

HOW CAN ECONOMIC DEVELOPMENT INFLUENCE OUR LOCAL ECONOMY?

City of Cleveland

Presentation to Cleveland
State University

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CITY OF CLEVELAND
Mayor Frank G. Jackson



The Problem Statement

- What can and should we do to affect change in the City of Cleveland?
- Why do people move to cities/regions?
- Is it chicken/egg? Which comes first-Community or Economic Development?



Strengths

- Logistics
- Health Care
- Advanced Manufacturing
 - Chemicals, Coatings & Polymers
- Skilled Workforce
- IT & Banking
- Quality of Life



Weaknesses

- Lack of Large tracts of land ready to build
- Available properties may be contaminated or obsolete due to former industrial use
- Population decline- people are leaving the City
- Foreclosure Crisis-economic impact is second only to Hurricane Katrina



Opportunities

- High Unemployment means good worker availability
- Manufacturing businesses well suited for Alternative Energy supply chain
- Competitively priced real estate
- Medical Anchors can attract new businesses
- Increased fuel costs puts greater importance on location



Threats

- Graying Manufacturing Workforce
- Business Climate- the City must be more “business friendly”
- National & Local Perception- even our own residents don’t believe in Cleveland!
- Decreasing tax funds mean no new money for economic development



Where do you start?

- Build a Team- internal & external
- Keep what you have- Retain existing businesses
- Take advantage of the weak dollar-court overseas businesses
- Compete for expansions and relocations
- Design programs to overcome our weaknesses



The Team

- Internal-get the training they need to be the best
- Internal-fill any gaps
- External-contract where you can
- External-Partner with complementary players



Business Retention

- Improve City Hall Processes for businesses
- Help with workforce training
- Help with product diversification
 - MAGNET, WIRE-Net, NORTECH
- Cleveland Industrial Retention Initiative
 - Visitation
 - Problem Solving



Getting the Message Overseas

- Working with Team NEO
 - Target industries and locations
- The Mayor visits several countries
- Improve collateral materials for international clients
- International Trade District
 - Working with the Port and St. Clair Superior CDC



Business Attraction

- Working with the Commercial Broker community to sell the City
- Putting together materials to expedite response times
- Consensus with Mayor and Council on programs to offer businesses
- Cleveland Plus campaign



Develop New Programs

- Issue: Most sites have costs that do not add to value
- Issue: Some companies have very little tolerance for “red tape”
- Issue: Existing Development agreements prohibit Income Tax Rebates
- Issue: Limited available funds



New City Programs

- Vacant Property Initiative
- Business Grants
- Gardening for Greenbacks



Vacant Property Initiative

- 1 year Construction Loans
- 30 – 40% forgivable
- Extra 5% forgivable for Green/sustainable components



Business Grants

- Citywide Business Grants
- Technology and Green Technology Grants
- Avoids Bank issues- collateral, years in business
- Grant based on payroll- not a rebate



Gardening for Greenbacks

- Gardening for Greenbacks
 - Access to more fresh food
 - Taking advantage of vacant lots
 - Self-sustainability



Happy Ending? Not Quite...

- Credit Crisis
- Banking Industry Implosion
- Funding for ED stagnant
- Unemployment Numbers better than US, but still not great

Now what?



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Follow the Money!

- What State and Federal Grant Programs are Available?
- What types of Projects are eligible?
- Find those projects
- Write the grants yourself
- Implement & be careful of audit findings



More New Programs

- Working Capital Loan Program- (EDA)
- Minority Contractor Loan Program-(EDA)
- New Markets Tax Credits/HUD
108/Neighborhood Revitalization Strategy
Areas (Commerce & HUD)



How does this help your career goals?

- Learn to Problem Solve
- SWOT does help you quickly summarize what you have to work with
- Avoid “Paralysis by Analysis”
- Meetings, Meetings, Meetings
- You do not have to be the smartest to succeed-hard work does count



City of Cleveland

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