

TRIP REPORT

BEST PRACTICES TRIP TO CLEVELAND

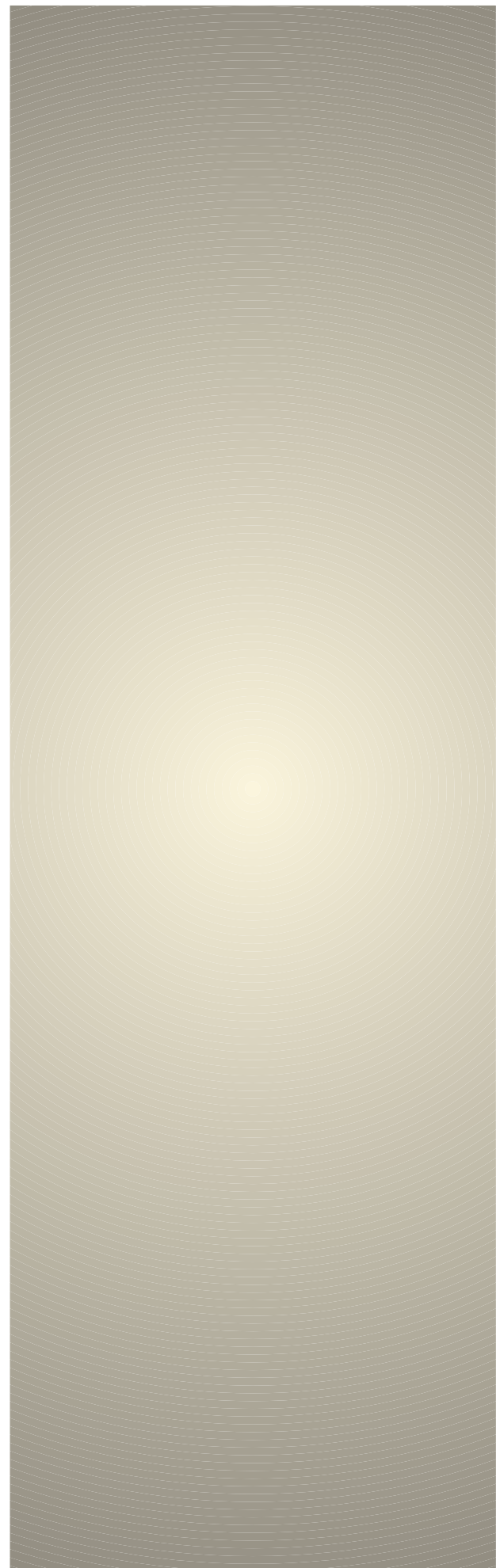
April 24-27, 2012

Hosted by Greater Portland Inc.

Cleveland...a city that has reinvented itself from a dying rust belt town, to a world innovator in healthcare, bioscience, manufacturing and leveraging human capital through intergenerational leadership. Greater Cleveland is home to 24 fortune 1000 companies and currently has over \$7 billion in construction in its urban core. Cleveland is an innovative city that fosters entrepreneurship and has developed a network of partners to develop and excel in the areas most critical to urban success - *talent, connections, innovation and distinctiveness.*

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Be connected. Rather than seeing each other city as competition, building strong connections to other cities can become a collective strength... there are potentially large benefits from being able to tap into the experience of other cities. (McKinsey Global Institute report 2012)

Strengthening the region's economic competitiveness is dependent on a regional culture that values: Collaboration, innovation, inclusion, empowered individuals. (Fund for our Economic Future)

We believe that in the 21st century, the old barriers between business, government and the public must be reconsidered. We're in this together - we're all part of a regional community, an economic ecosystem, and we will all sink or swim, perish or prosper together. (Greater Cleveland Partnership)

The Rustbelt region is now determinedly—and definitively—finding its way forward. In fact, while the rest of America has staggered under the weight of the Great Recession, the innovators, entrepreneurs, thinkers and doers in cities like Pittsburgh, Cleveland, Buffalo and Youngstown have raced out ahead, leading a Heartland renaissance whose effects are being felt from coast to coast. (Details Magazine)

Trip Report

On April 24th, a 50-person delegation from the Portland region traveled to Cleveland for its annual Best Practices trip. During the mission, delegates met with the leaders, organizations and anchor institutions that have joined forces to restructure, reimagine and rebuild Cleveland for the future.

The rescue and revitalization of Cleveland provided all members of the delegation an opportunity to examine how local leaders can organize and unify for collective and effective action.

This report includes highlights of the presentations covered during the delegations 3 day visit, general observations and lessons learned.

Introduction

The Cleveland region has all the ingredients vital to being a great place: best-in-class assets, attractions and opportunities, an alluring quality of life, large and diverse population, rich history of civic involvement and philanthropy, and a growing economy.

Cleveland is an invigorating and friendly place to visit. The people are open and passionate about their beloved hometown. There is a positive buzz everywhere you explore ... business, culture, knowledge and entertainment choices are growing at every turn. Are all communities benefiting from the boom in local activity, no ... but there is a tangible confidence that Cleveland is well on the road to resurgence.

Over the past decade, Cleveland has reinvented itself from a dying rust belt town, to a world innovator in healthcare, bioscience, manufacturing and leveraging human capital through intergenerational leadership. Greater Cleveland is home to 24 Fortune 1000 companies and currently has over \$7 billion under construction in its urban core. Cleveland is an innovative city that fosters entrepreneurship and has developed a network of partners to develop and excel in the areas most critical to urban success: *talent, connections, innovation and distinctiveness.*

Twenty years ago, considerable investments in new civic infrastructure were made in Cleveland: Gateway sports complex, Rock and Roll Hall of Fame Museum and Great Lakes Science Center. The momentum from those cornerstone projects carried over into a range of other add-on investments. The Cleveland 'turnaround' become a national and local story.

Today, there is even far more being invested in infrastructure: the Cleveland Aquarium, Medical Mart/Convention Center, downtown casino, and rebirth of such areas as the East 4th entertainment district and a reinvigorated University Circle. The Cleveland renaissance is real as is the region's commitment to capitalize on the momentum.

Highlights of Presentations during the 3-day Visit

CEOs for the Cities

CEOs for the Cities is a civic innovation lab and network of urban leaders and change agents from diverse sectors (250+ partners from over 40 cities, including business, higher education, economic development, cultural and creative sectors, foundations and government) dedicated to building, advancing, and sustaining the next generation of great American cities.

The organization (headquartered in Chicago) was founded 12 years ago by a number of prominent urban leaders throughout the country including then Chicago Mayor Richard Daley, Paul Grogan, President and CEO of the Boston Foundation, and Chuck Ratner, then CEO, now Chairman, of Forest City Enterprises.

Cities must always be thinking ahead and learning from the best ideas and practices from all sectors, leaders at all levels, and cities, regions, states, and countries throughout the nation and the world. The cities that will win in the new networked economy are those that make their boundaries porous to new ideas and talent and demonstrate the humility to understand that there is always something more to learn from someone else, somewhere else.

CEOs for the Cities and its programs provide a unique opportunity to engage urban leaders from across the country. It is through these connections America's cities and metropolitan regions will advance and prosper. Everything can be summed up with this one statement: tear down walls, build bridges, light fires. Those are the words of Steve Jobs. When we tear down the walls between cities and suburbs and regions and build bridges to each other, and then light fires of targeted investment in the region's core, the rising economic tide lifts all boats.

Note: The CEOs for the Cities president/CEO is Lee Fisher (our presenter during the Cleveland visit), he is a Cleveland native and former Ohio Lt. Governor, Ohio Attorney General, and Director of the Ohio Department of Economic Development.

JumpStart

Beginning in the 1980s the Cleveland region lost tens of thousands of jobs and didn't have companies growing to replace those jobs. The region's civic, community, and philanthropic leaders came together and provided the vision and leadership for a solution: a unique partnership between public and private entities charged with creating economic transformation in Northeast Ohio through the growth of an entrepreneurial ecosystem. From this concept, JumpStart was born.

JumpStart is a nationally recognized non-profit accelerating the success of diverse entrepreneurs, their high growth companies and the ecosystems supporting them: (1) directly investing in and assisting entrepreneurs leading high growth companies in greater Cleveland, (2) growing and strengthening the region's entrepreneurial ecosystem by raising funds for other support organizations and managing a network of 20 incubators, accelerators, and investors.

Evergreen Cooperative

Launched in 2008 by a working group of Cleveland-based institutions (including the Cleveland Foundation, the Cleveland Clinic, University Hospitals, Case Western Reserve University, and the municipal government), the Evergreen Cooperative Initiative is working to create living wage jobs in six low-income neighborhoods (43,000 residents with a median household income below \$18,500) in an area known as Greater University Circle (GUC).

The Evergreen Cooperative Initiative has been designed to cause an economic breakthrough in Cleveland. Rather than a trickle down strategy, it focuses on economic inclusion and building a local economy from the ground up; rather than offering public subsidy to induce corporations to bring what are often low-wage jobs into the city, the Evergreen strategy is catalyzing new businesses that are owned by their employees; rather than concentrate on workforce training for employment opportunities that are largely unavailable to low-skill and low-income workers, the Evergreen Initiative first creates the jobs, and then recruits and trains local residents to take them.

A central element of the Evergreen strategy has been to work closely with the anchor institutions to devise ways in which their business decisions, particularly procurement, can be focused to produce greater neighborhood and citywide benefit. The potential is enormous - Cleveland's three largest anchors alone purchase an aggregate of more than \$3 billion in goods and services annually AND until recently little of this spending had been targeted locally.

Three businesses have been launched:

Evergreen Cooperative Laundry - greenest commercial-scale healthcare bed linen laundry in Ohio - currently employs 25 neighborhood residents ramping up to 50 at full capacity.

Ohio Cooperative Solar - community-based clean energy and weatherization company that employs 25 neighborhood residents and will ultimately employ 75 residents.

Green City Growers - year-round, large-scale, hydroponic greenhouse, with 3.25 acres under glass, is the largest urban food production facility in America - the GCG employs 35 residents.

The Evergreen Cooperative Initiative is capturing the attention and interest of officials and philanthropy in a number of other cities seeking to replicate the "Cleveland model" (interested cities include Detroit, Atlanta, Newark, Pittsburgh, Washington, DC, and a number of cities in Ohio).

Cleveland Clinic

US News and World Report ranks the Cleveland Clinic the nation's #1 medical center for heart care and top 4 overall nationwide.

Cleveland Clinic was founded in 1921 by innovators and medical pioneers. It is a not-for-profit group practice with, physician leadership. All physicians are on salary. There are no bonuses or financial incentives. All physicians are subject to annual performance reviews and are on one-year contracts. The motto of this group practice is "to act as a unit." The Clinic is the second largest group practice in the world.

Three years ago the Clinic changed its organization structure from typical profession-oriented organization designed around physician competencies, such as surgery, to a patient needs-oriented approach such as the Heart and Vascular Institute. The Clinic is the only hospital to be completely organized around patient needs. Each institute is based around a single organ system or disease. Medical and surgical services are combined under single leadership in a common location.

Integrated Healthcare Delivery:

- Main campus tertiary care facility, 15 family health centers, nine community hospitals and one affiliate hospital in Ohio; 40,000 employees, 2,000 physicians 8,000 nurses.
- Other locations including a hospital and outpatient clinic in Florida; and facilities in Canada, Abu Dhabi and Las Vegas.
- Critical care transport program, including ambulances, 3 helicopters and 2 jets, used for urgent medical emergencies and provides hospital transfers from around the world.
- Pioneer and advocate of the electronic medical record – at the forefront of EMR technology, currently over 200,000 patients in its EMR system and creating innovative partnerships with Google and Microsoft.

Cleveland Leadership Center

The Cleveland Leadership Center is the premier center in the region for building and engaging civic leadership capital. The Center offers a variety of civic leadership programs and engagement opportunities designed to foster civic responsibility; create a culture of leadership that is inclusive, collaborative, and progressive; and make a dynamic impact on the community.

Mission: build a continuum of civic leaders committed to the community's excellence by serving as a catalyst for civic engagement.

The Leadership Center is home to six interconnected flagship programs that together make up a comprehensive, intergenerational leadership development curriculum. The programs target different leadership groups:

- Leadership Cleveland (established leaders)
- Civic Leadership Institute (intergenerational leaders; leaders at all levels)
- Cleveland Bridge Builders (committed leaders)
- (i) Cleveland (college students, corporate internship programs and interns)
- Look Up to Cleveland (high school students)

The Cleveland Leadership Center's community-focused curriculum achieves the goal of expanding and improving the civic leadership base and encouraging civic responsibility.

Business Volunteers Unlimited

The Business Volunteers Unlimited (The Center for Non-profit Excellence) is a national model organization that strengthens non-profits by involving thousands of volunteers from the community; engaging hundreds of business executives and professionals on non-profit boards of directors; and providing leading-edge board and management consulting and training services for non-profits.

The organization offers services to businesses and non-profits throughout the region and provides one-stop shopping for volunteer referral, consulting and training.

In order for a non-profit to succeed, the organization's leadership needs to develop a competitive vision, guide the organization through change, maximize potential funding and focus limited resources in achieving the greatest benefit for the community.

Businesses and employers are pursuing greater involvement in addressing critical community issues. They recognize that strategic involvement represents unique opportunities to improve the community, while enhancing the company's position in the market and developing and instilling vision, teamwork and leadership skills among personnel.

BVU engages businesses, employers and members of the community-at-large in productive and rewarding leadership and volunteer activities. By leveraging their involvement, BVU strengthens the leadership and expands the capacity of hundreds of non-profits, while enabling businesses and employers to build strategic, powerful and enduring relationships with the community.

BVU provides leading-edge board and management consulting services to strengthen non-profit organizations.

Fund for Our Economic Future

The Fund for our Economic Future is a collaboration of philanthropic organizations and individuals that have united to strengthen the economic competitiveness of Northeast Ohio through grantmaking, research and civic engagement.

Begun in 2004, the mission of the Fund is to encourage and advance a regional competitiveness agenda which will lead to long-term economic revitalization that strengthens the region's core cities, encourages inclusion and enhances the region's quality of life.

The Fund is a 501(c)3 organization governed by its members. Members include organizations and individuals who have committed \$100,000 or more to the fund over a three-year period. Since 2004 the Fund has raised more than \$70 million and the vast majority of the Fund's grantmaking goes to regional economic development organizations that accelerate, attract and grow companies in the region.

In addition, the Fund works with partners in 'Advance Northeast Ohio' (the region's economic action plan) to develop and implement regional strategies that address four key priority areas: (1) Business growth and attraction, (2) Talent development, (3) Growth through racial and economic inclusion, (4) Government collaboration and efficiency.

The Fund engages the public and leaders from private, civic, labor, education, government and other sectors to strengthen the region's capacity to build strong regional culture and to support and implement key economic growth strategies of Advance Northeast Ohio.

Global Cleveland

Global Cleveland is an organization focused on regional economic development through actively attracting newcomers, welcoming and connecting them both economically and socially to the many opportunities throughout Greater Cleveland. Global Cleveland provides personal point of contact for all newcomers, both domestic and international, to help them establish greater organizational and individual connection within the community.

Global Cleveland's goal is to help replenish Cleveland's shrinking population by attracting 100,000 newcomers to Northeast Ohio in the next 10 years. Increasing both domestic and international migration to Cleveland will support economic development as newcomers fill job vacancies, start companies and add to the educational attainment of the region. The skills, connections and diversity brought by newcomers are assets to the region and will contribute to the broader community's prosperity.

One target group for Global Cleveland are the Boomerangers - "You grew up here, you moved away, the time has come to Boomerang back to Cleveland and Global Cleveland is here to help."

PlayhouseSquare

PlayhouseSquare draws more than 1 million people annually to its eight performance venues while contributing in excess of \$43 million in local economic impact every year exclusively from its performing arts activity (according to a Cleveland State University 2004 study).

The not-for-profit PlayhouseSquare is not only a tourist destination, economic development engine, entertainment presenter and producer and a district real estate developer, has become a national leader in arts education, creating the nationally-acclaimed and much-copied "Partners in

Performance” bus subsidy program that, as of 2009, has funded the bussing of 60,000-plus students to shows.

Today PlayhouseSquare’s nine performance spaces include the Palace, State, Ohio, Allen, Hanna and 14th Street Theatres, as well as Kennedy’s Cabaret, the Westfield Insurance Studio Theatre and Star Plaza.

PlayhouseSquare’s original five venues (Ohio, Palace, State, Allen and Hanna) were constructed in the 1920s in a mere 19 months. Impacted by the rise of television and population flight to suburbia, by 1968-’69 all but the Hanna were eventually boarded up, as entertainment also moved to the suburbs. But in the 1970s, a grass-roots effort saved the historic venues from the wrecking ball, restoring and re-opening the theaters one by one, ushering in a new era of downtown revitalization, which was heralded by the media as “one of the top 10 successes in Cleveland history.”

Partnership for Arts and Culture

Arts and culture, and the experiences they foster, are an essential part of a thriving city. In this era of knowledge-based economies, business and civic leaders should strategically position their communities to take full advantage of the benefits provided by creative individuals and organizations in the arts and culture sector. CPAC supports the sector and these partnerships. It offers research and programing to sustain resources and strengthen the skills and ideas of arts and culture professionals. It maintains communication with other sectors to better understand the environment and achieve common goals. It works in the public sector in support of policy that advances arts and culture.

CPAC has very clear plans on how it can address the needs of artists, nonprofits and other members of the community. Throughout all of its offerings, CPAC strives to do the following for the sector:

- **Lead:** Set direction with the arts and culture sector based on shared interests and potential impact on arts and culture organizations and individual artists.
- **Advocate:** Position arts and culture as a driving force in building a vibrant community, particularly where community priorities and funding decisions are determined.
- **Educate:** Inform community decision-making through credible research that identifies solutions for evolving needs and demonstrates the contribution arts and culture makes to the economy, education and quality of life.
- **Convene:** Provide opportunities for the community’s diverse arts and culture constituencies to join together to learn about and take collective action on shared interests and objectives.

Positively Cleveland and Cleveland Sports Commission

Positively Cleveland is devoted to creating an economic impact for the region by promoting business and leisure travel to the area. Key Markets: Detroit, Columbus and Pittsburgh and fly in markets such as Baltimore and Nashville. Positively Cleveland was one of the first convention and visitors bureaus in business in the nation.

- 13 million people, who live at least 60 miles away, visit Cuyahoga County each year
- hospitality industry is the fourth largest employer in the region - behind medical, government and industry
- 61,000 jobs in Cuyahoga County depend on maintaining a strong tourism industry - number extends to 163,000 jobs throughout Northeast Ohio
- 90 percent of local hospitality jobs are in small businesses
- Cuyahoga County's tourism industry generated \$865 million in tax receipts and fees; \$466 million of which were state and local

- Northeast Ohio claimed \$13 billion in tourism sales and accounted for 36% of tourism sales in Ohio-the highest of any region of the state
- every \$1 Positively Cleveland spends selling conventions and meetings, returns \$105 to the community

The Greater Cleveland Sports Commission is a non-profit organization governed by a committed group of trustees representing some of the region's most esteemed private, public and nonprofit institutions. The organization currently has ten full-time staff overseeing sports development, marketing, communications, fundraising and events management. The Sports Commission is funded by contributions from the board of trustees, and annual benefit - The Greater Cleveland Sports Awards, fees from a partnership with the Ohio Bureau of Motor Vehicles, revenue earned from events, foundations and public support from Cuyahoga County and the City of Cleveland.

Originally formed in 1993, the Sports Commission was re-founded in 2000. Since that time, the Sports Commission has been directly responsible for attracting, creating and/or managing over 120 sporting events and activities to the Greater Cleveland area, generating more than \$370 million in economic impact.

Currently there are 53 trustees on the board for the Greater Cleveland Sports Commission. In addition to the appointed trustees from the City, County, and CVB of Greater Cleveland, the Greater Cleveland Sports Commission appoints additional trustees from the local community.

Note - there is one President/CEO for the two organizations.

Greater Cleveland Partnership

With more than 15,000 members, the Greater Cleveland Partnership (GCP) is a membership association of Northeast Ohio companies and organizations and one of the largest metropolitan chambers of commerce in the nation. The Greater Cleveland Partnership was created in March 2004 by the consolidation of Cleveland Tomorrow, the Greater Cleveland Growth Association, the Greater Cleveland Roundtable and their primary affiliates—COSE, the Northeast Ohio Technology Coalition (NorTech), and the Commission on Economic Inclusion. Through this merger, the private sector is able to better allocate two of its most precious resources—dollars and committed leadership—toward creating a more vibrant economy in Northeast Ohio—as well as speak with one voice on behalf of job- and wealth-creation priorities locally, in Columbus, and in Washington, D.C.

Mission: To mobilize private sector leadership, expertise and resources to create attractive business conditions that create jobs, grow investment and improve the economic prosperity of the region.

Cleveland+ and Team Neo

The Greater Cleveland Marketing Alliance (now known as the Cleveland Plus Marketing Alliance or CPMA) was formed in 2005 with the mission of increasing economic development in Northeast Ohio.

One of the first objectives of the CPMA was to develop an umbrella marketing campaign; to accurately and positively position the region in a way that would be compelling to the critical audiences both inside and outside the region — business leaders, site selectors, meeting planners, leisure travelers and more.

While the region is home to major hubs such as Cleveland, Akron, Canton and Youngstown, prior to Cleveland Plus, there was not a concise, clear way to articulate the region's many offerings to audiences.

After much research and planning, campaign developers created and launched the Cleveland Plus brand, which united the region's strengths under a single identity.

The campaign has five primary objectives:

- Attract business and jobs to region with partner Team NEO
- Raise the profile of Northeast Ohio as a tourist, meeting and convention destination with partner Positively Cleveland
- Garner positive national media coverage of the region's economic development progress, its growth industries and its quality of life amenities
- Disseminate positive news and information, particularly in the area of economic development, to community influencers within the region
- Help corporations, institutions and organizations attract talent to Northeast Ohio

Team NEO advances Northeast Ohio's economy by serving as the 18-county region's private sector economic development hub. Team NEO collaborates across 18 counties to:

- Build collaboration
- Optimize funding for key economic development efforts
- Attract new businesses
- Leverage state economic development programs

Since 2007, the organization has attracted 57 new company operations, almost 5,400 new jobs and more than \$194 in annual payroll to Northeast Ohio, leading to a total annual regional payroll benefit of \$333+ million.

Note: Cleveland+ and Team Neo provided invaluable help/support for the Portland visit ... pre-visit planning, on-the-ground support from start-to-finish during our visit PLUS hosting of our welcome to Cleveland reception. Just fabulous!

Observations

- Cleveland has reinvented itself from dying rust belt town, to a world innovator in healthcare, bioscience, and manufacturing.
- Cleveland's foundations and business community serve as a brain trust. The Playhouse District, the Evergreen Cooperative Initiative, the business executives who pledged \$65 million for the Rock Hall. Over and over examples of dollars and talent that helped Cleveland navigate hard times.
- It took Cleveland nearly hitting bottom to come up with a collaborative, innovative, multi-faceted attack on Cleveland's broken economy, burning river and population outflow; extreme problems sparked action, coordination and urgency in Cleveland.
- Cleveland was thinking out of the box on cost effective transportation; the 'rubber tire light rail' is an example of creative thinking and not getting locked into narrow solutions to problems.

Lessons Learned for Portland

- Good news: Portland's weaknesses and limitations are self-imposed, they can be corrected and much of our region's strengths and attributes (e.g. Environmental beauty

and hip factor) give us competitive advantages. Bad news: as a community we are often inclined to be satisfied with status quo, when we should be striving to be better...to be the best!

- We cannot wait for disaster to hit before unifying, correcting, building, innovating, improving – goal should be to become model 21st century city.
- Cleveland has a unified vision...do we? Do we want to be a thriving community that inspires globally? Do we value job creation, diversity, arts & culture and sustainability?
- We do not want to be a region of mediocrity with really good restaurants and microbreweries, public transit system and bike paths and NOT a thriving wealth creation economy with opportunity and advancement for all. We do have an amazing quality of life...but quality of life begins with a job.
- We cannot underestimate the impact of arts, culture and sports on local economies.
- Economic inclusion programs must be endorsed in the Portland region; we too should have mission to be a civic model for the development and implementation of diversity and inclusion strategies that advance productivity, innovation, and economic growth.
- Cleveland's foundations have strong influence (and money) to drive agendas – Portland does not have the same scale in its philanthropic community, but what we have should and could be better integrated into regional programs and agendas.
- The Cleveland Leadership Center and Business Volunteers Unlimited were great models for intergenerational leadership continuum and building 'bench' strength for area boards – Portland needs to replicate.

Call to Action

The time is right for improved regional collaboration – great gains can be achieved by working in concert, pushing in the same direction to be much more than the sum of our parts.

- Create a comprehensive, intergenerational leadership organization that provides for a unique combination of leadership development, civic education, civic engagement, and networking – committed to the region’s excellence; serve as a catalyst for positive change in the greater community.
- Institute a platform to expand the impact and resources of the private, public, non-profit and foundation communities; leverage resources, network and collaborate and tackle complex issues, unify voice, create solutions.
- Coordinate a ‘Best Practices Trip to Portland’ to examine and educate local leaders, influencers and decision-makers to the strengths and weaknesses, challenges and opportunities, innovative programs and initiatives unique to our region.

Are you willing to help? – Please email Randy Miller at randy@mooreco.com