

Greater Cleveland Partnership

Annual Report

2010

GREATER CLEVELAND
partnership



OUR MISSION

As an association of business members, the Greater Cleveland Partnership mobilizes private-sector leadership, expertise and resources to create jobs and leverage investment to improve the economic vitality of the region.

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A Message to Our Members, Partners and the Community

Although challenges remain, the Northeast Ohio economy is beginning to show exciting signs of recovery. In 2010, progress was evident in downtown, our neighborhoods and on many industrial shop floors. This includes forward movement on several key priorities championed by the Greater Cleveland Partnership, the City of Cleveland and other partners, as years of hard work and public-private collaboration paid off.

As one of the very first groups in the region to support the **Cleveland Medical Mart and Convention Center**, the GCP continued to play a key role in this project in 2010, advancing legislation in Columbus that created sales and property tax exemptions. This helped clear a major hurdle and keep the project on track to begin construction in January 2011. We also helped shepherd legislation to keep the **Cleveland casino** project on schedule, and it is moving forward toward the opening of Phase One in the Higbee Building in Spring 2012. In addition, ground was broken for the **Flats East Bank Neighborhood** project, in which the GCP, through its real estate partner Cleveland Development Advisors, was an early and significant investor.

The election of Cuyahoga County's first County Executive and County Council culminated collaborative efforts by the GCP and others in the private and public sectors to modernize county government. With this change, the county is now able to allocate more resources for, and place a higher priority on, economic development. Our involvement in county reform goes back to early 2009, and our financial support was key to getting the measure on the November 2009 ballot. Hundreds of business leaders in the region answered our call to help design options for changing how the county operates during a year-long transition study. The GCP is now represented on the county's new Economic Development Commission, which held its first meeting earlier this year, to help the new government optimize private sector investment in our county.

Our work with eight other Ohio metro chambers of commerce and the Ohio Chamber of Commerce produced, "Redesigning Ohio: Transforming Government into a 21st Century Institution," a comprehensive road map for long-term **transformational change in the state's budgeting process** and recommendations for tackling the current fiscal crisis. The report, which has been well-received by Governor John Kasich and leadership in the Ohio Legislature, is helping to inform discussions about what is needed to develop a market-based approach to reforming the way state and local governments operate.

Our **minority business development** efforts, led by the Commission on Economic Inclusion, included two major wins—raising \$2.5 million for the first phase of the Commission's Working Capital Loan Back Fund to be launched in early 2011—and the successful conclusion of the initial three-year grant period of the Minority Business Accelerator 2.5+, which closed a total of 54 deals valued at \$131.6 million between April 2008, when the first deal was announced, and December 2010.

Our partner organizations, which we help support—**BioEnterprise, JumpStart, MAGNET, NorTech, and Team NEO**—also reported substantial progress in 2010, which is summarized on Page 3 of this report. Their success has drawn national attention, in particular during a visit by President Obama in February for their economic development leadership and impact in our region.

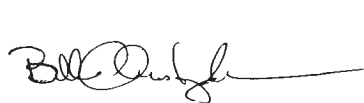
We recognize that the work of the past year continues in 2011. The GCP, in partnership with the City of Cleveland, has created the **CLE Air Demand Growth Committee** that will collaborate with the airport to define success metrics to **sustain a United hub** and competitive air service levels at Hopkins International Airport and develop strategies among business customers to meet those metrics. Cleveland is already the originating or final destination for the vast majority of travelers coming to Hopkins, and projections indicate that demand will grow significantly and over time, as our new downtown projects begin to attract more business and leisure travelers to the city.

In 2010, we accelerated our work with the **Cleveland Metropolitan School District (CMSD)** to identify efficiencies that can help the district balance its budget as a necessary step toward long-term financial stability. Improving how the CMSD operates is imperative. It drives the district's ability to support an ambitious academic transformation plan to elevate high school graduation rates and overall performance.

Part of the solution must include finding **alternatives to state-mandated teacher seniority rules** that create a significant financial burden for the CMSD and other struggling school districts across the state. We've begun to build a coalition to address this issue and will connect it with other education reform components of our government advocacy agenda.

The support of Greater Cleveland Partnership member companies and organizations allows us to advance these and other priorities that are essential to improving and sustaining a healthy business climate, economy and quality of life in Northeast Ohio. We appreciate your investment in our work.

We thank our Board leadership and appreciate the involvement of both outgoing and continuing Board members. Your commitment allows us to provide a strong voice on behalf of the business community and promote our agenda to strengthen the economy in our city, state and region.



William F. Christopher
Chairman,
Board of Directors



Joseph D. Roman
President and
Chief Executive Officer



ADVOCACY

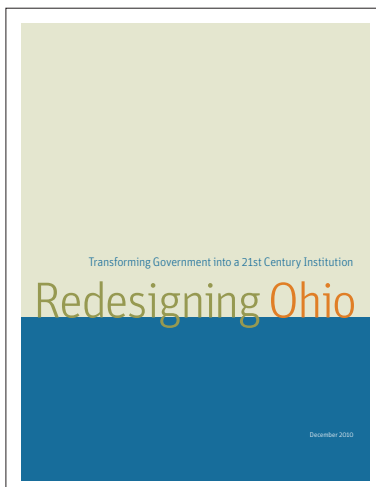
The Greater Cleveland Partnership provides advocacy support at the federal, state and local levels to ensure that the voice of the Northeast Ohio business community is heard when important economic development issues are discussed and decisions are made. This includes work on behalf of our partner organizations—NorTech, JumpStart, BioEnterprise, and Team NEO—and in conjunction with our small business partner COSE. This past year, our efforts focused on advancing a broad range of initiatives and priorities that have a significant impact on economic development in our city, region and state.



An analysis of the November 2010 election was held at the City Club of Cleveland with (left to right): Dan Moulthrop, former host of 90.3 WCPN ideastream’s “The Sound of Ideas,” now curator of conversation at Civic Commons, a social media/civic engagement project; Kevin DeWine, chairman, Ohio Republican Party; and Chris Redfern, chairman, Ohio Democratic Party.

Redesigning Ohio: Collaborating on state budget issues

The GCP worked with nine Ohio metropolitan chambers of commerce to produce the “Redesigning Ohio” report that recommended sweeping changes designed to help the state improve economic performance and reduce costs. The report was the culmination of a year-long process in which the chambers identified, researched and analyzed a wide variety of ideas and narrowed them to those that will best improve the performance of the state. The findings have been utilized by both Governor Kasich and leaders of the Ohio Legislature during the



2011 budget discussion and planning process. It also received statewide and regional media attention, garnering positive editorials from every major Ohio newspaper.

Other chambers that participated in the project are Canton Regional Chamber of Commerce, Cincinnati USA Regional Chamber, Columbus Chamber, Dayton Area Chamber of Commerce, Greater Akron Chamber, Ohio Chamber of Commerce, Toledo Regional Chamber of Commerce, and the Youngstown-Warren Regional Chamber.

Supporting passage of Ohio Third Frontier bond renewal

The GCP was part of the leadership team that created and led a coalition of more than 200 organizations that supported passage of Issue 1 to renew funding for the Ohio Third Frontier (OTF) initiative on the May ballot. Our efforts first helped ensure that this important issue was put before Ohio’s voters, who approved authorization of the \$700 million, four-year bond issue. With the passage of Issue 1, the OTF, which finances start-up companies, supports research and funds technology development, is assured funding through 2017. Launched nearly a decade ago, the OTF has helped create more than 55,000 direct and indirect jobs in Ohio with Northeast Ohio receiving considerable assistance from this program.

Informing voters: Cuyahoga County government elections

As one of the leading voices in favor of county government reform, the GCP helped inform voters about candidates running for Cuyahoga County Executive and the Cuyahoga County Council in both the August primary and November general elections. This included building out a special section of the GCP Web site with candidate information and hosting “Meet the Candidate” forums where GCP and COSE members had the opportunity to meet and ask questions of county executive candidates.

Promoting development of clean coal, nuclear energy

In 2010, the GCP joined with the Nuclear Fabrication Consortium and EDI (Edison Welding Institute) to present a forum designed to energize discussions about the importance of developing clean coal and nuclear technology. In Ohio, 87 percent of our energy is supplied by coal, a reality that cannot be overlooked and must be part of the solution.

Going forward, the Nuclear Regulatory Commission, which oversees the license-renewal decision process, will provide opportunities for public comments. The GCP will participate in these discussions.

Seeking federal funding for Great Lakes restoration strategy

The GCP is a member of the 12-member Great Lakes Metro Chambers Coalition that advocates at the federal level in support of a range of issues that impact the Great Lakes region, including transportation, immigration policy, nuclear and clean coal, and the health of the Great Lakes. In addition to traveling to Washington, D.C. to advocate for these issues, the coalition sent a letter sent to President Obama, raising concern about the potential infiltration of Asian carp into the Great Lakes. Already in water systems that are perilously close to the Great Lakes,

these fish threaten to displace the indigenous fish, which would alter the lakes' ecosystems. This, in turn, would have a detrimental impact on the economic transformation of the Great Lakes region.

This topic is part of the Metro Chambers' broader Great Lakes Restoration Strategy. The GCP will continue to work with the coalition to advocate for federal funding to protect and revitalize the Great Lakes, which in turn will enable the region to leverage their economic development potential. The coalition is composed of metropolitan chambers from the 12 U.S. Great Lakes states, with representation from the Canadian provinces of Quebec and Ontario.

Advancing med mart/convention center, casino projects

The GCP played a key role in advancing legislation that created sales and property tax exemptions for the Cleveland Medical Mart project. The exemptions are consistent with tax provisions granted for similar projects and were critical in moving this important project forward. This action allowed the project to move forward without delay and toward groundbreaking by year-end.

Our work in Columbus also included advocating on behalf of an important casino regulatory measure, which was passed following marathon sessions in the Ohio House and Ohio

Senate. Its provisions included approval of a phased opening for the Cleveland casino, helping to keep the project on track with work scheduled to begin in the first quarter of 2011.

Maximizing opportunities for NASA Glenn, Plum Brook Station

With a changing mission for NASA as an agency and a budget that had not passed, the role of the NASA Glenn Research Center remained undetermined by the end of 2010. This left many questions about future funding and the direction for both NASA Glenn and its Plum Brook facility in Sandusky.

In 2010, the GCP hosted a series of discussions with GCP members, community partners and NASA contractors to seek input and local perspective on the needs of the community relative to funding, projects and agency opportunities. Following those discussion, the GCP continued that dialogue with Congressional staff and members of Congress throughout the year, emphasizing the community's vision for the center and its future.

The GCP will continue working to maintain the viability of the NASA Glenn Research Center and Plum Brook Station and seek opportunities that leverage these assets to advance the mission of the agency, economic development and new and emerging industries. NASA Glenn is an economic development engine for the region and the entire state, and retention of its skilled and highly educated workforce must be a top priority.



ECONOMIC DEVELOPMENT

The economic development system that the Greater Cleveland Partnership helped to create, and continues to support, is focused on strategies that can position the region for economic stability and improve its competitiveness in traditional and emerging areas of strength. The system includes the GCP's economic development partners—BioEnterprise, JumpStart, the Manufacturing Advocacy and Growth Network (MAGNET), NorTech and Team NEO—along with the Cleveland Plus® Marketing Alliance and the GCP Business Development Team. Highlights from 2010 include:

BioEnterprise: 2003-2010 venture funding in Northeast Ohio companies tops \$1 billion

According to the BioEnterprise 2010 healthcare venture report: Between 2003 and year-end 2010, emerging and mid-market health care companies (medical devices, biotechnology, pharmaceuticals, health care software and services) in the Cleveland Plus® region attracted more than \$1 billion in venture investment funding; 100 new companies have been funded; 450 tech transfer licensing deals were closed; and \$2.3 billion has been invested in Ohio health care companies.

Cleveland Plus®: Efforts help boost job creation, tourism

Launched in 2007 by the GCP, Team NEO and Positively Cleveland, Greater Cleveland Convention and Visitors Bureau, the Cleveland Plus® Marketing Alliance campaign has played a key role in attracting 3,500 jobs and \$135 million in annual payroll

to the region by year-end 2010. It also has increased positive national media coverage by 37 percent, brought 17,000 unique visitors to the talent attraction Web site ClevelandPlusLiving.com and garnered a 36 percent share of Ohio's tourism revenue, more than any other region in the state.

Cleveland Plus® Funders

| | |
|-------------------------------|---------------------------------------|
| 1-888-OHIOCOMP | Medical Mutual of Ohio |
| AultCare | Mercy Medical Center |
| The Aultman Foundation | Minute Men Staffing |
| Charter One Bank | PNC Bank |
| Cleveland Cavaliers | Ozanne Construction Company |
| Cleveland Clinic | Parker Hannifin Corporation |
| The Cleveland Museum of Art | PlayhouseSquare Foundation |
| The Cleveland Orchestra | PricewaterhouseCoopers |
| The Cleveland Play House | Rock and Roll Hall of Fame and Museum |
| Cohen & Company | Roetzel & Address, LPA |
| Dominion | The Sherwin-Williams Company |
| Eaton Corporation | Squire, Sanders & Dempsey L.L.P. |
| Ernst & Young LLP | Swagelok Company |
| FirstMerit Corporation | The Timken Company |
| Forest City Enterprises, Inc. | Tucker, Ellis & West L.L.P. |
| Fund for Our Economic Future | University Hospitals |
| GE Lighting | Westfield Insurance |
| The George Gund Foundation | |
| Hyland Software | |
| KeyCorp | |
| The Lubrizol Corporation | |

ECONOMIC DEVELOPMENT (CONT.)

GCP Business Development: Expansion pipeline could add \$60 million in capital investment

In 2010, the GCP Business Development Team conducted over 125 calls on businesses to determine their needs, wants and requirements. The expansion pipeline of projects grew by 22 in 2010, which could result in upwards of 300 new jobs for our service area, along with \$60 million in capital investment and nearly 400,000 square feet of new real estate development. Since 2007, more than 100 expansion opportunities have been identified. The program also was heavily engaged in the successful effort to retain the American Greetings headquarters in Ohio, specifically Northeast Ohio and will continue to support the company and its consultant team through every step of the process.

We listen to our businesses to identify their needs and we respond. As a result, in 2010, the program was honored by the E-Synchronist Economic Development program and received the “Critical Business Partner Award,” which recognizes the crucial role that economic development organizations play between businesses and the communities in which they operate.

JumpStart: Investment in Northeast Ohio companies increases 121 percent from 2009

JumpStart reports that, in 2010, 62 Northeast Ohio companies collectively raised \$221 million from venture capitalists and angel investors, an increase of 121 percent over the amount raised by companies in 2009. The growth rate of dollars invested in regional companies is higher than data from Thomson Reuters showing a 19 percent increase in dollars invested nationally.

MAGNET: Manufacturers improve top-line sales by \$248.5 million

In 2010, the Manufacturing Advocacy and Growth Network (MAGNET), worked with manufacturers in the region to improve

their top-line sales by \$248.5 million and achieve bottom-line cost savings of \$11.4 million. Increased investment by manufacturers resulting from their interactions with MAGNET was \$23 million. During 2010, MAGNET’s award-winning product design engineers worked with companies to develop and bring to market 27 new products; the total number of jobs created/retained through all MAGNET’s activity during the year was 1,107.

NorTech: Accelerating growth in Northeast Ohio’s emerging technology industries

NorTech is leading efforts to develop regional innovation clusters that create jobs, attract capital and have a long term positive economic impact. Currently, NorTech is focused on two industries—advanced energy and flexible electronics. The advanced energy cluster is broad and consists of over 450 organizations. Flexible electronics is a niche industry and the cluster consists of a small group of organizations that have the potential to make Northeast Ohio a leading producer of flexible electronics sold globally. In 2010, NorTech reported that Northeast Ohio’s *FlexMatters*SM cluster experienced significant growth by attracting \$14 million in capital from public and private sources.

Team NEO: Outreach adds \$135 million to Northeast Ohio payroll

Team NEO has continued to successfully attract businesses from around the globe to the 16-county Cleveland Plus[®] region that it serves. It reports that, between 2007 and mid-March 2011, it has attracted 42 new company expansions or relocations, 3,600 new jobs and more than \$142 million in annual payroll to Northeast Ohio, leading to a total annual regional payroll benefit of \$255 million.



PHYSICAL DEVELOPMENT

The Greater Cleveland Partnership uses its resources to support, as well as invest in, transformational real estate projects in the City of Cleveland. To date, the GCP’s real estate investment affiliate Cleveland Development Advisors (CDA), has invested \$154 million, which has, in turn, leveraged more than \$2.1 billion in additional investment.

In 2010, progress continued on three catalytic real estate development projects in the central business district—the Flats East Bank Neighborhood, the Cleveland casino, and the medical mart/convention center. The GCP provided strong private-sector support for all three projects, which are part of a \$1.5 billion investment in downtown Cleveland. These game-changing projects are included in the more than \$6 billion of new economic development projects that have broken ground, or will break ground, in 2011 in Cleveland.

In addition, four GCP Board members were named by Cleveland Mayor Frank Jackson to serve on the Group Plan Commission, which is charged with developing a new vision for downtown public spaces and connectivity: Paul Clark, regional president,

PNC Bank; Paul Dolan, president, Cleveland Indians Baseball Club and chair of the GCP Government Affairs Council; Henry Meyer III, chairman and CEO, KeyCorp; and Donald Misheff, Northeast Ohio managing partner, Ernst & Young L.L.P., whose firm serves as anchor tenant in the Flat East Bank office tower. The Commission presented its initial findings to the city in February 2011.

Flats East Bank project breaks ground

Construction began in late 2010 on the \$275 million first-phase of the Flats East Bank project. CDA’s \$5.7 million investment is one of several public and private supporters whose financial commitment helped initiate, as well as re-energize, the Flats East Bank project. Set to open in spring 2013, the project will extend downtown Cleveland to the waterfront and include the central business district’s first new multi-tenant office building in more than two decades. Phase I will be anchored by two GCP-member companies, Ernst & Young LLP and Tucker Ellis & West LLP, ensuring that more than 1,200 employees will remain downtown.



The GCP was the first group in the region to support the medical mart/convention center project. Construction began in December 2010 followed by the official groundbreaking in January 2011. Attendees included GCP and COSE Board members (left to right) David Hooker, managing partner, Thompson Hine LLP; Lyle Ganske, partner-in-charge, Cleveland Office, Jones Day; Lisa Logan, vice president, Logan Clutch Corporation; Deborah Rutledge, chief operating officer, The Rutledge Group; Eric Tolbert, owner, Eric Tolbert & Associates, A Financial Advisory Practice of Ameriprise Financial Services, Inc.; and Marlene Herman, owner, AAMCO Transmissions.

Uptown project launched in University Circle

In 2010, construction also began on the \$43 million first-phase of this neighborhood development in University Circle. CDA convened investors to provide more than \$7.3 million of the total financial support for this project. Uptown will revitalize the Circle by providing more than 100 new apartments and an eclectic mix of shops, specialty retail, restaurants and entertainment venues. This development will entice more residents and businesses, as well as development, to one of Cleveland's premier urban centers.

Construction begins on medical mart/convention center

The GCP was the first group in the region to support the medical mart/convention center project and the original sales tax vote by the County Commissioners that paved the way for the project to move forward. In late 2010, Cuyahoga County and its private-sector partner MMPI signed closing documents, which was followed shortly by the start of construction. Tenants and events are already on the books for the facility, scheduled to open in fall 2013.

In 2010, the GCP's advocacy efforts, in collaboration with community partners, resulted in the medical mart/convention center project securing property tax exemptions to keep the project moving forward. More information can be found on Page 3 of this report. When completed, the project will include approximately 120,000 square feet of permanent showrooms, about 300,000 square feet of high-quality exhibit space and approximately 100,000 square feet of high-tech, flexible meeting rooms.

Cleveland casino project stays on track

As noted on Page 3 in the Advocacy section of this report, realization of the downtown Cleveland casino moved forward in 2010. The GCP's government advocacy team worked with

members of the Ohio Legislature to support quick action to pass legislation that allows the casino to be built in two phases. As a result, the stage has been set for construction of the casino's \$350 million first phase in the Higbee Building beginning in 2011.

The capital investment made in the Cleveland casino is anticipated to provide the City of Cleveland and Cuyahoga County with millions of dollars of revenue specifically designated for economic, business and real estate development opportunities. The casino will serve as another unique Cleveland amenity that compliments other civic investments such as Gateway, the Rock and Roll Hall of Fame and Museum and Great Lakes Science Center.

Infrastructure improvements move forward

Our region is fortunate to have been served for more than 25 years by Build Up Greater Cleveland (BUGC), a private public partnership that focuses solely upon improving our infrastructure and public transit systems. This GCP-managed program relies on its relationship with its partners at the Cleveland Engineering Society, and its public sector stakeholders (see list below) to advance the development of vital improvements to our sewers, roads, bridges, transit and water systems. Since 2009, more than \$800 million has been invested in infrastructure, transit and utility systems. Three GCP priority transportation projects, continued to move forward in 2010:

- The Cleveland Inner Belt Modernization Plan will include a new \$287 million westbound I-90 Inner Belt bridge.
- The \$60 million West Shoreway Project will transform the connection from Cleveland's West Side suburbs and near west neighborhoods with Lake Erie and the Central Business District.
- The Opportunity Corridor on the East Side will connect University Circle and surrounding neighborhoods to I-490 and prepare more than 300 acres of vacant and under utilized land for future economic and community development.

BUGC Stakeholders and Partners

City of Cleveland
 Cleveland Engineering Society
 Cleveland-Cuyahoga County Port Authority
 Cuyahoga County
 Greater Cleveland Partnership
 Greater Cleveland Regional Transit Authority
 Northeast Ohio Regional Sewer District
 Northeast Ohio Area Wide Coordinating Agency
 Ohio Department of Transportation District 12



Uptown, a project by developer MRN, Ltd., will revitalize University Circle by providing more than 100 new apartments and an eclectic mix of shops, specialty retail, restaurants and entertainment venues. The \$43 million LEED-certified project is expected to be completed in 2012. Project rendering courtesy of Saitowitz/Natoma Architects and MRN Ltd.



ECONOMIC INCLUSION

Established in 2000, the Commission on Economic Inclusion (the Commission) drives the Greater Cleveland Partnership's efforts to ensure full participation of minority individuals and businesses in the region's economy. The Commission focuses on achieving measurable, demonstrated success through increases in: (1) in board, senior management, workforce and supplier diversity among its more than 100 member employers and (2) total revenue, size, value, and number of employees of Northeast Ohio minority-owned businesses.

In 2010, Commission Co-chairs Lyle G. Ganske, partner-in-charge of Jones Day's Cleveland office, and Kenneth D. Hardy, president and CEO of Bonnie Speed Logistics™, moved forward with several priorities including developing and strengthening partnerships with four other nonprofits focused, solely or in part, on developing minority business enterprises (MBEs): the Northern Ohio Minority Supplier Development Council (retention, growth and profitability enhancement of MBEs) the Northeast Ohio Hispanic Chamber of Commerce (promotion and support of Hispanic commerce); Team NEO (business attraction) and the Minority Business and Contractors Assistance Program (one of the Commission's Bonding Prep partners). Other 2010 highlights include:

\$2.5 million raised for Access to Capital Fund

As the next step to the Access to Capital roundtable held in 2009, the Commission raised \$2.5 million for the first phase of the Working Capital Loan Back Fund to be launched in 2011. Dollars provided by the fund will be used as collateral to secure working capital lines of credit to support viable African American and Hispanic-owned companies. It will be managed as a restricted fund by the Economic Growth Foundation, an affiliate of the Greater Cleveland Partnership.



Approximately 200 diversity and human resources professionals attended the Commission's cultural competence conference at Corporate College East. Presenters included Greg Morris, senior consultant, Global Novations (above photo) and Global Novations executive consultant Timothy Vigue.

\$1.15 million in grants awarded to continue minority business development

The Commission was awarded two grants totalling \$1.15 million to support the Minority Business Accelerator 2.5+ initiative and to help launch the access-to-capital fund. The awards included a \$750,000 grant from the Fund for Our Economic Future and a \$250,000 grant from the Cleveland Foundation to support the Accelerator's third year of operations. The Cleveland Foundation award also provided \$150,000 for the access-to-capital fund.

Minority Business Accelerator 2.5+ delivers strong results

The Minority Business Accelerator 2.5+ closed a total of 54 deals valued at \$131.6 million between April 2008, when the first deal was announced, and December 2010. Of these, 49 deals were closed with African American minority business enterprises (MBEs) and five deals were closed with Hispanic MBEs. These results include:

- 249+ jobs created
- \$2.2 million in lines of credit and bonding secured
- Over \$793 million in business opportunities identified over the past three years

Deals announced in 2010 include: public housing interior and exterior improvements, \$400K subcontract; a medical center parking facility rebar (reinforcing bars) installation, \$3.7M subcontract; hospital telecommunication, fiber optic and copper-cabling installation, \$480K subcontract; and military facility construction: \$8.8M joint venture

Joint effort re-launches Boardroom to Boardroom

The Commission joined with The Presidents' Council® to re-launch the Boardroom to Boardroom program, which provides business management and consulting services to African American and other minority-owned enterprises (MBEs). The program connects minority executives through one-on-one sessions with CEOs and other executives from leading corporations to gain feedback on their business challenges and plans. Two Boardroom to Boardroom sessions, for one African-American MBE and one Hispanic MBE, will be held during second quarter in 2011. Ernst & Young L.L.P. and PricewaterhouseCoopers are providing consulting services for these sessions on a *pro bono* basis.

Conference offers strategies to maximize cultural competence

The Commission expanded its annual Diversity Professionals conference to a full-day format with the focus on applied cultural competence. The session provided more than 200 diversity and HR professionals with tools and strategies to maximize cultural competence to improve recruitment, retention and talent development. The event was sponsored by Commission members American Greetings Corp., Forest City Enterprises, Huntington Bank, The MetroHealth System, Parker Hannifin Corp., Thompson Hine LLP, Time Warner Cable, Northeast Ohio, and Summa Health System.

Minority Pipeline Initiative develops diverse board candidates

The Commission partnered with Business Volunteers Unlimited to offer “The Role of the Board” training by recruiting 22 minority professionals from 10 for-profit member organizations as participants. This session assisted: (1) nonprofit Commission members seeking more diverse candidates for board seats; and (2) for-profit members seeking more formal leadership development opportunities for their high-potential minority managers. The goal is for at least 10 Commission participants to be placed on nonprofit boards in 2011.



The two organizations also presented a session for nonprofit members on maximizing diversity on their board. Twenty-five executive directors and board chairs attended the program.

New tool provides action steps to measure inclusion progress

Based on feedback from the February 2010 CEO Briefing, the Commission created a new tool, the Corporate 5 x 3 Metrics and Measures Scorecard to provide five recommended actions to implement in each key area (board, senior management, workforce, and supplier diversity), along with a tracking schedule to measure change.

Forum engages senior-level executives who drive organizational change

The Commission’s first Senior Executive Forum established connections with C-level executives at Commission member organizations who oversee and maintain change efforts within their organizations and hold others accountable to achieve results. Forty-five senior executives from 30 Commission member organizations attended. The program, presented by Thompson Hine and Forest City Enterprises, provided attendees with strategies and information to support their roles as change-management leaders.

The Commission on Economic Inclusion’s 2010 Annual Meeting featured (right) keynote speaker former Congressman Louis Stokes, a Commission founding co-chair. He was introduced by fellow founding co-chair Alexander M. Cutler (left), chairman and CEO, Eaton Corporation.



GLOBAL CONNECTIONS

The Greater Cleveland Partnership works with its partners in the public and private sectors to assist companies in the Cleveland Plus® region with strengthening their international business relationships. This includes providing access to public and private resources that can assist companies with establishing a presence, or expanding their operations, in global markets. We also support efforts by Team NEO and others to attract foreign investment and international companies to Northeast Ohio. Highlights from 2010 include:

Forums focus on creating, expanding business presence in China, Brazil

The GCP hosted two events to inform our members of new opportunities and strategies to do business in China. A delegation from Zhuhai, China, a hub port city in South China near Hong Kong, gave a presentation about this growing metropolitan area’s economic development progress and investment opportunities in several emerging industries including IT, petrochemicals, general aircraft, manufacturing and biopharmaceuticals. The event was held in collaboration with The Lubrizol Corporation.



A delegation from Zhuhai, China, a hub port city in South China near Hong Kong, gave a presentation about the city’s economic development progress and investment opportunities. Gan Lin, chairman, Zhuhai Municipal People’s Congress Standing Committee, was the featured speaker.

GLOBAL CONNECTIONS (CONT.)

Two forums also were presented in collaboration with Squire, Sanders & Dempsey, L.L.P. A program on new developments in China markets included an overview of inbound and outbound investment opportunities. A session on doing business in Brazil provided information about mergers and acquisitions, litigation, taxes, labor, and environmental issues.

GCP helps fund video to support Cleveland International Fund marketing efforts

The Cleveland International Fund (CiF) helps qualified foreign nationals obtain U.S. residency using investment as a means to achieve that goal, while directly creating American jobs in the process. The GCP, through the assistance of the Cleveland Foundation, provided funding to CiF to create videos and other collateral materials to market investment opportunities in the Cleveland Plus® region to foreign investors. In 2010, CiF attracted \$20 million in foreign investment to help finance the first phase of the \$275 million Flats East Bank Neighborhood project. For more information about this project's progress, please see the Physical Development section on Page 4.

In 2010, the Cleveland International Fund attracted \$20 million in foreign investment to help finance the first phase of the \$275 million Flats East Bank Neighborhood project. The GCP, through the assistance of the Cleveland Foundation, provided funding to CiF to create collateral materials to market investment opportunities in the region to foreign investors.

GCP provides input into Global Cleveland initiative discussion

The GCP has contributed the business community perspective to discussions concerning how our region can embrace and leverage talent here and attract additional citizens of all backgrounds to contribute to Northeast Ohio's economic recovery and prosperity. Through participation in various Global Cleveland discussions, the GCP has shared ideas on how Global Cleveland can help businesses attract and retain a skilled workforce.



TALENT

The Greater Cleveland Partnership is committed to working with partners in the public and private sectors and the foundation community to ensure that Cleveland's children receive a K-12 education that will help them succeed. In 2010, we ramped up our efforts to support the Cleveland Metropolitan School District's (CMSD) goal of improving student achievement by implementing the proposed Academic Transformation Plan. A crucial first step to successful implementation is financial sustainability for CMSD. The GCP has worked closely with the district to begin developing a roadmap for this process.

We also worked collaboratively with the Northeast Ohio Council on Higher Education (NOCHE) on creation of a plan to significantly increase college attainment in the region. And, we continued our joint efforts with NOCHE to link employers in the region with the deep pool of engineering students earning degrees at Northeast Ohio colleges and universities.

K-12: CLEVELAND METROPOLITAN SCHOOL DISTRICT

Business community supports

Academic Transformation Plan; joins outreach effort

A large majority of the GCP Board of Directors added their names to a full-page ad in *The Plain Dealer* in which the organization publicly gave its strong support to the district's proposed Academic Transformation Plan. As follow-up, the GCP brought business community involvement to the Coalition to Transform Cleveland Schools, which launched a major outreach effort to generate support for the plan from a variety of stakeholders, including parents, staff, administrators and community residents.

Working Group helps CMSD identify operating efficiencies

The GCP convened a working group of business executives to help CMSD explore strategies to improve its short- and long-term financial outlook to: (1) meet the state's requirement of operating with a balanced budget and (2) achieve the Academic Transformation Plan's goal of refocusing and repurposing schools to ensure quality education throughout

the city. The process was supported by a grant from the Cleveland Foundation and contributions from the GCP's business members to engage the Boston Consulting Group in helping to focus and shape recommendations. CMSD is committed to pursuing short-term and long-term recommendations to bring beneficial structural change to the district.

GCP, other Ohio chambers form coalition to change state-mandated teacher seniority rules

The GCP, with the support of the Ohio Chamber of Commerce and other Ohio metropolitan chambers, took the first steps to create a statewide coalition that will advocate for changes in state-mandated teacher seniority rules. The coalition's work in this area is one strategy that has been recommended to help the CMSD and other districts, straining under the costs of teacher compensation and benefits, to balance their budgets.

The GCP also has joined reform-minded foundations in a coalition that is pursuing broader education reform in the areas of teacher quality and effectiveness, choice and innovation and funding and budget issues. Advocacy efforts in all of these areas will continue in 2011, along with other priorities connected to the state budget, which are summarized on Page 2 of this report.

Collaborative efforts produce recommendations for Max Hayes High School curriculum

The GCP secured business community recommendations for curriculum development for the CMSD's new Max Hayes High School, which is scheduled to be built in 2013. The school will be a unique educational facility in Cleveland, providing state-of-the-art instruction and education to adults and youth in greater Cleveland in a variety of fields.

With the goal of educating students to graduate fully prepared to enter the workforce, subjects identified included construction, information technology, transportation and automotive, advanced manufacturing, as well as customized learning for students wanting to combine areas of study. The new school also will be a significant economic driver in our region as the curriculum informs the training and development of the next generation of our region's workforce. The GCP will participate on the steering committee that will work with CMSD to implement the recommendations.

HIGHER EDUCATION

Increasing college attainment in Northeast Ohio

The GCP was part of the Northeast Ohio Council on Higher Education (NOCHE) Talent Dividend Steering Committee that developed an action plan to increase college attainment in Northeast Ohio as an economic driver for the region. The group's recommendations cite data from the CEOs for Cities report indicating that increasing the number of college graduates by one percentage point can generate close to \$3 billion in annual income. The GCP will continue to support this effort by working to engage the business community in this process.

Linking employers with engineering talent

The GCP's Business Development Team helped Northeast Ohio engineering students meet one-on-one with potential employers. Over 20 companies and more than 110 engineering students participated in the second annual "Linking Engineering Talent to Opportunity" event. The GCP, the Northeast Ohio Council on Higher Education and the Greater Akron Chamber co-hosted the program to help respond to the business community's concerns about the "brain drain" of engineering talent.



Twenty-one companies and more than 80 engineering students participated in the 2010 Linking Engineering Talent to Opportunity event at the Independence Civic Center. Co-hosted by the GCP, Greater Akron Chamber and the Northeast Ohio Council on Higher Education, the program was held to address the business community's concerns about the "brain drain" of engineering talent.



MEMBERSHIP

With more than 15,000 members, the Greater Cleveland Partnership, together with our small business partner COSE, is a catalyst for building a stronger city and region. Our Investor members are connected to a broad spectrum of the Northeast Ohio business community and a wide range of resources, benefits and opportunities to be involved in influencing our economic development agenda. In 2010, more than 100 companies joined the GCP, becoming part of one of the largest metropolitan chambers of commerce in the U.S. Outreach to our Investors included:

Increasing participation of mid-market companies

The Mid-Market Involvement Committee focuses on:

- Articulating the needs of companies in the mid-market sector
- Defining a mid-market membership value proposition based on these needs along with a membership and sponsorship strategy based on this proposition
- Connecting companies to resources that help capitalize on the economic development potential of this sector
- Learning the “inside scoop,” informing and critiquing the implementation and updating of the GCP’s seven-objective strategic plan
- Increasing mid-market company involvement in the GCP and identifying prospects from this membership segment for GCP leadership.

In 2010, the committee has identified talent and workforce as its primary focus. The committee is in the process of growing from 15 to 25 members.



GCP events and programs connect our members to business leaders and influencers, as well as opportunities to be informed about economic development issues that impact our city, region and state. Two major events include our Annual Meeting (above photo) and the annual “Meet the Chairman” forum.

Promoting member involvement

GCP Investors have the opportunity to help shape and advance the Northeast Ohio private sector’s economic development priorities by participating on a variety of GCP committees, advisory groups and through our partner organizations. This includes involvement on our Board of Directors, Government Affairs Council, Commission on Economic Inclusion Advisory Committees, and special task forces focused on education and government advocacy issues. In addition to being part of the decision-making process, our members are connected to other influencers and business leaders from across Northeast Ohio.

Providing benefits for companies and their employees

Belonging to the GCP means having access to cost-savings programs that impact the bottom line and special promotions for employees. In conjunction with COSE, we offer energy-savings programs, including audits that can help medium and large companies become more sustainable and avoid potential surcharges through energy efficiency improvements and an electric savings program that can reduce electric generation costs through our partnership with FirstEnergy Solutions. In 2010, we also featured special ticket offers through partnerships with some of Cleveland’s leading arts and cultural institutions and GCP Investors such as the Cleveland Orchestra, PlayhouseSquare and Great Lakes Science Center and more.

Connecting and informing members

We continued to offer events and programs to keep our members informed about important economic development issues and current events that impact our city, region and state:

- GCP Annual Meeting
- “Meet the Chairman” briefing
- International business forums
- Meet the Candidate forums
- Post-Election Briefing
- GCP Public Officials Reception
- GCP Morning Conversation series
- Cleveland Clinic’s Ideas for Tomorrow speaker series
- Corporate Club at Landerhaven luncheons



SMALL BUSINESS

Greater Cleveland Partnership (GCP) members with fewer than 250 employees also are members of the Council of Smaller Enterprises (COSE), the GCP's small business partner and the region's largest small business support organization. Working together, the GCP and COSE help promote a pro-business climate that encourages investment, supports growth and creates jobs in the city, region and state. COSE provides its 15,000 members with advocacy on legislative and regulatory issues, networking and educational resources to help Northeast Ohio's small businesses grow, and cost-effective group purchasing programs.

In 2010, small businesses began to see improving economic conditions and turned to other COSE members as a support system for education, services, resources and networking. It was a banner year for COSE programs and events, thanks to members who "joined their cause" and served as the starting lineup of talented professionals who helped provide the resources. Here's an overview of accomplishments:

- COSE launched its Membership Engagement Program aimed at giving members a more customized membership experience. COSE realigned its staff and added the new position of membership engagement manager, whose sole function is to meet one-on-one with members and ensure they are connected to the products, resources and people at COSE that they need to succeed.
- COSE took action in Washington D.C. and Columbus to help bring light to small business concerns during the early implementation of the Healthcare Reform legislation. To help members better navigate the reform movement, COSE developed two Health Care Reform Gameplan™ books featuring handy timelines and more specific information on the provisions that will impact small businesses. We also talked to hundreds of members at free reform educational events and one-on-one Benefit Review Sessions, giving them the information and tools they need to make the right healthcare decisions for their individual businesses.
- Connecting more members to resources remains at high priority, as COSE produced 166 educational and networking events last year, highlighted by unprecedented attendance at the COSE Small Business Conference in October. Members also benefited from a new business Matchmaking event, which connected 400 small business owners with procurement offices from both the public and private sectors.
- COSE also launched the COSE Affiliate Program that works to harness resources offered by other Northeast Ohio chambers through dual membership opportunities. For one lower price, the program allows joint members to now enjoy the benefits of representation in their local communities as well as the region and state reach of COSE. Participating chambers include: Brunswick, Chagrin Valley, Mentor, Painesville, Madison-Perry and Parma, as well as Plexus and the Cleveland Area Restaurant Association.



The sixth annual COSE Small Business Conference included educational workshops, national keynote speakers, a business-to-business tradeshow and networking opportunities.

- COSE launched its first online COSE Energy Efficiency Resource Guide full of case studies, checklists and resources to help small businesses design their own energy-efficiency plan. COSE also was awarded \$100,000 in federal and state grants to expand statewide partnerships through Small Business Development Centers. COSE is using the funds to educate small businesses on energy efficiency opportunities and help fund their implementation.
- NEOSA (COSE's technology network) produced the annual CIO Awards and raised \$15,000 for college scholarships awarded through the Cool Tech Challenge. The COSE Arts Network took full responsibility for the popular Artist as Entrepreneur Institute program, graduating 48 arts professionals, and produced another Arts Business and Innovation Award program.
- COSE played a prominent role in the transformation of Cuyahoga County's government. Several COSE members were involved in the task teams that contributed and set the stage for a new government that will better serve the people and create more economic development opportunities for the region.
- COSE launched Wellness tracks, an intense 12-week wellness program for members and their spouses. COSE continued to award Wellness Mini-grants to help qualified members receive up to a \$1,500 reimbursement for wellness initiatives and provide health screenings to small businesses throughout Northeast Ohio.

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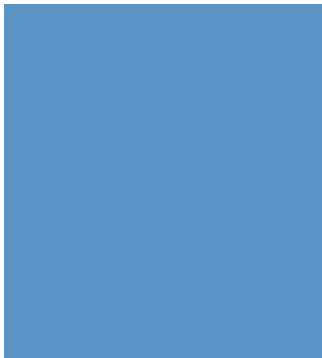
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LOOKING AHEAD

In 2011, the Greater Cleveland Partnership will continue to ensure that the voice of our members is heard during discussions about how to boost and sustain economic vitality in the Cleveland Plus® region and the State of Ohio. We will remain actively engaged in advancing initiatives and priorities that are key drivers to support job creation and the growth of strong companies in our city, region and state.





GREATER CLEVELAND
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