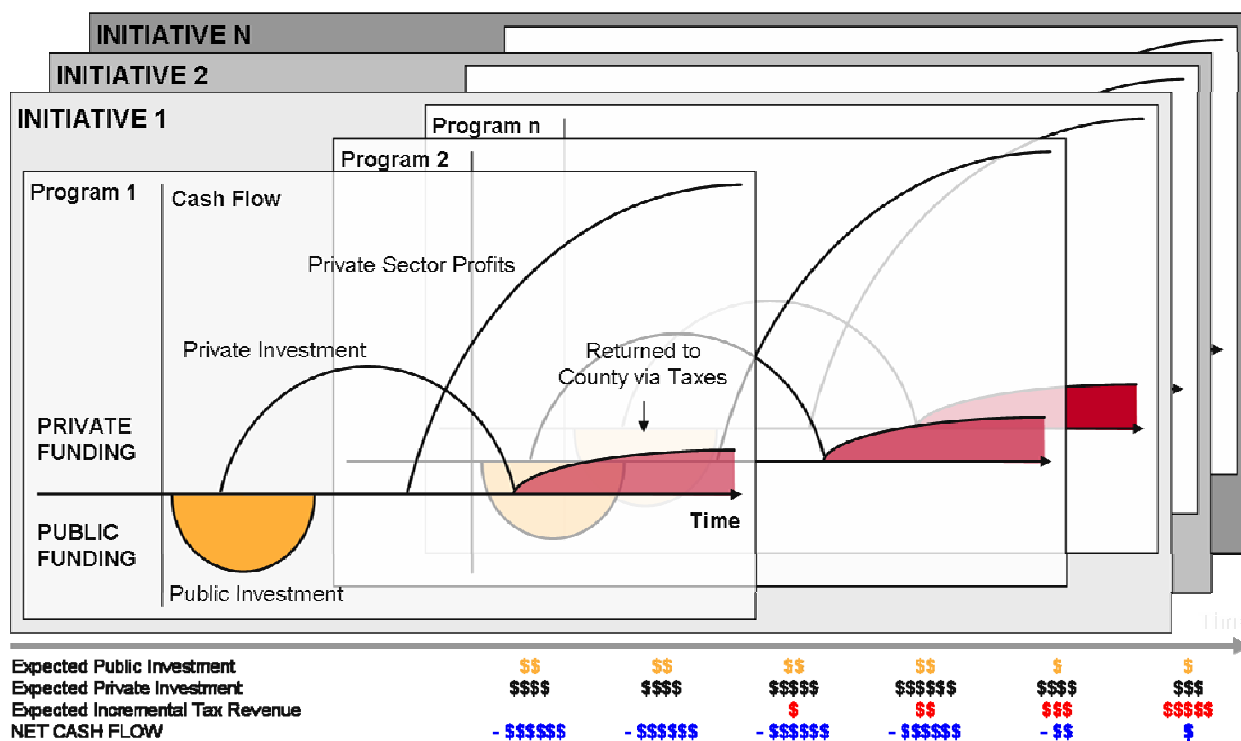
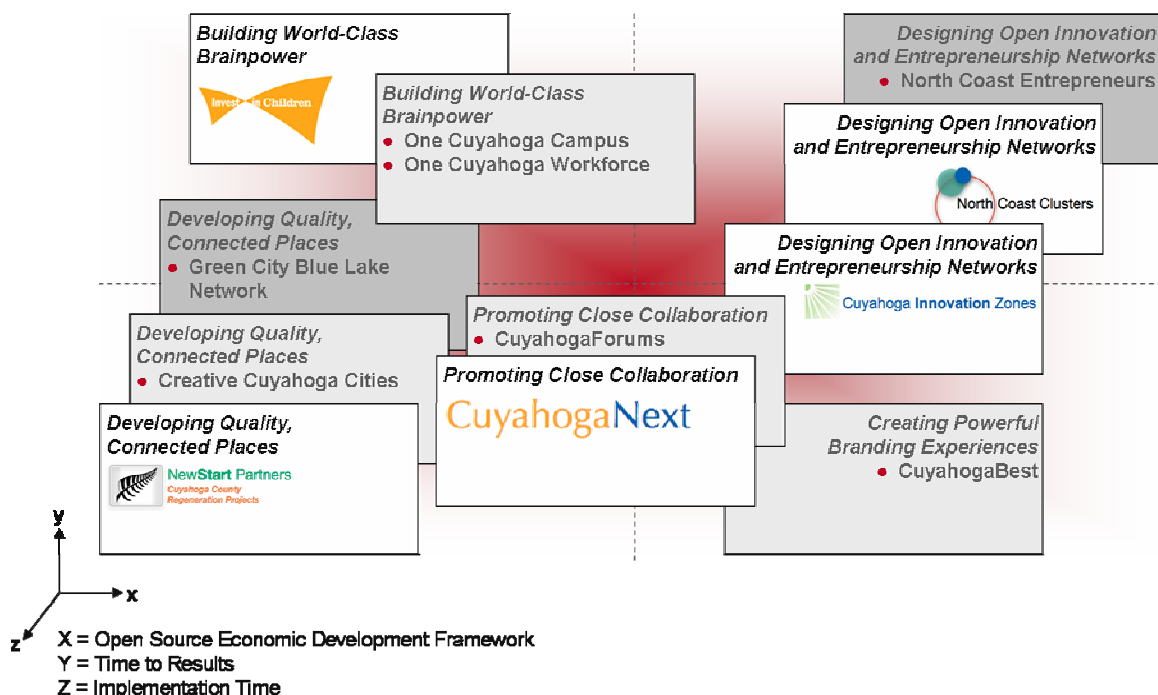


Figure 12 – Maximizing the net present value of our economic development investment requires a portfolio approach. With appropriate tools and partners acting in concert, strategic doing becomes an effective and efficient reality, with the best transformative initiatives funded, programs within initiatives prioritized, and progress monitored and measured to manage risk.

Figure 13 - Cuyahoga County economic development portfolio of transformative initiatives.



## Forming, Empowering, and Operating Cooperative Communities

Participants in a cooperative community take one of two roles: shapers or members.

**Shapers** define and lead the community. They set the goals and create an environment that enables adaptive behavior. Shapers:

- Craft the initial vision,
- Influence community governance and “rules” to ensure members are treated equally with an incentive to advance the community’s purpose,
- Establish the and promote the community brand image, and
- Attract and nurture members that advance the community’s purpose and accelerate progress toward the community’s objectives.

**Members** are asked to join a community by their shapers. Members define their output in the context of achieving community goals. They define the rules for their own organization and the relationship between their internal rules and the rules of the community. They create the conditions for their own organization to operate freely within the community. Members:

- Create the conditions to contribute to the community’s purpose; operate freely and share in the rewards of achievement,
- Focus contribution to the community based on their own abilities and areas of expertise, and
- Monitor their own behavior and contribution to the community.

### Forming a Community



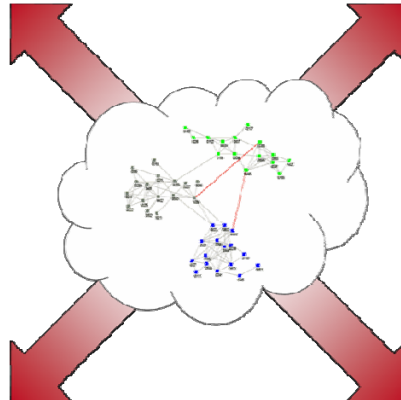
## Empowering the Community

### Motivation Systems

- Recognize and reward contribution
- Encourage discovery and experimentation
- Implement a graduated system of sanctions for non-compliance

### Goal Achievement Capabilities

- Develop processes for repetitive activities
- Define collaborative work practices
- Constantly communicate expectations and progress; adjust course and speed as needed



### Relevant Knowledge

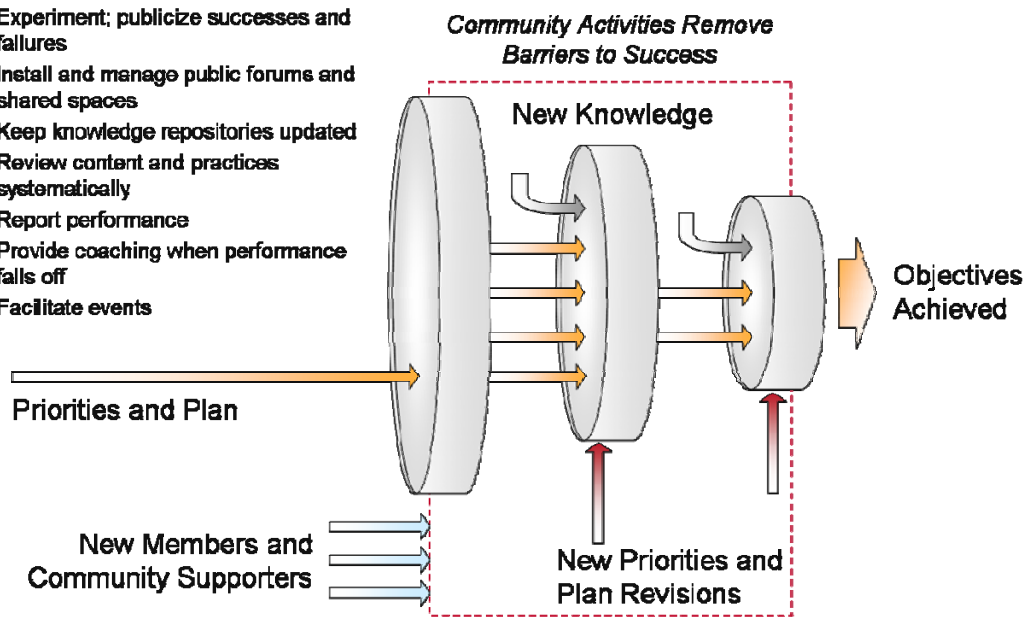
- Identify and acquire relevant knowledge
- Define approach and implement tools; load content and train people
- Keep knowledge current by defining and sticking to update plans

### Broader Reach

- Provide access to all members' contacts
- Facilitate outside-the-community interactions
- Recruit new members as needed

## Operating the Community

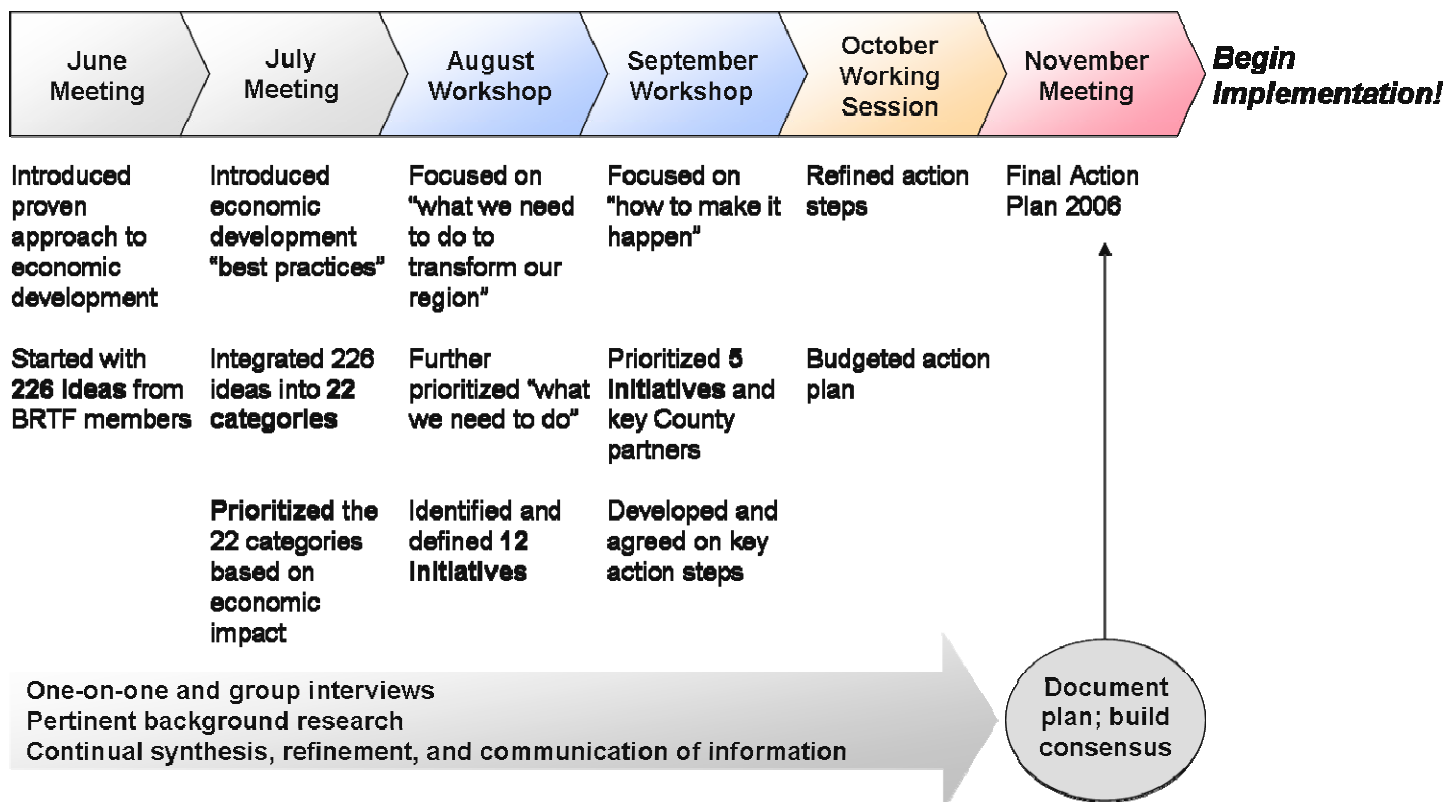
- Experiment; publicize successes and failures
- Install and manage public forums and shared spaces
- Keep knowledge repositories updated
- Review content and practices systematically
- Report performance
- Provide coaching when performance falls off
- Facilitate events



## Action Plan 2006 Process

The Blue Ribbon Task Force Action Planning Process took place over a six-month period as portrayed below. The key to the success of the action planning process was the interactive nature of the exercises and workshops. We designed the exercises to elicit member contributions based on the issues and opportunities we discovered from the interviews we conducted. Each month, we synthesized the exercise results and narrowed their scope to arrive at five initiatives that the:

- Consulting team believes to have the greatest potentially transformative effect.
- Members found most interesting for participation and implementation.



## Community Involvement in the Action Plan 2006 Process

Organization	Participant	Title	June	July	Interviews	August	September	October
(i) Cleveland	Bridget Manke	Manager	Y			Y	Invest In Children	
Baldwin Wallace College	Peter Rea	Chairman, Business Admin. Div.	Y	Y			North Coast Clusters	North Coast Clusters
Beachwood Chamber of Commerce	Tom Sudow	Executive Director	Y	Y		Y	CuyahogaNext	
BioEnterprise	Robert Baxter	Vice President			1	Y		North Coast Clusters
BioEnterprise	Denise Richardson	Manager					North Coast Clusters	
CAMP, Inc.	Stephen Gage	President		Y	1	Y		
CAMP, Inc.	Fatima Weathers	Executive VP for Operations					Cuyahoga Innovation Zones	Cuyahoga Innovation Zones
Capital Strategies Inc.	Stephen A. Lenn	Managing Director			1			
Case Western Reserve University	John Wheeler	V.P. Cleveland & Regional Affairs		Y		Y	Cuyahoga Innovation Zones	
Catalyst Strategies	Craig James	Managing Partner	Y	Y		Y	CuyahogaNext	CuyahogaNext
Catholic Diocese	Leonard Calabrese	Executive Director	Y					
City of Cleveland	Chris Ronayne	Chief of Staff		Y				
City of Cleveland	Conor Coakley	Executive Asst. Chief of Staff	Y	Y				
City of Cleveland	Allison Motz	Director, Dept. of ED/Div. of Workforce Development		Y		Y	CuyahogaNext	CuyahogaNext
City of Cleveland	Robert Brown	Director of Planning			1			
City of Cleveland, Department of ED	Greg Huth	Director of Economic Development	Y		1	Y		Cuyahoga Innovation Zones
City of Shaker Heights	Judy Rawson	Mayor		Y	1		NewStart Partners	NewStart Partners
City of South Euclid	Georgine Welo	Mayor			1			
Cleveland Foundation	Ronn Richard	President & Executive Director			1			
Cleveland Foundation	Brad Whitehead	Program Director			2		CuyahogaNext	CuyahogaNext
Cleveland Institute of Art	David Deming	President	Y			Y	NewStart Partners	
Cleveland State University	Ziona Austrian, Ph.D.	Director, Center of ED	Y	Y	n/a	Y	n/a	n/a
Cleveland State University	Iryna Lendel	Research Associate				Y		
Cleveland State University	Bob Sadowski	Research Associate	Y			Y	Cuyahoga Innovation Zones	Cuyahoga Innovation Zones
Cleveland State University	Joseph Jasper	Technology Transfer Officer					NewStart Partners	NewStart Partners
Cleveland State University	Ned Hill	VP Economic Development				Y	North Coast Clusters	
Community Partnership for Arts & Culture	Thomas Schorgl	President			1	Y		
Cuyahoga County	John Nolan		Y			Y	CuyahogaNext	Cuyahoga Innovation

Organization	Participant	Title	June	July	Interviews	August	September	October
								Zones
Cuyahoga County	Ayisa Kennedy	Urban Fellow			1		Invest In Children	
Cuyahoga County Board of County Commissioners	Hugh Shannon	Executive Assistant/Jones	Y	Y	6+	Y	CuyahogaNext	CuyahogaNext
Cuyahoga County Board of County Commissioners	Peter Lawson Jones	Commissioner	Y	Y	3	Y	CuyahogaNext	CuyahogaNext
Cuyahoga County Board of County Commissioners	Jimmy Dimora	Commissioner			1			
Cuyahoga County Board of County Commissioners	Lee Trotter	Deputy Administrator	Y	Y	2	Y	NewStart Partners	
Cuyahoga County Board of County Commissioners	Pat Smock	Executive Assistant/Dimora	Y	Y	1		Invest In Children	Invest In Children
Cuyahoga County Board of County Commissioners	Dennis Madden	County Administrator	Y		2			
Cuyahoga County Board of County Commissioners	Timothy F. Hagan	Commissioner			2			
Cuyahoga County Board of County Commissioners	Andrew Cox	Executive Assistant/Jones		Y		Y	CuyahogaNext	Invest In Children
Cuyahoga County Board of County Commissioners	Marvin Hayes	Executive Assistant to Commissioner Tim Hagan	Y	Y	1	Y	Invest In Children	Cuyahoga Innovation Zones
Cuyahoga County Department of Development	Paul Oyaski	Director	Y	Y	6+	Y	CuyahogaNext	NewStart Partners
Cuyahoga County Department of Development	Tracey Nichols	Assistant Director of ED			2			
Cuyahoga County Department of Development	Michelle Oakar	Public Information Officer	Y	Y		Y		
Cuyahoga County Department of Development	Marilyn Caputo	Senior Administrative Secretary	Y	Y		Y		
Cuyahoga County Department of Development	Jennifer Kangas	Dev. Finance Analyst			1			North Coast Clusters
Cuyahoga County Department of Development	Becky JaaJaa	Secretary	Y	Y				
Cuyahoga County Department of Development	Gregory Zucca	Senior Development Finance Analyst	Y	Y	1	Y		
Cuyahoga County Department of Development	Madeline Cain	Manager, Community Development	Y		1			
Cuyahoga County Department of Development	Nate Hoelzel	Senior Development Finance Analyst			1			
Cuyahoga County Department of Development	Anthony Thornton	ED Manager			1			
Cuyahoga County Department of Development	Jeff Zorc	Development Finance Analyst			1			
Cuyahoga County Department of Development	James Herron	Brownfield Program Manager			1			
Cuyahoga County Family & Children	Mary Louise Madigan	Program Officer	Y	Y		Y		Invest In Children



Organization	Participant	Title	June	July	Interviews	August	September	October
First Council								
Cuyahoga County Neighborhood Family Service Center	Luis Vazquez	Center Manager						Cuyahoga Innovation Zones
Cuyahoga County Office of Health & Human Services	Jim Corrigan	Government Relations Officer	Y	Y	1			
Cuyahoga County Planning Commission	Paul Alsenas	Director			1		NewStart Partners	
Cuyahoga County Planning Commission	Chris Alvarado	Project Manager of Cuyahoga Valley Initiative				Y		
Cuyahoga County Workforce Development	Dennis Roberts	Director	Y	Y		Y	Invest In Children	Invest In Children
Downtown Cleveland Partnership	Joe Marinucci	President, CEO		Y		Y		NewStart Partners
EcoCity Cleveland	David Beach	Executive Director	Y			Y	CuyahogaNext	CuyahogaNext
Entrepreneurs for Sustainability	Courtney DeOreo			Y				
Entrepreneurs for Sustainability	Holly Harlan	Executive Director				Y	Cuyahoga Innovation Zones	North Coast Clusters
Federal Reserve Bank of Cleveland	Guhan Venkatu	Research Analyst					Invest In Children	Invest In Children
First Suburbs Consortium	Ken Montlack	Chair	Y	Y	1	Y	NewStart Partners	NewStart Partners
First Suburbs Consortium	Jennifer Kuzma	Administrative Coordinator			1			
General Environmental Management	Eric Lofquist	President				Y	NewStart Partners	NewStart Partners
Greater Cleveland Partnership	Joe Roman	President & CEO			1	Y		
I-Open	Edward Morrison	Founder & Executive Director		Y	n/a	Y	n/a	
JumpStart, Inc.	Ray Leach	President & CEO	Y	Y	2	Y	North Coast Clusters	North Coast Clusters
JumpStart, Inc.	Leslie Sabo						North Coast Clusters	North Coast Clusters
Key Bank	John W. Moody, Jr.	Executive Vice President	Y			Y		
Library, Cuyahoga County	Sari Feldman	Executive Director	Y	Y	1	Y	Invest In Children	Invest In Children
Mayors & City Managers Association	Bruce Akers	Mayor, Pepper Pike, Representing	Y		2	Y	CuyahogaNext	CuyahogaNext
Morgenthaler Ventures	David Morgenthaler	Founding Partner	Y	Y		Y	North Coast Clusters	North Coast Clusters
NASA	John Hairston	Director of External Programs Directorate		Y				
NASA	Robert Lawrence		Y					
NatCity Investments, Inc.	Paul J. Komlosi	Managing Director			1			
NatCity Investments, Inc.	Susan M. Nobilio	Vice President			1			
National City Bank	Paul Clark	Executive Vice President	Y					
NEO Immigrant & Minority Business Alliance	Rose Zitiello	Attorney at Law	Y	Y		Y	Cuyahoga Innovation Zones	
NorTech	Dorothy Baunach	President		Y	1			North Coast Clusters
NorTech	Chris Varley	Associate Director	Y	Y	1	Y	North Coast	

Organization	Participant	Title	June	July	Interviews	August	September	October
							Clusters	
NorTech	Chris Mather	Vice President						North Coast Clusters
Ohio Fuel Cell Coalition	Ken Alfred	Executive Director	Y	Y		Y	NewStart Partners	
Richard Herman & Associates	Richard Herman	Attorney at Law		Y				
SBC	Denis Dunn	Director, External Affairs	Y	Y		Y		Invest In Children
SBK-Brooks Investment Corporation	Eric Small	President		Y				
Schottenstein Zox & Dunn Co., LPA	Raymond C. Headen	Attorney at Law			1			
Shore Bank	Stephanie McHenry	President	Y	Y		Y	Cuyahoga Innovation Zones	
TeamNEO	Robert Farley	President			1	Y		
TeamNEO	Laura Koballa	Vice President of Administration	Y	Y			CuyahogaNext	CuyahogaNext
The Cerulean Group	Laszlo Kozmon	Managing Principal	Y	Y	n/a	Y	n/a	n/a
The George Gund Foundation	Robert Jaquay	Associate Director			1			
US Bank	Kurt Treu	President, NE Ohio Region	Y					
Wendell Robinson, Inc.	Wendell Robinson		Y					
Wire-Net	John Colm	Executive Director				Y		
World Trade Center	David Yen	Executive Director				Y	Cuyahoga Innovation Zones	Cuyahoga Innovation Zones
World Trade Center	Gary R. Johnson	Sr. Advisor for Global Initiatives			1	Y	Cuyahoga Innovation Zones	Cuyahoga Innovation Zones
	Herbert Crowther		Y	Y			North Coast Clusters	North Coast Clusters
	Ed Oliveros		Y	Y		Y	NewStart Partners	NewStart Partners
	Bryon Green		Y					

## Signature Page

We the citizens of Cuyahoga County hereby commit to put into practice what we have learned as members of the Blue Ribbon Task Force; to participate in the implementation of the initiatives we have developed to transform our regional economy; and to work together as citizens united behind our common goals and desire to transform our region.

We hereby affix our signatures to this document and adopt this Action Plan 2006 on this date, December 16, 2005 in the City of Cleveland, Cuyahoga County.

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Peter Lawson-Jones

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Timothy F. Hagan

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Jimmy Dimora

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Dennis Madden

---

Lee Trotter

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Paul Oyaski

## **Current County Invest in Children Program: Executive Summary**

Submitted by Michelle Katona, Director  
Office of Early Childhood  
Department of Invest In Children  
Cuyahoga County

Since 1999, the county's Invest in Children has been having an impact on the vast majority of children in Cuyahoga County. In its first five years, Invest in Children reached over 116,000 children and is now serving 65,000 children annually. Going forward, Invest in Children has budgeted more than \$20 million per year to sustain and expand its programs that provide medical, home visitation, parent education, and early care and education programs, all focused on better preparing our children to enter school ready to learn, in good mental and physical health.

The investment in early childhood remains a high priority for the entire community. The economic health of this region requires that our youngest children be prepared for healthy and academically successful lives. The key to this initiative has been a strong public-private partnership the County has forged with the philanthropic community. The partnership has resulted in private foundations contributing over \$18 million since 1999 to the design, expansion and evaluation of Invest in Children. The Partnership Committee has been expanded to include a broader range of civic and community leadership including business, and is responsible for the following:

- Financial oversight and resource development
- Strategic Planning
- Monitoring and evaluation
- Communications and increased public awareness

The recently expanded Partnership Committee has formed four subcommittees to address planning priorities, and policy and funding implications of the strategic plan. This includes development of a comprehensive communications campaign and advancing a universal pre-kindergarten program for children age three to five. This aligns directly with the recommendations from the Blue Ribbon Economic Development Task Force. The following overview provides a brief description of the work to be accomplished over the next two years as it relates to communications and early care and education.

### ***Communications***

Invest in Children is seeking a vendor to implement a communications and community mobilization plan that will launch in 2006. A primary focus is to mobilize the community to build public support and investment on behalf of our young children, and this will include strategies to engage business. The Request for Proposals is being released on December 19, 2005 and proposals are due by January 27, 2006.

### ***Universal Pre-Kindergarten***

The third goal of Invest in Children, Prepare Children for School, focuses on the early care and education system in Cuyahoga County. One identified long-term objective for this goal area is the pursuit of a universal pre-kindergarten (UPK) system that would meet the needs of children age three to five in the County. Research reports that high-quality early educational programs increase a child's chances of succeeding in school and in life. Children who attend high quality programs are less likely to be held back a grade, less likely to need special education, and more likely to graduate from high school. They also have higher earnings as adults and are less likely to become dependent on welfare or involved with law enforcement.

Furthermore, the State of Ohio, through three organizations, BUILD Ohio, the School Readiness Solutions Group, and the Ohio Early Care and Education Campaign are working with Ohio's policy leaders — to redesign Ohio's early learning system. Cuyahoga County, through Invest in Children, is positioned to take a leadership role in working and partnering with the State to strengthen the policies and programs, and release funding that will lead to children prepared for school.

Three studies are being commissioned that will provide the necessary data to begin planning for a universal pre-kindergarten program and include a capacity, quality and finance study. A community-wide taskforce will be convened under the Partnership Committee to plan for the development of the model with anticipated roll out of the program in 2007.

## For More Information:

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Maxine Goodman Levin College of Urban Affairs  
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Laszlo Kozmon  
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