

Restoring Prosperity to Ohio: Taking it On the Road to Cleveland

Lavea Brachman's Remarks at the Cleveland Mini-Summit

June 8, 2009

Welcome and Thank You

Good morning. I'd like to welcome you all to the Restoring Prosperity to Cleveland Mini-Summit. My name is Lavea Brachman, and I am co-director of Greater Ohio as well as a non-resident senior fellow at the Brookings Institution.

I would like to thank several organizations that have made today's event possible. First a huge thank you to our hosting *partner*, Policy Bridge—Randy McShepard and Mark Batson. Without their help and support we could not have pulled off such an event. We look forward to more collaborative work together. I also want to express my deep appreciation to Cleveland State University for their logistical support, advice and in-kind support. Ned Hill and his team, Kathy Hexter, have been great supporters of this event and of the Brookings/Greater Ohio initiative more broadly. They really made this possible.

I also want to thank our sponsors: The Fund for our Economic Future, Cleveland Foundation, RPM and the Cleveland Clinic. Thank you so much for your support. And I want to thank our host committee too. These people helped us navigate Cleveland's landscape, and we couldn't have done this event without their help. Thank you so much!

Lastly, I would like to recognize the elected officials that have joined us today – both **local elected officials** and **several state legislators and other state officials** in the audience that are interested in what Cleveland is doing and hoping to replicate your models for other areas of the state. Both local and state officials all stand to be recognized.

Introduction

Cleveland's capacity for innovation and energy is exemplified in a quick personal story about Tom Stone and Colleen Gilson ...On a frigid day with temperatures of at least 10 degrees below this winter, I drove to Cleveland for an initial meeting with Tom Stone and Colleen Gilson to brainstorm about this mini-summit. The meeting turned into a triage effort to address a car problem – the driver window cracked and broke, leaving nothing between me, 10 below weather and a two hour drive back to Columbus. Instead of meeting about this summit, we brainstormed for several hours about how to solve my "car problem," exploring multiple options, including car rental, car repair, towing....it was approaching dusk and ultimately Tom stuck it out with me going from hardware store place to place late that Friday afternoon to piece together a homemade solution which was duct-taping (using massive amounts!) the car window and the door– which is how I drove the two ½ hours back to Columbus. Probably not the safest, but it worked. We didn't have a meeting, but I left feeling that the ingenuity and enthusiasm for problem-solving – the "can do" attitude that will get this city back on track -- still exists in spades here in Cleveland and throughout Ohio. So a personal note of thanks to Tom and Colleen for their ingenuity on

that day and their dedication to pulling today's session together. I now own several roles of industrial strength duct tape but no longer own that car....

This morning, I'm going to give an overview of the Restoring Prosperity Initiative, describe the advances that we are seeing at the state level and identify opportunities for aligning state policy with local actions, and talk about how you can participate by joining our partnership for change.

Greater Ohio

Greater Ohio had its genesis here in Cleveland. Greater Ohio is the state's smart growth organization, which promotes public policy in Ohio to grow our economy and improve our quality of life through intelligent land use – so we work to advance policies and programs that revitalize urban and metropolitan areas, to strengthen regional cooperation, and to protect Ohio's open space, natural resources and farmland. We are non-partisan, non-profit, and foundation-funded. Two years ago we joined with the Brookings Institution to bring their national Restoring Prosperity Initiative, to Ohio. We agreed to help take this urban and metro policy agenda "to ground" in our state, using a tripartite approach: **advance** a new policy agenda, **commission** research that makes the case for change, and **conduct** an education and grassroots outreach campaign.

What is the Restoring Prosperity to Ohio Initiative?

The Initiative, a multi-year research, policy and stakeholder organization effort, is aimed at state reform to revitalize Ohio's core communities & metropolitan areas. If adopted, these place-based policies would be the building blocks for broader reform that could make Ohio a national model for economic recovery. On September 10th, 2008, the Brookings Institution's Metropolitan Policy Program and the Greater Ohio Policy Center unveiled its draft **Restoring Prosperity to Ohio** policy agenda before a crowd of over 1,000 civic and business leaders in Columbus, Ohio. The Restoring Our Prosperity Summit presented the initiative's initial research and recommendations to revitalize the state's core communities and reinvigorate the state's economic competitiveness. The Summit, which included top state officials like Gov. Ted Strickland, Lt. Gov. Lee Fisher, Senate President Bill Harris, and then House Speaker Jon Husted, was the first step in igniting real, actionable policy change that helps the state's core communities leverage and promote their assets both nationally and globally.

We said then that in order for the state and its communities to realize their potential in a fiercely competitive global economy the state must adopt a three-part "competitive communities" strategy that: First, **sets forth a clear vision that leverages the economy-driving assets** across the state and measurable goals. This includes taking stock of the real assets in communities across the state.

Second, we recommended that Ohio embrace and adopt a series of concrete reforms that builds on the distinctive four driving prosperity assets. These places must maximize the four driving prosperity assets – **innovation, human capital, infrastructure, and quality of place**. As illustrated by the Brookings Institution's Blueprint for American Prosperity initiative, these assets are principally concentrated in the nation's metropolitan areas – networks of urban, suburban, and rural areas that are inextricably linked by economic and social ties. In fact, Ohio's sixteen metropolitan regions account for about 81 percent of the state population, 84 percent of jobs, and 87 percent of output.

We asserted that Ohio is a metropolitan state in a metropolitan nation, and its older communities will thrive to the extent that they recognize their role in a larger metropolitan area and build on the assets that drive prosperity. However, these communities and metros also have substantial challenges, such as higher-than average unemployment rates, concentrated poverty, substantial local tax burden, and economic development policies that subsidize new sprawling development rather than revitalizing older, distressed communities.

Third, we recommended that Ohio catalyze **bold experimentation on governance reform**—particularly between cities and jurisdictions in their surrounding metropolitan areas but also “de-siloing” at the state department level so that the state takes an integrated approach across departments to urban and metro “fixes.” We also identified 32 core communities – based on their being above population 15,000 and at least 20% of the county population in 1950. Reasonable people can differ on what constitutes a “core community” today, so that list may vary slightly with a closer examination of the variables.

The implementation phase of this three-part Restoring Prosperity framework is now well underway, in many senses -- with extensive stakeholder engagement and some emerging legislative and administrative victories. We are “operationalizing” this new paradigm, which is why we are here today.

The Purpose of the Cleveland Mini-Summit

The Cleveland Mini-Summit is intended to build on the momentum and success of the Fall Summit. This summit was conceived by local organizers and local leaders, like Tom and Colleen, Randy and Mark, because they wanted to “connect the dots” between efforts on the ground in Cleveland and the state reforms -- to align the Cleveland urban revitalization agenda more closely with state reforms and charge local leaders with advancing the agenda. We are at a turning point in Ohio and national history, and we have a unique moment here today at this gathering of Cleveland’s leaders to come together and form a new Cleveland agenda. Today we will focus on addressing Cleveland’s plans for establishing and coalescing around an urban and regional revitalization vision, and the importance of the state’s role and federal resources in achieving that vision.

So we want to emerge today from the Cleveland mini-summit with four primary items:

1. A platform of “requests” for change that becomes a clarion call to action to state policymakers
2. An understanding of the unified vision for Cleveland’s urban revitalization
3. Identification of Cleveland’s assets and local innovation efforts as opportunities with which the state should align its policies
4. A recognition of the intimate connection between urban and regional prosperity

The import of a systems changing approach to governing is all the greater, given the tsunami of crises with which we are confronted. We know that “one size does not fit all” in this state; what works for Cleveland, may not work for Dayton and most likely will not work for Zanesville. But Cleveland is experimenting; it is innovating local community and economic development tactics, and the state should take note, respond, support and reward.

Today, starting here in Cleveland, we're taking the Restoring Prosperity Initiative "on the road." We start a series of mini-summits, convenings and listening sessions around the state to demonstrate the criticality of aligning local urban revitalization efforts with state reforms. This follows on a series of educational sessions held before last Fall's summit. And this summit today fits well with other initiatives like the Mayor's Sustainability Summit in August. These are not isolated events.

State response

There are encouraging signs at the state level. Our Initiative and the accompanying agenda has been well-received...though during this time of crisis it is difficult to plan for the long-term when there are so many fires to put out in our very own backyard.. Since the fall we have capitalized on the statewide Summit momentum by working to advance administrative changes and legislature. Alongside our Brookings partner, we are refining our policy recommendations and messages to leverage the new federal environment and shape an economic redevelopment strategy that takes into account the multiple crises that have enveloped our state and the nation. The state has responded – or initiated on its own-- with some specific policies that lay the foundation for an integrated governing response.

One example of forging a competitive communities strategy -- Speaker Budish's and his House leadership's "Compact with Cities" Task Force will examine how the state can help Ohio cities better compete for residents and jobs, stimulate economic growth, identify governance efficiencies, and implement other policies similarly reflected in the Restoring Prosperity Initiative agenda that adopted a bold agenda.

An example of an integrated approach to change -- The Administration's has incorporated Community Development Action Teams or CDATs -- introduced as a part of the Restoring Prosperity Initiative and a tested and well-received program in Pennsylvania -- into the Executive Budget. CDATs will stimulate economic and community development projects specifically for medium-sized Ohio communities tailored to their specific strengths and needs through action from cross-departmental teams.

And over the past nine months, Ohio's Board of Regents and Departments of Development and Transportation have adopted new place-based principles of development and growth, including tying workforce development to supply-side business growth; encouraging "cluster" growth of related businesses; investing in multi-modal transportation; and promoting innovation and small business entrepreneurship.

As part of its budget, ODOT is now required to perform an analysis of the costs to maintain state routes that pass through cities – a first step toward implementing "fix-it-first" strategies. If ODOT maintained state routes within city boundaries, it would be a step toward leveling the playing field between cities and townships, a prime example of state policy that has stacked the deck against cities, so such a change would be a pivotal first step in rectifying this pattern. Also the legislature has introduced piloting Transportation Innovation Authorities, which create districts that raise funds that are earmarked for transit options.

On governance reform —particularly between cities and jurisdictions in their surrounding metropolitan areas -- the state awarded a million dollars in planning grants for collaboration on service delivery. Just

before our summit, the state legislature created a Commission on Local Government Reform and Collaboration to develop recommendations on reforming and restructuring local government in Ohio. Emerging grassroots regional cooperation efforts are underway as well, such as a revenue-sharing initiative in Northeast Ohio whose chief proponents are working with Greater Ohio and Brookings to identify state-level reforms that align with their regional goals.

But the state's actions are still not strategic nor focused on the specific needs of its metropolitan areas. For example, neither the Clean Ohio Fund nor other state programs are linked to each other or to regional economic development initiatives that help older communities that have lost substantial population to right-size to a smaller physical footprint. If ever there were an opportunity for state leadership, it would be in bolstering local efforts to find their way to a "new normal." In this area, it is local leaders and innovators who are leading the way – the state must follow.

It's not popular to use the term "shrinking cities," but Ohio's core cities, with very few exceptions, have already shrunk. They are not going to regain all of their lost households and once again be as large and densely populated as they were 60 years ago – at least not in the foreseeable future.

This lack of fit between population size and physical size has destructive effects on the tax base, the real estate market, and the community fabric of Ohio's core cities and suburbs.

The state needs bold new approaches that will transform these areas into places that contribute to the quality of life. The Reimagining a More Sustainable Cleveland plan lays out a range of innovative options to deal with vacant land, in ways that will help Cleveland and Ohio's other older cities and suburbs shift from industrial communities of the twentieth century to a green communities of the twenty-first. The state, which sets the rules of the development game, now needs to conceive of development in a way that includes unbuilding, de-construction, and returning swaths of land to greenspace as parks, urban agriculture, or stream corridors.

Local Innovations -- Growing Movement for Change/Bottom Up Approach

Cleveland is innovating in other ways, as well, so the transformative proposals outlined in the Restoring Prosperity Initiative are by no means a mere set of abstract suggestions. Indeed, a number of actors, both in Northeast Ohio and throughout the rest of the state, have been leading the way by engaging in a series of innovative approaches to tackle familiar problems; such as, slow economic growth, poor quality of place, and the mismatch between workforce skill sets and employer needs.

Cleveland and Northeastern Ohio have set the tone with organizations like BioEnterprise and Jumpstart. Both are collaborative efforts that leverage anchor institutions, such as Case Western Reserve University, to assist and further advance Cleveland's burgeoning bioscience and technology sectors. Or Fairfax Renaissance Development Corporation which has taken advantage of Ohio's Third Frontier program in the form of a private/public collaboration that works to revitalize the Fairfax neighborhood in conjunction with the further development of the Cleveland Clinic and other anchor institutions. And plans, such as the Re-imagining a More Sustainable Cleveland report, offer novel suggestions to

simultaneously improve Cleveland's quality of life while also addressing the city's need to redesign the physical landscape to better accommodate Cleveland's current demographic realities.

"Opportunity Homes," a national model that was started by NPI working with six CDC's to invest strategically in several neighborhoods in a targeted way, is an example where state action has begun to reinforce local innovation, when OHFA agreed to provide funding for redevelopment of 150 homes. And Jim Rokakis's persistent efforts led to statutory changes enabling countywide land bank for Cuyahoga County.

But these innovative efforts are less effective in isolation from one another; so, tying them together will be part of an integrated approach to prosperity which the state can reward.

Furthermore, we are seeing evidence of this bottom-up approach to change across the entire state. The Downtown Dayton Partnership is an innovative non-profit organization whose mission is to make downtown Dayton a better place to live, work, and visit. And even in smaller cities we are witnessing home grown efforts to revitalize and re-imagine what their cities could be. Lima and Hamilton both have Vision 2020 Commissions dedicated to these goals.

National efforts are using Cleveland to "test" new frontiers of taking comprehensive approach to revitalizing neighborhoods and integrating across the traditional silos of jobs, housing, transportation and business development. Living Cities, a philanthropic collaboration of 21 of the world's largest foundations and financial institutions, has partnered with local leaders to seed a green collar jobs program at Tri-C's; is working with the city to augment the state's "seniors to sophomores" program, for instance.

However, while Northeast Ohio is a leader in implementing practices that are compatible with Restoring Prosperity, they can not go it alone. Now is the time for the State to fully realize and capitalize on the growing momentum of these local innovations. In order to produce the wide-reaching changes that are needed to return prosperity to Ohio, it is essential that state policies begin to engage and align with the innovative efforts that are taking place in Cleveland and other parts of the state.

So this is not a time for the state to stay the course. It is the time to innovate.

Building the Case for Change and what's next for the Initiative

Greater Ohio and Brookings have commissioned white papers on topics of crucial importance to the Restoring Prosperity Initiative. One such paper studied Ohio's growing foreclosure crisis. The paper, entitled "Addressing Ohio's Foreclosure Crisis: Taking the next steps," was written by national housing expert Alan Mallach. The paper includes action items outlining 26 specific recommendations for state level policy changes. If you would like to learn more, the paper is available on our website in draft form. We have commissioned 4 additional papers, including one on anchor institutions, two examining the barriers to regional collaboration and governance and the "price" of fragmentation that result from the

over 3800 jurisdictions around the state. Our final Restoring Prosperity report, which will be issued later this year or early next year, will benefit from the findings of all of our white papers, as well as the platforms that emerge from convenings like this around the state.

What we need from you

So, in closing, we, at Greater Ohio, consider ourselves only as strong as our partnerships.

So, first, we ask that your organization become part of our Restoring Prosperity Partnership Network.

Second, we ask that you make your voices heard on these issues when it comes time to press our legislators and administration officials on these new policies. If you are part of our network, we will keep you posted on those efforts

Third, we need your feedback, frank input and grassroots support to make our organization and the Restoring Prosperity to Ohio movement work.

In your folders you will find an insert to fill out and put in the box at the registration desk. We will add you to our email list and include you as part of our network and when we see areas we can influence we will call upon you to help us with this grass root efforts.

I've just come from participating in commencement activities at one of the top private universities in the country, where there were speeches about the role of academic institutions in restoring our economy -- asking what we want to be when we are on the other side of this recession and economic downturn -- and suggesting how to use our resources and assets as building blocks. But what struck me was the similarity of themes sounded by that university president in Boston, a thriving city, to the themes we are talking about here today, such as the importance of innovation, of assets like universities and how education, workforce and skill training form the foundation for economic revival and survival.

So the themes are ubiquitous...whereas a year ago, the problems would have been limited to those places that are down and out, like Cleveland.... Cleveland may have led the way in the economic fall; now, let's have Cleveland lead the way to recovery -- not just for Ohio but in the country. If Cleveland was the "canary in the coal mine," foreshadowing the foreclosure crisis, then it can be the leader in recovery. So in thirty years, when the next generation of policymakers, local and neighborhood leaders are convening, the discussion will be about "How Cleveland Got its Groove Back..." and what we can learn from these efforts...

Introduction of Bruce Katz

Now I want to introduce Bruce Katz, Vice President at the Brookings Institution and Director of Brookings' Metropolitan Policy Program. Bruce regularly advises national, state, regional and municipal leaders on policy reforms that advance the competitiveness of metropolitan areas. Most recently, he has just returned to Brookings from serving on the Obama Administration transition team and from a stint as a special advisor to the HUD Secretary. He has many other accolades that are far too numerous to mention. Bruce and his staff have been instrumental in helping GO -- and advising the state on how

to – move down a path toward recovery and renewal. He is here today to provide the national perspective and always profound wisdom.