

William T. Eberhard AIA, IIDA: ESSAYS ON ARCHITECTURE:

Leadership

Cleveland, OH



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Finally, A Public Outcry!

Cleveland has suffered from a lack of leadership for a very long time.

And for decades, it was verboten to talk about it or address it.

But in 2018, attorney Jon Pinney, managing partner of Kohrman Jackson & Krantz, spoke out about his perspective in a few columns in *Smart Business*, a business monthly, noting the area's dismal economic performance. And suddenly, a number of the area's print media began publishing stories on Cleveland's leadership void.

In 1963, Cleveland was the eighth largest city in the country. From 1979 - 1982, the Greater Cleveland area lost 96,000 jobs. Today, we are 51st.

Relevance:

Plain Dealer architecture critic Steven Litt has pointed out that we have a weak design culture here, and he has shared the indictment with architects and those who hire them. Litt has challenged end users to improve their selection processes, connecting the dots on 'cause' and 'effect.' But Litt's challenge has gone unheard.

The relevance of leadership in this matter to us in the design professions is that an architect's skills and commitment to design excellence will matter little if client is not similarly committed.

As New York architect, critic, author and educator Michael Sorkin observed in his 2014 Critical Mass essay, "Architecture is never not political, given both its economic stakes and its commitment to setting social life, and Modernist architecture has bravely – if mainly futilely – held onto the dream of its own subversiveness, its ability to leverage global change; these are its roots. Therefore one cannot address 'architecture' without addressing the context in which architects perform."

NEOH architects perform in a context where qualifications-based selection processes – mandated by Ohio law for public projects – are not employed in the private sector, leading to mismatches between design professionals and the projects they are tasked to design. Blood relations, friendship, religion, race and sex are inappropriate determining factors in who is awarded what.

The result is a community with the weak design culture that Litt identifies where we fail to achieve our best on most projects, including the large important projects



Above Left, Clockwise:

1. Jon Pinney; Managing Partner; Korman Jackson & Krantz
2. Frank Jackson, Mayor, City of Cleveland; 2005 - 2020
3. Joe Roman, President/ CEO; Greater Cleveland Partnership
4. Toby Cosgrove, Former CEO; Cleveland Clinic Foundation

routinely awarded to out-of-town firms.

THE LEADERSHIP VACUUM:

Jay Miller of *Crain's Cleveland Business* agrees that the region has a leadership vacuum. Sam Allard of *The Scene* asked (6-19-18) if the city's egos could align their economic development egosystem into an ecosystem that effectively addressed the needs of the community.

In 2017, the Economic Innovation Group, a bipartisan public policy organization based in Washington, D.C., called Cleveland the most distressed large city in the nation. In late April, *Business Insider* ranked the Cleveland metropolitan economy last out of 40 major markets. Even boosters say that when it comes to economic competitiveness, Northeast Ohio is not cutting it.

One of the traits of the people entrusted to provide leadership for the last three decades has been their inability to cultivate a shared vision that elevates the community's values, aspirations, tax relief and infrastructure to provide a secure and enduring community capable of job growth and aesthetic enjoyment.

Cleveland and Ohio have a tax burden that is roughly 11% higher than our neighbors in Pennsylvania, Kentucky and



Above Left: Downtown Cleveland from west bank of Cuyahoga River
Above Right: Cleveland's undeveloped lakefront - Downtown Cleveland from east of Burke Lakefront Airport

Indiana. It's no wonder we rank last or near last in job creation. Anyone looking for sites to expand or locate a new business will automatically pass Ohio over. The only exceptions involve our 'leaders' groveling with tax breaks to further shift the burden of ineffective government to private citizens.

Instead, the so-called leaders have repeatedly extracted public funds for the betterment of rich white men – owners of sports teams, politicians, lawyers, contractors – with a cycle of large public projects while the city's essential needs – a functional, accessible justice center, safe bridges, properly designed and maintained roads, cultural institutions that reflect the values and aspirations of our community and elevate our understanding and appreciation of the arts - fall short.

The so-called leaders are quick to suggest we celebrate the 15,000 residents who have moved downtown in the last 15 years. But those apartments are virtually all in office buildings that have been converted to building standard – i.e. low quality - rental apartments with tax credits in space that used to house 30,000+ office workers whose jobs no longer exist.

The community of architects in Northeast Ohio – and the public – need to get and keep their eyes on the ball. Being called out as one of the Best Cities for a Romantic Getaway is meaningless when Cleveland ranks 71st out of *Forbes'* Best Cities for Jobs. Attorney Pinney's criticism is based on relevant facts.

In 2016, the *New York Times* reported that a study – the Distressed Communities Index - on cities struggling with the global economy "places Cleveland firmly at the bottom of the heap." The Economics Innovation Group compiled recovery numbers from across the country from 2009-2013 on seven metrics:

- Percent of the population above 25 without a high

school degree;

- Percent of unoccupied housing that is habitable;
- Slice of the population out of work;
- Percent of the population under the poverty line;
- Median home income;
- Changes in employment figures between 2010 and 2013;
- Change in the number of businesses between 2010 and 2013.

Cleveland "sits in the number two seat" at the bottom, below Gary, IN (#3), Youngstown (#4), Flint, MI (#9) and Detroit (#10). A startling 76.8% of Cleveland's population reside in distressed zip codes. Only Camden, NJ is worse.

Pinney's City Club speech was entitled "Dead Last," for the rankings the city has in important employment and economic indicators and indexes. Pinney's conversations with people throughout the community and the leadership-vacuum stories in *The Plain Dealer* and *Crain's* produced a speech that was a call to action and months later, group discussions to address Pinney's 'Grand Challenge' have attempted to focus on a path to gain consensus and alignment to make meaningful progress in areas that matter, rather than the bland and often baseless cheerleading we have been dosed by the Greater Cleveland Partnership and others for decades.

Pinney's message is a plea by an emerging leader to other emerging and established leaders to change the culture of leadership: "We're going to push them and push them until we figure this out. We need to identify the root cause for failure. We want off these lists. It is time for new leaders to emerge or the existing leaders to lead."

Pinney pointed out that the region needs "alignment" among economic development organizations, where 'leaders' come together to innovate, collaborate and share data in order to grow population and jobs. Citing the operative mantra of Philadelphia's economic development

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sector, Pinney said the region should cultivate an economic development “ecosystem, not an egosystem.”

During his talk, Pinney called out eight leaders of economic development organizations by name and demanded that they be more assertive and result-oriented in their leadership. The named leaders were all white men: Destination Cleveland’s David Gilbert, the Metroparks’ Brian Zimmerman, the Fund for our Economic Future’s Brad Whitehead, Team NEO’s Bill Koehler, University Circle’s Chris Ronayne, JumpStart’s Ray Leach, and Explorys founder-slash-tech dude Stephen McHale.

A minor diversion – fueled by the media - occurred after Pinney’s speech with many focused on issues of bias instead of issues of effectiveness, collaboration and cooperation. As a culture, we locals are easily distracted from keeping our eye on the ball because most of what we have been fed for decades has been delivered with that precise intent.

Pinney should have known that his all-male list would appear imperfect, and it was. And though he was on to something when he reminded his interlocutors that he had no involvement in the make-up of the region’s current economic development leadership — it was the boards making those decisions — it looked like he was grasping or grandstanding.

He was not. The facts bear him out.

As *The Scene’s* Sam Allard reported, Brad Whitehead, one of the eight named leaders, wrote in a follow-up blog post for the City Club — “Guilty as Charged” — that “there was a palpable, growing expectation (horror?) in the room that the list would end where it did.” Whitehead suggested that the named leaders all nominate a non-white-male to lead on their behalf, and “to enable these emerging leaders by placing the full weight of our influence behind them.”

But the issue of leadership should be focused on capability, experience and commitment, not race or sex. Of course, it should not exclude women or minorities. But the criteria need to be based on qualifications, experience and a commitment to effect change.

Leadership Cleveland has been a failed civics experience for decades because of its absurd quota system: four bankers, four lawyers from the top firms, four minorities, eight or more women, a smattering of non-profit executives, two or three from the top accounting firms, one architect, etc.

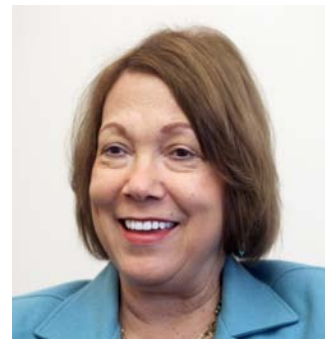


Above Left, Clockwise:

1. David Gilbert, Destination Cleveland
2. Brad Whitehead, Fund for Our Economic Future
3. Ray Leach, JumpStart
4. Stephen McHale, Explorys

Below Left, Clockwise:

5. Albert Ratner, Forest City Enterprises, retired
6. Jerry Sue Thornton, President, Cuyahoga Community College, retired
7. Sandy Cutler, CEO, Eaton Corporation, retired
8. Fred Nance, Managing Partner, Squire Patton Boggs



LC's posture is that its classes include those who are already leaders in the community. But each year, 10% or more of the class is gone before the end of the experience. At the end of my LC experience in 2006, a dozen of us at the patio bar at the Nighttown finale concluded that there is no real leadership in NEOH, and that more than half of our class was taking up space to build their resumes.

In his City Club speech, Pinney argued that once a table exists, a broad spectrum of butts should be seated at its chairs, but as Allard observed, "at the moment there is no table. Or else there are far too many tables. Or, in any case, leaders aren't collaborating when they do meet at a table or tables."

"A lot of them are bickering and working duplicatively, or even at cross-purposes. When asked by an audience member what specifically he'd propose to salve Cleveland's economic development wounds, Pinney answered that tactics ought to be considered later."

Pinney agrees: "You cannot start talking tactics until you create a different culture, and that is the ego-system versus the ecosystem."

Allard is correct: "Today, there is no [economic development] ecosystem. There are no clear performance metrics. The culture is not collaborative. There is no table."

"The old guard, the Albert Ratners and Jerry Sue Thorntons and Toby Cosgroves, are dying off or aging into feebleness. And so a new class of emerging leaders — "emerging" being the classification that denotes promising executives in their 40's and 50's — must be named and knighted for the cause."

It is not clear that curating an appropriately diverse list of emerging corporate leaders will organize the disarray and overcome the me-first attitudes of Cleveland's insular, business-friendly economic development community. Indeed, demographics should not be on the criteria matrix for inclusion in such a body. It is relevant, but capability and leadership and collaboration are far more relevant to the region's success if success is yet possible.

Make no mistake. This regional approach mechanical and organic economic recovery cannot be successful without addressing the region's historic racial and economic disparities that have compromised recovery for decades. It cannot continue to be a White Boys Club.

The so-called leaders have produced a Lie Machine that routinely feeds us bullshit in campaigns to sell additional tax burdens for schemes that benefit the few elites or events and conventions with promised economic benefits that end up as the Emperor's clothes – non-existent or dramatically less than forecast when the curtain falls.

Perhaps we tolerate The Lie Machine in part because lying has become America's new favorite pastime. We ignore the 85,000 children that have died in Yemen from 2017-2018. Our President lies dozens of times each week and his party ignores his lack of integrity and his dangerous impulsiveness. We gravitate to smaller, narrower echo chambers as new sources that reinforce incomplete uninformed voices. Our media has made the truth very difficult to access by those who need it.

One could be dismissive and argue that truth has always been under assault: Tiberius was dictated to by Rome, and so on. But we are always distracted, challenged to be aware of our own vulnerability.

Locally, The Lie Machine kicks into gear wherever someone – usually someone elected or with one of our non-profits – wants us to believe something that advantages only a small few. Where to locate the Rock Hall, what tax issue to vote for (vs. against), who/ what to give a big subsidy/ gift to, etc.

Members on the Lie Machine Board come and go, but most have been around a long time. The *Plain Dealer* has proven itself vulnerable to drinking The Lie Machine's Kool-Aid and has been slow and/or AWOL in criticizing Mayor Frank Jackson for what he has and has not done, the latter being a much larger list.

Columbus ranks 14th in the country and has grown 18% since 2010. According to the Columbus Community Planning organization, Columbus is projected to grow by 250,000 people in the next 20 years. AND it is the only city in the nation's top 100 where the population is growing in **every** age category.

The primary reasons that Columbus is growing is that people come there for college at The Ohio State University and to do their residency at the fine local hospitals, not expecting to become permanent residents. They see Short North, its non-chain retail and terrific Cameron Mitchell restaurants and good hotels, they see the decent affordable housing and low taxes (relative to NEOH), a city that one can get around it with good suburban retail centers (Saks, Nordstrom, IKEA, etc.), top tier college sports and pro hockey, they make friends and they stay.

The community leaders in Columbus have embraced an anti-sprawl growth program and encourage high-density walkable neighborhoods - even in the suburbs. I tried to talk to Westlake Mayor Clough about anti-sprawl thinking and he did not even understand what it meant. He was proud of Westlake's large

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And it cannot be successful as long as the historical pattern of self-centeredness among political subdivisions, egos, lack of creativity and lack of stewardship of the public's money are not swept away by a new generation with passion, creativity, capability, understand what it meant. He was proud of Westlake's large minimal lot size and their fake main street at Crocker Park.

Clueless.

THE LIE MACHINE:

The Lie Machine's activities are not limited to bullshitting us to pay for something. They will exaggerate anticipated benefits and when it's completed, they will come back and rig the numbers to misstate what was actually attained or accomplished in the hope that we will not run them out of town on a rail.

Maybe it's time to dust off the rails.

As a forgotten example, in June 2013, Mayor Frank Jackson and Cuyahoga County Executive Ed FitzGerald announced a \$350 million plan to bring new development along the banks of Lake Erie.

The pair said at a press conference that the improvements would include a \$260 million convention center with a 600-700 room hotel in place of the county's administration building at Lakeside Avenue and Ontario Street. They also included a \$95 million work scope that included a pedestrian bridge to the lakefront, a 740-space parking garage just northeast of the Convention Center, an overhaul of Public Square, and improvements to the grassy downtown Malls, East 3rd Street and existing bridges over railroad tracks at West 3rd and East 9th Streets. Jackson said that the lakefront pedestrian bridge would cost \$25 million.

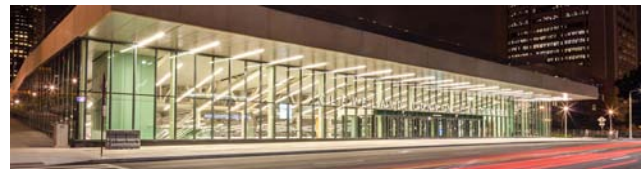
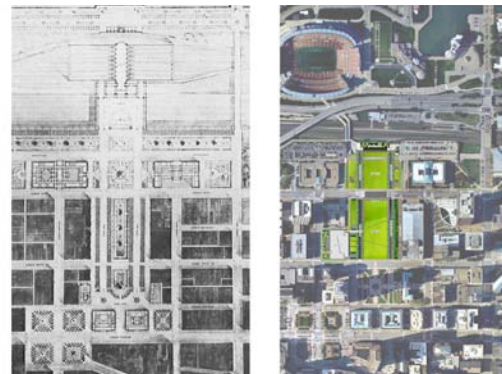
The charter membership of Jackson and FitzGerald on The Lie Machine Board was secured with their commitment that the projects would be financed **without** public dollars. The two men said funds would come from a \$17 million federal grant, hotel and casino taxes for bonds and up to \$30 million in private donations. The improvements were expected to help connect new developments in the downtown, including a refurbished Public Square. The plans also called for more than 2.1 million sq. ft. of offices, multifamily and retail at North Coast Harbor near the two museums and Harbor West, property northeast of FirstEnergy Stadium.

For context, downtown office vacancy rates have been over 20% since 2008 and it has been 35 years since the city absorbed more than 400,000 sf of office space downtown annually. The idea of building 2.1 million sf of new office space – a ten-year supply - if and when the market is at its zenith - is laughable if not preposterous. The multi-tenant



Below: Columbus Riverfront Park & Downtown
Middle: Columbus Short North District
Bottom: The Horseshoe Stadium at The Ohio State University





Left: CLE Convention Center & Global Health Center for Innovation; LMN Architects, Seattle
Above Top: Daniel Durnham Mall Plan (L) and CLE "Civic Plan" (R), 2016
Above: CLE Convention Center pushing above grade at lakeside Ave., fracturing The Mall's pedestrian green space from its terminus.

Medical Mart/ Global Health project is only 16% leased – a huge drain on taxpayers that ‘leaders’ have zealously concealed.

Additionally, the downtown central business district has shed over 900,000 square feet of office space in the past 15 years which have been converted to apartments that now support 15,000 dwellers. Obviously, demand for office space in the CBD continues a serious downward slide. And with the 925 Euclid Building and its four adjacent neighbors along Euclid Ave. renovating for yet additional apartments, the trend continues. But without the jobs to fill them, new apartments at some point reach a saturation and new units will go unoccupied.

A room in a full-service hotel with food and beverage service up to a full-service hotel like the Hilton costs \$201,300 - \$331,000 per room for land, construction, furnishings, fees and soft costs for operations per HVS Hotel Development Services. NEOH taxpayers paid \$433,333/ room for the downtown Hilton with its glass facade - the least expensive of all exterior materials - and no additional parking!

Not only has Mayor Jackson not come through with one of the three proposed bridges over the railroad and freeway to connect The Mall with the North Coast

Harbor, he is refusing to proceed with an alleged \$4 million shortfall on the previously selected bridge design by Miguel Rosales of Boston.

Initially proposed in 2004 by then-Mayor Jane Campbell, the city is now borrowing \$6 million from the State, with the Federal government kicking in \$6.5 million and the city using \$4.3 million in general revenue bonds - all public money. Remember Jackson told us the bridge would cost \$25 million.

After spending \$787 million of the public's money to renovate Public Square, rebuild the convention center, add a largely vacant medical mart and a 600-room hotel - with no parking garage - that were supposed to **not** involve public money, Jackson is cheapening out on the bridge design to save \$4 million and spend only \$16.8 million.

No class.

No leadership.

No sensitivity to design - even at Cleveland's Number 1 photo op location.

Fact Check:

1. The renovation of Public Square – a \$32 million project as reported by The Lie Machine – actually cost \$50 million and was a mix of private and public funds. And it's not like we got granite anything - we got precast concrete



Above Left: Original Approved North Coast Harbor Pedestrian Bridge; Miguel Rosales; Boston
Above Right: Revised North Coast Harbor Pedestrian Bridge; CDM Smith; Boston
Below: Public Square; James Corner Designs; New York
Bottom: Public Square entry from The Mall



benches with stainless steel clips that rusted and stained the benches after five weeks.

Tax-increment financing for the Higbee's renovation and the casino contributed \$7.5M; \$3M came from the general operating fund of the Northeast Ohio Regional Sewer District – public money; The Greater Cleveland Partnership begged the State to kick in \$3.5M while the project was under construction with its budget goal unmet.

2. The Convention Center was paid for by imposing additional taxes - without a vote of any kind by citizens. In 2010, the County announced that it was adding \$40 million to the Convention Center and Medical Mart project, while pledging to cap the projects' cost at \$425 million (Johnston, 9-29-10). The changes associated with this tax increase also **reduced** the size of the convention facility, reducing exhibit space from 270,000 to 230,000 and meeting room space from 100,000 sf to 60,000 sf. The project's final cost was \$465 million - \$40 million more than promised (Glaser, 3-29-15) – **all** public money.

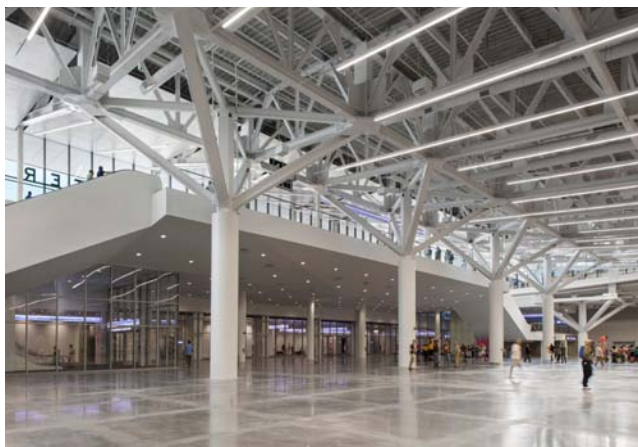
3. The 600-room Hotel was completely paid for with public money – all \$272 million of it.

4. In a brain-dead move that will hurt for decades, our 'leaders' added a 600-room Hotel and scrapped the proposed parking garage. So you can come and stay, but you'll have to scramble for a parking space and join the competition for the parking garages on the rear of the County Courthouse and City Hall across Lakeside Ave.

5. Of the \$787 million spent on Public Square, the Convention Center, Hilton Hotel, only \$21.8 million (2.7%) came from foundations and the business



Top: Downtown Cleveland Hilton Hotel; Cooper Carry; Atlanta
Middle: Cleveland Convention Center; LMN Architects; Seattle
Bottom: Rock-n-Roll Hall of Fame & Museum; I. M. Pei; New York



community for the Public Square project. So 97.3% of the cost of the projects was paid for by the public when Jackson and FitzGerald committed that the projects would be implemented without public dollars.

6. The cost for the four projects of \$787 million was \$437 million over the \$350 million budget Jackson and FitzGerald presented at their June 2013 press conference.

PRIOR SUCCESS and THE GREAT AND POWERFUL OZ:

The Rock-and-Roll Hall of Fame and Museum:

Public recognition of Cleveland's leadership problem actually came as a surprise to some. After all, the community's so-called leaders had come together to lobby for and earn the Rock-n-Roll Hall of Fame in the 1980's, placing I. M. Pei's composition on the lakefront in 1995 after coming up with \$65M of the \$92M price tag. We were told it would draw over one million a year. In 2017, the reported draw was 568,000 with 90% allegedly coming from outside of Northeast Ohio.

We are told that the Rock Hall's economic impact totaled \$199M in 2017. Each of the 511k visitors allegedly spent \$250 per person on their admission, hotels, restaurants and transportation, and that 1800 jobs generated \$59.5M in wages and \$7.5M in state and local taxes, though if people actually spent \$127M in direct visitor spending, the local taxes alone would have amounted to \$10.5M. The math we are fed never adds up.

It bears noting that the induction ceremony was held in Cleveland in 2017, which goosed the numbers considerably, one of only four times we have hosted the gala and concert. The ceremony has been held in New York City 26 times and in Los Angeles twice since inception and now, Cleveland and New York will alternate every other year.

When the Rock Hall issues its press release with its alleged economic impact, the local media scribes dutifully report it without examination or investigation – or establishing substantiation. In today's world, it is more important to the media to be first than it is to be right.

According to the Rock Hall, people spend an average of \$227 per day per person, which means that people are here for less than a day and a half, so the magnetic attraction of the Hall to the community is seriously

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limited in that it fails to be a cause for a stay that extends to even a full weekend. Of the spending, 26.5% is on food, 23% is on retail, 19.1% on lodging, 15.9% on recreation (Rock Hall admission?) and 15.6% on local transport.

In 2001, Idestream reported that the Rock Hall drew 870,000 its first year and that attendance dropped of “to less than half of that” by 1991.

I give the Rock Hall credit for regularly presenting special exhibits so it stays fresh and compels the locals to come at least once a year. But they have to be honest about attendance and get someone responsible to calculate and present economic impact data that is correct and verifiable.

The 2016 Republican National Convention:

Cleveland’s ‘leaders’ cooperated enough to land the 2016 Republican National Convention, and at the time, told us that it would generate an economic impact of \$60 million. According to the Center for Economic Development, the RNC allegedly brought 44,400 visitors to Cleveland with 2472 delegates and 2302 alternate delegates with 15,000 credentialed media representatives. Of the three studies done on the RNC results, CED’s math was the highest and most suspect.

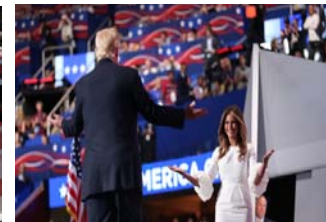
A number of larger projects were rushed to completion, including the renovation of Public Square and a new 600-room Hilton Hotel - with no parking capacity added for guests or visitors.

Local hotels boosted their rates during the RNC by 38% - 220% over their 2016 rates. The Center for Economic Development and CSU researched the impacts of the RNC and came up with very different results.

Our Host Committee raised \$54 million in cash. The City of Cleveland received \$49.9M from the U.S. Department of Justice’s Bureau of Justice Assistance for security. The Host Committee received another \$24M in in-kind contributions for housing, office space, utilities, services, etc.

The Host Committee spent \$51,980,000 on a range of goods, services, and other Convention-related expenses:

- Construction: \$22.9 million
- Legal, Accounting & Logistics Consulting: \$12.5M
- Facility Rental: \$2.9 million



Above Left, Clockwise: 2016 Republican National Convention



- Lodging: \$2.5 million
- Audio/Video: \$1.3 million
- Catering: \$1.2 million
- Payroll & Salaries: \$1.3 million
- “Other:” \$2 million

The remainder of the money spent by the Host Committee went towards entertainment, financials, furniture, insurance, office supplies, security, travel expense reimbursements, vehicles, and utilities.

The CED’s research methods were thin. They interviewed people and filled out only 296 questionnaires – 33 delegates, 56 visitors (“guests”), 95 media professionals, 58 protestors, 10 security personnel and 44 sponsors, tourists and vendors. The average CED visitor reported being in Cleveland for 5.4 days.

Prior to the RNC, the City of Cleveland received a \$49,900,000 security grant from the U.S. Department of



Above Left, Clockwise:
 1. RNC Police presence with riot gear
 2. RNC happy delegate
 3. RNC police arrest protestor
 4. RNC police interfere with flag burner

Justice's Bureau of Justice Assistance. This grant - which the host cities for both major party political conventions receive every election cycle - is designed to provide funding for law enforcement expenses and other security costs, and its use can be divided into two major groupings: goods and services and personnel.

Cleveland spent a portion of its \$49.9M on goods and services as follows:

- Out-of-Town Police: \$20.6 million
- Insurance: \$9.2 million
- Cleveland Police: \$6.9 million
- Vehicles: \$4.1 million
- Administration: \$2.5 million
- Clothing: \$1.9 million
- Equipment: \$1.7 million

The remainder of the \$21,237,000 of goods and services was spent on a combination of food and beverage, electronics, chemicals, animal equipment, accessories, weapon-related gear, training, tools, shelter, and medical equipment. By the way, over \$20.6M paid to out-of-town police had no positive economic impact on NEOH. Those monies went back to their home communities with them and these wages should have been excluded from any and all attempts at

identifying economic benefits accrued to NEOH. Those wages were a cost with no economic benefit to the community.

The claimed overall economic impact of the RNC in 2016 includes a total of 855 direct jobs – for four days? One week? Two weeks? The reported claim is that the 855 jobs created by the RNC generated \$27.6 million. The bullshit here is that this math implies that the 855 jobs earned each employee an average of \$32,281. Even if every job lasted two weeks – some did, some did not – that equates to \$403.51 per hour for each person.

The Emperor has no clothes.

Accordingly, one cannot take seriously the published CED assertion that the 2016 RNC generated \$142 million in “output for the region.” Even the Host Committee - who told us the event would generate \$200 million based on the 2012 RNC in Tampa - acknowledged that the results were only \$110 million in direct spending – just over half of what they told us we could expect.

The Lie Machine.

Cleveland State University used a micro approach to analyze downtown hotels and visitors by issuing questionnaires in the Public Square area during the convention. Cleveland State estimated the RNC produced a more realistic \$67.8 million in direct spending. Quite a difference from CED's ‘findings.’

The Host Committee itself created 191 temporary jobs. The CED reports that these people earned \$9.1 million in direct wages – or \$47,931 per person.

Doubtful. Very doubtful.

The City added 174 temporary jobs for its additional efforts to coordinate its obligations for the RNC. CED alleges this resulted in \$9.455M in wages paid – or \$54,399 per person.

Ridiculous.

The CED report claims that the City of Cleveland added 174 people to coordinate with RNC personnel whose wages totaled \$9.455 million, or an average of \$54,342 per person.

Nonsense.

The CED report claims that Labor Value of the 984 Visitors was \$54.5 million, or \$38,896 per person.

Aside from the exaggerated income-per-person for a short-term temporary assignment, if they were paid wages and were visitors, their income returns with them to their homes and represents no appreciable economic benefit to NEOH.

My landlord leased our floor – except for my space – to Bloomberg for two weeks. They took the office next to mine as their TV studio for their talking heads and Charlie Rose. Four people showed up a few days before the week before the convention and 130 people were here for a week before and the week of the convention. They were all gone by Sunday after the convention. Those ‘visitors’ got their regular paycheck and stayed where Bloomberg got them rooms and they ate every meal at our restaurants.

The CED’s own report acknowledged that the projected attendance was 11% lower than anticipated. The pre-convention hype told all downtown merchants to be ready for a huge influx of high roller visitors. And with my office at East 4th Street and Prospect, one block from the arena and 100’ from the north entry gate, I can report from first-hand observation and discussion with numerous restaurant representatives, only those restaurants in immediate proximity to East 4th Street had a good week. Those in the Warehouse District or beyond reported disappointing traffic as locals and regulars were encouraged to avoid downtown because of traffic, \$40+ parking and taking a seat needed by a delegate.

All of the talking heads claimed that the RNC was a success while authorities running the numbers disagreed completely on what was actually spent and the actual benefits and impacts. Claims made about jobs created and wages earned were substantial and unsubstantiated. The Lie Machine took over a year to release its ‘findings.’ With the exception of CSU’s analysis, none of the alleged outcome financials were believable.

Some – not ‘many’ - businesses saw increases in sales prior to and during the event week. And many businesses saw a huge falloff in business if they were not on East 4th Street.

The police presence during the RNC was excessive due to the Trump Effect. Visitors’ impressions of the city were largely positive. Protests were over-supervised and police reactions to the few minor incidents were extreme and unprofessional.

WKYC was the most objective in reporting that RNC results fell far short of what we were told to expect,



Above: Delegates at the 2016 RNC.

noting that even the Host Committee Report’s outcomes were 44.95% less than what had been promised (Metzger & Haidet, 8-3-17).

But if the Host Committee raised \$54 million and the City got \$49.9 million for security, it sounds like we spent \$104 million to host the RNC. And if we believe CSU, that got us \$67.8 million in direct spending? In the Hall of Fame of Returns on Investments, that is not on the wall.

The man behind the curtain bullshitted us - again.

THE CONVENTION CENTER:

Clevelanders were told that we could not be competitive without replacing our convention center. Taxpayers were required to pony up and our ‘leaders’ allowed attorney Jeff Appelbaum’s Project Management Group to oversee the project.

The Convention & Visitors Bureau, renamed Positively Cleveland (2007), and now Destination Cleveland (2014), had years to ‘sell’ the new facility’s strengths, despite the fact that the project’s cost was increased ‘to achieve appropriate quality’ – did Appelbaum’s high-priced team budgeted a cheap piece of shit in the first place? And at the same time, they substantially cut the size of both exhibition and meeting space from that promised.

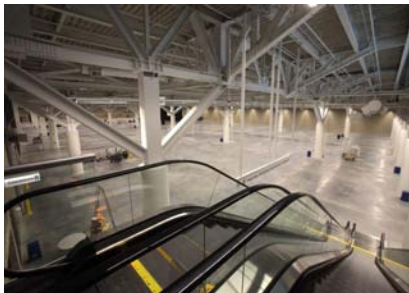
So we spent more and got less. The Lie Machine.

Like the Medical Mart/ Global Center for Health Innovation, the performance of the CLE Convention Center has fallen short of its expectations. The most recent year for comparables to our competition is 2014: Cleveland’s convention complex had 228 events, and its attendance was 230,000.

And in 2017, the CLE Convention Center’s performance declined. The ‘complex’ – which presumably includes the Global Health facility – held 222 events that drew 222,656



Top: Cleveland Convention Center and Global Health Center; LMN Architects, Seattle
Below: Global Health Center Atrium
Cleveland Convention Center Entry Hall
Cleveland Convention Center Exhibit Hall
Columbus Convention Center; Peter Eisenman, New York



visitors, down from 235,681 in 2016.

The center's boosters claim room nights were 102,300 in 2018. with 250 events and 300,000 attendees.

Pittsburgh's David L. Lawrence Convention Center had 413,853 people in 175 events with 330,429 room nights - tripple Cleveland's. It has 303,000 sf compared to CLE's 230,000 sf.

The Greater Columbus Convention Center has 410,000 sf, hosted 328 events with 998,680 attendees. That's double our size and four times our attendance. In 2018, they had 28 events that booked over 1000 hotel rooms each night.

Cincinnati's 1968 Duke Energy Convention Center hosted 134 events, has 297,700 sf and hosted 595,243 attendees.

Indiana Convention Center had 433 events, has a whopping 749,100 sf and accommodated 2,397,927 attendees.

Nashville's Music City Center has 350,000 sf, handled 342 events and 491,352 attendees.

It certainly seems that cutting the size of the facility made the facility *far* less marketable and was obviously the wrong thing to do. And by the way, there was an expensive program analysis that was used to convince us that the original target square footage was essential to make the facility attractive to the events community.

Cleveland's Convention and Global Health facilities have not "put heads in beds" as they were supposed to. Columbus generates 228% of the hotel rooms Cleveland does, while Indianapolis out-draws Cleveland by 525%. Defenders are quick to note that it will take five to eight years to measure the success here since event planners often book their events that far ahead, and for the first year, Cleveland's did not have an attached hotel. The Hilton Hotel is now attached, and the Marriott Key Center and the Drury are literally across the street.

QUICKEN LOANS ARENA TRANSFORMATION:

A year after the 'wildly successful' hosting of the 2016 Republican National Convention at the 22-year old Quicken Loans Arena, the Cavs, the City, the Greater Cleveland Partnership, the County and even US Representative Marcia Fudge showed up to surprise the public and Cleveland City Council – duly elected representatives of the body that owns the facility, to announce that the facility was shit and needed a \$140 million 'transformation.'

Among the arena's alleged shortcomings were concourses that are too narrow, entrances are small where people must line

Essays on Architecture:

Leadership

Cleveland, OH

up to enter, wayfinding around the facility is confusing, and there is no gathering space for events. The Cavs needed more space for bars, public dining and 'public gathering.'

The Lie Machine.

"Officials' claimed that the facility lacked pizzazz and the ability to attract big-name acts. Let's see, we hosted the RNC in 2016 and beat out every other city in the country for the privilege. If the arena had ANY deficiencies of consequence, we would have not won that race. Cavs CEO Len Komoroski said that we would not be able to compete in the "short-term years ahead." Let's see, shortly after the RNC, Paul McCartney played a few shows at the Q...

In talking out of both sides of his mouth, Komoroski admits that the Q's 'event load' is one of the highest in the country, with more than 200 ticketed events each year, but he says that we have missed out on some top-grossing tours - without naming a single one.

Lest The Lie Machine go completely unchecked, in 2017, the very year the deal was approved by both the Cuyahoga County and Cleveland City Councils despite enormous citizen opposition, the Q logged the highest concert and event attendance in the arena's history.

With notable performances in 2017 by Lady Gaga, Coldplay, Tom Petty and the Heartbreakers, Bon Jovi, Red Hot Chili Peppers, NKOTB, Queen + Adam Lambert, Guns N Roses, Katy Perry, Bruno Mars and Eric Church, the Q ranked 18th in the United States and 40th worldwide for venues with the highest ticket sales, per a press release.

These rankings were a marked improvement over 2016, when Championship runs by both the Cavs and the Monsters, not to mention the RNC, limited potential concert bookings. Of the 700 public sports and concert venues in the US, Quicken Loans Arena ranked in the top 7%.

In 2018, there was no shortage of major acts: Pink, Justin Timberlake, Phil Collins, Elton John, Fleetwood Mac, Kanye West, Garth Brooks, Justin Bieber, AC/DC, Red Hot Chili Peppers, Bob Seger and Shania Twain all performed. The calendar for 2019 includes Cher, Ariana Grande, NKOTB, Kelly Clarkson, Metallica, KISS, Carrie Underwood, Eric Church and Elton John. There are virtually no acts books for Summer 2019 with the arena closed for construction.

No space for gathering? There is a rather large plaza between the arena and Progressive Field with very



Top Left, Clockwise:
1. Paul McCartney at QLA
2. Red Hot Chili Peppers at QLA
3. The Eagles honor Glenn Frey at QLA
4. Justin Bieber at QLA
5. Guns-n-Roses at QLA
6. AC/DC at QLA
7. Jay-Z at QLA
8. Taylor Swift at QLA
9. Lady Gaga at QLA
10. Eric Church at QLA
11. Bruce Springsteen at QLA





Top to Bottom:

1. Rush at QLA
2. Garth Brooks at QLA
3. Pink at QLA
4. Elton John at QLA
5. Justin Timberlake at QLA
6. Fleetwood Mac at QLA



wide walkways outside. Radio and TV stations routinely accommodate thousands here as did the Cavs with their watch parties during the 2016 championship run.

For security reasons, people will have to line up to enter anyway, no matter what the renovation response.

Better wayfinding signage will not cost \$140 million.

And the security detectors will still result in lines to enter.

And when completed, the arena will still be a doughnut-shaped bowl.

Not only had the suggestion of the facility's obsolescence been proffered in private, and the assertion was accepted by elected officials and GCP, who agreed – without any public discussion or debate, to pay for half of the project so Dan Gilbert could sell more T-shirts and beer. The initial cost was stated to be \$140 million, though with debt service, the actual cost will be closer to \$280+ million. Quite a difference from The Lie Machine. Your mortgage is how much you borrow. Your amortization is your cost to pay it back.

The architect had already been hired – another out-of-town firm, and the design had already been done – all in secret.

Typical.

The media fell in line, even saying that public debate would happen because the area is such “an economic juggernaut for the region.”

In August 2017, when local religious and community leaders objected to the proposed taxpayer funding of the Arena's “transformation,” the Cavaliers scrapped their plans. Local ‘leaders’ had attempted to fast-track the project by exercising their authority to extend the Sin Tax to dedicate the project's funding without public approval so the Cavs could start the project immediately without even a discussion on the proposed scope, design or cost.

Construction had been scheduled to start in June but had been held up by a prospective referendum being placed on the ballot by groups arguing that the city's neighborhoods were not benefiting from the arena's makeover. The Cuyahoga County Progressive Caucus, which had been leading the fight to stop the renovation, said in a statement it was “very pleased” with the Cavs' decision.

“Despite their stated reason for the cancellation, the real reason is that the citizens of Cleveland spoke loud and clear in their opposition to the project by gathering 13,000

valid signatures to force a referendum on the issue," the group said. "The Cavaliers, Mayor Jackson and Cleveland City Council all know that the project would have been soundly defeated at the ballot box. This is their way of saving face."

The Q, as it was known locally, hosted the Republican National Convention in 2016 – indicating that it was lacking for nothing! Again, the Arena in 2017 was ranked in the top 7% of all public sports facilities in the US. The Q's facility has not been a factor in booking national events to Cleveland. If an act passes on performing in Cleveland, it is due to the city's size and demographic and NOT the design or capacity of the Q! The Cavs assertion that the proposed renovation would attract more events was complete bullshit.

The Lie Machine.

The team also said the project would create over 2,500 construction jobs – a gross exaggeration and all of those jobs would be temporary, increase the arena's job base to 3,200 – a gross exaggeration and any additional employees would be part-time low-wage vendors selling T-shirts and beers, and increase tax revenues – in what way? - for the city and other neighborhoods. That's how Cleveland's Lie Machine manages their propaganda.

US representative Marcia Fudge endorsed the project and added that a new facility could cost as much as \$500 million as her contribution to The Lie Machine!

Initially, the public was told that the arena would remain open during the renovation. But later, it was announced that the facility would be closed for the summer of 2019.

The Lie Machine.

Design:

The design provides an enormous flat glass front along Huron Road, covering the curving and interesting gestures of the original arena's design by Ellerbe Becket architects which actually reflected the function and bowl of the arena floor. And just inside the enormous glass wall will be a wood screen – so what is the purpose of the glass wall if the wood screen obscures vision in and out and delivers an awkward, tense vertical volume at the exterior?

The City's weak design review committee is weak and passed the project without significant discussion. Typical.

The design will open the concourse to the seating bowl to allow patrons eating in the concourse to supposedly see the game. But their sight lines will not, in fact, enable them to watch the action on the floor, so eating in the concourse will still require reliance on TV's to follow the action. And how will these openings around the seating bowl be closed during



Above Top: Quicken Loans Arena Before Renovation
Above: Quicken Loans Arena Flat Huron North Elevation After
Below Top: Quicken Loans Arena Entry Sliver
Below Middle: Quicken Loans Arena Pre-Renovation Aerial
Below Bottom: Quicken Loans Arena Post-Renovation Aerial





Top: QLA Concourse "Neighborhood"
Above: QLA Renovated Entry
Below: QLA "Transformation" Money Shot
Middle: QLA Ontario Corner Rendering
Bottom: Cuyahoga County Credit Card was "Maxed Out" per Budish



concerts so people eating and drinking do not compromise the performances with noise and light from the concourse? Could it be that the tail is wagging the dog again?

The renovation will increase space for dining and bars, fan zones and other gathering spaces by more than 60 percent, to 153,000 square feet.

Arena Financing:

Cuyahoga County borrowed \$140 million up front by selling bonds to investors – and paying interest. The project is constantly referred to by the Cavs and The Lie Machine as a \$140 million project. False.

Paying off the loans will take until 2034 and cost approximately \$244 million, including the interest. And the way things look now with inflation appearing and the Fed changing interest rates, the city's cost will likely be even more. But the city and county want to set aside another \$38.5 million for future sports stadium work, so the total cost of the financing deal will be about \$282+ million over the next 17 years, subject to market interest rates.

The Cavs will provide a big chunk of that, roughly \$122 million, through increased rent payments for the Q. However, this is misleading. In any commercial real estate transaction, if a tenant – the Cavs – wants or needs their facility to be enhanced or remodeled, the landlord – us taxpayers - can front the cost – and charge a ROI for their troubles, and the tenant amortizes THE ENTIRE COST of the improvements – plus an 8%-12% ROI for the landlord – us taxpayers. Dan Gilbert, who has \$6 billion in the bank, is getting a \$162+ million gift from Cleveland taxpayers – who can ill afford it.

Cleveland is providing more than \$88 million, using its admissions tax on tickets to Q events from the years 2024 through 2034. More than \$44 million is coming from the budget of Destination Cleveland, which will give up a piece of the county bed tax it receives now. The county is providing \$16 million, by dipping into the reserve fund it set up for the convention center and Hilton Cleveland Downtown, both of which are complete.

Nearly \$9 million will come from admission taxes expected from future Cavs playoff games, otherwise payable to the county under an existing agreement with the city, related to the original Gateway bonds. However, it is doubtful that in the foreseeable future there will be post-LeBron Cav playoff games upon which anyone can collect an admissions tax.

And a bit more than \$3 million will come from expected increases in sales taxes on Cavs merchandise, food and alcohol sold at the Q, otherwise payable to the county, which means Gilbert plans on selling an additional \$37.5 million in ADDITIONAL merchandise in the space being added. The Cavs

say they will pay for any over-budget construction costs and will cover the public's share if taxes are less than anticipated. The Cavs also say they will not add a user fee or any other ticket surcharge to cover their costs.

What do we get? A guarantee that the Cavs will not leave town before 2034. The Q was built with tax money. Bear in mind that we taxpayers are **still** paying off the arena original construction, and have paid for millions of dollars in capital improvements through a Cuyahoga County sin tax. The Cavs have paid for some improvements, too.

Greater Cleveland's taxpayers paid the bulk of the \$152 million spent to build the facility, which opened in 1994. Taxpayers contributed \$120 million (79%) with \$28 million (18%) from business leaders and the Cavs contributed only \$7 million, or a paltry 4.6%.

Gilbert claims he spent \$13 million for upgrades he wanted in 2006, while taxpayers spent \$22 million for renovations in recent years.

Arena Facts:

The arena opened in October 1994 as part of the Gateway Sports and Entertainment Complex with adjacent Progressive Field, which opened in April of that year. It is named for the retail mortgage lender Quicken Loans, whose chairman and founder is Dan Gilbert, the majority owner of the Cavaliers, Monsters, and Gladiators. From its opening until August 2005, it was known as Gund Arena, named for former Cavaliers owner Gordon Gund, after he paid for the naming rights. The Q replaced the Richfield Coliseum as the primary entertainment facility for the region and the home of the Cavaliers, and supplanted the Wolstein Center at Cleveland State University, which opened in 1990, as the primary concert and athletic venue in downtown Cleveland.

Quicken Loans Arena seats 19,432 people in its basketball configuration and up to 18,926 for ice hockey, making it one of the largest arenas in the NBA by seating capacity. It is a frequent site for concerts and other athletic events such as the men's and women's basketball tournaments of the Mid-American Conference (MAC), hosting the men's tournament since 2000 and the women's tournament since 2001. It has also been the host venue for the 2007 NCAA Women's Division I Basketball Final Four, opening and regional semifinal games in the NCAA Division I Men's Basketball Tournament, and the U.S. Figure Skating Championships.



Top left clockwise:

1. Cuyahoga County Administrator Armond Budish
2. Tim Offermatt, Chairman, Gateway Development Board
3. Len Komorowski, CEO, Cleveland Cavaliers, Quicken Loans Arena
4. Dan Gilbert, Chairman, Quicken Loans & Rock Ventures

But by December 2016, the Transformation project was back on. Cuyahoga County, the city of Cleveland, Destination Cleveland and The Cleveland Cavaliers announced a "creative" "collaborative" funding structure that will facilitate major renovations at the Quicken Loans Arena. We did it, our leaders bragged. We made this work.

Roughly \$140 million is being bonded by the County — the very same county with a "maxed-out credit card" as Sam Allard with *The Scene* put it — and repaid over 18 years using a variety of revenue streams. The final repayment costs will be roughly double the initial price tag, which is why you might have seen the \$282-million figure at Cleveland.com.

Tim Offermatt, recent Chairman of the Gateway Board, advised during a Q&A that the final costs are at this point unknown. They could be even higher than \$282 million, and will depend on "market conditions," meaning the variable interest rates on the bonds.

Both County Executive Armond Budish and Mayor Frank Jackson promised that all of the revenue streams that will be used to pay off the renovations already exist. "No new taxes will be created and neither the city's nor the county's general funds will be affected." But we have heard that song before,



Top to Bottom:

1. Gilbert's original riverfront casino design promise
2. Gilbert's revised downsized casino design
3. Editorial cartoon about Gilbert's broken promises
4. "Temporary" Higbee's casino becomes permanent



AND these 'leaders' failed to address the many other urgent needs of the community – bridges, a new Justice Center, a new jail for Cleveland, to but name the few obvious ones. And they failed to acknowledge that the money they were pledging was not created for them to disperse without regard to the public's interest.

Some of the media appropriately characterized the December 2016 announcement as propaganda. Sparkling images of the proposed new facade cycled on huge hi-def TV screens on either side of the speaker platform. The comments themselves focused on the region's recent success, and on the Q as both motor and Mecca. The Q as "Cleveland's living room" was the recurring metaphor. If anything, it is our Recreation Room, not our Living Room, and certainly not our Dining Rom at those prices and deplorable food quality.

Far from apologizing for yet another instance of a weary tax-paying public subsidizing billionaire sports owners, Armond Budish remarkably spent most of his remarks praising the alleged generosity of the Cavalier organization.

"The Cavaliers offered to pay half of the [\$140 million] cost," Budish said in opening remarks, "which I will tell you is very unusual in these types of projects, especially in a publicly owned facility. We knew that the deal was crucial to continuing the great momentum that the city and county are experiencing and we recognize that the Q is the largest economic driver for our region."

He never mentioned that Dan Gilbert has over \$6 billion in the bank and did not need anything from Cleveland's citizens to create more space to sell more T-shirts and beer.

Allard: "Though the Cavaliers and city leaders continue to say this sort of stuff, the prevailing view among economists (in fact, the consensus) is that "sports subsidies cannot be justified on the grounds of local economic development, income growth or job creation." That's just for the record."

"Nevertheless, a bouquet of fawning comments ensued from the roster of suited male executives — Budish, Frank Jackson, Destination Cleveland's Board Chair Dan Walsh, Cavs CEO and Destination Cleveland Board Member Len Komoroski — about the changing narrative of Cleveland (for God's sake), about the glorious potential of new and bigger events (what?), and about the peerless "public friendliness" of the financial arrangement already in place; Dan Gilbert's mantra of "doing well by doing good," was also lauded."

Let's also not forget Gilbert's broken promises to induce voters to approve casino gambling in Ohio. The \$2 billion a year in gaming revenue Gilbert promised for the state never materialized. And his promise in 2010 that the renovation of two floors in the Higbee's Building was "just temporary" while they designed and built a \$600 million casino overlooking the river has also turned out to be total bullshit, earning Gilbert a seat on The Lie Machine's Executive Committee.

Then in 2013, he announced a smaller version of the casino concurrent

with public notice of his intent to sell his gaming interests in Cleveland, Cincinnati and Detroit.

Gilbert's 'transformation' of the arena will be funded as follows:

- **ADMISSIONS TAX:** There is expected to be a continuation of the existing portion of the eight percent tax on every ticket sold at Q events. It's not clear how much this will generate, but the \$88-million figure has been provided, which includes taxes on playoff games from 2024-2034. The Cavaliers have promised to pay any shortfalls on the predicted tax revenue.
- **SALES TAX:** This is the amount generated over and above the existing 1.25 percent County sales tax proceeds on all taxable purchases at the Q.
- **COUNTY BED TAX:** A portion of the county bed tax, which funds Destination Cleveland, will generate \$44 million over 18 years.
- **COUNTY DESTINATION FACILITY RESERVE:** About \$16 million in resources dedicated for the Hilton Hotel project, but were unused, will be re-allocated to pay down the renovations bonds.
- No sin tax dollars may be used for the renovations, as that money is earmarked for maintenance and operation of the facility.

It was Fox 8, during the Q&A, who asked city leaders to defend this arrangement to taxpayers. What would you say to folks, a reporter asked, who don't think we should be contributing to stadium renovations at all?

But it was none other than Squire Patton Boggs managing partner Fred Nance — big-shot lawyer and Believeland talking head — not an elected official, who walked from the front row to the dais to deliver what 'leaders' must have thought was a knockout punch:

"For those of us who have lived in Cleveland for some time, we recall what happened here in 1995," Nance thundered, and the press corps rolled its eyes. "Which is that if we don't take care of the facilities in which our professional sports teams play, we are at risk of losing them." And Nance then joins The Lie Machine's starting five.

The risk of losing the Cavs is zero, given the lack of viable markets elsewhere, the team's enormous profitability, and Dan Gilbert's web of local investments - and the Cavs contend that they've never brought up the possibility. But it's a risk — a threat, really — that looms ominously whenever sports teams ask for public money. And it was a threat advanced by Cleveland.com in their exhaustive coverage of the announcement, coordinated ahead of time to coincide with the press conference.

We are supposed to be grateful that the Cavs — "doing right by doing good," remember — have extended their lease for seven additional years, guaranteeing that they'll remain in town until 2034. Given the pathetic product that is on the floor for the 2018-2019-2020 seasons, it is impossible to see the current product and the words 'good' in the same sentence. Seven years' rent - \$35 million - in exchange for a \$162 million gift in taxpayers funds to fund the renovation.

No bank loan officer would approve that one.



Top to Bottom:
1. New York Knicks
2. Los Angeles Lakers
3. Golden State Warriors
4. Houston Rockets
5. Cleveland Cavaliers





Top to Bottom:

1. Talking Stick Resort Arena, Phoenix
2. Barclays Center, New York City
3. Vivant Smart Home Arena, Salt Lake City
4. United Center, Chicago
5. Target Center, Minneapolis



There was no mention either that the Cavs will want to build a new arena long before the bonds for these renovations are paid off. Projecting taxes on playoff games more than a decade in the future presupposes that the team will remain competitive after LeBron James lfts – no longer a legitimate question with the dismal performance of the team in the 2018-2019 seasons, and that the Cleveland Cavaliers will still be playing professional basketball in what is now renamed as the Rocket Mortgage Fieldhouse.

Those among us skeptical of long-term financing deals can foresee a situation in which existing or new taxes on tickets at a new stadium will still be paying down interest on bonds for renovations on a facility that may have been demolished years ago.

But tragically, this is how we roll in Cleveland. We allow The Lie Machine to control the narrative and continue to take money from taxpayers to make rich white men even richer. How rich?

Cavalier revenue for 2015-2016 season was \$233 million, up 22% from the \$191M of 2014-2015. The average revenue of an NBA team is \$161M, so the Cavs had been generating 31% more revenue than the typical NBA team. Due to player salaries, the Cavs reportedly lost \$40.2M in 2015-2016. Now that LeBron is gone, that is no longer the case.

Only Houston, Golden State, LA and New York generated more revenue than the Cavs. A comparison of revenue generated per the county's population is as follows:

	2015-2016 Revenue	GMA Population	\$/Person
New York	\$376,000,000	23,723,696	\$15.85
Los Angeles	\$333,000,000	2,828,832	\$25.96
San Francisco	\$305,000,000	7,680,000	\$39.71
Houston	\$244,000,000	6,490,180	\$37.60
Cleveland	\$233,000,000	2,055,612	\$113.35

Thus Cleveland fans already shoulder an incredibly significant financial burden in supporting the team with ticket prices and merchandise – far more than any other team.

It is also worth noting that the public and Cleveland City Council were kept in the dark on the project until back room deals between the Cavs and our excuse for leaders agreed on the need and its scope, approved the selection of yet another out-of-town architect, approved an exorbitant cost and agreed to have the taxpayers fund half of the project before anyone bothered to take the pulse of the people who own the building

and are responsible for it.

Cleveland City Council members were outraged when they were blindsided by the Browns financing agreement back in 2013, and Mayor Jackson does not bother to include them in the city's major financial decisions. Council President Kevin Kelley sent an email to his colleagues one hour before the press conference, saying he didn't have all the details, but that council would "thoroughly review any proposed plan before approval."

All of this came less than a year after County Executive Armond Budish advocated restraint on county spending. We're a fat billion in debt. The "maxed-out credit card" is his oft-quoted line, and *The Scene* asked whether or not these new bonds represented a contradiction of his earlier remarks.

"Not at all," Budish said. "What I've said is we want to continue to move the county forward. We want to continue the momentum and looking for creative ways to do that. We can issue bonds as long as we have a way to pay for them. As you've heard, we've been able to work with the city and Destination Cleveland and our own sources to come up with a way to pay for these bonds without impacting city or county social services."

Only *The Scene* called out the city and county on whether the funds being cannibalized for renovations at the Q might have been expended on worthier causes, asking where the county's innovation and creativity was in helping solve the financial perils of public transit, where was the city's creativity on infant mortality and lead poisoning and what if leaders bent over backwards to find money to solve actual problems?

Is it any wonder the city had to beg for an increase in the city income tax increase to lessen the blow of all the money the city would have received (from the Cavs' rent on the publicly owned arena, \$5 million per annum, from the admissions tax, from the sales tax) which will now go back into the renovation pot?

So when our 'leaders' and The Lie Machine speak about a public-private partnership, what they mean is that the public pays, the private part makes a contribution that is at least discernible, and the taxpayers pay too much for too little in return.

How the Competition Financed Their Arena Facilities:

The Lie Machine told us that this kind of huge public subsidy was how all of these facilities are paid for and renovated. Bullshit.

Talking Stick Resort Arena that is the home of the Phoenix Suns was completed in 1992 for \$90 million. The City contributed \$35 million (39%) while the Suns contributed the rest, AND repaid a portion of the City's cost. Renovations in 2001 and 2004 to the tune of \$67 million were paid for entirely by the Suns.

Forest City Enterprises and Brooklyn Nets owner Bruce Ratner financed the \$1 billion Barclays Center in 2012.

Vivint Smart Home Arena, home of the Utah Jazz, was built in 1991 at a cost of \$94 million and was paid for by the subsidiary of the team's owner. Of the \$125 million renovation in 2017, only \$22.7 million in tax incentives came from Salt Lake City, with the rest financed by the owner.



Top to Bottom:

1. TD Garden, Boston
2. Wells Fargo Center, Philadelphia
3. Verizon Center, Washington, DC
4. Staples Center, Los Angeles
5. American Airlines Arena, Miami



United Center, home of the Chicago Bulls, was completed in 1994 at a cost of \$175 million, which was completely paid for and financed privately. The only public expense was infrastructure improvements for the project.

TD Garden, home of the Boston Celtics, opened in 1995 at a cost of \$160 million. With the exception of city bonds and the land (10% of the project's cost), the owners, Delaware North Companies, paid for the facility, as well as a \$70 million renovation in 2014.

The Philadelphia 76'ers play in the Wells Fargo Center, which opened in 1996 at, accost of \$217.5 million. Comcast Spectator LP owns the facility. The city and state contributed \$32 million (14.7%) for infrastructure.

The Washington Wizards play in Verizon Center which is owned by Washington Sports & Entertainment. The \$260 million facility opened in 1997 and was financed privately. The District of Columbia paid \$60 million for infrastructure improvements.

Los Angeles' Staples Center opened in 1999 at a cost of \$400 million and is owned by L. A. Arena Co., and is where both the Lakers and Clippers play. \$330 million (82.5%) of the cost was paid for by the two teams and the LA Kings and \$70.5 million was public money.

The Miami Heat financed the American Airlines Arena at a cost of \$213 million that came on line in 1999. No public finding was involved.

American Airlines arena in Dallas is used for both pro basketball and hockey. The \$420 million facility opened in 2001 and is 100% owned by the City of Dallas, though the city split the cost with the teams. So the City owns the facility for which it paid only half of the cost.

The AT&T Center for the San Antonio Spurs in 2002 cost \$186 million and was publicly financed via a city sales tax, as was the Houston Rockets' 2003 \$242 million Toyota Center.

The Orlando Magics' 2010 Amway Center \$480 million costs was financed jointly by the Magic with the city paying \$270 million in bonds from their tourist development tax.

Contrary to The Lie Machine's assertions, Cleveland has been providing one of the great sweetheart deals in the NBA not only with regard to buying the house



for the tenant, AND paying to fix it up – even when it doesn't need it – and charging very low rent.

THE AMAZON BID:

When Amazon issued its public notice that it was initiating a nationwide search for two additional HQ locations to manage its continued growth, it ignited a feeding frenzy nationwide.

Cleveland assembled a SWAT team of our 'leaders' in private and assembled its bid.

Surprise: It failed.

And the so-called leaders then refused to release any information about the city's bid, despite the fact that these so-called leaders were, without the consent of – or even informing - taxpayers, proposing second-rate sites and lush giveaways to lure Amazon here.

The *Plain Dealer* editorial board in May 2018 lead with the headline, "Cleveland's Amazon HQ2 bid even more feeble than expected: editorial."

The *Plain Dealer* board observed, "The evidence is in. We now know why Greater Cleveland's civic and elected leaders were so anxious to hide the details of their failed Amazon HQ2 bid."

"Their bid to stuff Amazon's second headquarters into a 91-year-old skyscraper and nearby nondescript building was that lame. It was that unimaginative. It was that out of touch with what a 21st-century tech company wants and needs in a locale."

"And it was that contemptuous of the public in keeping them out of deliberations that would likely have amounted, just in offered transit subsidies, to giving tens of millions of the public's money to bus-riding Amazonians at a time when regular stiffs are already being told to suck up bus schedule

reductions and taxpayers likely will soon face more funding requests.”

“Yet the documents the Northeast Ohio Areawide Coordinating Agency finally turned over this week to cleveland.com pursuant to a public records request aren’t the full record: They don’t include all the taxpayer subsidies the bid committee -- which included Cuyahoga County Executive Armond Budish, Cleveland Mayor Frank Jackson and a bunch of private folks representing local corporate and philanthropic interests -- secretly agreed upon and offered Amazon.”

“And why are details on offered tax incentives and other goodies still secret even after Amazon said, “No thanks?” No doubt because their release would be equally toxic and embarrassing to local leaders who were supposed to be representing the public’s interest but couldn’t be bothered to consult stakeholders in the taxpaying public about their own money.

But being embarrassed isn’t a good enough excuse. Budish and Jackson are public servants, elected by, and paid by the public. They have no excuse, none, for withholding any of this information.”

“And the laughable “proprietary” argument the bid committee offered -- that what Amazon didn’t want might entice others -- has now been exposed for what it really was: a way to shield the tired, run-of-the-mill nature of a bid that could have, should have, wowed Amazon with what a green city on a beautiful fresh-water lake, a city that 100 years ago was the Silicon Valley of America and that today is a building biotech hub and a continuing center of manufacturing innovation, could offer.”

The *Plain Dealer* board demanded that Budish and Jackson “release all remaining details and then let the public judge who are the moribund thinkers in our midst -- and work to change the backward-looking dynamic represented by this bid.”

The *Plain Dealer* editors gleamed what they could from information released to cleveland.com by the Northeast Ohio Areawide Coordinating Agency, a public transportation-planning agency that contributed numerous charts and data to Cleveland’s bid. But that information did not constitute the entirety of the region’s bid and did not include what public tax incentives Cleveland Mayor Frank Jackson and Cuyahoga County Executive Armond Budish offered to Amazon. They continued to shield that information from the public. The private, nonprofit economic-development groups, Team NEO and the Greater Cleveland Partnership, which spearheaded the region’s secret bid, also refused to release the bid.

The documents released by NOACA show that leaders offered a 25% fare discount for Amazon employees who might use the Greater Cleveland Regional Transit Authority bus and rail lines. The discounts, assuming 50,000 employees - a huge stretch - used RTA, would have been worth \$121 million over 15 years, the documents say. NOACA’s documents also say that Cleveland promised to “accelerate” plans to triple RTA’s capacity, including increasing commuter rail lines from 37 miles to 111 miles by 2029. Not bloody likely – and how would that be funded and by whom?



Top to Bottom:
1. Amazon HQ, Seattle
2. Amazon’s “The Sphere” entry, conference element at HQ
3. Terminal Tower’s 14th Floor Plan
4. Terminal Tower 16th Floor Plan
4. Post Office Plaza





Top to Bottom:

1. Map of Amazon HQ2 Finalists
2. Cleveland Amazon Bid Headline
3. Cleveland Amazon Bid Headline
4. Cleveland Amazon Bid Headline

First look at failed bid to bring Amazon's HQ2 to Cleveland

CLEVELAND - We are getting our first look at part of the bid to lure Amazon's second world headquarters to Northeast Ohio. Cleveland did not make the cut, and the city has been fighting to keep its proposal secret.

The Northeast Ohio Areawide Coordinating Agency, known as NOACA, reluctantly released part of the bid after a court ruled they had to reveal it.

City releases ridiculously redacted version of Amazon bid

The city of Cleveland released a heavily redacted copy of a bid in which it unsuccessfully tried to woo Amazon to build its second headquarters in the city.

The report is so absurdly redacted that entire pages of text and photos are blacked out completely.

Court says Amazon HQ site is public, should be revealed to cleveland.com

Updated Apr 30, 2018; Posted Apr 28, 2018



The Ohio Court of Claims' special master recommended Friday that the court order the Northeast Ohio Areawide

NOACA finally released the records after a ruling by an Ohio Court of Claims special master following a suit by Cleveland.com reporter Mark Naymik and Melissa Burke of Baker-Hostetler after NOACA refused to provide reports, maps and other data that it gave to Team NEO. NOACA claimed the records were trade secrets and, therefore, exempt from Ohio's public records laws. The court's special master ruled that the location of the proposed Amazon headquarters site in Cleveland's failed bid for the project was not secret and should be released.

Nancy Griffith, NOACA's attorney, said that other sites were considered for the bid, but the so-called Cleveland leaders decided on Tower City and the Post Office Plaza. The K&D Group owns both Terminal Tower and the Post Office Plaza. K&D paid \$38.5 million in 2016 for the 52-story Terminal Tower from Forest City Realty Trust, Inc., *The Plain Dealer's* Michelle Jarboe has reported. At the time, K&D said it planned to convert 12 of the tower's lower floors into apartments beginning in 2018.

Proposing Terminal Tower for ANY large user of office space is moronic.

The tower's lower floors are irregularly shaped with little daylight and low ceiling heights. For a company like Amazon who is conscious of its employee demographic and the quality of its workplace, it is like giving someone looking to win the Kentucky Derby a horse on the ramp to the glue factory.

Amazon had just completed "The Sphere," a remarkable series of glass domes as the entry foyer to its office HQ in Seattle. And our 'leaders' pitched them Terminal Tower?!

Terminal Tower's upper floors are only 6800 square feet and while the views from the top are grand, even law firms needing more than two floors moved out long ago, and even Forest City - who owned the building! - moved out to the more efficient floorplates of Key Tower.

This is a glaring sign that the city's Amazon Team had NO ONE with ANY knowledge of site selection criteria - despite the document Amazon gave them! - and how to assess Cleveland's alternatives to accommodate the prospective employer. A better shot would have been to give them the site Dick Jacobs purchased for his Ameritrust Tower at the northwest corner of Public Square 30+ years ago:

- Prime site, great visibility
- Immediately adjacent to multi-modal transit hub
- Immediately adjacent to renovated Public Square
- Outstanding proximity to casino, sports facilities, East 4th St., Warehouse District, etc.

No wonder we were rejected!

Leadership

Cleveland, OH

In August 2017, The K&D Group paid \$15 million for Post Office Plaza, which was 55 percent vacant at the time, Jarboe reported. In a separate transaction at the time, K&D paid \$1 million for a triangular parking lot next to the Renaissance Cleveland Hotel, west of Public Square.

The Post Office Plaza has been the subject of controversy in the past related to public subsidies its former owner, Forest City Enterprises, received to renovate the building in the early 1990's. In 2001, Cleveland City Council voted to allow Forest City to pay back the loan early at a \$4 million discount. Cleveland had hoped to use the early payoff to help bail out LTV Steel Co. – but they couldn't and Cleveland lost 4000 LTV jobs. Forest City said the early payoff was roughly the equivalent of what the city ultimately would have made from the loan if they had invested the money.

The bullshit secrecy about the Amazon bid renders moot the attempt the community must make to assess its deficiencies. That this secrecy is imposed by public officials makes the refusal to communicate virtually criminal. In print and on TV, people asked "why" the Seattle-based online giant selected 20 cities from a pool of 238 applications for consideration as the site of its second corporate headquarters, and why Cleveland did not make the short list.

WKYC empaneled a trio of media reporters on "Donovan Live" to discuss the situation in January 2018. It was factually observed that the secrecy was not an isolated event, and, in fact, "exemplifies an enormous cultural problem in Cleveland that, if unchecked, will continue to undercut the region's success."

The Scene's position was that the response from local media needed to be a strong and unified demand for Cleveland Mayor Frank Jackson, Cuyahoga County Executive Armond Budish, the Greater Cleveland Partnership's Joe Roman, Team NEO's Bill Koehler, the Northeast Ohio Areawide Coordinating Agency's Grace Gallucci and the rest of the regional leaders who worked on the bid to release it immediately.

Mark Naymik badgered these agencies hard and often, and all three reporters agreed that all of the media outlets ought to follow his lead.

Sam Allard: "We mustn't accept these leaders' excuses and we mustn't print their quotes without a ruthless annotation of their quotes' senselessness, which senselessness should be noted as a hallmark of their recurring failures as elected and civic leaders working in the purported "public good.""



Top to Bottom:
1. Amazon HQ2 Competition Cartoon
2. Cleveland Amazon Bid Headline
3. Cleveland Amazon Bid Headline
4. Cleveland Amazon Bid Headline

As Cleveland hides Amazon bid, other cities share details, some unwillingly: Mark Naymik

Updated Jan 14, 2018; Posted Jan 12, 2018



To date, Cleveland leaders continue hold their cards close, having stated earlier that they believe it's a winning strategy.

Cleveland Redacts Incentive Details From Amazon Headquarters Bid



Local officials offer no answers as to why Cleveland's Amazon bid fell short

Morning Headlines: Details Emerge in Cleveland's Failed Amazon HQ Bid; ECOT Audit Released



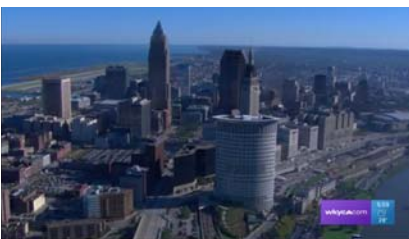
- Top to Bottom:
1. Cleveland Amazon Bid Headline
 2. Cleveland Amazon Bid Headline
 3. Cleveland Amazon Bid Headline
 4. Cleveland Amazon Bid Headline

Cleveland's Amazon HQ2 bid even more feeble than expected: editorial

Updated May 12, 2018; Posted May 11, 2018



Pedestrians and cyclists gather near the Amazon Spheres in Seattle earlier this week. Documents released to cleveland.com on Cleveland's failed bid for Amazon's second headquarters reveal that the bid committee offered Terminal Tower and a nearby office building as Amazon's HQ2 site. (Ted S. Warren, Associated Press)



Local officials offer no answers as to why Cleveland's Amazon bid fell short



Sam Allard
@ScoreAllard



In Cleveland, the Amazon bid secrecy is an outrage, but it's *par for the course,* and should be reported as such. The media must stand together to force a culture change.



"In the first place, their lone justification for keeping the bid's information confidential has disappeared. Recall that when Cleveland submitted its bid, reporters were told that its contents were "proprietary." There was no elaboration. When some of us asked what information, exactly, made the bid proprietary, or how, their response was to repeat the initial denial: "It's proprietary.""

"But this is not the case. The bid is not proprietary, at least not in any legal sense. The communications departments of these various agencies (particularly the city of Cleveland itself), use "proprietary" as a magic word. They whip it out to fend off reporters.

In subsequent interviews, Frank Jackson and the chamber of commerce's Joe Roman were quoted saying that the Amazon bid had to be kept under wraps "so that Cleveland could retain its competitive edge."

What competitive edge? We didn't even make the short list? These guys are drinking their own Kool-Aid, trying to conceal their collective ineptitude and failures.

"It's all about winning," Roman said. Jackson's quote was more or less identical. Irony notwithstanding, both seemed to think this was a satisfactory justification.

But we lost, Joe. You lost it for us with your idiot thinking.

And as a community, we need to learn from our losses. If we cannot or will not be open to examining our weaknesses, we will be unable – are our 'leaders' truly unable and unwilling? - to address them. This is a profound example of the lack of genuine leadership and competence in our community – the kind of vacuum Jon Pinney is talking about.

It's worth noting that this argument was one that many other cities around the country trotted out too, but it's one that, as Mark Naymik wrote, made no sense. Every bid had already been submitted to Amazon at the time, so it's not like other cities could steal Cleveland's ideas. But even if the argument had been sound, it is now gone. Cleveland is no longer in the competition, so **there is no competitive edge to lose.**

Naturally, our leaders have modified their position. Joe Roman told the *Plain Dealer's* Michelle Jarboe in her most recent write-up that the bid's information will remain a "trade secret" and will be stashed, ready for deployment, if and when another major corporation looks for a new home. Team NEO issued a press release to that effect as well, actually using the word "deployed."

"The content of the proposal will remain a protected business trade secret that will be deployed to benefit Cleveland in other nationally competitive economic development

discussions,” the statement read. When Team NEO talks about “discussions,” here, evidently they are referring to private ones.

This lack of transparency and lack of leadership is intolerable. Allard summarized the reasons why in his article:

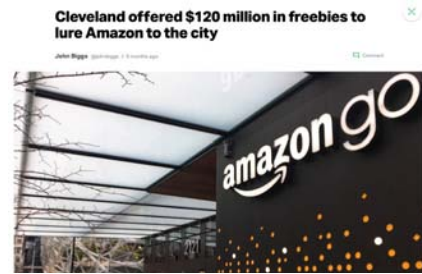
“1) Releasing the bid is the public leaders’ duty. This is information that presumably contemplates an enormous investment and/or sacrifice of public dollars. It is therefore public information. The various reports compiled for the bid, and the data therein, are public documents. There is no legal defense for keeping them secret. Amazon itself has said that the release of the information is entirely at the applicants’ discretion. In its most recent communication with the press on this subject, the Mayor’s Office said that they and their partners were meeting with their legal teams “to review what (if anything) is releasable” from the bid. That nonsense arrived in our inbox right about the time that the GCP and Team NEO were christening the bid’s contents a “protected business trade secret.”

“2) Releasing the bid would allow taxpayers to compare Cleveland’s package with those of the 20 finalists. If luring corporate giants to Cleveland is something that taxpayers are interested in, measuring ourselves against successful cities is an obvious strategy for self-improvement. When TV hosts like Jimmy Donovan (or family and friends) ask why Cleveland didn’t make the cut, interested citizens will have some idea how to answer. Was it a public transit issue? The intelligence quotient of the workforce? The hellacious security line at Hopkins?”

“3) By the same token, releasing the bid would allow taxpayers to understand the lengths to which leaders were willing to go to entice a corporate giant. Seeing things like long-term tax incentives spelled out might help citizens determine that luring corporate giants is not something they’re interested in. If the costs are so extreme as to render the benefits negligible or nonexistent, and if we have to debase ourselves by “racing to the bottom” by proposing financial incentives more extreme than other desperate American cities, taxpayers might reasonably want to opt out of the next sweepstakes.”

“4) Releasing the bid would fulfill elected leaders’ obligation to (and stated concern for) transparency. Beyond the legal compulsion to release public information when it is requested, this information happens to be particularly newsworthy. Some of it might even be fun! Putting aside the financial implications of the tax incentives, citizens are fiendishly curious about big things that happen in town, and they want accurate, up-to-date information about them.”

“They want to know, for example, which potential sites were offered to Amazon. Was Burke Lakefront Airport part of



- Top to Bottom:
1. Cleveland Amazon Bid Headline
2. Cleveland Amazon Bid Headline
3. Cleveland Amazon Bid Headline
4. Cleveland Amazon Bid Headline

Cleveland's Amazon HQ2 bid even more feeble than expected: editorial

Updated May 12, 2018; Posted May 11, 2018



After months of public records requests and a court case, Cleveland must release HQ2 bid details

Posted: 10:26 AM Apr 28, 2018 Updated: 10:26 AM Apr 28, 2018
By Amanda Kradtke



After weeks of silence about the Amazon bid, the Greater Cleveland Partnership released a vague video about some of Cleveland's strengths but it never went into any details about what they offered or pitched Amazon to land their second headquarters — HQ2.



Click to see how you can help make Cleveland - A Better Land

Cleveland's bid for Amazon HQ2: Public, private players discuss process, but details are scarce



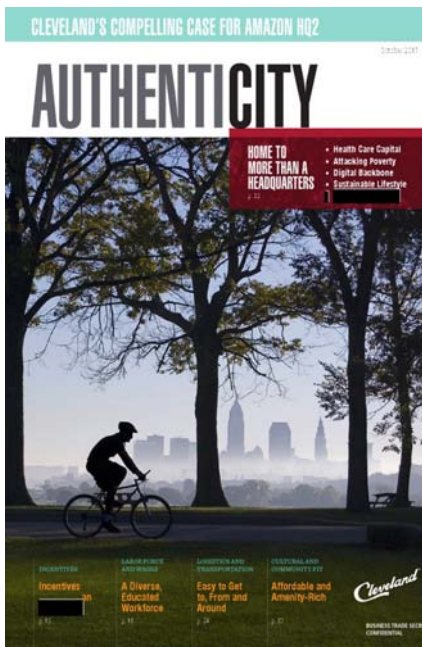
Amazon announced Monday that it received 238 proposals for its second headquarters project, a potential \$2 billion investment known as HQ2. That's a stunning number considering that only 50 to 60 metropolitan areas in North America appear to meet Amazon's requirements for the project. Amazon covered the map below but didn't provide more granular details. (Amazon.com)

By Michelle Jarboe, The Plain Dealer



Top to Bottom:

1. Jim Donovan + Mark Maymik discuss Amazon HQ Bid secrecy
2. Cleveland Amazon "Authenticity" Bid Cover
3. Cleveland Redacted Bid
4. Cleveland Amazon HQ2 Bid Cover page



the equation? What about the Warehouse District parking lots adjacent to Public Square? It goes without saying that this is also valuable information for reporters, who can then independently turn to experts to assess which sites might pose environmental risks, which sites might result in the displacement of businesses and residents, etc."

"5) This leads us to the ultimate point: Releasing the bid would allow the press to do its job, something that our region's leaders have shown zero interest in facilitating."

"This is suppression, and it's an epidemic-level cultural problem in Cleveland."

"The Amazon HQ2 secrecy circus is just one more powerful illustration in a series of recent illustrations that show how local leaders prefer to treat the independent press as the publicity arm of government — as propagandists." The Lie Machine.

"What else to call it when leaders release no substantive information about the bid and instead feed the press quotes on the order of: "[the bid] is exciting" and "the City of Cleveland and our partners submitted a collaborative and strong proposal." Printing those quotes does not constitute reporting. That's just propaganda." The Lie Machine is used to using the media in this manner.

In December 2018, Naymik discovered a few more details on the Amazon bid.

Among the secret locations Cleveland leaders considered offering to Amazon for its second headquarters were properties in the Warehouse District, a sliver of the lakefront and Scranton Peninsula (more Forest City land?), according to emails from the city of Cleveland.

Naymik uncovered emails from September 2017, that confirm that our civic leaders had indeed given the project the silly code name "Conway," and show that our 'leaders' were trying to limit participation in order to complete the proposal in a few weeks. Naymik's favorite email was from Deb Janik, a senior vice president at the Greater Cleveland Partnership, who spearheaded the proposal. "She warns other city and civic leaders that the usual "tools in the tool kit" won't be enough to attract Amazon and that the region and state will need to pony up big money."

Janik: "I believe that (given the commitment the state and [Jobs Ohio] have provided to the [Amazon] distribution centers) if we are successful in securing the HQ – our partners at State and JO will be at the table with significant incentives and unprecedented commitments – and they will expect the same from us," she writes. "Either way – and perhaps my opinion only - there's going to need to be a lot more commas in the incentive numbers."

Our leaders' refusal to publicly disclose details makes it impossible to say how really good – or really bad – their proposal

Essays on Architecture:

Leadership

Cleveland, OH

was. It remains unclear if ANYONE on the team working on the RFP response was experienced with real estate location analysis and corporate workplace site selection searches.

Amazon blew off our proposal early in the bidding process, leaving the region out of even the top 20 picks. Amazon decided to split its second headquarters by building in Queens, New York, and in Crystal City, a Washington D.C. suburb.

In referring to the same kind of secrecy – even to City Council – on the Public Square and Quicken Loans Arena renovations, Allard observed in his January 2018 article, “It is my sense that this attitude is by now inbred among local leaders. They tend to feel that they are the region’s masters, that it is their job — and theirs alone — to make the region’s big decisions, and to do so in private. (To be fair, many of them are well-intentioned, and may sincerely believe that they are working in the region’s best interest). But it is the press’s job to be on their side, to report the benevolent leaders’ decisions from the perspective of total euphoria, and to defend those decisions if anyone dares to question them.”

A LACK OF EFFICACY:

In the end, our inept leaders offered Amazon two old buildings - at what rate/ price? - that were a lousy fit for a large enterprise with 50,000 employees and large functional business units. And in exchange, we only offered them a 25% discount on bus passes. And reduced property and income tax incentives.

For 50,000 high-wage white collar jobs.

New York offered \$1.525 BILLION in incentives which earned them half the prize.

And the same inept leaders gave Dan Gilbert a \$162 million gift to expand our arena so he could sell more T-shirts and beer. At best, the QLA ‘transformation’ will create a few dozen low-paying seasonal jobs.

No wonder our ‘leaders’ try to hide our bid.

THE AMAZON HQ2 BID:

On March 10 2019, the *Plain Dealer* published the story on the City’s full disclosure of its bid for Amazon’s HQ2.

The incentives reportedly totalled a remarkable \$3.5

March 10, 2019

The city’s proposal

What did Amazon pass up when it rejected Cleveland?



Cleveland’s proposal offered Amazon an initial build-out of up to an estimated 4.7 million square feet of office space, including 877,000 square feet of existing space to accommodate Amazon’s immediate needs and an additional 3.85 million square feet of new, build-to-suit construction. More than \$3.5 billion in financial incentives from Cleveland, Cuyahoga County, JobsOhio and the state were bundled in the pitch.

MARK NAYMIK | mnaymik@cleveland.com

To entice the world’s largest online retailer to build its second headquarters here, the region’s leaders offered Amazon access to a patchwork of downtown and waterfront real estate that would have embedded the company throughout the core of the city and probably changed its look and feel.

The proposal, made public for the first time last week, also dangled unprecedented financial incentives worth up to \$3.5 billion that included the city of Cleveland and Cuyahoga County giving Amazon much of the new income and property taxes generated by the project.

Cleveland’s bid included the surface parking lot on the northwest quadrant of Public Square, where leaders envisioned a skyscraper marking Amazon’s downtown footprint, loosely woven together with Tower City Center, Post

The incentives

From Ohio and JobsOhio
■ Program funds of up to \$1.55 billion from the state of Ohio and JobsOhio

From city and county

- Direct incentives of up to \$803 million from the city of Cleveland
- Direct incentives of up to \$646 million from Cuyahoga County
- Direct incentives of up to \$326 million from other local government jurisdictions
- Additional \$200 million from Cuyahoga County for microgrid

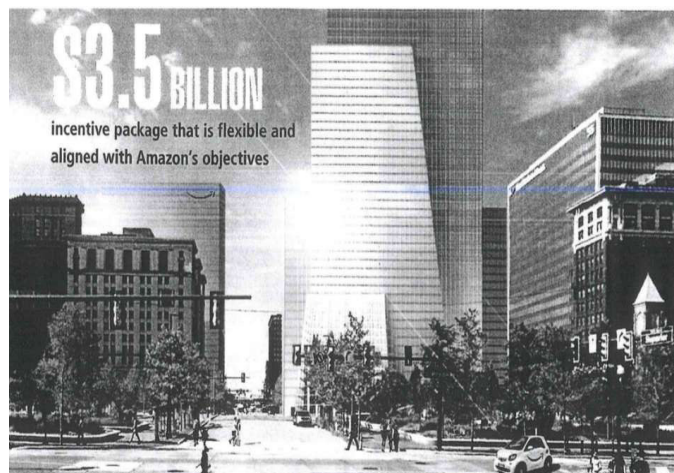
Insider: Take a closer look at the details of Cleveland’s proposal to Amazon for its headquarters. **A18**

Office Plaza and undeveloped land throughout the Warehouse District, along the Cuyahoga River on the Scranton Peninsula and lakefront property north of Browns Stadium.

Amazon, which set off a bidding war among cities across the nation when it announced plans in 2017 to build a second headquarters outside of its hometown of Seattle, was seeking the best options to build a campuslike headquarters largely in a single space.

Cleveland’s bid did not offer a large plot of land, such as Burke Lakefront Airport, that could potentially become home to a single campus for Amazon’s operations. But the city’s proposed real estate equaled about 100 acres of office space, more than requested by Amazon.

SEE AMAZON | A18





Above: Map of alternative Amazon2 HQ locations.

billion which reflected the city and county giving Amazon back much of the new income taxes and property taxes their project would have produced.

The State of Ohio would have contributed \$1.55 billion in program funds from the State and JobsOhio resources.

Cleveland would have provided a series of direct incentives of \$803 million.

Cuyahoga County was prepared to pony up \$646 in direct incentives and other local governments were to provide \$326 million in incentives.

The proposal offered Amazon an initial build-out of 4.7 million square feet, including 877,000 sf to accommodate Amazon's immediate needs and an additional 3.85 million square feet of new build-to-suit construction, most of which was to be immediately west of Public Square.

Cleveland State University offered 10 acres of its campus for Amazon University for tailored training and development. The proposal also offered sites along the Cuyahoga River on both east and west banks as well as on the north coast harbor north of the Stadium.

With such robust incentives and diverse sites, county executive Armond Budish when asked why Amazon passed on Cleveland replied, "What I've heard through the grapevine is that we lacked tech talent."

Essays on Architecture:

Leadership

Cleveland, OH

Compared to other cities like Pittsburgh, that is completely true.

As noted, the Allegheny Conference worked in earnest for decades to replace its 40,000 steelworker jobs that evaporated in the 1980's with 38,000 tech jobs centered around Carnegie Mellon University and the Artificial Intelligence Institute.

CMU had a huge jump on their plan to replace the steel jobs with tech jobs to save their regional economy because CMU had already earned national attention for their robotics initiative in the late 1970's, and had already earned hundreds of millions of dollars in grants from the US government and Department of Defense.

And it took Pittsburgh nearly three decades to develop its top tier base of tech workers, and while Pittsburgh made the Amazon short list, *New York Times* columnist James Stewart predicted that Pittsburgh would win out, though they did not originally make the cut.

On a scale of 1-10, if Pittsburgh's bid was an 8 - because, unlike Cleveland, they also had a centrally located 100-acre chunk of land in the former LTV Steel mill site that was available to Amazon, then Cleveland's bid was a 2 or 3.

Cleveland's original refusal to make public its proposal can now be understood to reflect the continuation of its give-away approach to visitors and developers bearing gifts, which could easily justify the ire of citizens, tired of paying for the rich to get richer as we ignore our urgent needs for urban redevelopment, a new justice center and infrastructure modernization.

On the other hand, we have to give them credit for throwing every arrow in the arsenal at Amazon and getting everyone with skin in the game to shell out incentives of scale and consequence.

Tragically, getting the 'No thanks' because of how far behind we are in workforce development and education on something so important is not likely to be serious enough to get our so-called 'leaders' to collaborate to effect remedy in a timely manner.

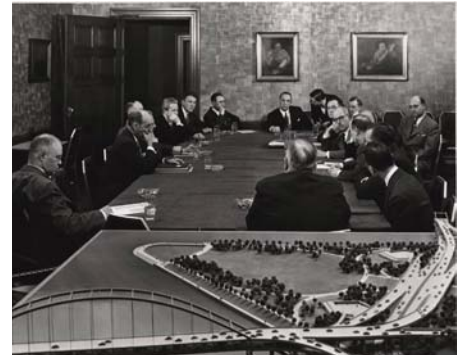
Besides, we are far too behind to catch Pittsburgh, Louisville and others in my lifetime, or that of my children.

nuCLEus

Stark Enterprises has proposed to develop the block between Prospect Ave. and the arena, recently renamed Rocket Mortgage Fieldhouse.

Their original proposal featured a series of disconnected building elements that were clumsily attached because they were designed by three different offices of NBBJ. The original proposal was ambitious but not well thought out.

Stark worked to have a law passed to give him a 10% discount on his project costs. A bill that would provide an upfront 10-percent rebate to "transformational mixed-use development" projects (TMUDs),



Top to Bottom:

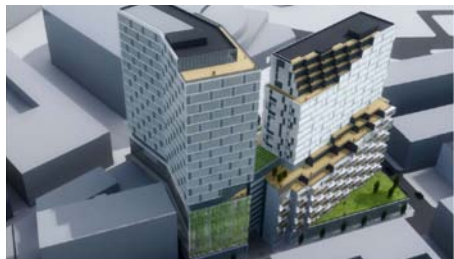
1. Allegheny Conference Community Development mtg., 1951
2. CMU Robotics Lab
3. NuCLEus original design, NBBJ Architects; Columbus
4. NuCLEus original design; NBBJ Architects; Columbus





Top to Bottom:

1. NuCLEus original design; NBBJ Architects' Columbus, OH
2. NuCLEus revised design
3. NuCLEus revised design
4. NuCLEus revised design headline



SCENE & HEARD

If nuCLEus is Ever Built, it Sure Won't be a 54-Story Skyscraper

Posted By Sam Allard on Wed, Sep 5, 2018 at 12:03 pm



Architect's rendering of the nuCLEus project.

The Plain Dealer's Michelle Jarboe published one of the **more important news updates of the year** yesterday. A unique Tax Increment Financing proposal for the theoretical nuCLEus skyscraper complex is no longer being considered by the Cleveland Metropolitan School District.

originally tailored to the proposed nuCLEus skyscraper in downtown Cleveland, will not pass in the Ohio General Assembly.

The legislation was revised from original language composed chiefly by nuCLEus developer Bob Stark's financial guy, Rob Sommers. The bill was designed to make financing possible for the ostensibly catalytic project after the Cleveland Metropolitan School District rejected a unique tax arrangement.

Stark's latest proposal scales back the development significantly but still begs for a substantial city subsidy.

The new version of the bill would open up many more projects to the incentive: any project with multiple uses (office and residential, for example) of more than 15 stories and 350,000 square feet that costs more than \$50 million would be eligible. It is meant to give developers upfront money for construction by letting them sell their rebate at a discount to insurers.

In the four Senate committee hearings, 13 parties testified in favor of the legislation. They naturally included nuCLEus developer Bob Stark, multiple Ohio chambers of commerce, (the Greater Cleveland Partnership and the Greater Akron Chamber among them), and representatives from financial institutions. They argued that the legislation would add another critical tool in cities' economic development toolbox.

"H.B. 469 puts organizations like ours in a better position to attract investors to meaningful projects that stand to revitalize our local communities," said John Rizzo, director of Government Affairs at the Greater Akron Chamber.

Two divergent parties spoke in opposition as well. Representing the Ohio chapter of the Koch Brothers' Americans for Prosperity advocacy group, Micah Derry said that his organization's mission was to identify and oppose policies in which the government picks winners and losers at taxpayers' expense.

"Unfortunately, HB 469 represents the worst of this kind of corporate welfare," he said. Later, he proposed a different form of corporate welfare: further cutting corporate taxes, the last thing Ohio needs.

"The costs of corporate welfare are directly carried by the taxpayers who finance these various incentive schemes," he said. "Ohio could actually reduce its state corporate income tax rate by nearly 11 percent if it eliminated all corporate incentives. Consider how that might attract the businesses you're trying to bring here."

Zach Shiller, research director for Policy Matters Ohio, presented clear and specific objections, including the fact that the total costs to be borne by taxpayers are uncertain because the number of eligible projects is unknown. Furthermore:

Leadership

Cleveland, OH

"[The bill] lacks needed guardrails and transparency," Schiller said. "Provisions directed at making sure it is not a revenue loser are short on specifics and have no clawback mechanism, making them weak tea... If the projects it would support are so crucial, the General Assembly should fund them through the capital budget."

Sam Allard's 4-30-19 article entitled "Cleveland's Proposed \$12 Million "Investment" in nuCLEus Looks Like a Plain Old Corporate Handout" reported that Cleveland City Council the previous evening got the ball rolling on what looked to be a "swift and frictionless process of giving \$12 million in public funds to Stark Enterprises for the Gateway nuCLEus project."

The city's contribution, alongside \$6 million from Cuyahoga County, \$6 million from the state of Ohio and more than \$200 million in a witches' brew of advanced financial instruments known as "Private Debt," will put the financing for the \$350 million mixed-use development project over the finish line - according to the legislation's sponsor, Ward 3 Councilman Kerry McCormack.

Allard points out that the "Capital Stack" from the legislation's attachments includes a \$360,000 contribution from two Vacant Property Initiative Loans and a towering "Private Debt" line-item that includes an estimated \$19 million from a non-school Tax Increment Financing (TIF) arrangement. This is tax revenue that the city will forego, because it allows Stark to pay what it would pay in taxes on the increased value of the property back into the project itself.

The city contribution to nuCLEus now being "weighed" — lol — which is also, of course, foregone tax revenue for the city, though it would never be described that way. In the legislation's supporting documents, and in comments by McCormack in a distributed press release, the \$12 million in proposed assistance was characterized as an investment - as a loan.

"The city's investment gets the project over the finish line," McCormack said, with the guaranteed protection that the City will be paid back 110 percent of the dollars put into the project, on top of the many other positive economic impacts NuCLEus will have."

Sounds like a no-brainer. 110 percent? Hell yes! Free money! Except the money being used to pay back the city's "loan" is just tax revenue.

It's not like Stark will be paying off this loan. It's not clear that this is even an official loan, as it's commonly understood, though the ordinance (561-2019) refers to the city's assistance as "forgivable loan agreements." What will be forgiven? When? Under what circumstances? There's no term lengths or payback structure described in the legislation beyond the above.

For now, it might be better to think of the money as a regular old



Above and Below: nuCLEus original project renderings





Top to Bottom:
1. Ezra Stark
2. Joe Marinucci
3. Crains 11-4-19 Abatement excerpt



"SOMETIMES, YOU SEE PEOPLE CLAIMING THESE THINGS, YOU KNOW, PAY FOR THEMSELVES. I DON'T THINK THAT'S USUALLY THE CASE."

— Timothy Bartik, a senior economist at the W.E. Upjohn Institute for Employment Research



"THERE IS NO QUESTION THAT INCENTIVES ARE A VERY SMALL PIECE OF THE ECONOMIC PACKAGE OF A DEAL."

— Mark Barbash, economic development consultant and former director of the former Ohio Department of Development



"WHAT MAKES IT INEFFECTUAL IS THAT EVERYBODY'S GOING TO DO IT — YOU JUST GET A RACE TO THE BOTTOM."

— Zach Schiller, research director of Policy Matters Ohio

handout, or as a grant, if you like, which the developer has promised will be worth it because nuCLEus will generate enough taxes, from parking spaces and from the (presumably impressive) incomes of all the new employees occupying the 400,000 square feet of Class-A office space to "pay

back" the city.

But remember: The first \$12 million in tax revenue will merely be getting the city back to zero. Once the 11% benchmark - \$13.2 million - is reached, the city may just keep collecting its taxes, after acknowledging that nuCLEus made good on its "guaranty," unless of course, as with the arena's admission tax, it is immediately repurposed for another private project without taxpayer consent.

Some of this stuff may get ironed out during council committee hearings, though it would be naive to expect anything of substance to change. The decision has already been made. The "legislative process" is just a formality. Ezra Stark told *Scene* that he is not expecting any opposition or delay as the legislation moves through city and county council, and there's no reason why he should. Stark originally said he intended to break ground in August 2019, but he is now silent about when - or if - he will proceed.

Downtown Cleveland Alliance President Joe Marinucci at a recent presentation to AIA Cleveland observed that until downtown Cleveland commands monthly apartment rent rates of \$3/sf, nuCLE is going nowhere. Rents currently average \$1.87/sf.

In an 11-4-19 *Crain's* article, Jay Miller and Kim Palmer quoted Timothy Bartik, senior economist the W.E. Upjohn Institute for Employment Research who observed that such incentives do not usually pay for themselves.

Bartik's book, *Making Sense of Incentives*, chronicles the positive and negative aspects. NuCLE us will create some jobs - but not many and it will generate few ancillary jobs. And what jobs it does generate will be low-wage jobs. The Amazon HQ2 location analysis demonstrated that incentives were not a factor in Amazon's decision-making.

Stark's original neCLEus design was bold. Disjointed, but bold. The height of the tower and its aggressive punched openings in its facade promised a shadowed interest rarely seen in high-rise construction.

The original design's different elements lacked continuity. It was reported in the grapevine that three different architects in three different NBBJ offices worked on the design. Collaboration and coordination was apparently elusive as the masses failed to present a dynamic complex with exciting experiences that offered a coherent vocabulary and means of articulation. Projects this big should receive refinement and coordination under any circumstances.

Essays on Architecture:

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As was the case for their initial design for the Flats East Bank Tower for Scott and Iris Wolstein, NBBJ's conceptual design proved too costly for its owner, and the design was scrapped and the project was scaled back in its size and architectural aspirations.

The Cleveland Foundation's Abdication and Betrayal of its Mission:

In June 2019, the Cleveland Foundation presented the design for a new headquarters for their organization in MidTown next to Dunham Tavern. The location was suspect itself, given that Dunham Tavern had gone through a fundraising effort two years prior to acquire the land to extend its educational initiative. Board members were divided at the prospect of bailing and angering those who contributed money to acquire the property and sued one another over the dispute.

And as if that controversy did not reveal questionable decision-making by CF executives, the June 2019 publication of CF's mediocre HQ design was accompanied with the news that CF had engaged a New York City architect for the project!

In a wordy press released weighted down by praise from those the foundation gives money to, CF crowed, "The Cleveland Foundation board of directors authorized moving its headquarters to Midtown, with the stated goal of creating a new civic space to "unite Cleveland into one contiguous city that benefits everyone," yet the project is being designed by a New York architecture firm.

When AIA Cleveland's President - itself an organization utterly lacking in leadership, advised me that he was too busy to make responding to this seismic event a priority, *Crains Cleveland Business* published an opinion piece from me in mid-July:

"On Friday, June 28, the Cleveland Foundation announced its planned relocation to Midtown to a building designed by a New York architect, providing one of the most glaring examples of attorney Jon Pinney's sobering attacks on the lack of leadership in Northeast Ohio. In hiring a New York architect for its Cleveland headquarters, the Cleveland Foundation abdicated its moral and fiduciary duty to our community.

At its May annual meeting, the Cleveland Foundation announced a plan to allocate \$150 million for "social impact investing" by the end of 2022. This was an exception to the Cleveland Foundation's typical pattern of spreading its annual contributions thinly around, keeping the status quo alive. As a local architect who has practiced here for 40 years, I anticipated a suitable example of stewardship from Cleveland Foundation when it came to their own facilities.

In the Cleveland Foundation's wordy press release with numerous sources praising the foundation for moving to Midtown, the selection process for its new headquarters was not defined. There is no good excuse for ignoring the dozens of Cleveland firms that could and should have been considered.

Unlike other notable projects where Cleveland architects have been ignored, allegedly because the project type was so unique that a Cleveland firm would

Cleveland Foundation's potential move to Dunham Tavern land in Midtown draws ire

Updated Mar 30, 2019; Posted Mar 10, 2019



Google

The Cleveland Foundation has been headquartered at the Hanna Building in Playhouse Square for 20 years. The Hanna Building is shown here via Google Street View.

Top to Bottom:

1. Crain's 3-10-19 article on Durham Tavern controversy
2. Crain's 5-30-19 article on Dunham tavern lawsuit over CF HQ
3. Plain Dealer 6-28-19 article on CF proceeding to MidTown

Dunham Tavern Museum, board members sued over proposed real-estate deal with Cleveland Foundation

Updated May 30, 2019; Posted May 30, 2019



Lisa DeJong/The Plain Dealer

Dunham Tavern Museum is pictured here in March. The museum bought up 2.28 acres of adjacent land in 2012 with the intention of turning it into community green space. The museum board recently approved selling the land to the Cleveland Foundation. (Lisa DeJong/The Plain Dealer)

Cleveland Foundation plans to relocate from Playhouse Square to Midtown, despite legal tussle over site

Updated Jul 02, 2019; Posted Jun 28, 2019



Cleveland Foundation announces plan to move to Midtown



Top to Bottom:

1. Cleveland Foundation HQ Design; S9 Architecture, New York City
2. Cleveland Foundation Pres./ CEO Ronn Richard
3. Cleveland Foundation Board Chair Sally Gries
4. Cleveland Foundation HQ Design; S9 Architecture, New York City
5. Cleveland Foundation HQ Design; S9 Architecture, New York City
6. Cleveland Foundation HQ Site Plan



not have sufficient experience, the Cleveland Foundation's new headquarters is an office building, the most simple of project types.

Previously, despite the presence of distinguished Cleveland architects with applicable expertise, local firms were not considered for projects for the Museum of Contemporary Art Cleveland, the Global Center for Health Innovation, Hilton Cleveland Downtown, the Public Square "snack shack," the Lumen at Playhouse Square apartment tower, Beachwood's new fire station or even the Cleveland Museum of Art's maintenance building and scores of others, all of which were awarded to out-of-town firms.

The Cleveland Foundation has criticized the local chapter of the American Institute of Architects for not having engaged with its community or having a more diverse membership. The criticism for not being more engaged with the community is regrettably fair for the chapter's leadership and engagement has been uneven for the past two decades. But the profession has and is making great strides in diversity. At a recent lecture at Kent State University, I counted 48 women and 49 men in the audience, and the chapter naturally mirrors the demographics of its professionals.

A weak local AIA chapter is no justification for the Cleveland Foundation to overlook the talents of its community's outstanding architects. Despite comprising only 21% of Ohio's total members of the American Institute of Architects, Cleveland firms have received 52% of all Ohio AIA Design Awards in the last 10 years. This indicates an above-average level of talent locally, despite the lack of support and weak design culture within the community, which the Cleveland Foundation's action reflects.

Not only does the selection of a New York firm reveal the lack of an informed design culture within the Cleveland Foundation's board and leadership, what is also painfully disturbing is that the conceptual design proposed by the Cleveland Foundation's New York architect is weak in every sense. It reflects no innovation of any kind and is just a building — not architecture — as it fails to reflect the history or potential of our community. It symbolizes nothing about our community, values and/or history, and is thus a failure. Dozens of local firms could have given form to the Cleveland Foundation's vision, context and program in more meaningful ways.

But then the Cleveland Foundation compares poorly to its counterparts in Pittsburgh and Columbus in its impact on its community. Pittsburgh's Allegheny Conference and the Pittsburgh Foundation have a 70-year history of innovative leadership and economic development that has streamlined government and focused attention on a 32-county, four-state regional economy. The collaboration successfully transformed the loss of 40,000 steel jobs in the 1980s by focusing on artificial intelligence, and its public-private partnership with Carnegie Mellon University has made Pittsburgh the top robotics and artificial intelligence location in the nation. Columbus is expected to grow by 500,000 people

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by 2050, while Cleveland's population is estimated to continue its decline. The focus and collaboration of the foundations in these cities is not mysterious, but the Cleveland Foundation has failed to learn from it and import it to achieve impactful success here.

With the Cleveland Foundation's New York architect selection for its new headquarters — and the resulting mediocre design — attorney Pinney's indictment of the lack of leadership in the region has yet another compelling and regrettable failure to signify that the time for new, informed leadership willing to invest in the skills and abilities of those capable professionals earnestly laboring in our region is more overdue than ever."

It should be noted that AIACleveland attempted to meet with CF when they announced their intention to build an HQ building to offer them a list of local architects for their consideration. CF postponed a meeting repeatedly and then failed to respond at all because they were secretly ignoring Cleveland architects.

An acquaintance from another non-profit observed to me that she found it very disappointing that CF handled its selection process in secret which she viewed as inappropriate for a community foundation supposedly aimed at the well-being of all Clevelanders.

Cleveland Foundation Also Fails in its Distribution:

Less than one month later, retired Shaker Heights teacher Paul Springstubb pointed out in *Craigslist* that CF was 18th out of 19 foundations in the US with assets in excess of one billion dollars in their distribution with a headline "The Cleveland Foundation could do much more to help Cleveland flourish."

Springstubb recalled the WVIZ *Cleveland Connects* community conversation in October 2018 which traced how Pittsburgh and Louisville reinvented themselves by what might seem an obvious strategy: identify and nurture unique assets. And he observed that Cleveland's critical juncture might well tip one way or the other due to the giving of the Cleveland Foundation.

Springstubb credited CF for finally addressing what Pittsburgh and Louisville addressed over a decade ago in supporting a funding campaign to support *Say Yes to Education* in Cleveland, a free college tuition and student support program for Cleveland public high school graduates.

But Springstubb correctly observed that "for years, the Cleveland Foundation's distribution or payout rate has lagged behind the payout rate of its peers. Though the foundation distributed \$101 million in grants in 2017 alone, astonishingly, if the Cleveland Foundation began acting like most community foundations with comparable assets, this city might benefit from tens of millions of additional dollars in grants, annually. Whether the foundation will substantially step up its grant-making with the *Say Yes* program remains to be seen.



Top to Bottom:

1. Paul Springstubb
2. Plain Dealer Springstubb Criticism of Cleveland Foundation, 8-11-19
3. Scene CF Response to Criticism; 8-16-19

The Cleveland Foundation could do much more to help Cleveland flourish: Paul Springstubb (Opinion)

Posted Aug 11, 2019



A conceptual rendering of the Cleveland Foundation's proposed new headquarters, at night, at East 66th Street and Euclid Avenue. (Conceptual rendering by S9 Architecture)



By Guest Columnist, cleveland.com

CLEVELAND HEIGHTS, Ohio -- Over the past year, reports, speeches, and public forums have sounded a common theme: Cleveland is at a perilous crossroads. How to proceed? A [Cleveland Connects community conversation](#) last October traced how Pittsburgh and Louisville reinvented themselves by what might seem an obvious strategy: identify and nurture unique assets. In fact, whether Cleveland

SCENE & HEARD

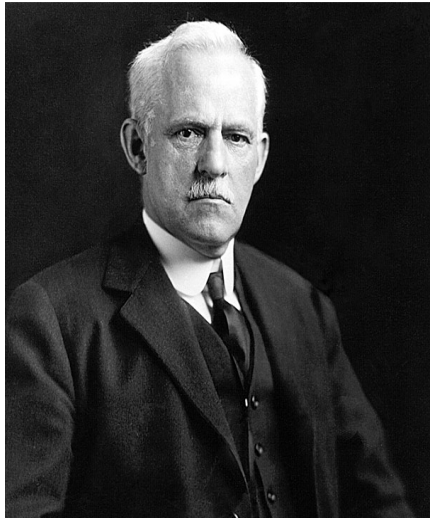
Cleveland Foundation Responds to Criticism about Annual Payout Rate

Posted By Sam Allard on Fri, Aug 16, 2019 at 12:28 pm



Rendering of the Cleveland Foundation's proposed new headquarters in Midtown.

In a guest column [published in cleveland.com](#) this week, retired Shaker Heights school teacher Paul Springstubb argued that the Cleveland Foundation could be doing considerably more to help the region thrive.



Top to Bottom:

1. Frederick C. Goff
2. "Sound Fiscal Management" vs. "Deeply Conservative"
3. Get Out Of Jail Free Card
4. Fund For Our Economic Future Logo



Springstubb quoted the Foundation Center, “the world’s leading source of information on philanthropy,” and their comparison of community foundation giving practices:

“With \$2.3 billion, Cleveland’s assets put it among the richest in the country, but compare its distribution rate with its peers. In 2018, of the 250 community foundations surveyed by CF Insights, only 19 had \$1 billion or more in assets. Only one of those foundations had a distribution rate *lower* than Cleveland; sixteen of the 19 had a higher distribution rate.”

The average payout rate of the other 18 foundations with \$1 billion-plus in assets was 9.9 percent; the median was 11 percent. Cleveland’s distribution rate last year was only 4%.

Springstubb checked local and regional foundations, all of which put CF to shame: “... in 2018, Ohio community foundations in Greater Cincinnati, Dayton, Springfield, Toledo, Akron, and Richland County all had a distribution rate higher than Cleveland’s. The Columbus Foundation with \$2.2 billion -- nearly the same assets as Cleveland -- had a distribution rate of 11 percent.”

Springstubb flagged a few glaring needs that CF fails to address in any compelling way: “Though the number of children living in poverty here is the lowest in 10 years, in September 2018, The Center for Community Solutions reported that, based on new U.S. Census data, Cleveland’s child poverty rate, at 48.7 percent, “is the worst of any large U.S. city.” The same with the vulnerability of Cleveland’s children to lead poisoning.

In 1914, Fred Goff stated a simple mission for the institution he founded: to fund “such charitable purposes as will best make for the mental, moral, and physical improvement of the inhabitants of Cleveland.” When nearly half of Cleveland’s children -- its future -- are growing up poor, would Goff not be troubled by the Cleveland Foundation’s deeply conservative distribution rate? This raises the question: Has our community foundation been focused on growing assets at the expense of mission?

Springstubb, whose family has lived in Shaker Heights for over 150 years, observed that a community foundation “might move beyond the annual pay-out provision of 5 percent in its grantmaking to 10 or even 15 percent and scarcely notice the difference.”

Springstubb stated, “It’s past time Clevelanders ask why our community foundation’s payout rate lags behind its peers. With a simple act of will, the CEO and board of directors could maintain all their current funding goals, but by raising the distribution rate make available tens of millions of additional dollars to revitalizing neighborhoods and to programming that enhances the lives of children. The Cleveland Foundation, an institution that has supported so much good work, has the capacity for a much larger role. Cleveland’s future may depend upon it.”

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CF's response to Springstubb was spectacularly inept. Five days after Springstubb's article appeared, CF agreed with a validated Springstubb's indictment that CF has for over 20 years given out "roughly 5% of its \$2.3 billion" assets.

Then CF tried to explain away its substandard distribution by claiming that donor-advised funds were some form of Get-Out-of-Jail-Free Card, but then admitted that CF has "a relatively small percentage of its assets in these donor-advised funds." In fact, CF has only 11% of its assets in donor-advised funds while "at some of the others, donor-advised funds make up 30 or even 40 percent of total assets." CF argued that these unnamed foundations "might be spending more rapidly or at a higher rate" because of the donor influence.

It was a curious and unsubstantiated excuse from the player in second last place in the industry's tabulation of foundation performance. The CF's statement concluded with the admission that their relative stinginess has been consistent at 5% "for more than two decades." CF characterized its distribution culture as "sound fiscal management."

Springstubb's more accurate assessment of CF's distribution is "deeply conservative."

When CF's spokesman admitted that CF has only 11% of its assets in donor-advised funds, instead of creating an excuse for its paltry distribution as intended, he confirmed that CF has more freedom and latitude in its giving than the other foundations in the survey. The spokesman claimed that CF's payout rate was comparable to the one other foundation surveyed that has a high percentage of trust assets. That single alleged other foundation was not identified, nor was its percentage of donor-advised assets – and how their giving compared to that of the CF.

The Scene reporter Allard reported in the 8-21-19 issue that CF's spokesman also admitted that CF's distribution rate at five percent has remained constant for 20 years, recalling the late Peter Lewis' July 2002 moratorium on philanthropy with his *Cleveland magazine* indictment of area boards for their conservative and unimaginative conduct which he attributed to an over-population of conservative lawyers on those boards. Of CF's 15 board members, three are attorneys and five are from the banking, finance and investment industry. The CF website identifies 80 employees of the foundation.

The contours of CF's response to Springstubb's fact-based editorial is that, absent facts, CF expects to be forgiven for its dismal performance because it has more freedom than those foundations whose distributions are more than double that of the CF.

In this context, tolerance involves diverting one's eyes from the central fact that CF has by objective comparison been under-



Top to Bottom:
1. David Goldberg & Ronn Richard
2. David Abbott
3. Brad Whitehead



POLITICS

By yanking support for Fund for Our Economic Future, Cleveland Foundation earns its criticism: Brent Larkin

Updated Jan 12, 2019; Posted Jan 31, 2010

Comment   0 shares

By [Brent Larkin, cleveland.com](#)

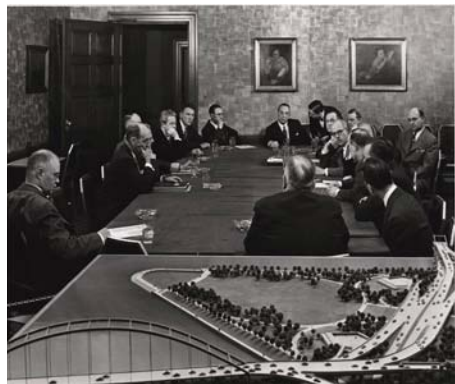
When his family moved to Cleveland from Illinois in 1864, young Frederick Goff traveled in a railroad boxcar to keep watch over the family's prized possession -- its horse.

Fifty years later, as president of the Cleveland Trust Co., Goff had a great many possessions. And he had a dream to use them, and those of his wealthy friends, in a way that would benefit this community in perpetuity.

So was born, in 1914, the [Cleveland Foundation](#), at the time the world's first community foundation and today the nation's third-largest -- with assets of \$1.8 billion and annual gifts exceeding \$80 million.

Top to Bottom:

1. *Plain Dealer's* Larkin criticism of CF; 1-21-10
2. Carnegie Mellon University National Robotics Center
3. CMU Robotics program
4. Allegheny Conference Community Development Committee meeting, 1951



performing for 20 years, and, it appears, intends to continue to do so. This and the leadership vacuum that creates and enables it is intolerable.

CF needs to conduct an honest and deep self-assessment and accept the fact that it needs to completely re-scale its impact as an organization. Like the Silicone Valley Big Tech backlash after the 2016 election where *New York's* headline declared "Donald Trump Won Because of Facebook," CF's statements reflect a complacency that CF is making the world a better place.

And while that is true, the rate and degree of its efforts are sorely lacking, and CF is in denial about it, much the same way Facebook and Google were slow to take decisive action when it became clear that Facebook posts were fueling the Rohingya genocide in Myanmar.

CF's board and staff need to escape their smugness and expand their emotional repertoire to understand that they must play a larger and more significant role for the community. They need to spend more time out of their board room where everyone tells them what they want to hear, and spend more time out in public getting yelled at.

People here are waking up. Some have never dozed off. Jon Pinney woke up hundreds, perhaps thousands. The community needs conversations that acknowledge where things have gone wrong -- and not gone right enough - and where people in leadership positions have not performed adequately. Those conversations need to examine how other Rust Belt cities are dealing effectively with the issues relevant here.

The WVIZ program in 2018 that focused on Pittsburgh and Louisville was compelling and relevant. And those here whose behavior and performance that has been sub-standard have got to go.

Pittsburgh has a 70+-year history of collaboration that Cleveland lacks.

Supported by a strong regional energy-production industry, rebounding manufacturing sectors, notable research-and-development capabilities, and a deep and stable corporate base, Pittsburgh has outstripped both national and Pennsylvania job-creation rates over the past years. With an unemployment rate below the national average, a growing base of human capital, and continued signs of economic growth, the region has become a leading metro area for job creation.

A great deal of Pittsburgh's success can be attributed to the region's collaborative approach to economic growth and job-creation efforts. Key public and private-sector stakeholders, including the Greater Pittsburgh Chamber of Commerce, the Pittsburgh Regional Alliance, and the Pennsylvania Economy League of Greater Pittsburgh work together through the Allegheny Conference on Community Development to develop and implement a unified

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regional agenda for job creation.

The Conference uses this unique structure to tap the leadership, vision, and commitment of CEOs and corporate executives **throughout the region** to drive regional advocacy, business investment marketing, project management, and public policy research and development activities in affiliation with its partners. This commitment to private-sector leadership is emphasized through the Conference's Regional Investors Council, comprising over 300 top regional employers contributing leadership and financial support to the organization.

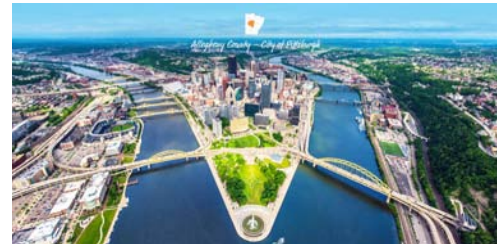
The Allegheny Conference was launched in the 1940's to improve air quality in the then "Smoky City" and to better unify regional development efforts. The Allegheny Conference continues to build sustainable prosperity by making Pittsburgh a location of choice for workers and business investment, strengthening communities, and energizing tomorrow's economy.

With 70 years of tangible public-private partnership results, today's Conference partnerships reach across state lines to build economic collaborations throughout the tri-state area (PA, OH, and WV). Major efforts include:

- The Tech Belt, an initiative to encourage investment across a region from northeastern Ohio to northern West Virginia.
- Joining with chambers of commerce from 11 other states and two Canadian provinces to support a federal agenda that recognizes the economic power and potential of the Great Lakes region.
- Partnering with leaders and citizens from a four- state, 32-county region surrounding Pittsburgh to envision a common future through the "Power of 32" initiative.
- Supporting Growth from Within by providing support to existing, stable local businesses is a key focus of Pittsburgh's efforts to promote economic growth. The Greater Pittsburgh Chamber of Commerce founded CompetePA, a statewide coalition of business organizations and employers, supporting business climate improvements.

The Pittsburgh Regional Alliance, which has been recognized as one of the top regional economic development organizations in the US, targets regional economic sectors for growth through market research, supply chain strategies, project management and national and global marketing.

The Pittsburgh Regional Alliance's 'Pittsburgh Impact' initiative offers businesses that have a track record of job creation and job retention expansion support services, helping small businesses in the region identify new markets, grow, and create more jobs. In 2011, businesses and developers in the Pittsburgh region announced 286 projects in the pipeline representing nearly \$1.5 billion in capital investment and a total impact of 17,000 jobs



Top to Bottom:

1. Allegheny Conference Web home page
2. Allegheny Conference addresses accountability
3. Pittsburgh Regional Alliance: "We Mean Business"
4. Pittsburgh Innovation Districts marketing



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Comment   0 shares

By Brent Larkin, cleveland.com

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1. *Plain Dealer* Larkin article, 1-12-19
2. *The Scene* Mark Allard City Club article, 8-28-18

SCENE & HEARD

Cleveland's Leaders are 'Old and Not Smart' and Other Weaknesses of our Civic Culture

Posted By Sam Allard on Mon, Aug 27, 2018 at 9:02 am

 Listen now
02:43



L-R: Michelle Jarboe, Bethia Burke, Don Graves, Blaine Griffin, Brian Hall, (8/24/18). Sam Allard / Scene

During a deep-dive discussion at the City Club Friday about The Two Tomorrows report, an in-depth regional economic development assessment and road map published earlier this year by the Fund for Our Economic Future, attendees were asked to name the strengths and weakness of Cleveland's civic culture.

The discussion occurred prior to a City Club Forum tackling regional economic development issues, which was billed, at least initially, as a follow-up to lawyer Jon Pinney's "Dead Last" City Club talk in June.

Guests at the morning session forcefully declared that they are impatient with Cleveland's leaders, whom they regard as aging and territorial and resistant to change.

(new and retained).

Public sector leaders from throughout the 10-county region have also taken an active role in promoting business growth and encouraging private-sector job creation. Through the Tri-County Airport Partnership, the counties immediately surrounding Pittsburgh International Airport worked together with the Conference and other stakeholders to prepare 2,000 shovel-ready acres for private investment. The Regional Air Service Partnership, another public-private effort, focuses on strengthening and expanding air service to critical markets, including the establishment of a direct international flight to Paris.

Both the City of Pittsburgh and Allegheny County have redevelopment authorities which offer a range of business-support programs, including initiatives focused on site development, entrepreneurship, small-business development, and financing and work in partnership with a strong network of community development organizations.

Most strikingly, since the steel industry's heyday in the middle of the last century, the Pittsburgh region has evolved to develop a more robust and diversified industrial base. A look at the region's most concentrated industries in 2011 reveals strength in many manufacturing sectors, as well as in energy, business management and corporate headquarters, health care, education, and finance.

Unlike Cleveland, Pittsburgh has developed an Innovation Economy.

Long a national hub for manufacturing, Pittsburgh has made development of advanced manufacturing and retention and expansion of existing industries a key focus. The region is now home to nearly 3000 advanced manufacturing firms, which, along with the existing strong research and development base at the region's leading universities and over 100 private sector R&D operations, provide a solid foundation for development, commercialization, and production of innovative new products.

In addition to providing skilled graduates and R&D output to regional industry, Pittsburgh's universities have also taken an active role in partnering with regional manufacturers to support job creation. The University of Pittsburgh's Manufacturing Assistance Program (MAC) offers technical assistance and job training support to regional companies, helping them increase productivity and efficiency. Carnegie Mellon University's world-class Robotics Institute also works with manufacturers, partnering on industry-sponsored research projects and providing companies with access to top-rate research resources and students with pathways to careers in the region.

In addition, the University of Pittsburgh, Carnegie Mellon University, and the University of Pittsburgh Medical Center have collaborated to foster creation of a nonprofit support and investment network to commercialize spin-off technologies and bring innovation to market.

The recent boom in shale gas exploration and production in Pennsylvania has been a major engine for economic growth in the Pittsburgh region over the past several years. As more gas capacity

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has come online, driven by new drilling technologies and increased world energy demand, job growth in energy-related industries has jumped by leaps and bounds.

The Conference actively works to ensure that the Pittsburgh region reaps the economic benefits of the Marcellus Shale gas through an active energy supply chain initiative that reaches beyond drilling to downstream uses of natural gas as an alternative fuel and manufacturing feedstock, new targeted workforce deployment efforts and increased focus on public-private sector collaboration.

The Regional Alliance's energy supply chain initiative communicates with businesses already in the region about new energy-related opportunities and identifies supply chain gaps to be filled through business expansion and relocation. Early successes to date include new investments by Hunting Energy, BOS Solutions, and Valerus.

The Allegheny Conference is a founding partner with Innovation Works, the region's lead organization for supporting and funding start-ups and spin-offs, in creating the Energy Alliance of Greater Pittsburgh. The alliance is a public-private partnership with more than 100 members working to increase the scale of the region's energy industry, create and retain jobs and investment and advance our leadership in environmental sustainability.

Regional collaborative efforts to encourage major energy developments have paid dividends. Shell Oil recently chose the Pittsburgh region as the preferred site for a multi-billion dollar ethane cracking facility which will produce a range of chemicals from the region's natural gas reserves. In addition to creating hundreds of jobs building and operating the plant, the facility should unlock opportunities for associated petrochemical industry development and job creation in the region.

A tangible example of the value and benefits of the collaborative style of the AC can be seen in their 1985 initiative. Our former parent company's (Oliver Realty) chairman, Ernie Buckman, came into our monthly management meeting one morning and announced that the AC on which he sat had concluded that the US government's aversion to protective price supports for the steel industry and foreign competition from countries whose governments were providing manufacturers with price support meant that greater Pittsburgh would lose all of its 40,000 steel manufacturing jobs that pay an average of \$40k/ year in the next 10 years.

And Ernie reported that the AC had decided that it would act aggressively to replace those 40,000 steel jobs with 40,000 jobs in the artificial intelligence arena because Carnegie Mellon was already recognized as the nation's leader in robotics and AI thanks to a series of large research grants from the Defense Department.

AC had created a series of three- and four-person SWAT teams and Ernie announced that he was headed to Boston the following day to pitch the tech giants to lease space in the Station Square

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L-R: Michelle Jarboe, Bethia Burke, Don Graves, Blaine Griffin, Brian Hall, (8/24/18). Photo: Allard / Scene

During a deep-dive discussion at the City Club Friday about The Two Tomorrows report, an in-depth regional economic development assessment and road map published earlier this year by the Fund for Our Economic Future, attendees were asked to name the strengths and weakness of Cleveland's civic culture.

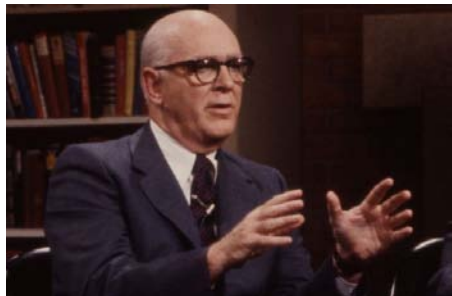
The discussion occurred prior to a City Club Forum tackling regional economic development issues, which was billed, at least initially, as a follow-up to lawyer Jon Pinney's "Dead Last" City Club talk in June.

Guests at the morning session forcefully declared that they are impatient with Cleveland's leaders, whom they regard as aging and territorial and resistant to change.



Top to Bottom:

1. Richard S. Caliguiri
2. David Roderick, US Steel President
3. Richard Cyert, Carnegie Mellon University
4. Dan Moulthrop



development on the far side of the river.

Buckman's team included Pittsburgh Mayor Richard Caliguiri, Richard Cyert, president of Carnegie Mellon, and David Roderick, president of US Steel. Caliguiri and Roderick were to explain that Pittsburgh was acting purposely to become the nation's capitol for AI and that everyone wanted and needed all of the tech giants to be a part of it and, in fact, their success depended upon their participation.

Buckman's job was to lay out the real estate opportunity. The AC had identified large masonry warehouses constructed just south of the CBD for barge traffic storage which were being repurposed for loft-type office space. And Buckman brought with him leases for 25,000 sf with \$25/sf/yr. rent rates filled in – at a time when the Pittsburgh market in the CBD was \$18/sf.

Cyert's job was to humbly highlight CMU's significant achievements in robotics and AI which were well known throughout the tech industry already, at which point Roderick would break in and state that if anyone had any concerns about finding qualified personnel, he was to say, "Just tell us what kind of curriculum or workforce development initiative it's gong to take to help you commit, because the guy sitting right here is the man who is going to make that happen!"

And they came back with signed leases! It took Pittsburgh longer than 10 years to replace those 40,000 steel jobs with 38,000 AI jobs, but they did it by cooperating and collaborating and selling the region's well-being. And this response did not solve the pain suffered by the steel workers who lost their jobs and had their lives turned upside-down.

A tad over two hours from Cleveland and the lessons from the Allegheny Conference have never been imported to NEOH. It is yet another glaring example of the lack of leadership and the weak design culture in our community.

CLEVELAND RISING - NOT:

After Jon Pinney's City Club indictment of Cleveland's failed leadership in 2018, inertia developed around the idea of trying to formalize a new agenda to identify new leaders to act on it for the region. The moment it got institutionalized with the very organizations that are the biggest part of the problem, I knew that it was doomed to fail.

The Scene's Sam Allard saw the same likelihood. His 11-13-19 article, "Why Cleveland Rising Was Doomed to Fail" is included in its entirety because it is spot on:

"The night before the Cleveland Rising summit began, City Club of Cleveland CEO Dan Moulthrop texted me an image of a quotation scribbled in black gel ink. "I think there's nothing but good intentions here," it read.

The quote was attributed to me (Allard).

I recalled instantly when I'd said it, at the conclusion of a group interview back in August with four of the summit's 13 co-chairs: Moulthrop himself, KeyBank's Don Graves, KeyBank's Justin Bibb, and Kristen Morris, lately of the Cleveland Clinic. After some routine Q&A-ing, I'd expressed to them my misgivings about the summit and its messaging to that point, in particular the exasperating rhetoric about Cleveland being the first city in the country to make equity a priority. They said they appreciated the feedback and affirmed their good intentions, which I hastened to acknowledge.

I interpreted Moulthrop's message, then, as a friendly reminder, a plea or threat to remember these sentiments — which he had memorialized — as I participated in, and eventually wrote about, Cleveland Rising.

I did not respond, though I might have, with a plea or threat of my own: For Moulthrop to remember that with which the road to hell is paved.

Lest there be any confusion, Cleveland Rising was a corporate relations seminar reconfigured as a regional planning summit at eye-popping expense. The fee for the facilitators from Case Western Reserve University alone was roughly \$300,000, half of the total money raised. It was staged over two-and-a-half days at Cleveland's Public Auditorium downtown and included, among other things, skits, arts and crafts projects, induced dream states and untold urns of perfectly adequate coffee.

According to the literature, Cleveland Rising's animating question was how to "accelerate economic growth, equity and opportunity." According to the organizers, its twofold mission was to establish a shared vision for the region's future and to create trust.

"Your voice matters and your participation matters," Morris and Graves wrote in an Aug. 4 Cleveland.com guest column announcing the summit. "Because more than plans or roadmaps, this summit is about creating trust."

Trust was not, incidentally, included among the summit's core values, which had been whittled down at a controversial invite-only pre-summit planning summit back in December. Those were Accountability, Transparency, Courage, Love and Equity. Echoing Paul's first letter to the Corinthians, Dan Moulthrop welcomed nearly 600 participants on the summit's opening morning and proclaimed that the greatest of these was love.

Day 1 was largely spent "Discovering" and "Dreaming," processes which involved identifying our favorite things about Cleveland and envisioning (and then acting out) a future we'd be proud of. Day 2 was all about "Designing" that future. In self-selected small groups, we created prototypes for solutions in specific policy areas. On Day 3, we created "Deployment" strategies to set in motion all the bold new initiatives we'd cooked up.

Why Cleveland Rising Was Doomed to Fail

By Sam Allard

We're loading your content, stay tuned!



The night before the Cleveland Rising summit began, City Club of Cleveland CEO Dan Moulthrop texted me an image of a quotation scribbled in black gel ink. "I think there's nothing but good intentions here," it read.

The quote was attributed to me.

I recalled instantly when I'd said it, at the conclusion of a group interview back in August with four of the summit's 13 co-chairs: Moulthrop himself, KeyBank's Don Graves, KeyBank's

Top to Bottom:

1. The Scene headline, Doomed to Fail, 11-13-19
2. Sam Allard
3. Don Graves
4. Justin Bibb





Top to Bottom:
1. Kristen Morris
2. Cindy Stull
3. Cleveland Rising Summit
4. David Cooperrider



While the total attendance was a far cry from the 1,000 that organizers had been shooting for, Public Auditorium was nevertheless resplendent with a lordly array of civic leaders, active and retired nonprofit folks, and at least enough racial diversity for the photo ops. The number of attendees precipitously dropped throughout the first day, for reasons I'll touch on, but from my observations the folks who stayed were by and large actively engaged in the process and committed to the idea of making Cleveland a better place, if sometimes skeptical of the summit itself.

I found the small-group work valuable in ways not expressly designed by the facilitators. Simply put: It was nice to hang out with strangers from various backgrounds and learn about them. The most illuminating conversations occurred outside the structured discussion modules. On Day 1, for example, I learned from Shaker residents about the ongoing travails of the school district, and shared reactions to a recent Washington Post article on the subject. On Day 2, I enjoyed gossip from Lakewood residents about political divisions there. I regaled curious tablemates with stories from the trenches of the Q Deal and got the inside scoop on issues of which I'd been totally unaware at the Cuyahoga County Board of Disabilities, the Cleveland Foundation, Case Western Reserve, MetroHealth and other strife-torn local institutions.

In short, I got to know people, and got to learn about the issues that were most important to them. Pleasant, in-depth conversations of this sort tend to sprout organically when you're seated around a table for eight straight hours. But engaging in conversations can be a vital, even radical, act in a society as atomized as ours. Facilitating them was the summit's greatest triumph.

But that was not, alas, the summit's goal. In fact, in an early speech by Dealer Tire's Cindy Stull, attendees were told that the summit must be more than great conversation if it were to succeed.

"If this is only great conversation," she said, "can we really propel collective action?"

Notwithstanding the revelation that collective action, in Dealer Tire's case, referred to the creation of additional summits using the Appreciative Inquiry model, comments like Stull's scanned to me like preemptive refutations of local critiques. Many of the organizers have either publicly or privately recognized the deficiencies of both the region's current leaders and recent economic development strategies.

They have been anxious for Cleveland Rising to be portrayed as a departure. Scene has certainly criticized the region's congenial summit impulse, and has lamented how summits return, almost as a rule, to Square 1. This makes getting anything done a challenge. In attempting to transcend that tradition, facilitators stressed repeatedly that at Cleveland Rising, we weren't just talking. We were "rolling up our sleeves" and "getting to work." There was no time for talking anyhow, what with all the Discovering, Dreaming, Designing and Deploying to be done.

We were constantly told how impressed with ourselves we ought

to be, a reinforcement tactic which reminded me of how nodding your head up and down gives you inflated confidence in your own thoughts. David Cooperrider, one of Appreciative Inquiry's founders at Case, opened and closed the summit by telling us how bowled over he was by the "moral energy" in the room. Michele Hunt, another strategic advisor from Case's Fowler Center, delivered a speech on the final day which included the following: "You aren't aware of just how special you are. What you have put in motion has never been done in history ... in the history of the United States."

Despite these delusions, summit sentiments by the end of the third day were overwhelmingly positive. Attendees gushed in final comments about all the transparency, accountability, courage and love on display. With few exceptions, folks seemed energized to take the #clerisingchallenge and continue trying to propel change via social media. A few of the 21 working groups, whose members were posing for selfies and bidding each other fond farewells, produced actionable ideas that may lead to further exploration. That's all terrific. But a shared vision of the region's future was neither established nor designed.

While there were certainly positive takeaways, courageous ideas, and a pervasive, if temporary, bubbly energy, Cleveland Rising failed on its own terms. To the extent it goes down in history, it will do so only as the latest in a series of lively regional conversations with limited, if any, results. In other words: It was exactly what its leaders swore it would be more than. I submit that this failure stemmed from flaws inherent in the summit's design, execution and promotion.

In terms of design, the marquee flaw was the inappropriateness (to say nothing of the insufferability) of the Appreciative Inquiry model. With respect to execution, the big flaw concerned the working groups and a lack of relevant subject-matter expertise. On the promotion front, the flaw is endemic to Cleveland leaders and the stories they tell themselves about themselves. In this case, the language around the summit was so thoroughly muddled that its flagship values — things like equity, accountability and trust — were neutered of meaning, reduced to buzzwords.

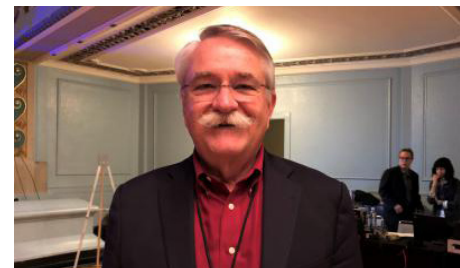
THE AI HORROR SHOW

To clarify once again, Appreciative Inquiry is a corporate relations or management tool designed for executives struggling with disengaged or inefficient underlings. It's a model with local roots, birthed in Cleveland in the 1980s when CWRU's David Cooperrider and Ron Fry "discovered the power of positive inquiry for igniting innovation and whole-system change." It's what's called an "asset-based" model for organizational thinking, and its whole point is bringing together large numbers of people to talk about their strengths and dream big dreams and so forth. Cooperrider, Fry and their team are housed at Case's Fowler Center, the dazzlingly neoliberal full name of which is: "The Fowler Center for Business as an Agent of World Benefit."

Business being an "agent of world benefit" is the shit CEOs say, and Appreciative Inquiry is the type of feel-good tool they promote because it insulates them from blame, seeing as there's no finger-



Top to Bottom:
1. Michele Hunt
2. Ron Fry
3. Appreciative Inquiry cartoon
4. Lack of Experts





Top to Bottom: Cleveland Rising Summit



pointing or complaining allowed. Insisting that those who have been ravaged by decades of inequitable policies attend a two-and-a-half-day summit which forbids them from being critical of their oppressors is a neat trick.

Putting that fundamental qualm to the side, the worst thing about Appreciative Inquiry for those enduring it in real time is that its alums and facilitators love nothing more than talking about Appreciative Inquiry. Assembling 600 people in a single room was an undeniable feat, and summit organizers really did work hard and pay a lot to promote Cleveland Rising and encourage participation from a wide array of attendees. But subjecting them, right off the bat, to a presentation about AI's miraculous history, replete with the absolute lamest inspirational quotes known to man, was torture-chamber stuff.

(There's no space to fully dress down the usage of these quotes, but here's just one striking example: The first quote in our booklet under the "Dream Phase" tab was from none other than Dr. Martin Luther King Jr. "I have a dream that one day ..." it read. That's right: "I have a dream that one day DOT DOT DOT!" Without belaboring the point, it's helpful to understand AI and its priorities in this context. The famous content of King's dream, which happened to be germane to the summit and the idea of making equity a priority, meant jacksquat compared to the corporate value of dreaming unto itself.)

If Cooperrider's introductory monologue wasn't bad enough, attendees were then force-fed speeches from executives about the merits of AI in their workplaces. You had to see this shit to believe it! Texts and DMs were flying around the room by this point as attendees rapidly sought confirmation that this was all as boring and irrelevant as it seemed. It emerged during this interlude that the Fowler Center facilitators insisted on presenting this material over the objections of the summit organizing team. And I was never prouder of the organizing team.

Because it sure would have been uncomfortable to imagine organizers spending so much time and energy begging people from all walks of life to attend, only to punish them with a morning of inscrutable corporate powerpoints about "accelerating growth for customers and suppliers" and "tri-sector impact journeys."

It will surprise no one that folks dashed to the exits like jackalopes. I myself was trying to wrap my head around the idea of being a working-class person who'd managed to take time off from my low-wage job to participate. In solidarity with them, I found these early sessions not only torturous, but deeply insulting. This material was not for them. Nor, for that matter, was it for anyone but a select few. What we were being bombarded with were advertisements. These were presentations by guests of the facilitators, hawking product on the Fowler Center's behalf, knowing full well that the room was smattered with local execs who might be inclined to purchase an AI summit to enliven their own disgruntled employees.

Yuck.

Save that shit for Tim Cook at Apple, who used the AI model, we were told, when he wanted to improve conditions at his sweatshops overseas. ("Asset-based" organizational thinking becomes especially

monstrous when considered in that case. Imagine assembling 600 factory workers in Shenzhen and asking them about Apple's strengths. The thought should torment your soul.) Save that shit for the United States Navy, who used AI back in 2001 to create "bold and enlightened leaders at every level of the Navy family." Save that shit for "His Holiness the Dalai Lama," whose use of AI I never did discern, but who was name-dropped more times (4) during this brain-numbing sunrise session than any person, place, or thing in Northeast Ohio.

The great tragedy was that people were eager to engage at the outset. Most everyone had consumed dozens of op-eds in the local press about how amazing and unprecedented Cleveland Rising was going to be, and people were pumped to get underway. But by the time we finally managed to start talking to one another — the first assigned discussion module was about our individual high points as leaders — the energy, to say nothing of the crowd size, had been depleted.

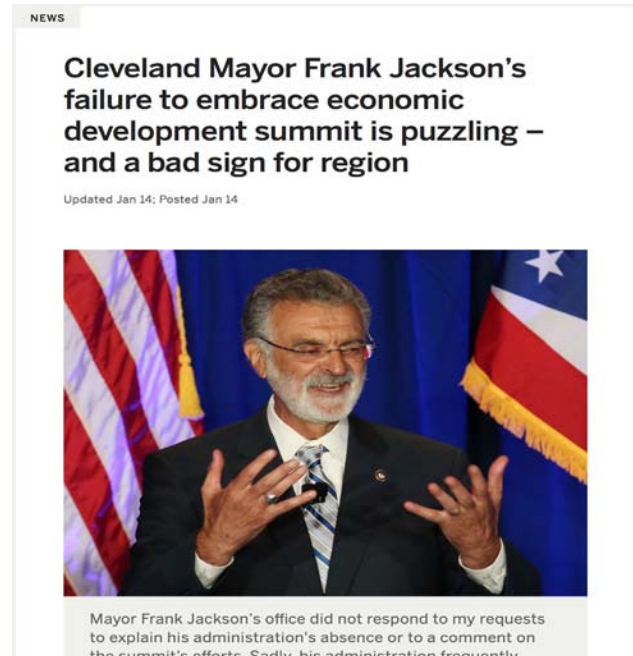
Lastly, the AI model is designed for large organizations and is optimized for "command-and-control" firms, top-down outfits like the Navy or Apple. Corporations are private tyrannies, of course, ruled by a CEO and a board of directors. But in terms of AI, they have the flexibility and authority to greenlight whatever aspirational ideas their employees dream up. A region is no such organization. There is no centralized authority to whom one can present these aspirations for approval. Who implements the new curriculum of racial healing and Accurate American History in our schools, for example? Who ratifies the plan to get rid of Burke Lakefront Airport and convert the acreage to publicly accessible greenspace? Who pays for the multi-billion-dollar expanded transit network? Who lobbies for the minimum-wage increase?

According to summit organizers, the answer is all of us. But if everyone is a leader, as they kept repeating, and if everyone is therefore accountable, no one is.

A LACK OF EXPERTS

Mayor Frank Jackson did not attend Cleveland Rising. This was a perceived slight noted by many in the room and which Cleveland.com has now seen fit to "Jeer." I actually don't begrudge Jackson his absence. It became very clear early on that the mayor's presence, beyond maybe an opening benediction, wouldn't have mattered much. If anything, it was liable to be a distraction.

As a point of contrast, I believe it was contemptuous when Jackson refused to show up to any election-season forums in 2017 to defend his record and



Above: Frank Jackson

present ideas to voters. It also blows my mind that for many months, as *Scene* reported earlier this year, Jackson was only selectively showing up to work and nobody seemed to mind. But not showing up to a privately orchestrated planning summit, when he's reportedly hatching something similar with many of the same leaders? This to me is more of an ego trip on the part of the summit co-chairs. They wanted Jackson to bless their efforts with his presence. And Jackson, adhering to his personal code of peevish obstinacy, said "nah."

Much more valuable to the summit's execution would have been subject-matter experts in the specific areas which we, via aspirational thinking, endeavored to revolutionize.

The bulk of the conference was spent on this work. On the morning of Day 2, facilitators had harnessed comments from the first day and compressed them into 21 "How might we ..." questions for which we were meant to brainstorm solutions. Some of these were straightforward: "How might we make Cleveland the healthiest city in the United States?" Others approached a runic impenetrability: "How might we build a tri-sectoral win-win competency into the heart of Cleveland's culture and set in motion the tri-sectoral tools that will map and leverage our resources in more data-driven, collaborative and effective ways?"

Nothing called the overall value of the summit into question more than when groups presented their aspirational initiatives on the third day and more than half included references to tri-sectoral goals. "Tri-sector" just means



public, nonprofit and for-profit sectors. And a good “win-win” tri-sectoral tool is something that creates value for all three. But attendees’ devotion to this ideal, roughly 48 hours after first learning the word, was astonishing to behold, not least because these sudden acolytes didn’t seem to remember or care that they were in fact promoting a trademarked platform (“Win-Win”), created by one of the first morning’s presenters, designed to help entrepreneurs profit off of the repurposing of existing public assets and data. The Win-Win platform looks to have spawned some socially beneficial startups, but the Cleveland tri-sectoral boner was nevertheless infuriating for two reasons: 1) The initial usage and meaning of the word was instantly bastardized. It can now be understood as a sexy new synonym for “public-private partnership.” 2) The zealotry of its adoption crowded out what should have been more central questions. In small groups, people were no doubt asking things like, “How will this solution embody a tri-sector approach?” instead of things like: “How will this solution specifically help poor people?”

My small group was tasked with answering a question about becoming a “Green City on a Blue Lake.” After a morning of brainstorming, we elected to split into two subgroups, with one focusing on water infrastructure, and the other (mine) focusing on green infrastructure. Through a process that there’s no time to describe in detail, we narrowed our focus to “Green Manufacturing.” And from there, we narrowed it further still to “the installation of solar panels.” Because this was a summit ostensibly devoted to equity, our final prototype was a green energy collaborative for “the installation of solar panels in under resourced neighborhoods.”

It emerged throughout the afternoon, however, that we had no idea what the fuck we were talking about.

We had among us very smart, engaged people, all of whom were interested in things like “the environment.” But solar engineers and manufacturing executives we were not. And so the conversation was often stilted and confused. By the third day, when we were supposed to be moving into specific objectives for the next six months, we were still trying to nail down what exactly our goal was. What was the educational component? How much was this all going to cost? Would the collaborative be its own nonprofit?

The second afternoon was almost laughably unproductive because we were tasked with “prototyping” our initiative by creating a “visual model,” an utter waste of time. The whole prototyping process, as presented, was borrowed from the worlds of engineering and architecture. It should go without saying that designing a social program is not exactly like designing a new computer product or skyscraper. One way it’s similar, though, is that designing any of these things without knowledgeable personnel on hand makes the prototype pure fantasy. It literally does not rise above the level of arts and crafts. I experienced a disorienting moment as I scanned the auditorium on Day 2 and saw suited civic leaders clutching magic markers, blowing up balloons, applying multi-colored stickers to poster boards and twisting pipe cleaners into headwear, all to build “prototypes” for things like universal public wi-fi, a minority-owned business hub and — god helps us all — a Global Center for Innovation and Entrepreneurship. It was kindergarten.

Earlier in the day, facilitator Michele Hunt, in laying out our brainstorming guidelines, said that there would be no “Yeah, but...” allowed as we dreamed up solutions. This directive was meant to encourage participation and assure us that every idea was valid. But with all due respect, every idea was not valid. Some ideas for local solutions were duplicative or heinously impractical. There were enough folks in my group with their heads screwed on to steer us away from the absurd. But I couldn’t help imagining spending two days prototyping an initiative that replicated a Cuyahoga County program because someone thought they weren’t allowed to say, “Yeah, but that already exists.”

By the third day, our group decided that one of the most important strategic objectives would be to talk to experts in the field to get a handle on what’s going on with solar panels. What programs are already out there? How would our aspirational green energy collaborative conceivably fit in? Does it duplicate or complicate actual work being done? These are crucial questions.

The answers frankly seem like prerequisites to having a meaningful discussion about the topic, let alone designing an initiative. And it is very weird to me that our group, composed mostly of unrelated nonprofit professionals, is now theoretically supposed to deploy our design.

Cleveland.com editor Chris Quinn was one of Cleveland Rising's co-chairs. Reflecting on the experience in the This Week in the CLE podcast, he said he thought it might have been more effective to create a specific and measurable goal for the summit — increasing jobs in the region, for example — which might have resulted in a more coherent course of action.

"These were marvelous ideas," he said, "but they don't really have concrete goals." He concluded that while there may not be clear or realistic paths forward for many of the initiatives, Cleveland Rising had nevertheless produced "fertile ground for big ideas to grow."

Just like every summit, in other words.

Reporter Pete Krouse said on the podcast that he bumped into Team NEO CEO Bill Koehler afterwards, and that Koehler told him if any of these ideas "germinate to the point where they demonstrate impact on the community, and there's performance metrics, that you can show that this is working, they're very open to getting behind it. That's state money, and that's important."

Is it, though? Could an endorsement be any less committal? Could funds be any less available?

Koehler's comments to Krouse, assuming they were conveyed accurately, may sound encouraging. But rest assured that they are not. What he's saying is that Team NEO won't even bat an eyelash at any of these initiatives until the small groups find ways to fully fund and implement their ideas on their own, and are successful enough in doing so that they demonstrate community impact and generate "performance metrics" to prove that they're working — "working" from the perspective of a traditional economic development organization, mind you, which is concerned foremost with business growth, not equity or social justice. Only then would Team NEO be "very open to" getting behind them.

Fertile ground indeed.

THE DEBASEMENT OF LANGUAGE



Top to Bottom:

1. "Green City Blue Lake" banner of the Shaker Nature Center
2. Sustainable Cleveland 2019 banner



Long before the summit began, one of its most irksome elements was the avalanche of self-congratulation by its organizers and their peers.

"In conversation after conversation this year," Chris Quinn wrote in a column on the subject, "I have heard local leaders say this sentence or something similar: Cleveland is going to be the first city in America to write an economic development plan that includes everyone."

On the eve of the summit, he published another column, asking: "What other city has taken the remarkable step of making social justice its priority?"

It should be obvious that Cleveland has not written an economic plan that includes everyone. Nor will it. Leaders have not made social justice their priority. Nor will they. In fact, social justice will never be made a priority in Northeast Ohio as long as it remains subsidiary to economic growth.

Recall that accelerating economic growth, but doing it equitably, was more or less Cleveland Rising's mission statement. The summit subhead might as well have been "having your cake and eating it too." Local leaders start sputtering like malfunctioning robots when pressed on this conundrum, and I've come to believe that their brains simply cannot accommodate the notion that the two priorities — economic growth on the one hand, equitable social policy on the other — are almost always at odds. I made a similar statement on Twitter before the summit and was instantly set upon by members of the business community who accused me of intellectual dishonesty and assured me that Northeast Ohio was not a "zero sum game" and so forth.



Top left clockwise:
 1. Chris Quinn
 2. Pete Krouse
 3. William Koehler

But history paints a clear picture. In Cleveland, economic growth has generally been pursued via business attraction, which is celebrated and defended on the basis of job creation. New jobs are good for economies because when more people are employed, more money is spent on local goods and services. Plus the public gets more money from the additional income taxes. But the way that Northeast Ohio has historically attracted business is by offering tax incentives and other handouts (money that would be going to public uses otherwise), and by promoting low wages relative to other markets. A generation ago, in the early 1980s (which, feel free to note, was right when Appreciative Inquiry was getting off the ground), high wages were seen as the big regional problem that the community should rally around and have summits about. The dean of CWRU's Weatherhead School of Management, now home to the Fowler Center for Business as an Agent of World Benefit, wrote then that "unions and high wages" were the primary causes of the region's industrial decline.

The atmosphere has not much changed. (Just revisit what happened when a local minimum wage increase was pursued back in 2016.) When you start trying to agitate for something that looks like equity, you're seen as antagonizing the businesses that local governments have made it their central function to appease. Indeed, appeasing business and promoting growth are so central to the worldview of local leaders, so deeply and unconsciously ingrained, that every value has become subsidiary to it, not just equity. But certainly at

Cleveland Rising, "equity and opportunity" were ideals to be pursued in the context of economic growth. The fact that an equity conference was facilitated by the Center for Business as an Agent of World Benefit should tell you all you need to know. Green manufacturing, but equitably! Data-driven collaboration, but with an equity component! A Global Center for Entrepreneurship, but also a minority-owned-business hub! I heard from multiple attendees that the loosey-goosey usage of words like "equity" at Cleveland Rising was bothersome to them. It had become such a blanket term, such a buzzword, that it effectively lost meaning.

In my observation, to the extent equity was a meaningful talking point in small groups at all, it was only because of individual participants who forced the issue. It's not like facilitators were reminding us to consider equity in our prototypes. It's not like there were stage-setting presentations from historians or professors about equity and social justice in the region. The presentations, you'll remember, were all about Appreciative Inquiry.

Make no mistake, equity was discussed. There were many attendees with a keen sense of the region's ugly racial history who made sure that race was not overlooked in our conversations. (In what was surely a frustrating burden for the summit's black participants, it fell on many of them to gently explain what the words equity, diversity and inclusion even meant.) For others, visions of Cleveland in 2030 included such hallmarks of equity as a Browns Super Bowl victory in a domed stadium with the first all-female NFL roster.

"Equity" was not the only word disfigured by its buzz. "Accountability" was another. I touched on this above, but attempts to decentralize and democratize leadership — "Just by being here, you are all leaders," we were told — produced an entirely bogus conception of what it means to wield power, and who ought to be accountable to whom.

Look no further than the so-called "New Take on the Lake" small group, whose aspirational initiative was to move Burke Lakefront Airport and develop a "world class lakefront for ALL residents and visitors."

That's a splendid idea, with near-unanimous public support. But when Burke is still active, and the lengthy process for its removal or relocation hasn't begun in six months, does anyone honestly believe that the assorted members of Cleveland Rising Group 12 will be to blame? Is anyone honestly going to hold them accountable for failing to make good on their initiative? Of course not! To do so would be preposterous. I needn't play this song, because everyone knows the

words, but Quinn himself has noted that removing Burke, despite its overwhelming support, is a “non-starter with the corporate community.” And so it goes. Lastly, the word “trust,” a peculiar little stowaway. Focused as I was on solar panels, I kept forgetting that creating trust was what the summit, “more than plans or roadmaps,” was supposed to be all about. Trust between which parties, it occurred to me to wonder a few days later? And to what end?

I sought answers from an unlikely source: the pre-summit assigned readings, which I remembered included, alongside a suite of poverty reports from the Center for Community Solutions and a boomtown hot take from known social justice organ chiefexecutive. net, a blog post written by a U.S. Army platoon leader who’d been stationed in Iraq. He wrote that he’d learned a few “tough lessons” about trust vis-a-vis a micro-grant community development program in northeastern Baghdad. He noted that “various factors” had “contributed to the lack of trust the average [Iraqi] community member had in the Army’s intentions and execution of projects.” (Oh really? Would it maybe have something to do with the million corpses that had piled up since 2003? Or was it other factors?)

The big lessons he learned were that “trust takes time,” but that “the benefits of trust often have a positive impact that extend far beyond the primary activity you are focusing on.”

This was obviously trash, and not only because, translated to the Cleveland Rising scenario, it was clear who was meant to represent the U.S. military and who was meant to represent the Iraqis. My bigger concern — and it haunts me even now — was that summit leaders and their peers might actually have been reading this material and gleaning insight. “Trust takes time”? “The benefits of trust often have a positive impact that extend far beyond the primary activity you are focusing on”? Was this written by an alien?

As it happens, I believe the lessons to be true — trust does take time! — and I sure hate to belittle the author’s eloquence. But for heaven’s sake, this was the material that leaders had selected to illustrate the summit’s preeminent virtue?

I was left with the impression that summit leaders were viewing the creation of trust as a kind of executive tactic, that they were far less interested in building trust in the conventional way than they were in creating the perception that they were leaders who could be trusted. Despite all those good intentions, this obsession with trust left me, paradoxically, in a state of doubt.



Above: Lisa Chamberlain

Only trolls would deny that an atmosphere of trust is preferable to an atmosphere of mistrust. And it stands to reason that the summit leaders are active participants in trusting relationships of their own. They should know, then, that trust is a natural by-product of people looking out for one another, and that once trust is broken, it can be very difficult to repair. (Just ask the GCC.) There are those in Cleveland who have committed their lives to the struggles of building a just community, who have made endless sacrifices to help guide us all toward a more equitable future. Those folks aren’t likely to be persuaded by the good intentions of Cleveland’s emerging crop of leaders. They’ve been short-changed and two-timed by local leaders too many times before, leaders of the past whose stated commitments to battling poverty and making Cleveland a better place were no less sincere. If new leaders really are intent on being trusted, they’ll have to dispense with the notion that trust can be built in a laboratory or prototyped at a summit. In Cleveland, just like everywhere else, trust isn’t created. It’s earned.”

Cleveland Rising failed to address Cleveland’s Lie Machine and the nature and identity of participants in the behind-closed-doors decision-making that has produced the failure in our region for decades. Rising participant Lisa Chamberlain observed, “I experienced a disorienting moment as I scanned the auditorium on Day 2 and saw suited civic leaders clutching magic markers, blowing up balloons, applying multi-colored stickers to poster boards and twisting pipe cleaners into headwear, all to build “prototypes” for things like universal public wi-fi, a minority-owned business hub and — God helps us all — a Global Center for Innovation and Entrepreneurship. It was kindergarten.”

Addendum: Regionalism:

Plain Dealer Peter Krouse's 2-10-19 article on St. Louis and their efforts towards regionalism is pertinent. Krouse termed NEOH's affliction as "multiple-municipality-disorder" (MMD), reflecting "a region sliced and diced into indistinguishable and often competing suburbs."

St. Louis County has 88 cities, villages and towns within its border. The region, similar in size to Cuyahoga County, is served by 55 police departments and 81 municipal courts. Cuyahoga County has 57 municipalities and two townships, each with its own police department and 13 municipal courts.

What is different about St. Louis is that they are making an earnest effort to do something about their "extreme fragmentation and the attendant wasteful redundancies." In St. Louis, a campaign is placing merger language on the November 2020 ballot. The community improvement group Better Together is spearheading its research with the support of St. Louis mayor and St. Louis County executive.

They get it.

Not here.

Better Together's executive summary states, "Today, virtually every resident of our region recognizes that we need to act as one community if we are to compete and excel in a global economy. The status quo is a recipe for stagnation, decline and widening disparities within our region. We risk falling further behind if we don't make some serious changes to our fragmented governance."

The proposed ballot initiative will merge the City of St. Louis and St. Louis County to form a single metro government - like Louisville has already done. It would also convert the 88 cities, villages and townships in the county to "municipal districts" which would have limited authority, controlling parks/recreation and trash collection.

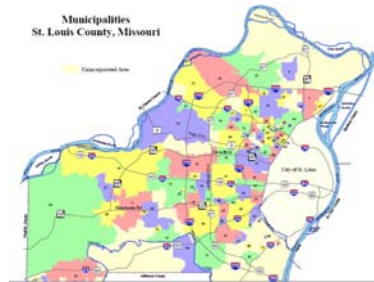
Police, municipal courts, planning/ zoning and economic development for the region would be controlled by the new St. Louis. Fire and school districts will not be affected.

Greater St. Louis has considered and attempted consolidation a number of times over the years, but it failed each time. This latest initiative stems from a series of unflattering events that have persuaded local residents that status quo is no longer acceptable, and those events have startling parallels to Cleveland.

A representative cited the loss of the city's NFL franchise, unrest following the fatal police shooting of an unarmed black man in suburban Ferguson and the city's failure to rate even as a finalist in the Amazon HQ2 search have citizens looking for answers.

Cleveland lost the Browns in 1995 when Model moved the team to Baltimore. The replacement team is a perennial bottom-dweller so far.

Cleveland police shot and killed unarmed 12-year old Tamir Rice in less



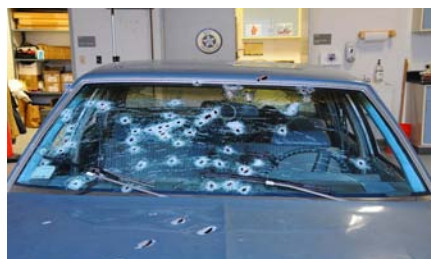
- Top to Bottom:
1. St. Louis County Map
2. Downtown st. Louis, MO
3. St. Louis/ Police militarization
4. Ferguson, MO protests
5. St. Louis loses NFL Rams





Top Down:

1. Cleveland loses the Browns, 1995
2. Cleveland police shoot 12-year old Tamir Rice
3. Kipp Holoway
4. Timothy Russel Car shot 137 times
5. Cleveland Police Violence Archive
6. US Justice Dept. Investigation of Cleveland police
7. Cleveland police Taser Black Lives Matter demonstrators



A Justice Department investigation found Cleveland police regularly misused force



than two seconds after confronting him and his toy gun in a public park in 2014. Neither officer offered first aid to Rice after he was shot. Neither officer was indicted.

Also in 2014, unarmed black Kipp Holloway was shot by Cleveland police while laying face down in his garage while surrendering. The city paid Holloway \$375k for the reckless conduct of Officer Patton.

In 2012, six Cleveland police officers after a cross-city car chase fired 137 shots into a car, killing an unarmed black man, Timothy Russell, and woman, Melissa Williams. One officer, Michael Brelo, who claimed he was afraid, jumped on to the hood of the car and emptied more than three 15-round clips into the two unarmed victims in the car. Common Pleas Judge John O'Donnell somehow acquitted the officer, reasoning that he was entitled to be afraid because the police radio erroneously broadcast an assertion that someone in the car had a gun. Brelo obviously was not afraid when he jumped on the hood of the car and emptied clip after clip into the unarmed innocent victims.

After the shooting, the US Department of Justice conducted a sweeping investigation into the Cleveland police department.

The investigation found Cleveland police officers frequently used excessive force, including shootings and head strikes with impact weapons; unnecessary, excessive, and retaliatory force, including Tasers, chemical sprays, and their fists; and excessive force against people with mental illness or in crisis, including one situation in which officers were called exclusively to check up on someone's well-being.

Police officers also used "poor and dangerous tactics" that often put them "in situations where avoidable force becomes inevitable and places officers and civilians at unnecessary risk," according to the report.

The Justice Department attributed many of these problems to inadequate training and supervision. "Supervisors tolerate this behavior and, in some cases, endorse it," the report said. "Officers report that they receive little supervision, guidance, and support from the Division, essentially leaving them to determine for themselves how to perform their difficult and dangerous jobs."

The St. Louis research report found that their region spends \$2.3 billion annually on government services and that \$750 million of that - 33% - is spent on "inefficiencies or duplication." This is borne out in comparisons to other neighboring mid-market cities. While St. Louis spends \$1800 per capita to deliver mid-governmental services, Indianapolis - also a consolidated city-county government, spends \$1200 per capita while Louisville spends \$1100 per capita.

Better Together spokesman Johnson-Malone observes that the primary challenge to the pro-consolidation initiative is the lack of knowledge citizens have about their redundant government and the detrimental effect that the attendant cost burden has on their region's competitiveness.

There are only twelve states in the US with a higher tax burden than Ohio's and Cuyahoga County has the highest tax burden of any county in the State.

In St. Louis, of the \$2.3 billion spent each year by governments, \$1.6 billion comes from taxes and the rest is derived from fees. But as Krouse points out, "The collection of taxes and fees is fraught with inequities as affluent neighborhoods near major roads reap considerable sales tax revenue while poorer communities are more reliant on their municipal courts as "revenue generators.""

The St. Louis report observes, "The use of municipal courts as sources of revenue is abhorrent." Yet what it reflects "is a region struggling to persist rather than one focused on prosperity."

Under the new government, much of the sales tax would go to the metro government with one municipal court with satellite branches to assess fees and fines - in a uniform manner.

The Harm of Fragmentation:

Fragmentation damages economic development efforts. Businesses and developers find larger and more affluent communities easier to deal with than less affluent cities and towns. This is because they have more personnel and resources focused on economic development. Shaker Heights has one undeveloped parcel - a parking lot on Farnsleigh Road next to the new Van Aken Center development. Yet Shaker Heights has a full-time economic development director. Because they can afford it thanks to their exorbitant taxes.\.

This problem compounds resource issues in smaller communities. Competition among local governments for sales and income tax revenue drives up the amount and number of subsidies paid to developers and corporations, and the overuse of tax breaks undercuts the original purpose of those incentives - to encourage growth in blighted areas.

No one could reasonably assert that the Chagrin Highlands area was developed when the Jacobs Group and the City of Beachwood enticed Eaton Corporation to relocate from its downtown headquarters to build its new glamorous headquarters in the eastern suburbs.

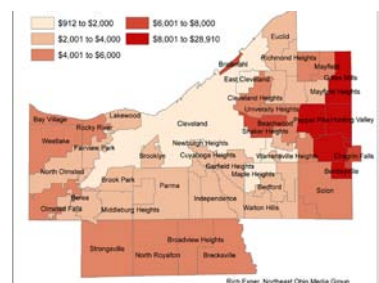
Fragmentation also contributes to greater disparities in health outcomes among African-Americans according to the St. Louis report. The same report also identified wide disparities in hiring standards, pay and professionalism among police officers. The US Justice Department investigation of the Cleveland police department found the same glaring deficiencies, as well as training shortfalls. And as was seen here, officers fired for cause by one city have been routinely hired in adjacent communities.

The St. Louis initiative will create a single police department which can be held accountable by all metro area citizens "while providing the best-practice level of neighborhood community policing that residents and police crave."

The fragmentation also makes it more difficult for the media to hold



Above:
Tax Burden
Below:
1. Cleveland Municipal Court
2. Cuyahoga County Tax Burden
3. Cleveland Police Violence Archive



**A PEOPLE'S ARCHIVE OF
POLICE
VIOLENCE
IN CLEVELAND**

Essays on Architecture:

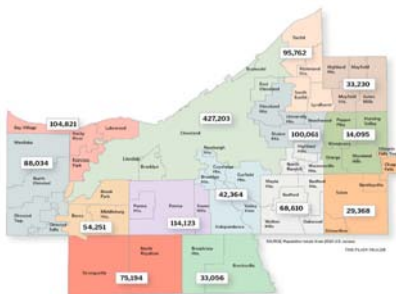
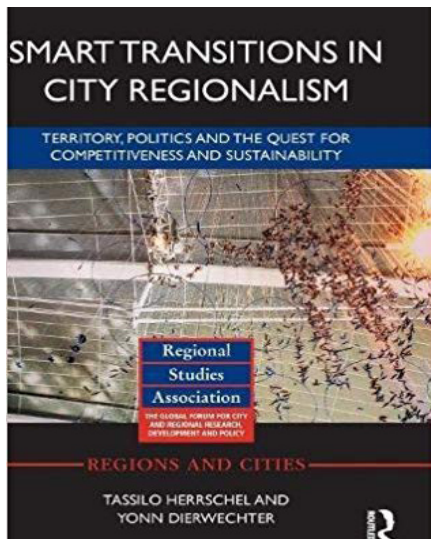
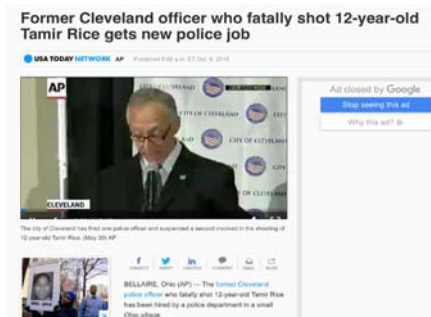
Leadership

Cleveland, OH



Top Down:

- 1. Eaton, HQ; Beachwood, OH
- 2. Tamir Rice Policeman Reired
- 3. Regionalism book cover
- 4. Cuyahoga County population distribution



public officials accountable. "This means that residents of smaller municipalities have a diminished ability to hold them accountable to the citizens who underwrite those very governments."

The proposed metro St. Louis government will involve an elected mayor and a 33-member council. The mayor's administration will include deputy mayors for community engagement and equity, economic development/ innovation, public health/ safety and community development/ housing.

St. Louis is stepping up to the plate on regionalism. Indianapolis and Louisville have already hit home runs and are scoring. Cleveland has not even gotten the players ton the bus to the ballpark.

Further delays in addressing the ridiculous redundant and ineffective governance in NEOH not only risk the increase in our lack of competitiveness, they may well guarantee the city's failure, and with it, the region.

Clearly, NEOH lacks genuine leadership throughout its corporate, civic and nonprofit sectors. Sam Allard's 8-27-18 article in *The Scene* reporting on a panel discussion at the City Club about the Two Tomorrows report bore the headline, "Cleveland's Leaders are 'Old and Not Smart' and Other Weaknesses of our Civic Culture."

The five panelists identified our strengths and weakness in addressing regional economic development and the FFOEF's road map in an event that was billed as a follow-up to attorney Jon Pinney's "Dead Last" talk in June 2018.

Allard observed that "Guests at the morning session forcefully declared that they are impatient with Cleveland's leaders, whom they regard as aging and territorial and resistant to change."

With Ramesh polling software, attendees identified "engagement and passion" as our top attributes.

The top negative characteristics?

"The lack of collaborative inclusive leadership," followed by "Old Boys Club," followed by "It's an insiders' club."

That pretty much covers it.

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