Michigan Municipal League
Suburban Strategies for Success

“Regional Prosperity Initiative”
September 16th, 2015
Matt Zone, Councilman, Cleveland, OH
2nd Vice-President, National League of Cities
Harvard Business Review

Build a culture of trust and innovation.

COLLABORATE
collaboration is everything
“The per capita cost of government in Northeast Ohio rose nearly 70 percent between 1992 and 2002, more then twice the rate of inflation for the Midwest (29 percent). Data from the 2007 government census shows the rate of growth continuing, with close to $20 billion, almost 11 percent of our region’s total economy ($180 Billion), being spent on government. That’s up from $16 billion, or 10 percent in 2002.” ($160 Billion)
The Need and Promise for Economic Regionalism in Northeast Ohio

The Lack of Region-wide Planning in NEO is Expensive

“Effects of unbalanced growth harm entire regions, not just individual low-tax base communities”

“Northeast Ohio Metropatterns”, Amerigis, Myron Orfield and Tom Luce, 2008.
The Need and Promise for Economic Regionalism in Northeast Ohio

How Do We Know It Works?

With region-wide planning, the Twin Cities urbanized less land while increasing their population.

Northeast Ohio is doing the opposite.
Economic Impacts of Trends

• Valuable land resources being consumed by sprawling residential development
• Low-density development is straining infrastructure and community services
• Economic climate presents challenges
  – Real estate crisis, volatile fuel prices
• Communities grapple with higher costs and lower revenues
Infrastructure Challenges

• Funding
  – Highway Trust Fund is insolvent (1993)
  – Fuel and sales tax revenues are down
  – Fixing our sewers will cost billions we don’t have

• Transportation and Utilities
  – Highway maintenance must take priority over expansion
  – Coordination between transit systems is poor
People of NEO made a call to action

August 2005: 1,000 + leaders identify greatest challenges for NEO; Among them are:

- Territorialism, turf issues
- Strong culture of local control
- Creating a framework of regional governance that benefits all
- Inability to think beyond own community
- Competition between communities for the same business
- Unequal access to jobs, education, health care & separation by race
Planning and Sharing for Regional Growth

Phase I Report of the Regional Economic Revenue Study

www.revenuestudy.org
Thinking regionally

Regionalism took a gigantic step forward last week when political leaders from 54 communities in Northeast Ohio — most from outer-lying suburbs — voted to pursue the huge goals of region-wide land use planning and tax sharing.

This ambitious agenda is a 16-county effort. And Hudson Mayor William Currin, a driving force behind the idea, stresses that it would include only a portion of the growth in a community's income and property taxes. Communities that grow would share some of that extra income. Those that don't would not.

The land-use-planning part, while not as sexy as the tax-sharing, is just as crucial in a region that's spreading its population, not gaining. Smart regional planning would end the winner-take-all system that now benefits communities that lure residents and jobs away from neighboring towns.

A study the mayors and city managers commissioned found at least two thirds of the region's residents would get better service at less cost under a system of regional tax-sharing and planning. Leaders of the movement will next try to figure out how a portion of new tax growth could be divvied up, how the region's metro planning groups would work together and a path for executing these changes.

Figuring this out and implementing the changes could help revive an entire region starved for growth, jobs and new ways of doing things.
NEO Sustainable Communities Consortium
The Northeast Ohio Sustainable Communities Consortium's (NEOCC) Vibrant Northeast Ohio Initiative is focused on advancing a quality, connected twelve-county region amidst the today's economic climate and stretched resources. Through a diverse group of member organizations and region-wide engagement, the NEOCC through the Initiative will develop concrete plans while producing collaborative capacity for action. The aim of all of these efforts is to create a vibrant and resilient Northeast Ohio that increases our quality of life, connects our communities; welcomes diversity, restores and protects our natural resources and creates a competitive economic framework for the vitality of our region.

The NEOCC is a three-year planning program funded largely by a highly competitive, first of its kind, $4.2SM federal grant from the U.S. Department of Housing and Urban Development (HUD) as part of the new federal Sustainable Communities Initiative. The Sustainable Communities Initiative is an interagency collaboration among HUD, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency. The NEOCC has also received a matching program grant of $500,000 from the Fund for Our Economic Future. Its 31 consortium member organizations have pledged a total of over $2.35 M of in-kind match in the form of staff time and operating expense contributions.

Current Consortium Membership
- Akron Metropolitan Area Transportation Study
- Akron Metropolitan Housing Authority
- Akron Urban League
- Ashland County
- Catholic Charities, Diocese of Youngstown
- City of Akron
- City of Cleveland
- City of Elyria
- City of Youngstown
- Cleveland Metroparks
- Cleveland Museum of Natural History
- Cleveland State University
- Cuyahoga County
- Cuyahoga Metropolitan Housing Authority
- Eastgate Regional Council of Governments
- Fund for Our Economic Future
- Greater Cleveland Regional Transit Authority
- Lorain County Growth Partnership
- Mahoning County
- Northeast Ohio Areawide Coordinating Agency
- Northeast Ohio Community Development Alliance
- Northeast Ohio Four County Regional Planning & Development Organization
- Policy Bridge
- Regional Prosperity Initiative
- Stark County
- Stark County Regional Planning Commission/ Stark County Area Transportation Study
- Stark Metropolitan Housing Authority
- Summit County
- Summit County Health District
- Trumbull County
- Youngstown State University
Northeast Ohio Sustainable Communities Consortium

• Improve regional planning
  – Integrate land use and infrastructure decisions
  – Build capacity to improve planning & governance

• Address key issues
  – Economic competitiveness
  – Urban core revitalization
  – Reduce sprawl and protect environment

• Complex region – 12 counties, 4 metro areas
Trends/Challenges

- Economic Impacts
- Equity Impacts
- Environmental Impacts

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<th>Quality of Life</th>
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# Northeast Ohio Sustainable Communities Consortium

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Outcomes

What do we have?

What do we want?

How do we get there?

Regional Sustainability Action Plan & Tool kit

Development of Common Ground for Collaboration

Development of Intellectual, Institutional and Community Capacity

COMMON GROUND AND CAPACITY FOR ACTION
Conditions and Trends Platform

www.neoscc.org
For more information:

Follow us:
Twitter: @VibrantNEO
Facebook: facebook/vibrantNEO
janderle@neoscc.org
Regional Prosperity Initiative
Planning, Sharing and Growing ... Together
Sustainability & Innovation

All together now

Why collaboration, not competition, is the secret to success. By Blaine Greteman
Why a regional approach?

• For too long, communities in Northeast Ohio have competed with one other, let alone the rest of the world, for economic growth, new employers & jobs, and maximum use of resources.

• This results in an inefficient and competitive environment in the public sector where services are duplicated and valuable resources and funds are diminished.

• It is critical for Northeast Ohio to actively pursue economic development through cooperation within our region to compete on a national and international level.
Regional Prosperity Initiative

What is RPI?

RPI is a collaborative regional planning resources sharing initiative of the Northeast Ohio’s Mayors and City Managers Association.

What is the Purpose of RPI?

The purpose of RPI is to establish conditions for cross-regional economic vitality, through coordinated regional planning and resource sharing, thus enabling local communities to create a prosperous NEO.
What is RPI’s Vision?

RPI envisions three major accomplishments:

– **Changes in statutory language** enhance economic development through a collaborative versus a competitive environment.

– Regional public and private sector leaders share a win/win commonality of purpose pursuing economic stability of all jurisdictions in the region.

– **Smart growth** steadily reduces disparities between growing and declining communities while mitigating sprawl.

“**RPI aspire to be known** by public and private sector leaders throughout NEO as the stage setter for collaborative regional planning and resource sharing.”
Regional Prosperity Initiative

How will RPI deliver on purpose & advance vision?
RPI’s core strategy is encouraging, equipping, and supporting communities to plan and share through:

• Legislation
• Education
• Metrics

What are RPI’s areas of concentration?
• Effective legislative change
• Engagement in and support for a successful NEOSCC
• Broad Based Public Communication & Engagement
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<th>RPI is a collaborative regional planning and resource sharing initiative of the Northeast Ohio’s Mayors and City Managers Association. The RPI focus area currently includes 12 counties in northeast Ohio.</th>
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• Regional public and private sector leaders will share a ‘win/win’ commonality of purpose pursuing economic stability of all jurisdictions in the region.  
• Smart growth steadily reduces disparities between growing and declining communities while mitigating sprawl.  
RPI aspires to be known by public and private sector leaders throughout NEO as the stage setter for collaborative regional planning and resource sharing. |
| HOW WILL RPI DELIVER ON PURPOSE & ADVANCE VISION? | RPI’s core strategy is encouraging, equipping and supporting communities to plan and share through:  
• Legislative change  
• Education  
• Metrics |
| WHAT ARE RPI’S AREAS OF CONCENTRATION? | RPI has four key areas of concentration:  
• Effective legislative change (including support of the “Ohio Constitution Modernization” initiative & the development of a NEO Regional Economic Development Alliance)  
• Engagement in and support for a successful NEO Sustainable Communities Consortium  
• Communication  
• Funding |
Community leaders in Ohio increasingly see the value of shared resources and services as a way of reducing costs, improving public services and increasing efficiencies. Expanding on tools provided to local governments and schools by his ground-breaking Jobs Budget in 2011, Governor Kasich offers local leaders new and enhanced opportunities for cost-saving collaboration across traditional boundaries, but this is only the beginning.

“Beyond Boundaries provides information and tools needed by local leaders to help them realize the benefit of shared services opportunities. Local leaders have to take immediate, broad action. This requires leadership and vision from all. The overriding objective of this plan is to provide leaders a roadmap for taking important next steps to succeed.”

To access the full report and other materials, visit: www.beyondboundaries.ohio.gov
PROPOSED LEGISLATION: SUMMARY

The RPI has proposed legislative changes for consideration by the Ohio General Assembly; the proposed legislation is summarized as follows:

A. Under this legislation, cities and villages in a defined region are authorized to voluntarily form a “regional economic development alliance” and to establish programs in support of shared services and other collaborative programs and to administer a program to share economic growth among those cities and villages, the “resource gain allocation program.”

(1) A region includes the entire territory within a central county (with a population of at least 400,000 or more and that has adopted a county charter under the Ohio Constitution) and the counties adjacent to it. [Sec. 5755.01(A)]

(2) The alliance may be established as a type of regional council of governments, a form of intergovernmental cooperation provided for by State statutes. [Sec. 5755.01(D)]

B. Ten or more municipalities within a region may enter into a formal agreement that establishes the alliance and serves as its charter. [Sec. 5755.02]

(1) Membership and formation of a governing board are set forth in the agreement.

(2) Only one alliance may be established in a region.

(3) The alliance and its governing board have no taxing powers.

C. An alliance may establish programs to benefit its members and the region that encourage and assist (1) programs to increase the region’s competitiveness for new and additional employment opportunities while decreasing the competition among the region’s subdivisions for location of those opportunities, (2) programs of shared services, including staff, equipment, and facilities, among members and other subdivisions in the region and (3) other joint programs for cooperation and collaboration in planning activities, development of infrastructure, purchasing of goods and services, and other activities that may lead to the cost efficient delivery of government services. In furtherance of those programs, the alliance may provide grants, loans, and other support to members in accordance with procedures established in the agreement or by the governing board. [Sec. 5755.03(A)(1)]

D. The voluntary resource gain allocation program provides a mechanism to share a portion of economic gain realized by one or more municipalities within the region with other participating members of the alliance.

(1) The initial term of the allocation program will be set in the agreement but may not be less than five years nor more than 50 years.

E. Resource gain is measured by growth (from a fixed starting point year) in an alliance member’s income tax base. [Sec. 5755.04]

(1) The tax base is the total income that is taxable by the member without regard to rate, credits or other factors.
(2) Gain is the increase in the income tax base measured annually from the starting point and is adjusted downward to account for inflation.

(3) If a member has no gain, or its gain is less than inflation, it makes no allocation.

F. Members that have gain in their income tax base (as adjusted for inflation) allocate 20% of that adjusted gain to a "contribution pool."

(1) This pool consists of the sum of the contributed income tax bases, not any actual revenues.

G. The contribution pool is allocated to all members through a formula that takes into account each member's population and its income tax base in relation to the total alliance population and income tax base. [Sec. 5755.04(E)]

H. All alliance members are allocated a share of the tax base from the contribution pool.

(1) The net allocation of a contributing member will, therefore, be less than its initial allocation of adjusted gain.

(2) Some members will be net contributors and some will be recipients of the shared tax base; those positions could, and likely would, change from year to year over the term of the alliance.

I. A net contributing member contributes to the alliance "contribution fund" a dollar amount equal to the member's net tax base contribution multiplied by the member's income tax rate, subject to a limitation on that amount as provided in the agreement.

J. The contribution may be paid from the member's general fund or any other appropriate source, not necessarily just from its income tax revenue.

K. A member that is a tax base recipient receives from the contribution fund a dollar amount equal to the member's allocated tax base multiplied by the member's income tax rate.

(1) If the total recipient amounts do not equal the amount in the contribution fund for that year, distributions to the recipient members are adjusted on a proportionate basis.

(2) Recipient members may use such distributions for infrastructure improvements, economic development projects, or any other municipal purposes in accordance with the agreement. [Sec. 5755.04(H)]

(3) The agreement may provide for optional, additional uses for the contribution fund, including infrastructure and economic development projects within the region. [Sec. 5755.04(I)]

L. The legislation also provides flexibility so that each regional alliance may adjust the resource gain allocation program to fit its situation. [Sec. 5755.02(F)]
The Northeast Ohio Regional Prosperity Initiative (NEO RPI) will develop and promote a Regional Economic Development Alliance agreement for application within Northeast Ohio. This proposed agreement will follow the parameters contained in the proposed enabling legislation to be enacted by the General Assembly of the State of Ohio under the Ohio Revised Code sections 5755.01 to 5755.04.

The NEO RPI believes that an "opt-in" regional economic development alliance with some sort of a resource gain sharing program will enhance regional economic development through a collaborative rather than a competitive environment. This "win-win" environment will also foster regional cooperation in planning (e.g. transportation and infrastructure) and shared services programs within the region.

Additional benefits to the development of an "opt-in" regional economic development alliance, with a resource gain sharing program (optional), is that it will build trust among the many member communities, thereby fostering a movement toward more cooperation with shared services that strengthen our economic prosperity. The per capita cost of basic governmental services should therefore be reduced and regional redundancies reduced if not eliminated. At the same time the value of local governance will be protected and perpetuated. Local governance is the cornerstone of our democracy.
What is New Growth Gain & Resource Sharing?

- New growth gain & resource sharing acts as a glue to bind the interests of our communities together and contributes to the cooperative environment needed to do strategic regional planning.

- New growth gain & resource sharing shifts the paradigm for local governmental leaders from a goal of government survival (government funding) to the broader goal of regional economic development.

- When we change the paradigm, we reduce the friction between local governments and we can more effectively use our regional resources to facilitate economic development.
Next Steps
Moving to Implementation

• **Regional Planning:**
  o Support NEO Sustainable Communities Consortium
  o Build Regional & Local Collaborative Capacity
  o Initiate Pilot Planning Projects that Require Regional Collaboration

• **New Growth Gain & Resource Sharing:**
  o State Legislature to Pass Enabling Collaborative Economic Development Legislation
  o Explore Alternative Methods to Achieve Economic Development Gain & Resource Sharing
  o Increase Collaboration with other Regions in the State – Not Just NEO
  o Continue to Engage Local/State Leaders and the Public
Northeast Ohio is on the glide path to a grim 2040

By The Plain Dealer Editorial Board
May 18, 2013

If calculations made by the planners, academics and think tanks affiliated with the Northeast Ohio Sustainable Communities Consortium are correct, this region is headed for a bleak future.

The good news is that there is time to change direction, provided enough stakeholders here are willing to do so. But doing so will require a degree of cooperation, collaboration and shared vision that’s rare in Northeast Ohio.

So the question of the coming decade is: Are we willing to break with years of bad habits and work together while we still have the economic muscle to carve a different path?

The consortium, in the third year of a $4.25 million federal grant designed to encourage regional coordination of services and resources, is composed of government, civic and education leaders from 12 counties that include significant urban centers such as Cleveland, Akron, Canton, Lorain and Youngstown.

Last month, it rolled out what its director, Hunter Morrison, called a "business as usual" scenario: What might this corner of the state look like by 2040 if trends of the past two decades persist. If you’re a Dickens fan, think of this as a visit from the Ghost of Christmas Yet to Come.

This region is on a path that leads to a world of woe: Continued flat population and job growth. More abandonment of once vibrant urban neighborhoods. Brownfields left to rot. Greenfields plowed under for new development. More time spent in cars as the distances between jobs and homes increase. An ever-bigger tax bite to pay for all that infrastructure and for services needed by an aging, sprawling populace.

The good news, as Medina County Commissioner Steve Hambley points out, is that there’s still time to reverse course, to reinvest in the cities and inner-ring suburbs that once were home to a far larger share of the region’s population and so already have the infrastructure to support more people and industry.

The revitalization of downtown Cleveland and other city neighborhoods -- last week brought word of new homes going up in hard-hit Slavic Village -- and the creative reuse of once-abandoned urban property show that it can be done. But success will require the formation of new habits and adherence to new policies, such as spending limited infrastructure dollars to shore up existing hubs, not subsidize new areas of development.

This region’s willingness to make changes -- the subject of future consortium workshops -- will decide its fate.
What You Can Do

- Educate Yourself on All of the Benefits of Collaboration with regional & local government
- Get **Inspired** by the bright future ahead for NEO...if we work together!
- **Commit** yourself to become part of the solution!
- **Act** upon what you heard today!

www.neo-rpi.org
A Framework for Growing the NEO Region’s Economy

Questions - Discussion
Comments - Feedback