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Client: Neoconomist
Title: City of Beachwood

Head: t/c

Copy: Northeast Ohio and its environs have taken their collective economic lumps over the past several decades. Nothing earth-shattering there. But there may be light at the end of the economic tunnel.

Over the past couple of decades the pall has evolved from doom and gloom to an almost Dickensian atmosphere. While it may not quite be the *best of times*, it

certainly is no longer the worst of times.

There are numerous projects and developments within the City of Cleveland that spawn hope. However, several of the county's suburbs are doing quite nicely, thank you. At the risk of omitting some deserving community, from west to east, economic fortunes shine in places like Westlake, Strongsville, Independence,

Solon and Beachwood.

Subhead: Why some and not others?

The reasons for some communities faring better than others are probably as wide and varied as the communities themselves. But Beachwood presents an intriguing case study.

At 5.26 square miles, Beachwood is by far the smallest of the communities mentioned. Nearly double, only Independence is close at 9.64 square miles; and Strongsville dwarfs them all at 24.64 square miles.

Yet Beachwood excels to a degree far beyond its geographic size. According to the City's Economic Development office, Beachwood is home to more than 2,500 businesses – capped by the 2013 opening of Eaton Corporation's 53-acre world headquarters site in the Chagrin Highlands. There, 800 employees work in a new 580,000 square foot, LEEDS-certified facility.

There's more to come. Omnova Solutions of Fairlawn is building its new world headquarters in Beachwood. The \$1.1 billion company conducted a two-year search before deciding on Beachwood.

The city also lays claim to eight hotels with more than 1,300 rooms – that's nearly 250 hotel rooms every square mile. By comparison, according to Visit Seattle, that city has approximately 150 hotel rooms per square mile; and, *The New York Times* has reported data that shows New York is home to approximately 260 rooms per square mile.

Subhead: The Million-Dollar Question

So how is it that a city this size, with only 12,000 residents, can lure such impressive economic blockbusters and boast such economic strength? According to Jim Doutt, the City's Economic Development Director, the city has a history of economic planning dating back to the 1950s. "Decades ago city leaders determined to build a strong commercial base in the city with planning and zoning accordingly," he said.

Doutt, himself with a long history of working in economic development, says that having such a plan is the essential first step. And crafting that plan must involve all the major stakeholders in the community: elected officials, major business owners and school representatives as well as residents. But it's not an easy task and not all plans are created equal.

"You have to start with the assumption that you can't – and won't – please everyone," Doutt noted. In addition, there are two additional key elements that shouldn't be overlooked. "Everyone involved has to understand that these things take time and that the results won't be immediate," he added. Last, one of Doutt's major contentions is that, once the plan is completed, it can't be left on the shelf.

Beyond that, he feels that there is no one formula for success, no silver bullet, no boilerplate. "Ultimately," he says, "it takes local people to solve local problems."

Subhead:

Working the plan

According to Doutt, creating the plan is only the beginning. While he certainly acknowledges the importance of leadership, down in the trenches, he believes that economic development can be defined in one word: facilitate. He contends that, in order to excel at economic development, you have to make things happen.

And, hand in hand with successful facilitation is collaboration – both internal and external. "Infighting is not only counterproductive, it can kill economic development," Doutt concluded.

Subhead:

Inside and out

Because of its size and density, Doutt believes that a city like Beachwood must work with its neighboring communities whenever and wherever it's needed. He calls it: micro-regionalism.

He points out that Beachwood has three exits off Interstate 271: Cedar, Chagrin and Harvard. That's hugely important for a city of this size. However, one exit almost didn't materialize.

Doutt noted that, initially, the Ohio Department of Transportation (ODOT) did not want to build the Harvard exchange. Realizing the potential of such a project, the city and council invested approximately \$1 million in making it happen.

According to Doutt, the results of that exchange have been enormous. Numerous companies have moved into the area – most in Beachwood, but some in the neighboring communities such as Warrensville Heights as well.

Subhead:

Looking inward

Not surprisingly, Doutt is the first one to tout the city's success at attracting new businesses. He strongly points out however, just how important business retention is any overall economic development plan and that many communities drop the ball by paying little heed to the existing businesses already within their borders.

"The numbers don't lie," he says. "In any given area, 75 percent of new jobs and investment come from existing companies." He adds that companies can go wherever they want and that the economic development team must facilitate (there's that word again) keeping those companies close to home.

For example, he cited a Commerce Park company with 45 jobs and a \$7.2 million dollar payroll that was looking to expand. The company's initial outreach was to its city councilman who immediately brought in the mayor and the economic development department. Together they found a nearby existing building that the company now plans to invest \$2.5 million to "re-purpose" the facility.

Subhead:

Coming together

Doutt recounts that the city's history of planning is the basis on which the community's economic success has been built. Their commitment to facilitation has been an attractive carrot for businesses from outside the area as well as those already secure within Beachwood's borders and this includes welcoming new, start-up enterprises.

Over the years the city has continually exhibited a willingness to work with people through zoning changes and more recently through creating incentive frameworks such as its new Job Creation Incentive Grant program where eligible companies can receive grants for committing to – what Doutt calls – "jobs with staying power," i.e. those jobs with a minimum chance of moving offshore within the near future.

And, for Beachwood, the story of a successful economic development effort can be found in two statistics: a low unemployment rate of only 4.6 percent and a high household median income of more than \$70,000.

As Doutt noted earlier, the numbers don't lie.

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