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Greater Cleveland Partnership Strategic Plan 2008-2011 Cleveland Plus: Turning the Corner



Greater Cleveland Partnership 2008-2011 Strategic Plan Base Document *Cleveland Plus: Turning the Corner*

The Greater Cleveland Partnership (GCP) produced its initial three-year plan, *Cleveland on the Edge*, in 2004. The title of that plan was selected carefully to reflect that the Cleveland region faced a future that required bold and decisive action. Considerable progress has been achieved in meeting the objectives of *Cleveland on the Edge*. But, solving old problems and seizing new opportunities both require rethinking and updating of our strategic directions.

What has changed since GCP released its initial plan?

Economic Slow-down. After years of growth, the national economy seems to be slowing down. Continuing speculation about whether we are, or when we will be, in a recession is rampant. Historically, the Cleveland region has been hit harder by recessions and other economic misfortunes and has recovered more slowly than the nation. For example, the national subprime lending crisis that resulted in high rates of foreclosures hit the Cleveland area very hard.

Political Sea Change. Voters' decisions resulted in significant changes at all levels of government. Political control in both chambers of the U.S. Congress changed hands as did the governorship in Ohio. A new mayoral administration was elected in the City of Cleveland. GCP's substantial investment of time and energy in developing relationships with this new cadre of public sector leaders has been important and productive.

Environmental and Energy Crises Intersect. As the price of oil reached unprecedented highs and the threats of global warming were recognized, momentum grew to enact green house gas regulations and pursue alternative energy development. Challenges and opportunities have emerged at both the state and federal levels of government including, Ohio's consideration of important legislation that will change the way in which electric rates are regulated and create opportunities for alternative energy. All these developments added urgency to the already-pressing challenges of bringing the region into compliance on air quality standards.

Physical Development Momentum. The massive Euclid Corridor redevelopment project started and is moving forward to completion with major economic development spin offs; the rejuvenated East Fourth Street neighborhood is nearing completion; large scale expansion of cultural and healthcare institutions in University Circle and adjacent areas is occurring; the Flats East Bank project is underway; Continental Airlines made a commitment to major expansion at Hopkins International Airport.

Economic Development Efforts Pay Dividends. Major victories were achieved by building on long standing assets and addressing challenges, e.g. NASA Glenn, DFAS, and State Tax reform; high-impact projects are in the pipeline, particularly the proposed Medical Mart and Convention Center projects. The new regional economic development system has shown demonstrable progress on creating new companies and jobs.

Changing Roles for Philanthropy. The Cleveland Foundation has taken a greater interest in economic development, including direct operational involvement in some areas, such as alternative energy development, international business attraction, and coordination of development planning in University Circle and environs. The George Gund Foundation has continued to play a leadership role in community and economic development. Additionally, the formation of the Fund for Our Economic Future has resulted in both a new partner, substantial new resources for economic development initiatives and a new regional economic action plan—Advance Northeast Ohio.

Economic Indicators Showing Improvement. It appears that the region's population is stabilizing; further, the Cleveland economy, although still vulnerable to national market conditions and still growing slower than the nation, experienced job growth for the first time in years in 2006, driven largely by the healthcare sector.



Over the past several months, the GCP has engaged in updating its strategic plan to respond to changing circumstances and to reflect the organization’s priorities for the next three years. To update the plan, we worked with McKinsey and Co. to adapt a process developed by the firm called the “Gallery Walk,” which helps frame and shape discussion of complex issues in a way that yields policy options. The Gallery Walks enabled us to factor input from the Board and other GCP members, along with that of senior public sector staff, our economic development partners and other civic leaders, into the updated plan. All of the input we received confirmed the singular and continuing importance of GCP’s fundamental purpose—to mobilize private sector leadership and resources to focus on generating more jobs and wealth for the region and its residents.

Like other urban areas, the Cleveland region faces many social challenges—crime and poverty, for example—that must be addressed. However, we finished our planning process on an optimistic note. From the perspective of an organization that believes that job creation is a prerequisite to addressing many social problems, we have many “pluses,” and there are many more in the pipeline if we act quickly and aggressively. The Cleveland Plus region is **turning the corner**.

To advance its mission, the GCP will focus on seven priority areas. Priorities I-IV are those that will be carried forward with even more energy and focus from the initial plan. Priority areas V-VII represent priority areas also included in the initial plan, but which have been updated and fine tuned to reflect new needs and opportunities.

As we turn the corner, we will gain even more momentum. Over the next three years, we will witness the completion of the Euclid Corridor Project, the Flats East Bank Project, Continental Airline’s expansion at Hopkins International Airport, and the completion of major expansions by the Cleveland Clinic and University Hospitals along with other major developments in University Circle. The new Convention Center and Medical Mart projects should be nearing completion. We also expect that the GCP’s partners in the economic development system it helped create—BioEnterprise, NorTech, JumpStart, Team NEO, MAGNET, and Cleveland Plus Marketing Alliance—will pay even greater dividends in their efforts to create jobs and investment. With so many positive things going on, there is considerable cause for optimism about the region’s future.

As the Cleveland region continues to gain momentum, even greater opportunities lie ahead. But, there is a great deal of unfinished work that must be completed to realize the promise. This plan is partly aimed at completing that work, much of which was begun as a result of our initial plan—*Cleveland on the Edge*. Objectives related to four major bodies of work begun in that initial plan will be carried forward. They will provide a platform to build on past successes and capitalize on new opportunities. These four objectives are:

- I. **Advocate with One Voice.** Woven throughout this strategy document are references to the clout that the large membership base of GCP and COSE can bring to bear in addressing various challenges in the community. These include:
 - Our ability to mobilize resources from the private sector and re-invest them in the operation of the regional economic development system through the “one check” philosophy;



- Our ability to shape the “Voice for the Region” through the Cleveland Plus marketing campaign; and
- Our plans to speak out for our members as the “One Voice for Employers” in advocacy for an employer-driven workforce and talent system.

While the goal of speaking with “One Voice” on behalf of the private sector is important across a number of GCP’s priority areas, it is critically important to the organization’s role in public policy advocacy where it has proven to be a powerful tool in advancing public policy and securing funding for projects that improve the region’s business environment and quality of life.

II. Advance Small Businesses Success. More than 96 percent of the region’s businesses are in the category of small business, representing almost half of the region’s employment. In this environment, the efforts of COSE, the GCP’s small business partner, to support the region’s small business owners and assist their efforts to pursue growth and success are critical to the region’s economic future. While there has been a significant focus on higher profile technology and growth sector companies in an effort to aid the region in its transition from a heavy manufacturing-based economy to a knowledge-driven economy, the fact is that most small businesses in the region do not fit in the high tech category. Accordingly, COSE must continue to develop and provide support and services that serve and grow all kinds of businesses in the region, including segments like home-based businesses and arts-related ventures.

III. Accelerate Economic Inclusion. The Commission on Economic Inclusion will accelerate its efforts to ensure that minorities more fully participate in and benefit from the region’s economic development. The Commission will continue and expand its services related to “Jobs, & Opportunities, Wealth & Titles” for the region’s minority populations and build on the successes of the Minority Business Accelerator.

IV. Build A High-Impact, Sustainable Economic Development System. The system that GCP has helped create is demonstrating a growing capability to retain and create jobs and wealth for all residents at scale. Comprised of five external partner organizations—NorTech, JumpStart, BioEnterprise, MAGNET, and Team NEO—along with the Cleveland Plus Marketing Alliance and GCP’s Business Development Team, this system has achieved significant successes in targeted areas—promoting entrepreneurship, stimulating new ventures in the biosciences and other tech-based clusters, building university research and development capacity, building innovation capacities in area companies, and substantially increasing the pipeline of companies interested in locating facilities in the region. In many ways, the successes of our partners have exceeded original expectations. Sustaining and building on these successes is our goal.

We are not standing pat on what we’ve been doing. To turn the corner and realize our potential, there are gaps that must be closed between our region and competitor regions and with the nation. And, there are new opportunities that require attention and resources. For these reasons, this plan calls for fine tuning the objectives of our work in three additional priority areas and even adding some new directions:

V. Change the Face of Cleveland. A focus on major physical development projects and new mixed-use development opportunities that will transform the Cleveland’s



economy and re-claim its position as an economic driver in the region, the nation and the world.

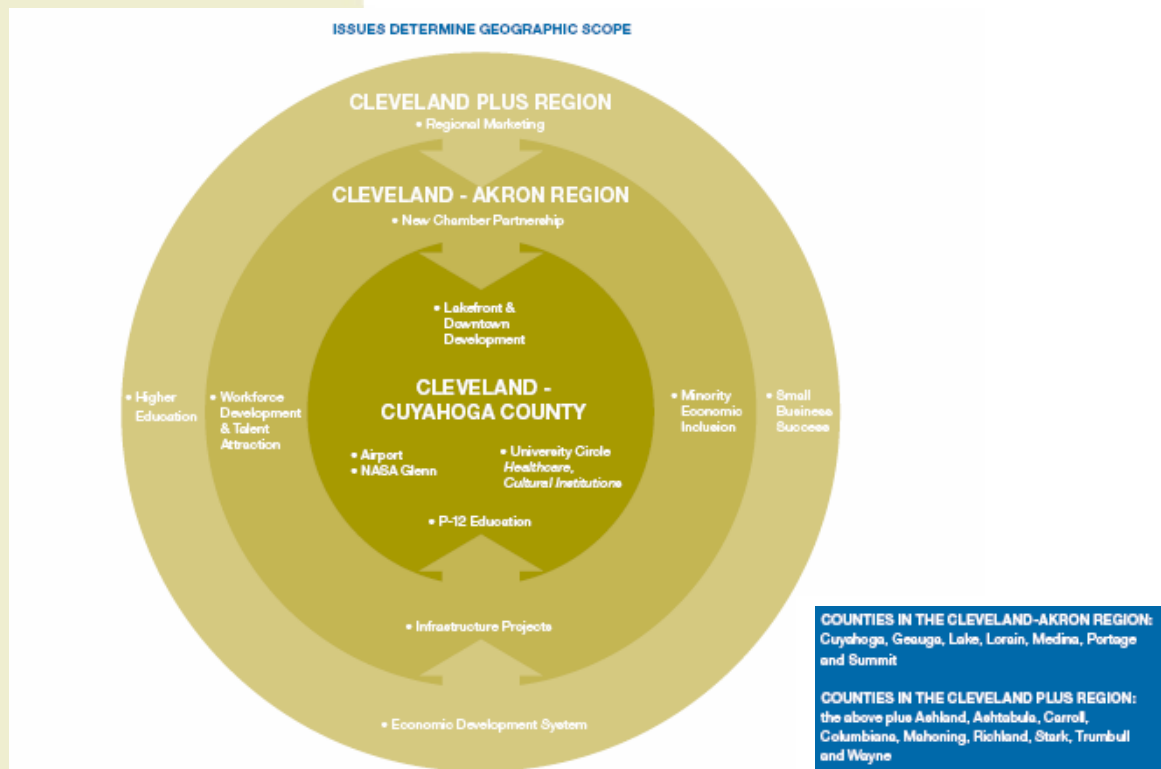
VI. Strengthen Global Connections. The region’s global competitiveness is tied to having world- class physical and human capital assets and organizational capacities that support commerce between our companies and the rest of the world.

VII. Initiate a Demand-driven Talent System. The availability of an educated and skilled workforce is essential to fueling economic growth and to providing opportunity for area residents.

Our Approach

In the pursuit of these seven strategic objectives, three factors will influence how the GCP goes about its work and are reflected in this plan. These are: 1) recognizing that place matters; 2) leveraging assets, and 3) forming new partnerships. Here’s what we mean:

1. Recognizing That Place Matters. With considerable attention now being devoted to advancing regionalism in a number of circles, the GCP has stepped back to examine how its priorities play out across the region and how we should allocate our time and resources across geography. The bottom line for our organization is that what happens in Cleveland is of vital importance to the entire region’s success. However, at any given point in time, our geographic focus may change as needs and opportunities evolve.



Currently, as is shown in the above graphic, some of what we are about will be addressed only or primarily in Cleveland where we are the primary voice for



business. Our interest in improving P-12 education, for example, is focused on Cleveland and adjacent suburbs where needs are high. Likewise, many of our physical development priorities, such as housing, the airport, the lakefront, and downtown development are also focused on assets and challenges in Cleveland and Cuyahoga County.

A number of our other priorities must be addressed more broadly. The GCP's interests in workforce development are heavily influenced by the size of the labor markets that member companies draw on, in some cases the five-county metropolitan statistical area, and in others the seven-county consolidated statistical area that adds Summit and Portage counties to the labor market. In these cases, we must work at the geographic scale where we can be most helpful in articulating the voice of employers.

And, finally, other priorities, including, but not limited to those focusing on higher education, building economic development systems, and minority inclusion require larger definitions of the region. In these cases, it makes more sense to use the Cleveland Plus region, the 16 counties identified in the Fund for Our Economic Future's Advance Northeast Ohio Economic Action Plan as the region of focus.

2. Leveraging Our Assets. Contrary to what some say, the Cleveland economy is not on a path to inevitable death. It is of such significant size that it will continue to be a key player in the national economy. The Cleveland-Mentor-Elyria region remains one of the 25 largest metropolitan areas in the nation and, when the Akron area is included, stands as the 14th largest consolidated statistical area in the United States. Sheer size will, in and of itself, contribute to some measure of growth into the future. The size of the market has helped secure assets like the Continental Hub at Hopkins International Airport—the only major airline hub located inside Ohio. Capitalizing on this and other assets—our healthcare infrastructure, existing companies, and our location on Lake Erie—to realize even more jobs and wealth creation for all residents is our challenge.

- *Healthcare Infrastructure.* The Cleveland region's world-class healthcare institutions are an enormous asset that we are leveraging on several fronts—the evolving Medical Mart/Convention Center, the new research and treatment facilities at the Cleveland Clinic and University Hospitals, the Science and Medicine Magnet School in University Circle among them. More opportunities are in the works. In the mean time, we must ensure that the viability and growth of these healthcare institutions is protected with access to a high quality workforce.
- *Existing Company Base.* Along with its robust small business sector that is ably represented through COSE, the Cleveland region still has one of the larger concentrations of Fortune 1000 companies in the nation. Protecting this asset and ensuring retention and growth of these companies is fundamental to the region's economic future. Likewise, finding ways to serve, grow and engage mid-sized companies and their leadership is important to the GCP's future. All these segments are important to the future and relate to each other's growth.
- *Lake Erie.* Cleveland's location on Lake Erie represents an enormous asset that the community has yet to maximize. Current efforts to redevelop the lakefront and open up more opportunity by relocating the Port Authority must be pursued, as should expansion of development opportunities connected to the Flats East



Bank Project. Additionally, vigilance and advocacy are necessary to ensure that the quantity, quality, and economic potential of this natural resource are protected.

- 3. Forming New Partnerships.** The GCP will not be able to accomplish the objectives of this plan alone. New partnerships that go well beyond abstract agreements to collaborate will be necessary. Three of these major new partnerships, described in more detail elsewhere in this plan, are:
- Cleveland-Cuyahoga County Port Authority, because of this organization’s critical role in driving and supporting several of the GCP’s priority interests such as economic development finance and land acquisition, lakefront development, and strengthening international connections;
 - Advance Northeast Ohio, the regional economic development action plan spearheaded by the Fund for Our Economic Future, because this collaboration needs deeper private sector engagement to succeed; and
 - Greater Akron Chamber, because the success of most any regional strategy in Northeast Ohio depends on the collaboration of the two largest private sector business organizations in the region and their communities.



I. Advocate with One Voice

**Public Policy
Advocacy:
Our Core
Strength**

In the aggregate, the more than 17,700 companies that are members of the GCP and COSE employ more than half a million Northeast Ohio residents. The enormous clout of this membership base, which includes all sizes by virtue of our partnership with COSE, is one of the key assets that the GCP can bring to bear on any particular issue.

Business leaders must speak up and be heard. However, the breadth of their global operations and international travel schedules mean that it is more difficult than ever for them to speak out immediately and directly. The GCP provides the vehicle for their voice on business competitiveness and economic issues.



In the past, we have talked of the impact that “One Voice” speaking for the private sector can achieve with government. **Achieving this “One Voice” continues to be a dominant aspiration.** We recognize that there may be times when having a single voice that can speak on behalf of all Northeast Ohio’s geography and across all its various interests and organizations in the region is difficult to achieve. However, while the language and specific positions may vary from time to time, the themes must all be aimed at growing the Northeast Ohio economy—one of the GCP’s central purposes. We have learned from experience that we have the most impact when the region articulates its position with one clear voice.

Going forward, further developing our advocacy capabilities and leveraging the application of our clout are critical to the success of GCP’s strategy across all priority areas. Accordingly, we commit to use our best efforts to work with other organizations throughout the region to:

1. Maximize the flow of the federal and state resources for economic development priorities into the region.
2. Use past state investments in Edison and Third Frontier programs to leverage more federal investments in technology-based economic development.
3. Advocate for alignment of alignment of state, local, and private investments in technology-based economic development programs.



4. Advocate for new state and local financing tools for economic development that avoid or minimize tax increases, such as tax increment financing, expansion of bonding capabilities, and regional tax base sharing. If new taxes are absolutely necessary, they should not impede investment in any way.
5. Build the capabilities of the GCP's state political action committee (PAC) to support political candidates who are committed to business competitiveness and support Northeast Ohio's economic development priorities.
6. Continue the regular process led by the GCP Government Affairs Council for updating of GCP's public policy agenda every two years, including identification of new ways of reducing tax burdens and bureaucratic red tape, and advocacy for policies that support location and growth of alternative energy industry in the region and policies that protect the Great Lakes as a natural and economic resource.
7. Seize opportunities that emerge due to key political campaigns to leverage priority goals. In the short term, this means exploring use of the U.S. presidential campaigns as vehicles for leveraging support from candidates for key economic development priorities that can help transform the region's economy. Our goal is to have the next president of the United States understand and support the region's high priority needs. Immediate targets of transformative opportunity are:
 - Relocation of the Cleveland-Cuyahoga County Port Authority to the East 55th Street location to free up prime lakefront land for redevelopment in downtown and to expand the Port's capacity to generate economic benefits to the region in the global economy;
 - Maximizing the potential of economic development spin-offs from NASA Glenn's role in space exploration, including development of a new organizational infrastructure to advance the region's aerospace agenda and advocacy for the construction of a new runway at Plum Brook Station that will enable rocket testing at that facility and leverage more economic development;
 - Development of transportation and infrastructure opportunities for the region, including exploration of ways to advance projects such as the Opportunity Boulevard, the community proposal that would connect I-490 from downtown to University Circle, that do not easily fit into traditional funding streams.
8. In the longer term, we also will use other key state and national political campaigns, such as those for Governor, the U.S. Congress and the Ohio Assembly, to advance these transformative projects.
9. Collaborate with others in the state and larger regions, such as the Midwest and Great Lakes when appropriate to advance governmental policies and actions that are favorable to economic development in older urban areas.



II. Advance Small Business Success

A vibrant small business sector is essential to the region's economy vitality. Nationally, the percentage of new jobs created by small businesses is expected to exceed their proportional representation in the economy. This means a great deal in our region.

More than 96% of the firms in the Cleveland metropolitan statistical area fit the Small Business Administration's definition of a small business (less than 500 employees). These firms employ just under 50% of the Cleveland region's private sector workforce and generate just over 45% of the region's private sector payroll. However, the birth rate of new businesses in the Cleveland region lags that of other places and the actual number of businesses in the Cleveland region declined by .03% from 1992-2002.

Against this backdrop, the Council of Smaller Enterprises (COSE), the GCP's small business partner, completed its strategic planning process in 2007, and set a future course to concentrate on and expand its activities in three key service platforms.

First, the **Connection Platform** focuses on helping the region's small businesses support each other by connecting in ways that advance their ability to succeed in their own businesses and, as a result, increase wealth and investment in the region. COSE will continue to grow its Member Networks serving the technology community (Northeast Ohio Software Association), the arts community and home-based businesses, the latter representing one of the fastest growing segments of our economy. These networks bring companies with similar characteristics together to support their mutual success. COSE will increase the opportunities it provides for members to connect and help each other learn, solve business issues, and grow. The plan focuses on investment and growth for COSE's numerous peer-to-peer networking and information-sharing programs, including COSE MindSpring.com, MindShare, the COSE Small Business Conference and IBuyNEO.com, an interactive Web site that connects consumers and small businesses to local providers of goods and services to increase the volume and impact of local purchasing from local businesses.

Second, the **Benefits Platform** builds on COSE's legacy of providing access to affordable health insurance and worker's compensation insurance for small businesses. Beyond those individual products, COSE will continue to evolve its products and services to help the region's smallest businesses manage their human resources programs in an effective and competitive fashion through its HR Desk. Third, COSE's **Representation Platform** provides the 17,000 small business members of COSE with a unified voice in legislative, economic development and other community issues – bringing attention to the needs of small business and providing improved participation and recognition within the community of the value and impact of small business.

Full implementation of the COSE strategic plan is fundamental to GCP's success. To support the COSE strategic plan, the GCP and COSE have agreed to invest additional small business dues into these activities to allow COSE to expand its support for small business in Northeast Ohio.



**Minority
Inclusion
Is Key**

III. Accelerate Economic Inclusion

The Commission on Economic Inclusion's success is vitally important to North-east Ohio economic health. The Commission's mission of advancing "Jobs and Opportunities, Wealth and Titles" is aimed at growing minority-owned businesses (MBEs) in the region, increasing access to jobs that pay well and including more minorities in the senior management and board leadership of companies and organizations. Success means that minorities will more fully participate in the benefits of economic development in the region.

1. Ensure success of the Minority Business Accelerator 2.5+.

The Commission is building a coalition of economic development partners to support Minority Business Accelerator 2.5+, funded by an initial \$1 million grant from the Fund for Our Economic Future, renewable for two additional years based on documented progress. The initiative will focus on growing the size, scale and infrastructure of at least 12 Hispanic or African American MBEs with annual revenues of at least \$2.5 million. The Accelerator has been designed to generate a 20 percent annual sales increase for each participating MBE and at least \$30 million in new regional spend with minority-owned companies. Along with the Commission, the Northern Ohio Minority Business Council, JumpStart, the Hispanic Business Association and the Akron Urban League are partners in this coalition.

2. Explore possibility of expanding the Accelerator.

As the ability of the Accelerator project to help the initial group of minority firms "go to the next level" is established and resources become available, the Commission will explore expansion of the effort to assist more MBE companies across the region.

In addition to helping more firms that meet the current criteria for participation in the Accelerator 2.5+ program, expansion could include the possibility of assisting some firms that are below the current revenue threshold since their success also is important to advancing regional economic development. In actuality, many MBEs in the region do not meet the annual revenue threshold of \$2.5 million. Accordingly, the Commission will pursue opportunities to work with various other partners in the region to provide growth and development opportunities for these firms as well.

3. Expand the Commission's service offerings to strengthen relationships between and among its various categories of members, including companies, non-profit organizations and institutions and MBEs.

The Commission will:

- Encourage its member corporations to: 1) provide volunteers for MBE mentoring and consultation; 2) set diversity and inclusion goals including: percentage of management; percentage of Board; and percentage of procurement budgets; and 3) provide senior level employees to serve on Commission membership drives.
- Help its member companies by: 1) assisting them with minority recruitment, including exploring the possibility of generating earned income by sourcing of minority candidates for management positions; 2) providing staff consultants on



diversity/inclusion projects; and 3) helping source MBEs for specific projects and contracts.

- Help MBE members by: 1) sponsoring matchmaker events; 2) helping MBEs recruit employees; 3) referring them to sources of capital and bonding assistance.
- Increase its effort to attract additional members by: 1) showing positive results and ROI; 2) peer-to-peer recruitment; 3) sharing best practices; 4) creating a new MBE membership category.

4. Devote resources to deepening connections between the Commission and COSE.

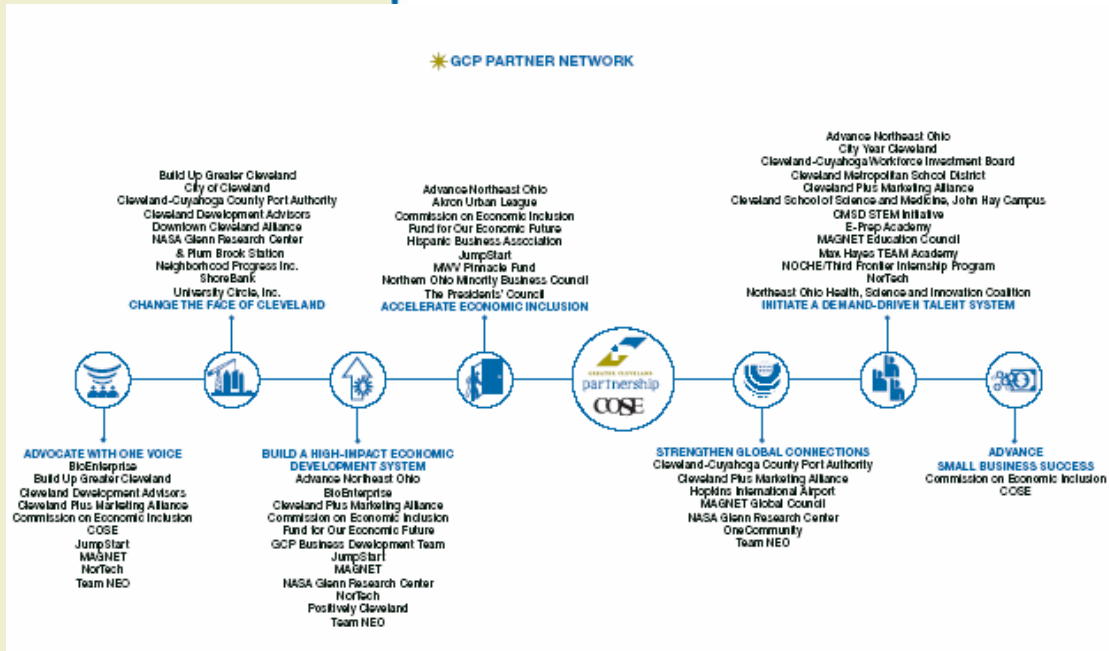
Because COSE provides many beneficial products and services to small businesses, collaborative efforts will be undertaken by COSE and the Commission to more fully engage MBEs in COSE and to extend the services of COSE to these firms.



IV. Build a High-impact, Sustainable Economic Development System

From its inception, the GCP has focused attention and resources on building a regional economic development system that is capable of creating jobs and investment at scale. As a result, a system of five organizations has emerged, each of which stems from a GCP initiative:

1. NorTech is the leader in shaping and driving the technology-based economic development strategy in the region, including identification of the emerging technology clusters that should receive focused attention and resources. These presently include information and communication technologies, biosciences and healthcare, polymers and advanced materials, electronics, nanotechnology, and advanced energy. In addition to working to grow the specific technology sectors, NorTech leads, leverages and launches initiatives that impact all of the sectors in three categories: talent; investment and entrepreneurship; and, innovation infrastructure. Innovation infrastructure includes our manufacturing and research bases; digital high-speed broadband capacity and our ability to work across organizational and tech sector boundaries.
2. Team NEO is focused on attracting businesses that complement existing or emerging regional strengths through external attraction marketing and deal packaging. Team NEO's targets for attraction presently include companies in the financial services, medical devices and bioscience, the chemical, aerospace, and advanced energy industry sectors.
3. JumpStart's role is to help create more entrepreneurial ventures in the region in high tech, high growth potential sectors through technical assistance and investments that leverage additional private capital;
4. BioEnterprise is aimed at accelerating the development of new bioscience companies in the region by working in concert with the region's healthcare industry and with private investors;
5. The Manufacturing Advocacy and Growth Network (MAGNET) works with the region's manufacturing companies to improve their competitiveness and, in partnership with NorTech, has mounted an initiative to help companies increase their innovation capacity. Through a unique partnership, the manufacturing companies that are members of regional chambers—including the GCP are also MAGNET members and benefit from that organization's services.



The GCP's investment in the organizations that compose this system now totals about \$2 million per year and is presently leveraging about \$22.8 million annually from other sources. In addition to state and federal funds, a substantial portion of that amount comes from the Fund for Our Economic Future, the collaborative among the region's foundations on economic development.

Each of these organizations has developed specific indicators and measures to track performance and progress. As shown in the below graphic, their collective impacts are impressive. Together, they have positioned the Cleveland region as one of the Midwest's leading center for the bioscience industry, created a growing pipeline of companies that have the region on their list of places where they might locate facilities, ratcheted up research and development capacities in the region, and stimulated formation of many new ventures.

<p>Attracted \$300,000,000 of Third Frontier investment in building technology R & D capabilities in local institutions.</p> <p>Led the effort to secure \$15,000,000 from the State of Ohio's Entrepreneurial Assistance Program</p>	<p> Positioning the region as the global center for the bioscience industry in the Midwest</p>
	<p> Established the Innovation Accelerator with NorTech and regional education institutions</p>
<p>Leveraged \$24,400,000 of angel and venture capital in 36 new companies. 42,000 hours of pro bono technical assistance to companies.</p>	<p>95 prospects seriously considering NEO location </p> <p>Economic Development System has leveraged \$855,000,000 in venture capital investment in start up ventures since 2002 Potential for eight year total of \$1 Billion in venture capital investment</p>



However, challenges remain that are addressed in this updated plan—principally the need to develop a regional resource base that can sustain this system, increase its impact even more, respond to new opportunities, and get the word out about successes.

1. Sustain and take this economic development system to an even higher scale of impact.

Doing so requires that the GCP work to:

- a) Continue to invest in the system in ways that contribute to sustainability;
- b) Attract broader private sector support from the region outside of Cleveland;
- c) Explore the possibility of a new funding partnership with State of Ohio;
- d) Continue to search for economies of scale both through greater functional efficiencies and exploration of structural consolidations, building on the lessons learned from the merger of organizations that created the GCP; and
- e) Deepen working relationships between COSE, the GCP's small business partner, and other external partners that are part of the regional economic development system, particularly BioEnterprise, JumpStart and MAGNET.

2. Respond to the advanced energy opportunity.

The intersection of energy and environment concerns can be leveraged as an opportunity for economic development in the region. The success of the GCP's advocacy for an alternative energy portfolio standard will be a key determinate in how much potential exists for an aggressive attraction effort.

GCP will collaborate with Team NEO, NorTech, The Cleveland Foundation and others on a business attraction and development agenda that leverages assets and potential in the advanced energy sectors.

3. Tell the region's positive story more aggressively through continuation of the Cleveland Plus Regional Marketing Alliance.

Launched in April 2007, Cleveland Plus is the newest element of the GCP's first strategic plan. In partnership with Positively Cleveland and Team NEO, the Alliance provides umbrella support for various marketing efforts in the region aimed at: business attraction; talent attraction; visitor and tourism attraction; and in-region marketing. The Alliance also provides critical support to all of the economic development system partners by highlighting their successes in both the national media and within the region.

The Cleveland Plus Marketing Alliance is the only GCP initiative for which funding has been requested from GCP members apart from their annual dues. Approximately \$2.6 million dollars was raised through GCP member contributions, the State of Ohio, and other regional companies in 2007; a similar level of funding is expected in 2008 and will be needed for at least a decade to come. With state funding eliminated in 2009, longer term sustainability is an important issue. Accordingly, adding momentum to, and firmly establishing, Cleveland Plus is also a high priority over the next several years. This will involve:

- Development of a long-term sustainability plan in collaboration with partners from throughout the region.



- Collaboration with others in the region on the important task of improving citizen attitudes about the region and its prospects through an expanded and appropriately funded in-region marketing campaign.
- Coordinated communications with Team NEO about respective roles in business attraction marketing.
- Aggressive media relations and targeted communications aimed at national opinion makers who influence business investment decisions to change unfounded negative perceptions about the Cleveland Plus region.
- Exploration of possible efficiencies that could be gained in the economic development system by having Cleveland Plus serve as a centralized marketing coordinator for all the GCP-supported economic development organizations.

4. Protect and build on the asset of our existing base of companies to accelerate economic progress.

In 2007, the GCP re-assumed responsibilities for business development within its service area, including all retention and expansion opportunities. Prior to 2007, this activity was a component of Team NEO's portfolio. The GCP's Business Development Team will continue to help Greater Cleveland companies address obstacles that are hampering their performance in order to maximize their potential. The Team will provide assistance to retain operations as well as identify and facilitate expansion opportunities and work with a variety of companies across industry sectors seeking to stabilize and grow their operations in the region.

The goal is to develop a pipeline of projects with impacts that exceed the current portfolio of 60 projects that has been developed one year into this new program. These projects are forecasted to provide more than 700 jobs, \$200 million in new investment and 1.5 million square feet of new and expanded facilities. At least 100 corporate visits will be conducted each year to identify retention challenges and expansion opportunities.



V. Change the Face of Cleveland

Targeted physical development is an important element of the GCP's strategy. The GCP will pursue several objectives aimed at leveraging and connecting existing assets and creating new amenities that stimulate further economic development.

1. **Build an inclusive city by creating a competitive housing market in downtown and the neighborhoods that can attract middle to upper income individuals and families while also providing the kinds of living experiences that attract 25-35 year olds.**

- The GCP, working with its real estate development affiliate, Cleveland Development Advisors (CDA), will help facilitate development opportunities along our waterfront, like the Flats East Bank, and along the Euclid Corridor, such as College Town and the redevelopment of buildings along Lower Euclid Avenue, as well as opportunities in and around University Circle.

When a total of 20,000 residents live in downtown, a critical mass of residents will exist that can generate demand for additional services and amenities that in turn will stimulate an upward spiral of development. Present momentum already has led to plans to develop a supermarket downtown, long seen as a critical, missing element in the amenities that support thriving housing markets. The GCP and CDA will continue to support the efforts to obtain such a critical mass of residents and the amenities and services required to sustain them.

- The GCP also will explore ways of helping emerging projects like the proposed Warehouse District development and various strategic neighborhood developments such as Gordon Square Arts District and the Fairfax neighborhood's Global Cardiovascular Innovation Center.

2. **Leverage unique, major economic development assets such as the healthcare industry, Hopkins International Airport, NASA Glenn, and the lakefront.**

- In the near term, secure commitments necessary to move forward with the proposed Medical Mart and Convention Center projects; maximize community and minority business enterprise (MBE) benefits.
- Further development of Hopkins International Airport and the property that surrounds it, including maximizing leverage from the Continental Airlines Hub, the only air service hub located within the State of Ohio.
- Maximize NASA Glenn's role in space exploration, through development in Brook Park and construction of a new runway at Plum Brook Station that will enable testing for the Crew Exploration Vehicle (Orion) at that facility.
- Secure state commitments to move forward with the inner-belt reconstruction project and with implementing the full concept of the West Shoreway project to maximize opportunities for public access and new development.



3. Change the fundamentals of market dynamics through accelerated development of transformative projects.

These include the:

- Relocation of the Cleveland-Cuyahoga County Port Authority to the East 55th Street location;
- Exploration of the potential for Opportunity Corridor that would extend I-490 from downtown Cleveland to University Circle.

4. Identify new tools necessary to accomplish these objectives that should be included in the GCP's public policy advocacy agenda.

These include:

- Increased capabilities to leverage more public and private sector financing, such as additional new market and historic tax credits and new tax increment financing capabilities as well as other financing vehicles.
- Initiatives that could improve the City of Cleveland's capacity to stimulate and support development that should be pursued through the City's Charter Review process—for example, integrating the tax department into the economic development department.

5. Pursue new structures and processes that can facilitate and accelerate development in the urban area.

There is an important need to reduce the red tape that adds time, cost, and sometimes creates enough frustration to jeopardize projects, particularly as the community “turns the corner” and begins to attract even greater development interest. Potential remedies include:

- The creation of a fast track development system that cuts the time required for approval of plans and issuance of permits and expedites projects in the city and county. This should include capabilities to “bird dog” development projects and to resolve problems through an ombudsman-type function.
- New capabilities to acquire, hold and redevelop land in general are needed. In the case of the lake and riverfront, a waterfront-specific development authority should be considered. Additionally, the unfortunate subprime mortgage lending and foreclosure crises may provide an opportunity for collaboration with the City, County, and Neighborhood Progress Inc. to create new mechanism for assembling land at scale in the neighborhoods.

Internally, the key partners in these efforts include the GCP Government Advocacy Team, Cleveland Development Advisors and Build Up Greater Cleveland (BUGC)--a collation of public agencies comprised of the Cleveland-Cuyahoga County Port Authority, City of Cleveland, Cuyahoga County, the Northeast Ohio Regional Sewer District, and the Greater Cleveland Regional Transit Authority, administered by the GCP in partnership with the Cleveland Engineering Society.



VI. Strengthen Global Connections

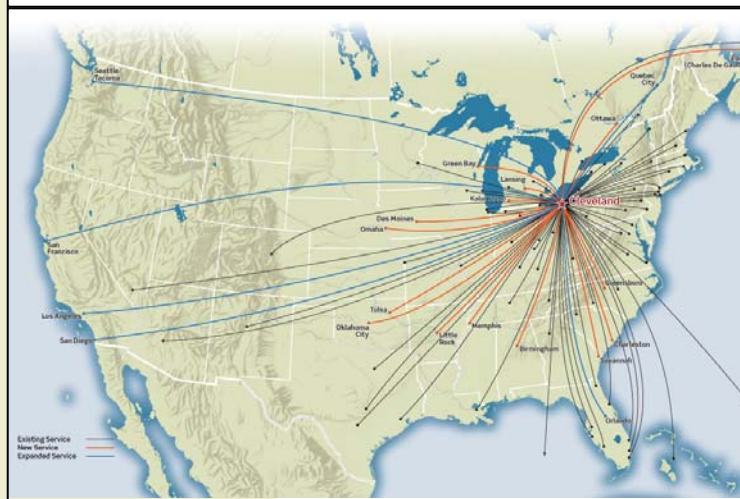
How the Cleveland region and its companies connect to the global economy and conduct business are important determinates of future economic success. Likewise, the rest of the world's ability to visit, conduct business in, and live and work in the Cleveland region must be improved. Improving transportation access, by air, water, and on land is critical for both passenger and cargo transport.

**Strengthening
Global
Connections—
by Air, by Sea, and
on Land**

- 1. By Air. Hopkins International Airport (CLE) is the region's gateway to the world. In order to compete in the global economy, the region and its companies must have high quality air service and facilities. The GCP applauds the City of Cleveland's significant commitment to improving facilities at CLE and will partner with the city and the Cleveland-Cuyahoga County Port Authority to further advance these efforts.**

We must leverage our assets even more, including the value of having Continental Airlines' presence at Hopkins International Airport.

The Continental Hub at Hopkins International Airport is the only major airlines hub located within Ohio and is an important asset for the region.



The GCP is committed to assisting Continental with following through on its commitment to invest substantial resources in Hopkins International Airport. The GCP also will work with Continental and other carriers to ensure air service, including expansion of service to Asia and additional flights to Europe and Latin America.



2. By Sea. The Cleveland-Cuyahoga County Port Authority is committed to expanding its role in international commerce to expanding its role as an economic driver in the region. To maximize this potential, in addition to supporting the relocation of the port, the GCP will support the Port Authority's efforts to develop a containerized shipping capability and advocate for federal commitments to keep the St. Lawrence Seaway open year round.

3. On Land. The region's logistics infrastructure, its companies and human resources need to reflect the global nature of the economy. As investments are made at the Hopkins International Airport and at the Port of Cleveland, alignment of regional transportation highway and rail systems will be required to support the flow of good and services in and out of the region to the rest of the world. To better connect companies to the global economy, the GCP will continue to support the work of the Global Council at MAGNET, which oversees operations of the World Trade Center Cleveland. These efforts are designed to assist companies with gaining access to new markets through expansion of exports and appropriate sourcing of parts and components needed to remain competitive.

People connections include the work of the Council on World Affairs and others to attract international talent and investment to region. Where needed, the GCP will incorporate supportive advocacy into its government affairs agenda. This will include federal advocacy to raise the cap on H1B immigration visas and possible collaboration with cities like Detroit and Pittsburgh on federal advocacy to create immigration zones in the Midwest.

4. Attracting Foreign Investment and Companies. In order to avoid diffusion of resources and efforts, more coordination is needed among key organizations that are involved with attracting international investment and businesses. The GCP believes that the impact of many ongoing international business attraction efforts can be maximized by positioning a single organization as coordinating entity. The GCP stands ready to work with the Cleveland Foundation, Team NEO and others, including the Beachwood Chamber of Commerce, the City of Akron, the Ohio-Israel Chamber of Commerce, and the Cleveland Council on World Affairs to find ways of improving effectiveness and impact of these efforts.



VII. Initiate a Demand-driven Talent System

Study after study points to the availability of ample and high quality talent as a key factor in regional economic growth. Northeast Ohio needs help on this front.

**New!
A Louder and
More Coherent
Employer Voice!**

The region confronts both qualitative and quantitative challenges in developing and finding the talent to support and fuel economic growth. These challenges are qualitative in that the region's workforce is under-educated compared to competitor regions. They are quantitative in that demographic realities of Northeast Ohio mean that the region will face absolute shortages in the numbers of available workers in the near future. Both types of challenges must be addressed—the first through workforce development and education; the second through talent attraction and retention.

Unfortunately, there are no quick fixes to these challenges. However, the widespread and growing recognition among state and local officials that workforce development must be “**demand-driven**” could help the region address its challenges, if it is followed by action. In actuality, since “demand” does not make hiring decisions, this means that workforce and talent systems should respond to the current and future occupational and skill requirements of employers. Only by building this kind of system will the region succeed in providing enough workers with the right kinds of skills to meet current and future needs.

With its membership of more than 17,700 companies, representing a base of more than half a million employees, the GCP is uniquely positioned to articulate employer demands for talent. Through its predecessor organizations, the GCP tried to advance the demand-driven concept before, but with inadequate support from political leadership, these efforts fell short. This time, we bring even more passion, stoked by years of frustration with slow progress, but re-energized by heightened interest and support from local and state political leaders for the demand-driven concept.

Accordingly, we will work with others in the region to represent employer interests in aligning workforce systems with employer needs. We also will aggressively advocate for the public funding and private support necessary to support such a system. Here's how we will proceed with shaping the employer voice:

1. **The GCP will form a new Board committee to shape the employer voice that can articulate demand and guide the GCP's workforce, education and talent attraction/retention efforts going forward. This committee will:**
 - Focus on supporting and building sector collaborations that engage groups of companies in the same or related industries in defining their workforce needs and brokering solutions to those needs. This will involve:
 - a. Collaboration with existing industry sector intermediaries on their industry-driven workforce and talent initiatives, including MAGNET, NorTech, BioEnterprise and the Northeast Ohio Software Association, and the Northeast Ohio Health, Science & Innovation Coalition (NOHSIC);
 - b. Development of additional initiatives in other industry sectors such as construction, financial services.
 - Review and advise on the GCP's existing workforce efforts, e.g. the Business Development Team's work with retention and expansion projects and the



Commission on Economic Inclusion's interests in ensuring that minorities have access to the jobs being created through economic development initiatives.

- Review proposed workforce initiatives in the community that intend to seek funding from the business community to certify them as demand-driven to improve their fundraising prospects.
- Market those community-based workforce training and literacy programs that reflect demand-driven principles to employers.
- The committee will be the initial client for the GCP's work with partners to conduct and analyze regular surveys of employers, to quantify occupational and skill needs and to communicate the findings to education and training organizations leading to help align their programs with demand.
- Work with Cleveland Plus to extend reach and effectiveness of the web-based talent attraction and job matching portals;
- Mine the data generated by these job portal systems to develop real time information on occupational and skills demands that can be shared with education and training providers;
- Assist with marketing these job portals to attract talent from targeted labor markets.
- Collaborate with the Cleveland-Cuyahoga County Workforce Investment Board (WIB) and other regional WIBs to assist with recruitment of business executives to serve in leadership positions and to help engage employers with their services and programs.
- Monitor the results of initiatives like Education Works, a collaborative effort of area foundations to push for integration of 21st Century workforce skills into regional educational systems, and incorporate pertinent recommendations into its government advocacy agenda.
- Secure state, federal, and philanthropic resources to support demand-driven workforce efforts.

2. Address immediate opportunities and needs.

As the GCP builds its capacity to speak on behalf of employers, it also will work to maximize several immediate opportunities across the region. These include:

- Support the Cleveland Metropolitan School District (CMSD) high school-focused efforts, including building its STEM (science, technology, engineering, and math) education capability. This includes help with implementing the MC²STEM initiative and securing CMSD's designation as one of Ohio's five regional STEM Education Hubs. The GCP will assist with planning and design of a new STEM high school, possibly in downtown Cleveland and with private sector fundraising for construction of the school and other program elements.
- In addition to STEM education, the GCP will focus on the role that high schools play in the transition of youth to post-secondary education or into the workforce. In this regard, the GCP will continue its work with the CMSD and other school systems to improve career and vocational education at other existing and new high schools. This will include efforts to educate young people from families who have little or no history of college education about the links between high education and career. In Cleveland, this will include continued engagement with efforts such as the TEAM Academy at Max Hayes High School, the Science and Medicine Magnet School on the John Hay Campus, and the E-Prep Academy.



- Join with the Fund for Our Economic Future and others to develop a regional response to the Ohio Skills Bank initiative. Led by the Ohio Chancellor of Higher Education, the Ohio Department of Education, and the Ohio Department of Jobs and Family Services, this initiative is aimed at helping Ohio's regions develop and implement demand-driven programs that link addressing industry sector workforce needs with economic development priorities.
- Work with NorTech and NEOSA to follow-up on the results and recommendations of the assessment of workforce needs in the information technology and communications sector.
- Advocate for public and private investments that build the research and development capacities of the region's four-year higher education institutions to capitalize on medical and engineering assets and pursue investments that link community college resources to meeting employer needs for skilled talent. In addition, the GCP will work with higher education institutions to explore steps that could be taken to build a "reverse-engineering" capability that can quickly align degree offerings with the emerging needs of the economy.
- Through a partnership with NOCHE, continue the Third Frontier Internship Program to provide college students studying math, science and engineering with internships at area companies as tool for retaining college-educated talent within the region. We also will support other efforts to expand the use of college internships by companies in the region as a tool for attracting and retaining talented young people.
- Support efforts of organizations like the Cleveland Council on World Affairs to increase both overseas and in-country immigration into the region as a tool for attracting skilled talent and entrepreneurs to the region, including federal advocacy for expansion of the H1B visa program and other policies that support this goal.



Embedding the Plan in the Organization

In order for the GCP to advance all the objectives of this plan, four things are required: 1) resources; 2) new organizational infrastructure and additional leadership; 3) new partnerships with other organizations in the region, and 4) tighter performance measures.

Resources

To accomplish the objectives of this plan, additional resources are needed, both for priority projects and for the GCP itself.

- To provide capital for economic development priorities, the GCP will explore the potential of expanded and new public sector financing capabilities, with a preference for those that do not result in higher taxes. Among the options for consideration are: 1) new tax increment financing tools; 2) regional tax-sharing; 3) new state bonding authority; 4) tax credits; and 5) revamped state capital budget.
- To support the organization's budget, the GCP will explore private sector funding from these sources: 1) generation of more earned income; 2) creation of new membership classes; 3) a stronger collective approach to foundations and individuals; 4) consideration of a modest dues increase; and 5) explore the potential of a campaign dedicated to raising funds specifically for economic development initiatives, similar to Cleveland Plus.
- The GCP should continue its practice of avoiding public dollars for general operating support, although public support for specific projects where there are clear understanding and expectations from both parties is appropriate and desirable.

The GCP's "One Check" philosophy still is valid. Review by the GCP Board confirms considerable support for continuation of the "One Check" philosophy adopted when the GCP was formed. This means that GCP's economic development partners receive private sector funding for *operating support* through GCP dues, and therefore do not directly solicit the GCP's member companies for operating support unless a specific stakeholder relationship exists. Funding for capital and fees for service are not covered under this philosophy.

Organizational Infrastructure and Leadership Engagement

Moving forward with the objectives present in this plan requires new vehicles for engaging Board leaders and GCP members. These include:

- Small Business Dues Allocation Committee. This GCP standing committee will bring a sharper focus and broader involvement from the small business community in shaping the economic development priorities of the COSE/GCP partnership.
- Workforce Development, Education and Talent Committee. This standing committee will be charged with shaping policies and overseeing the GCP's engagement in this critical area.
- Responsibility for promoting NASA Glenn as an economic resource and coordinating these activities with direct advocacy at the state and federal level will reside at the GCP. Funding for a new staff person to work within the Advocacy Department must be secured from partner organizations and/or foundation funding.



- Air Service/Facilities Committee or Task Team. Having high quality air service and facilities are seen by the GCP Board as critical elements of the regional economic development infrastructure.
- Board and Investor Development Committee. Both small and large businesses are actively engaged through membership in COSE and GCP. However, some companies—many of them in the mid-sized market—do not have a history and culture of working with the GCP, its predecessors or COSE. Consequently, they are less involved in the community despite the fact that they have significant jobs and are likely to be growth drivers in the future. Developing a value proposition and providing vehicles for engaging leaders from these companies and other larger dues-paying businesses that are not presently represented on the Board could both retain and increase membership, as well as recruit an important new source of leadership for economic development initiatives and the Board.
- Leadership Development. The GCP will continue to support current leadership development and engagement programs in the community, including the well-established Cleveland Leadership Center, and explore collaboration with emerging grassroots initiatives such as the 10,000 Little (micro) Ideas for Believing in Cleveland.

Partnerships

Advancing this plan will require deeper and new partnerships with other organizations, both in the public and private sector. We will initially focus on shaping three new partnerships:

- 1. Cleveland-Cuyahoga County Port Authority.** The Port Authority is important to achieving several GCP priority objects, including lakefront development, global connectedness, and provision of development finance. The GCP believes that breadth and depth of engagement of the Port Authority in the success of this plan warrants consideration of a new, more formal working relationship. It will be based on specific, mutually-shared objectives with benchmarks to measure the value added of the new relationship on an ongoing basis.
- 2. Greater Akron Chamber (GAC).** Getting the relationship between Cleveland and Akron, the two largest communities in Northeast Ohio, “right” is a prerequisite to achieving truly regional collaboration on economic development priorities. While there has been good progress on this front in recent years, stimulated in part by cooperation between the GCP and the Greater Akron Chamber, building an even deeper relationship between the two largest business organizations in the region, could add even more momentum to regional economic progress. The GCP stands ready to join with the GAC in the discussions about how to best pursue this goal.
- 3. Advance Northeast Ohio.** The GCP already has collaborated with the Fund for Our Economic Future in pursuing many of the objectives of the Advance Northeast Ohio regional economic action plan. The success of this plan will likely require even deeper engagement from the private sector in the future. The Fund has indicated a strong desire to explore how the GCP can contribute to this need, including the possibility of its participation in the formation of a new oversight group that would bring together key leaders from the private sector, philanthropy and others to share governance and accountability.



- Performance monitoring should include measures of progress toward achieving overall outcomes in addition to process measures (i.e. completion of tasks).
- In reporting on performance, the GCP will ensure that useful contextual information, i.e. comparisons over time and against other places is provided.
- Each of the GCP's programs and its external partners uses specific performance measures in tracking their operational effectiveness and overall impact. Moving forward, the GCP will incorporate this information into its reporting.
- The most important internal performance measures from the Board's perspective are membership retention and levels of program participation. The actual number of members and amount of revenue generated from dues are also important measures.
- The most important external measures of GCP's performance are its impacts on job creation levels of business investment. Other measures, such as impact on per capita income and population levels, are also seen as important.
- The GCP will collaborate with other organizations in the identification and use of performance measures, including the Fund for Our Economic Future's Economic Indicators Dashboard and measures used by its economic development system partners.

Research and Development

The GCP is always open to considering new options for engagement that relate to achieving its priorities. These might include some options that are not yet ready for engagement because of timing considerations and/or others that require further research and analysis before a determination can be made. For example, the possibility of using the subprime mortgage lending crisis to leverage creation of new tools for land assembly was mentioned earlier.

Other options arose during the GCP's planning process which may merit further study and consideration. Some of these potentials relate to improving efficiency in the public sector:

- Emerging proposals to reduce the size of Cleveland City Council, which may gain momentum from the City of Cleveland's mandated charter review process.
- Exploration of government consolidation opportunities that may emerge from the Advance Northeast Ohio study of government efficiencies.
- Exploration of opportunities for regional tax base sharing.

Next Steps

Over the next 90 days, the GCP will embed this new strategy in the organization. The steps to do this will involve:

1. Translating the strategic directions to specific action plans;
2. Development of the organizational infrastructure and leadership necessary to oversee plan elements;
3. Development of the new partnerships that will be required to advance the plan objectives;
4. Finalization of the performance measures that will be used to monitor and report progress; and
5. Alignment of financial resources with current and future priorities including identification of financial issues that should be addressed in the 2009 budget process.