Center for Economic Development Welcomes the White House Opportunity and Revitalization Council and U.S. EDA

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CLEVELAND STATE UNIVERSITY
CENTER FOR ECONOMIC DEVELOPMENT
U.S. EDA UNIVERSITY CENTER

WELCOMES

THE WHITE HOUSE OPPORTUNITY AND REVITALIZATION COUNCIL & U.S. EDA

August 2, 2019 | Cleveland, Ohio

Dr. Iryna V. Lendel
CLEVELAND STATE UNIVERSITY AND THE CENTER FOR ECONOMIC DEVELOPMENT

- EDA University Center serving Northeast Ohio and the State
- Conducting research and technical assistance across 4 main themes:
  - ENTREPRENEURSHIP
  - INNOVATION AND ADVANCED MANUFACTURING
  - ECONOMIC INCLUSION
  - TECHNICAL ASSISTANCE
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SERVING THE REGION

Lordstown GM and Youngstown MSA
LORDSTOWN GM ASSEMBLY CLOSURE – YOUNGSTOWN MSA

Feb 2017: 3rd Shift
1,245 jobs

Jul 2018: 2nd Shift
1,500 jobs

Mar 2019: Closure
1,607 jobs

Sources: ODJFS WARN Notices filed by Lordstown GM; Youngstown Vindicator
## LORDSTOWN GM ASSEMBLY CLOSURE - TOTAL ESTIMATED ECONOMIC IMPACT ON THE REGION

(TERMINATION OF 3RD & 2ND SHIFTS, AND CLOSURE OF THE PLANT)

All monetary values in 2019 millions of dollars

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<th>Indirect</th>
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<th>Total</th>
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<td>$6,518.2M</td>
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### Sources
- Ohio Department of Jobs and Family Services Worker Adjustment and Retraining (WARN) Notices filed by Lordstown GM, 2018; Youngstown Vindicator, 2016; IMPLAN

- Since 2000, the Youngstown MSA’s
  - Employment has declined by 15.6% (40,998 jobs)

Compare to Youngstown MSA’s GRP of $16,363 Million
LORDSTOWN GM ASSEMBLY CLOSURE

Study: Economic impact of GM-Lordstown's idling to be in the billions

LORDSTOWN, Ohio — The human impact of the Lordstown General Motors plant going idle cannot be underestimated, and neither can the impact on the local economy.

General Motors Plant Closure Will Have Ripple Effects Across Community

When the last Chevy Cruze rolled off the line in Lordstown, Ohio, last week, it was draped in an American flag. For many in the community, the closure of a sprawling GM auto manufacturing plant feels like a funeral because it touched so many lives.

According to a study from Cleveland State University, the plant closure will result in 7,700 jobs lost in the region, including supply chain and consumer services jobs tied to the Lordstown plant. Their cumulative earnings total is $1.6 billion dollars, or 10 percent of the gross regional product.

This is the story of what happens to a factory town when the factory shuts down.
LORDSTOWN - NEXT STEPS

$600K federal grant from EDA awarded to Eastgate and CSU for disaster recovery coordination

CLEVELAND STATE UNIVERSITY CENTER FOR ECONOMIC DEVELOPMENT

EASTGATE Regional Council of Governments

EDA U.S. ECONOMIC DEVELOPMENT ADMINISTRATION
SERVING THE REGION

Groups of Regional Industry Drivers (GRIDs)
Regional benchmarking initiative to identify growing and competitive industry groups in Northeast Ohio 18-Counties

Full Report - https://engagedscholarship.csuohio.edu/urban_facpub/1585/
Research Brief- https://engagedscholarship.csuohio.edu/urban_facpub/1594/
Northeast Ohio Front Runners: GRIDs

**Professional Services GRID**
- Real Estate Lessors and Agencies
- Insurance Carriers and Agencies
- Medical and Surgical Hospitals
- Central Banks and Credit Intermediaries

**Oil and Gas GRID**
- Oil and Gas Extraction
- Petroleum and Coal Products Manufacturing
- Pipeline Transportation
Northeast Ohio Front Runners: GRIDs

Growing Legacy Manufacturing GRID

Iron, Steel, and Aluminum

Chemicals and Resins

Paint and Coatings

Metalworking, Machine Shops, Forging, and Hand tools

Non-Restructured Manufacturing Industries

Motor Vehicles

Lighting and Electrical Equipment

Household Appliances

Rubber Products
WHO’S IN THE DRIVER’S SEAT? INCLUSION AND NEO ECONOMIC DRIVERS

April 4, 2019 Roundtable, Cleveland

Skills Gap
Finding the right hires for the job and training for those jobs

Tech Innovation
Adoption by the workforce in the 21st century

Success
Measuring broader success and equity

Entrepreneurship
Not just start-ups

Transit
Getting people to jobs, bringing jobs to workers

Cleveland MSA
59% of NEO Output

Professional Services GRID
32.8% of MSA Output

Growing Legacy Mfg GRID
7.9% of MSA Output

Oil and Gas GRID
1.4% of MSA Output

59% of NEO Output
32.8% of MSA Output
7.9% of MSA Output
1.4% of MSA Output
## AKRON’S DYNAMIC AND INCLUSIVE ECONOMY

### Youngstown MSA

- **Growing Legacy Mfg GRID**: 4.8% of MSA Output
- **Oil and Gas GRID**: 11.9% of MSA Output
- **Declining Legacy Mfg Industries**: 24% of MSA Output

### Akron MSA

- **Professional Services GRID**: 23.2% of MSA Output
- **Growing Legacy Mfg GRID**: 7.9% of MSA Output
- **Oil and Gas GRID**: 9.7% of MSA Output

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<th>Category</th>
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<th>Akron MSA Output</th>
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<td>16% of NEO Output</td>
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<td>Oil and Gas GRID</td>
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<tr>
<td>Declining Legacy Mfg Ind.</td>
<td>24% of MSA Output</td>
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SERVING THE REGION

Greater Cleveland Regional Transit Authority
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY: SPATIAL MISMATCH
Within a decade, for previously unserved areas that gained transit access:
- Employment increased by 3.1%
- Poverty decreased by 12.9%

Property values increased by 3.5% within a decade for previously unserved 429 census tracts which received some transit service.

The derived property value increase attributed to transit access is $2.2B.

An estimated $485.8M of annual earnings is brought home by those who depend on GCRTA transit services to get to work.

Direct annual transportation savings for GCRTA passengers is $51.9M.

Cleveland Metropolitan School District saves $28.7M annually through ridership of 6,000 middle-schoolers.

About 5.3% of commuters use GCRTA to get to their medical appointments; 89% of them depend on RTA.

Healthcare institutions in the regions may lose $103.4M annually when patients dependent on transit miss or cancel appointments.

Greener Cleveland Regional Transit Authority: Economic and Community Impact

- About 5.3% of commuters use GCRTA to get to their medical appointments; 89% of them depend on RTA.
- Healthcare institutions in the regions may lose $103.4M annually when patients dependent on transit miss or cancel appointments.

OPPORTUNITY ZONES
UNDERSTANDING OPPORTUNITY ZONES

• Attended OZ workshops in Columbus and Akron
• Discussions with ED stakeholders on OZ research needs:
  • City of Cleveland
  • Cuyahoga County
  • Fund for Our Economic Future
  • The George Gund Foundation

FY2019 Research
• Leverage EDA and foundation funding to examine best-use scenario for social and economic benefits:
  - Real Estate
  - Business Expansion
  - Startups
  - Potential economic impact of OZs
UNDERSTANDING OPPORTUNITY ZONES

Census Tract - No assistance

EZ/TIF/HTC

Census Tract - No Assistance

Stagnant Growth

Decline

OZ

EZ

HTC

TIF

Census Tract - No assistance

Sustainable Growth
CLIENTS AND PARTNERS – PROVIDING TECHNICAL ASSISTANCE

- Economic data
- Evaluation of economic initiatives
- Economic impact and supply chain analysis
- Innovation and entrepreneurship as ED strategy
- Economic inclusion
TRAINING FUTURE ECONOMIC DEVELOPMENT LEADERS

Sydney Martis  
Manager, Research  
Team Northeast Ohio (Team NEO)

Nick Zingale  
Development Finance Analyst  
City of Cleveland Department of Economic Development

Renee Raffalli  
Operations Performance Leader  
Greater Cleveland Regional Transit Authority

Marcus Notaro  
Associate Attorney  
Cavitch, Familo, & Durkin, LPA

Matt Hrubey  
Performance Consultant  
Cuyahoga County - Office of Innovation & Performance

Dan Petrelli  
Community Development Manager  
City of Euclid

Simon Husted  
General Manager  
Buffalo Brixx, LLC

Bryan Townley  
Transportation Manager II  
Parametrix, Seattle, WA

Minkyu Yeom  
Instructor  
Cleveland State University

Elorm Tsegah  
Senior Specialist, Retirement  
Charles Schwab

Maria Spangler  
Director, Community Engagement  
Sherwin Williams

Dro Sohrabian  
Management Development Intern  
Greater Cleveland Regional Transit Authority

Eli Auerbach  
Sales Manager  
Chmura Economics and Analytics

Heather Smith  
Student Affairs Coordinator  
Case Western Reserve University
As an urban university, Cleveland State has an "urban perspective" and a strong urban studies department, [Cleveland Mayor Frank] Jackson said. And the university primarily serves students from the urban center, many of whom have gone on to become public, private and philanthropic leaders.

Source: Crain’s Cleveland Business, July 21, 2019