Improving the Washington Region’s Global Competitiveness

Appendix A: Global Competitiveness Case Studies

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Atlanta Aerotropolis Alliance
http://www.atlantaaerotropolis.org/

Background

Over the past 50 years Hartsfield-Jackson Atlanta International Airport has grown from a small regional hub into the world’s busiest airport. Hartsfield-Jackson served more than 94 million passengers in 2013 and offers nonstop service to 150 domestic and 75 international destinations. The airport’s growth has tracked with the rapid expansion of the Atlanta metro area, which has added about 4 million residents since 1960. Atlanta is now the ninth largest metro area in the U.S., and it is the largest metro area with only one airport offering commercial passenger service. In 2012, a new international terminal was completed at the airport, further expanding its capacity.

A major component of the Atlanta region’s economic growth has been its ability to attract the global and headquarters offices of Fortune 500 firms such as UPS, NCR, Newell-Rubbermaid, and PulteGroup, as well as regional offices of dozens of international firms. Although corporations that locate in metro Atlanta invariably cite the airport as a key factor, nearly all of the region’s major corporate offices have traditionally located on its north side, 20 or more miles from the airport. Due to traffic congestion the trip between these locations and the airport can take well in excess of an hour at many times of the day. The airport area itself, located about 10 miles south of downtown Atlanta, has long been a lower value area where the predominant land uses have long been industrial operations such as factories, warehouses and airport support services.

In 2008, local investor Jacoby Development acquired the shuttered Ford auto plant in Hapeville, located on the northeast border of the airport. Jacoby’s vision for the site was to transform it into a high-end office, retail, and hotel development that would set a new pattern for how Atlanta relates to its airport. The project’s name, “Aerotropolis Atlanta,” was borrowed from the research of Dr. John Kasarda at the University of North Carolina, who defines an aerotropolis as: “A new urban form placing airports in the center with cities growing around them, connecting workers, suppliers, executives, and goods to the global marketplace.”

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1 http://www.atlanta-airport.com/Airport/ATL/ATL_FactSheet.aspx
2 http://www.metroatlantachamber.com/business/data/fortune-500-1000-hq
4 http://www.aerotropolis.com/
Jacoby’s vision was very much in step with discussions that had been started by the Atlanta Regional Commission (ARC)—the council of governments serving much of the metro area—several years earlier. In 2011, ARC began an effort to reach out to Hartsfield-Jackson’s leadership and to government and business leaders in the surrounding area to begin a dialogue on leveraging the airport for economic development. Initial interest from potential partners was lukewarm at first, but increased quickly later in the year when Porsche Cars North America announced that it would be relocating its headquarters to Aerotropolis Atlanta.\(^5\) Porsche’s move was a stunning one, as it was shifting from a suburban office park on the north side to the long undesirable Airport submarket.

Porsche’s new headquarters, which is set to open by the end of 2014, is a $100 million project that includes a new office building to house 400 employees, a museum of classic Porsche vehicles, the Porsche Experience Center, and a 1.6-mile test track. The site, which was chosen after a national search, was preferred by Porsche for its unique combination of visibility, accessibility, and available land. According to Porsche executive Joe Folz, “We chose the airport area...because we believe in the future of the Hartsfield-Jackson area and its importance to the Atlanta region, and because it literally brings the world to our door every day.”\(^6\) Another factor cited by Porsche was the teamwork shown by Georgia Governor Nathan Deal and Atlanta Mayor Kasim Reed who, in spite of being from different political parties and vastly different personal backgrounds, “spoke in one voice” during negotiations with Porsche.\(^7\)

The Porsche decision was a landmark moment not just for Jacoby and the City of Hapeville, but for the entire “southern crescent” of the Atlanta metro area. In June 2012, three Chambers of Commerce in the airport area joined forces to convene a summit event entitled, “Global Gateway,” that examined how the south side of the region could better leverage Hartsfield-Jackson for future economic growth. Building on this discussion, the Atlanta Regional Commission (ARC), a council of governments that serves the region’s 10 core counties, organized the Airport Area Task Force. This ad hoc group, which included representatives from multiple local governments, business groups, and regional development agencies, met multiple times between August 2012 and December 2013 and built momentum for the creation of a permanent organization to promote high-quality development in the airport area. This organization would be known as the Atlanta Aerotropolis Alliance.\(^8\)

**Mission and Governance**

The Atlanta Aerotropolis Alliance was formally incorporated as a 501(c)(6) organization in March 2014. According to the press release announcing the Alliance’s formation, the organization: “will focus on the future of the airport area and how it might become a nexus for increased local and global economic activity to attract international corporations, logistics companies and others that benefit from proximity to the world’s busiest airport.”\(^9\)

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\(^5\) Interview with Jon Tuley from the Atlanta Regional Commission, July 24, 2014  
\(^7\) [http://www.huffingtonpost.com/2013/06/08/nathan-deal-kasim-reed_n_3408320.html](http://www.huffingtonpost.com/2013/06/08/nathan-deal-kasim-reed_n_3408320.html)  
\(^8\) [http://www.atlantaregional.com/land-use/airport-area-planning](http://www.atlantaregional.com/land-use/airport-area-planning)  
The Alliance’s service area encompasses more than 100 square miles, reaching from the southern edge of downtown Atlanta to areas more than 10 miles south of the airport along Interstates 75 and 85. The service area includes four MARTA transit stations as well as several major redevelopment sites, including Fort McPherson and Fort Gillem, both of which are decommissioned military facilities.

The governance of the Alliance reflects the broad scopes of both its mission and its geography. The organization has a 20-member Board of Directors that includes representatives from two county governments, three city governments, four Chambers of Commerce, Hartsfield-Jackson Airport, six corporations, and several regional development organizations. In a nod to Porsche Cars North America’s status as the “face” of the Aerotropolis, Joe Folz from Porsche was named Chair of the alliance.

Since the Alliance is still in its formative stages, it does not yet have its own budget or staff. For the time being, the Alliance is being managed by ARC staff, and its first-year activities are being funded by $65,000 in seed funding provided by Georgia Power and the Clayton County Development Authority.10

Global Development Initiatives

Since the Alliance is so new, it has yet to take on any major development initiatives. The Alliance has clearly stated that, as it does put together its agenda, it will be working to “spur and guide development, not fund it.”11 The Alliance’s is currently preparing a strategic blueprint that will lay out its agenda for the next several years. The blueprint is expected to focus the organization’s early energy on the image of the airport area, including aesthetic improvements, public safety, and branding and identity issues.

An essential component of these image-building efforts is to organize local land and business owners through the establishment of Community Improvement Districts (CIDs). These self-taxing entities are Georgia’s equivalents of Business Improvement Districts (BIDs), and have been applied to revitalization efforts in many other locations in metro Atlanta. Since CIDs are limited to serving one county, two organizations have been formed: the Airport West CID in Fulton County and the Airport East CID in Clayton County.12 These two organizations’ boards contain many members of the Alliance’s board, so their activities will be closely coordinated.

11 Ibid.
Longer term efforts by the Alliance are expected to focus on local infrastructure improvements and marketing efforts that will enhance and promote the area’s appeal to prospective corporations and investors. The Alliance’s strategic blueprint is planned for completion in early 2015; though its exact contents are not yet known, it will spell out targeted industries and set measurable goals for job growth and investment in the area.\(^{13}\)

**Outcomes and Lessons**

Although the Atlanta Aerotropolis Alliance is just beginning its efforts to shape a global development program around the world’s business airport, its very existence represents a paradigm shift for the Atlanta region. The Alliance’s rapid coalescence can be traced to the fact that Porsche Cars North America bought into the aerotropolis vision. The decision by a major international corporation such as Porsche to leave its safe and familiar corporate office park environment to invest $100 million in a speculative location on the region’s long-neglected south side is a potential game changer.

More broadly, the Alliance probably represents the most diverse coalition of participants for any sort of regional development effort in the history of metro Atlanta. The organization includes multiple levels of government (city, county, state), a range of corporate interests, and multiple institutional members. The wide-ranging coalition assembled for this purpose should be considered as an outgrowth of the unlikely but strong political partnership between Governor Deal and Mayor Reed. The coordination between these two very different leaders was a critical element to closing the deal with Porsche: without this partnership, the Alliance would probably not exist.

Though it is not yet possible to evaluate the eventual success of the Alliance, it has already succeeded at building a strong coalition among all of the partners who will need to be involved in the development of an aerotropolis. The rapid move to form the two CIDs is a strong indicator of the commitment of the private sector to the vision. The public sector will need to demonstrate its commitment through funding and political support, though. Most importantly, the prospect of the Aerotropolis concept depends on the contents of the strategic plan that the Alliance expects to unveil in early 2015 and the execution of this plan. The good work done to establish the Alliance’s foundation will be wasted unless the organization can build on this foundation and implement an effective strategy.

**Contact:**

Jon Tuley, Atlanta Regional Commission, 404-463-3307

**Links and Resources**


Atlanta Regional Commission webpage on airport area planning: [http://atlantaregional.com/land-use/airport-area-planning](http://atlantaregional.com/land-use/airport-area-planning)


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\(^{13}\) Interview with Jon Tuley from the Atlanta Regional Commission, July 24, 2014, op. cit.
List of corporate headquarters in Atlanta area: http://www.metroatlantachamber.com/business/data/fortune-500-1000-hq


Charlotte Regional Partnership  
http://charlotteusa.com/

Background

Charlotte, North Carolina is the largest city in the Carolinas and a leading hub of transportation and business activity in the Southeast U.S. Charlotte’s economy was historically geared around the manufacturing sector, which accounted for 33 percent of all jobs in the region as recently as 1980. About half of these jobs were related to textile manufacturing, which began to lose jobs to cheaper overseas operations in the 1980s, decimating this sector. By 2005, just 10 percent the Charlotte region’s employment base was in manufacturing.¹

The Charlotte region was able to overcome the decline of its manufacturing sector as a result of the emergence of the city as a leading banking and financial center. Following the U.S. Supreme Court decision in 1985 that found interstate banking to be constitutional, two regional banks, North Carolina National Bank and First Union Bank², began to aggressively expand their operations and acquire other banks. An integral part of the banks’ expansion efforts was to forge public-private partnerships to improve downtown Charlotte and to invest in regional housing, education, cultural, and infrastructure projects.³

As part of their efforts to improve metro Charlotte, the two banks recognized the need to form a regional organization that could effectively market and promote the area, particularly to foreign investors. In 1991 a consortium of major companies led by the two banks’ presidents, Edward Crutchfield (First Union) and Hugh McColl (NCNB), took this idea to public sector leaders from the City of Charlotte and 16 surrounding counties, including 12 in North Carolina and four in South Carolina. These efforts led to the formation of the Charlotte Regional Partnership (CRP).⁴

Mission and Governance

CRP’s territory includes all 16 counties in the Charlotte metro area—12 in North Carolina and four in South Carolina. CRP has developed the region’s “Charlotte USA” brand and conducts marketing and business development activities throughout the U.S. and overseas. According to its website, “The Partnership serves as a catalyst for government/business collaboration to market and promote Charlotte USA as a highly competitive, vibrant region with an

¹ Weir, et. al., eds., Urban and Regional Policy and Its Effects: Building Resilient Regions, Volume 4, p. 224
² The successor companies to these banks, Bank of America and Wells Fargo, remain two of the largest employers in Charlotte.
³ Ibid., p. 227
⁴ Ibid., p. 228
increasingly attractive quality of life.⁵ CRP’s marketing efforts are primarily built to highlight some of the region’s key existing industry groups, including advanced manufacturing, automobiles/motorsports, health/life science, aerospace, renewable energy, and data centers.

CRP is structured as a public-private partnership, with representation from the region’s major corporations, universities, hospitals and all 16 of the region’s counties—including both states. The organization’s Board of Directors has more than 85 members and only meets quarterly, with its professional staff responsible for maintaining operations. CRP has a full-time staff of 10, with staff functions including Economic Development, Marketing & Research, Budget & Finance, Communication & Public Relations, and Administrative Services.⁶

As of 2014 the organization has a total budget of about $3.3 million, with more than 70 percent of its funds coming from private corporations, with the organization reporting 170 separate companies as financial supporters, with the largest contributions coming from Duke Energy, Wells Fargo and Bank of America. About 25 percent of CRP’s budget comes from local governments, including all 16 counties and three cities. In past years the State of North Carolina contributed more than $1 million per year to CRP, but this amount has been reduced and the state now only contributes $130,000. CRP has had to respond to these state cutbacks by asking its private members for additional support.⁷ The contributions by local governments are calculated based on population, with the annual dues of each jurisdiction set at $0.30 per resident.⁸

CRP’s future outlook is at risk due to the restructuring of North Carolina’s statewide economic development programs. In June 2014 the state officially approved a plan to create a statewide public-private marketing organization called the Economic Development Partnership of North Carolina that will effectively take over the state’s economic development function from the North Carolina Department of Commerce.⁹ This shift presents two serious challenges to CRP: first, it will now be more difficult for it to work across the state boundary; second, it will likely lose some of its private and local government funding supporters as they shift resources to the larger, statewide group.¹⁰

Global Development Initiatives

CRP’s primary international development initiative is to market the Charlotte region to a global audience. Given the small size of the organization’s staff, its activities are geared towards communicating the Charlotte region’s advantages to the “gatekeepers” of international business development such as site selection consultants, business media, and groups representing targeted industries. In a typical year, CRP staffers conduct about 40-50 visits to meet with key representatives of these groups and to attend trade shows or conferences. Most staff travel is to domestic destinations where site location consultants and potential international investors will be present.

CRP’s international development efforts are focused on attracting Foreign Direct Investment (FDI) to the targeted industries outlined above. Most of the organization’s work is aimed at select countries that

⁵ http://charlotteusa.com
⁶ Ibid.
⁷ http://www.charlotteobserver.com/2013/08/10/4225592/charlotte-regions-job-recruitment.html
⁸ Interview with David Swenson from CRP, August 4, 2014
already have strong presences in the region, particularly Japan, South Korea, Germany, Italy, the U.K., and France. CRP works with consultants throughout the year to generate leads and its staff takes about 3-4 overseas trips per year, including at least one to Asia. These trips are structured around direct meetings with prospects identified through prior research efforts. CRP does not focus much effort on marketing to China or Brazil, as the nature of investments from those countries does not match up well with the organization’s priorities.\(^{11}\)

Since CRP is primarily a gateway marketing organization, it does not have the ability to provide targeted incentives or other economic development enticements to prospective businesses or investors. Its one “hard” development program is its Foreign Trade Zone (FTZ), located at Charlotte-Douglas International Airport, with 16 specific “sub-zones” located elsewhere in the region. Products manufactured in the FTZ may be exported duty-free, and there are significant reductions on importing duties and other taxes and fees. The airport itself is a key piece of the region’s global appeal eight busiest in the U.S.\(^{12}\) and offers service to 37 international destinations.

### Outcomes and Lessons

Over the past 23 years CRP’s efforts have helped establish metro Charlotte as a significant player in the global economy. As of 2014 the region has about 950 foreign-owned businesses, with the largest concentrations from Germany (194), the United Kingdom (104), and Japan (91). Some of these international businesses are among the region’s largest employers: Daimler Trucks, Compass Group, Siemens Energy, AbitibiBowater, Schaeffler Group USA, and Electrolux all employ at least 500 workers in the region.\(^{13}\)

In spite of these successes the future of CRP is challenged by the uncertain results of the privatization of the State of North Carolina’s economic development functions. The organization remains optimistic that it will not lose its public or private investors, though, and it sees the new statewide organization as a positive since it has the potential to raise the state’s overall profile. Regardless of the impact of the state group CRP’s leadership believes that its future depends on its ability to continue to demonstrate the organization’s value proposition to its public and private supporters. If CRP is not viewed as adding value to its supporters, it will not be able to succeed.\(^{14}\)

Another challenge for CRP’s is that its public-private partnership structure brings inherent problems. The organization often faces criticism when jurisdictions within the region do battle over a particular company or investment. This has become particularly problematic when businesses have moved from North Carolina to South Carolina, and CRP has been targeted for failing to keep the company from doing so. According to Ronnie Bryant, CRP’s President and CEO, the organization’s role is to bring potential deals to the Charlotte region and try to find the right location for a particular business, but that “we do not discourage a community from going aggressively after a project.”\(^{15}\) As a result, CRP does find itself in the unfortunate position of moderating battles among its member jurisdictions.

\(^{11}\) Interview with David Swenson, op. cit.  
\(^{13}\) [http://charlotteusa.com](http://charlotteusa.com)  
\(^{14}\) Interview with David Swenson, op. cit.  
Contact:

David Swenson, Senior Vice President, Charlotte Regional Partnership, 704-347-6584

Links and Resources


Corcoran, Rob, “We’re all in this together – for better or worse,” IOFC.org, November 24, 2008, http://www.us.iofc.org/node/38971


Background

Chicago has long been a center of international trade and commerce. Founded as a trading post in the early 19th century Chicago became a central hub for connecting the east and the west. First canals and then railroads built the city: today 50 percent of all railroad lines in the U.S. pass through the Chicago region, and 87 million passengers pass through or land in Chicago through its two primary airports annually.¹

The 14-county metropolitan area spreads across three states, and has a population of 9.5 million residents, making it the third largest metro area in the U.S. Metro Chicago is home to 250 corporate headquarters, 29 of which are Fortune 500 companies, and 1,500 foreign firms.² Boeing is Chicago’s highest ranked Fortune 500 Company at number 30 and Chicago is ranked third overall for most Fortune 500 companies behind New York and Houston.

In spite of its size and economic vitality, the region has struggled to overcome the decline of its manufacturing economy since the 1950s. The City of Chicago itself has lost about 900,000 residents from its peak of 3.6 million, and growth in the region’s service economy has not made up for manufacturing losses. In 1985 then-Mayor Harold Washington approached the Commercial Club of Chicago to investigate the financial health of the city. The Civic Committee of the Commercial Club of Chicago, along with the civil rights group Chicago United³, established a Financial Planning Committee and brought together 70 executives to evaluate the financial future of the city. This initial evaluation led to a variety of programs such as the Chicago Enterprise Center (now the Chicago Entrepreneurial Center), Financial Research and Advisory Committee, and the Illinois Science and Technology Coalition.

In 1996, under the leadership of Mayor Richard M. Daley, a new initiative was launched to advance a regional economic development agenda. This initiative was termed the Metropolis Project and its final report was released in 1999. A new group called Chicago Metropolis 2020 was created to carry out the recommendations in the report. A core recommendation was to form a permanent organization aimed at increasing the visibility of Chicago as a global city in order to recruit international businesses.⁴ This organization would become World Business Chicago.

¹ Department of Aviation Airport Statistics
² http://www.worldbusinesschicago.com/successes
³ http://www.chicago-united.org/
⁴ http://www.commercialclubchicago.org/history#1990
Mission and Governance

World Business Chicago (WBC) is the result of a partnership between the City of Chicago and Choose Chicago, a private, nonprofit organization that markets the greater Chicago area. WBC’s mission is to foster private sector growth and jobs through the advancement of a business-friendly environment that attracts world class talent.\(^5\) For most of WBC’s early years of WBC it was chaired by Mayor Daley and consisted of approximately 20 influential Chicago business leaders.

Following the election of Mayor Rahm Emanuel in 2011, WBC’s board was first expanded to 45 members and subsequently to 68 members. The expansion of the board was tied to an expansion in WBC’s mission to state additional events and marketing activities. Prior to 2011 WBC’s annual budget was typically in the range of $4-5 million, with nearly 90 percent of funding coming from the City of Chicago.\(^6\) WBC’s budget received a temporary boost when the organization was put in charge of running the G-8/NATO summit that was held in Chicago in 2012.

The organization has about 30 staff members to conduct its work. The staff includes several people with a particular focus on international business and trade, including: a Director of International Business Development, a Special Advisor of International Trade, a Director of Global Strategic Initiatives, and an Associate Director of International Business.

Global Development Initiatives

As the City of Chicago’s economic development office, WBC is primarily focused on elevating Chicago’s position as a global business destination and cultivating world class talent.\(^7\) The city’s 2012 “Plan for Economic Growth and Jobs” outlines the way forward for Chicago and the role of WBC is promoting the region’s attractiveness as a prime location for international headquarters, its key position as a transportation hub and making Chicago a leading international exporter.\(^8\) The plan’s goal is to make Chicago “an economic powerhouse in the new global economy”.\(^9\) WBC recently launched Chicago Anchors for a Strong Economy (CASE) which utilizes anchor institutions, to capitalize on their purchasing

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\(^5\) [http://www.worldbusinesschicago.com/about](http://www.worldbusinesschicago.com/about)
\(^6\) Ibid., part 2 page 2
\(^7\) [http://www.worldbusinesschicago.com/about](http://www.worldbusinesschicago.com/about)
power and influence in the economy to drive local business growth, attract new business and aid in neighborhood development.

WBC offers connections to the many international organizations in Chicago, which includes more than 80 consulates and about 100 international and ethnic chambers of commerce and international trade organizations. WBC has assisted many of these organizations in setting up their offices and maintains relationships with most of them. The WBC is also involved with the sister cities initiative and global development though these international organizations. The branding of World Business Chicago is also very internationally focused; its marketing tagline is: “Driving Success in North America’s Global Business Center.” Promotion outside of Chicago is a major part of WBC’s operations and it is active in forming new partnerships with other globally minded cities. WBC in 2013 signed a global city economic partnership agreement with Mexico City and a gateway city agreement with eight Chinese cities. These agreements create forums and collaboration to further promote international trade and communication between these cities.

WBC also assists companies looking to relocate, expand or start through the process and offers services such as economic and industry data, site selection services, state and local incentive information and access to their directory of resources. ChicagoNEXT is a dedicated service to promote growth in the science and technology areas with a focus on raising Chicago’s global profile in technology industries.

Outcomes and Lessons

Since its creation WBC has been instrumental in many of the region’s economic victories. The first success claimed by WBC is the relocation of Boeing’s headquarters from Seattle to Chicago in 2001. Several other international companies have relocated their corporate or North American headquarters to Chicago since WBC’s inception as well. WBC reports that about 25,000 jobs have been created in the region since 2011, although it is unclear how many actually have been created through the organization’s effort. WBC’s efforts to encourage local interests to embrace the Chicago regional brand have produced positive results as well.

A major concern for WBC has been the appearance of impropriety related to its incentive programs. A July 2011 report by the Illinois Inspector General’s Office found conflicts of interest in regard to Tax Incremental Financing (TIF) proposals which are subsidies that reimburse a developer for statutorily eligible redevelopment costs, a powerful tool for WBC to attract new business and development. A subsequent evaluation of WBC found that the organization’s conflict of interest policy was ineffective, raising concerns about the “credibility and integrity of WBCs recommendations.” WBC has since remedied the situation by enacting a strong conflict of interest policy and attempting to increase transparency in the decision making process within the organization.

Contact:
Lori Bush, Director of Economic Development, 312.553.4719

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10 These offices include the Basque Trade Commission (the only US office); and the Hungarian Investment and Trade Agency Swiss Business Hub USA
11 http://www.worldbusinesschicago.com/view-all-stories
13 Ibid., p.5
Links and Resources
World Business Chicago. Site Selection Map Tool http://www.worldbusinesschicago.com/site-selector
The Commercial Club of Chicago http://www.commercialclubchicago.org/history#1990
Regional Economic Development Initiative (REDI) Cincinnati
http://redicincinnati.com/

Background

The Greater Cincinnati region includes 15 counties across three states: Ohio, Kentucky and Indiana. Cincinnati was founded as a port city along the Ohio River and has always been a center for trade. The region has a strong economic base for advanced manufacturing, biohealth, information technology, and consumer products and branding, and boasts the second lowest costs of doing business and living in the U.S. after Atlanta. Greater Cincinnati is home to over 450 foreign-owned firms and is headquarters to nine Fortune 500 Companies, with the most notable being Procter and Gamble and Kroger. Business coalitions in Cincinnati have a long history of maintaining international trade relations and the Cincinnati Chamber of Commerce has organized foreign trade relations trips since as far back as 1913.

The role of foreign owned companies in Cincinnati’s business environment has been increasing. In 1991 only 3.7 percent of the region’s workers were employed by foreign companies. By 2011 foreign-owned establishments employed 50,560 workers in the region, representing 5.8 percent of the total regional employment base. Through these foreign owned companies Cincinnati is linked to Asia (Japan, China, and India), Europe (France, Germany, Switzerland, and the U.K.), Canada, South America, and Africa.

In the early 2000s the Cincinnati USA Regional Chamber of Commerce decided that the private sector needs to become more deeply involved in the region’s economic development activities. This led to the creation in 2004 of the Cincinnati USA Partnership for Economic Development as a subsidiary of the Chamber. The Partnership focused its early efforts on business attraction, but subsequent research documented that new businesses only accounted for 23 percent of regional job growth, so the emphasis was later shifted to include business expansion and retention.

The Greater Cincinnati region was hit hard during the Great Recession; it lost 6.7 percent of its employment and ranked 52nd out of the top 100 U.S. metros in terms of Gross Regional Product (GRP)

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2 http://redicincinnati.com/
5 http://www.brookings.edu~/~/media/Research/Files/Reports/2014/06/20%20fdi%20us%20metro%20areas/profiles/CINCINNATI.pdf
6 http://business.uc.edu/content/dam/business/centers/real-estate/docs/DENYSEFERGUSON.pdf
change during that period. As the recession bottomed out in first quarter of 2010 the region’s unemployment rate surpassed 10 percent. The Cincinnati region has been slow to recover as well, as its job base only increased by 5.6 percent from the end of the recession through the first quarter of 2014, and its overall recovery only ranked 60th among the top 100 metros according to a recent report by The Brookings Institution.\(^7\) By 2014 it had become evident that a more autonomous organization was needed to fully represent the region’s public and private interests. The organization was then restructured and given a new name: Regional Economic Development Initiative (REDI) Cincinnati.

**Mission and Governance**

Regional Economic Development Initiative (REDI) Cincinnati is an independent organization that provides a forum for CEOs of regional businesses to collaborate with public and private investors towards broad based regional development.\(^8\) In addition, the organization also provides an informational resource for businesses to start or relocate in the Greater Cincinnati area and serves as the Cincinnati region’s partner for state-level initiatives such as JobsOhio.

REDI Cincinnati’s board of directors includes CEOs from the regional businesses of Procter and Gamble, Duke Energy, PNC Bank, and Fifth Third Bank. The board also includes representatives from the University of Cincinnati, Hamilton County, Jewish Foundation of Cincinnati, JobsOhio, City of Cincinnati, and the Castellini Foundation. Investors in REDI Cincinnati are staged along six tiers, ranging from Friends ($1,000 commitment) to Founders ($100,000+ commitment). Founders receive a seat on REDI’s board, complementary participation in international and domestic trade missions, access to customized market intelligence, and brand exposure through REDIs paid cooperative advertising.\(^9\)

The organization’s independent Board was newly created as part of the transition from the former Partnership to REDI. The old organization was a subsidiary of the Chamber of Commerce and its staff reported to the Chamber’s CEO, rather than to its own Board of Directors. REDI Cincinnati’s staff now reports to the organization’s own Board, though the organization still shares administrative support staff with the Chamber.\(^10\)

**Global Development Initiatives**

REDI Cincinnati’s core activities are aimed at improving the region’s competitiveness by: developing relationships nationally and internationally; connecting stakeholders with demographic, financial and informational resources; working with industry, government and community leaders; promoting region’s assets and attracting talent; and partnering with universities and local economic development professionals on regional workforce development matters.\(^11\) The organization’s professional staff is divided into an Industry Cluster Team, a Project Management Team, and a Media Relations and Marketing Team.\(^12\)

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\(^7\) http://www.brookings.edu/research/interactives/metromonitor#/M17140
\(^8\) http://www.bizjournals.com/cincinnati/news/2014/03/10/cincinnati-chamber-replaces-partnership-with-new.html
\(^10\) http://www.cincinnati.com/story/money/josh-pichler/2014/03/08/execs-unite-create-jobs-attract-talent/6201939/
\(^12\) http://redicincinnati.com/News,-Reports_and_Publications/Media_Room/Team_Bios.aspx#.VA4wq_IdWbY
The most prominent of REDI Cincinnati’s global development initiatives is the sponsored annual foreign trade trips that have been organized by the region’s chamber of commerce since 1913 and have now come under the umbrella of REDI Cincinnati. Trips are typically taken to countries where the region already has existing relationships, with an emphasis on building on past collaborations. REDI has capitalized on Cincinnati’s prominent Jewish community to build relationships with Israel. The city has a “sister city” relationship with Netanya, a leading technology center located near Tel Aviv.

In 2014 took REDI organized a trade mission to Netanya, including REDI staff and regional business leaders. The central aim of the trip was to meet with Israeli technology, biomedical and pharmaceutical companies. The delegation included representatives from Cincinnati’s biohealth and pharmaceutical industries, venture capital funds, and startup companies. The mission was designed to make connections for customers and attract Israeli companies to expand operations in the Cincinnati region. The trip also included meetings with the deputy mayor of the city of Netanya and a meeting with a 300 strong delegation from China that included Chinese ministers of science, health, education and a Vice Foreign Minister. The REDI group also met with delegations from India, Germany, Italy, Turkey, South Korea, and a separate delegation from the United States.

Outcomes and Lessons

The transition over the past decade of responsibilities from the Cincinnati USA Regional Chamber to the Cincinnati USA Partnership for Economic Development to REDI Cincinnati provides a clear illustration of how regional economic development activities are evolving. The purely private-sector efforts to promote the region by the Chamber led to a collaborative venture with public sector partners, but its leaders recognized that the organization would have to become independent of the Chamber in order to represent a broader scope of the region’s stakeholders and truly fulfill its mission.

In 2013, the Partnership’s activities were credited with attracting 3,222 new jobs, retaining 7,602 jobs, and drawing $345 million in business and real estate investment. The organization also reported attracting 11 new companies to the region generating an estimated $4.1 million in wages and salaries. For 2014, its first year of operation as REDI Cincinnati, the organization expects a total capital investment in the region of $198 million that will add 2,972 new jobs to the region and help retain 4,160 jobs.

REDI Cincinnati and its predecessors have been successful at leveraging the global ties of business community to identify productive connections with international cities. REDI’s approach of identifying sister cities and initiating long-term collaborations has proven particularly effective as a regional development strategy. Such collaborations allow for capital to flow in and out of the region in the short term while providing for long term workforce development and also generating an entry point for foreign businesses to expand their U.S. operations by locating in Cincinnati.

Contact:

Johnna Reeder, President & CEO, REDI Cincinnati, 513-579-3115

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14 http://www.bizjournals.com/cincinnati/blog/2014/05/why-should-israel-care-about-cincinnati.html
16 http://redicincinnati.com/News,_Reports_and_Publications/News.aspx#.VA46T_ldWbY
Links and Resources

http://redicincinnati.com/

REDI Cincinnati Youtube Channel
http://www.youtube.com/channel/UCMxuaSnLcURUq9Xfz14Eg

Cincinnati USA Regional Chamber
http://www.cincinnatichamber.com/

JobsOhio
http://jobs-ohio.com/
Fund for Our Economic Future (Cleveland)
http://www.thefundneo.org/

Background
Cleveland developed as a port city serving as a connecting point between the Great Lakes and the Ohio River. The city boomed through much of the second half of the 19th Century and into the mid-20th century on the strength of railroads, steel, iron, and machine production. Much like the entire Great Lakes region these industries suffered enormous losses during the second half of the 20th Century. Cleveland’s decline was hastened by the national shift from rail and water transportation to trucking. After peaking in 1950 at more than 900,000 residents, the city lost about 200,000 residents over the next 20 years.

The 2000 census came with a warning to Cleveland: the population had dropped below 500,000 residents and the entire metropolitan area was losing residents. The city’s estimated population for 2013 was 390,000 people, a 57 percent decline from its peak. Among the 10 most populous cities from 1950, only Detroit and St. Louis lost greater shares of their populations than did Cleveland.

In the early 2000s a group of philanthropists came together to attempt to devise a coordinated response to the continued economic struggles of Cleveland and the entire Northeast Ohio region. These efforts led to the formation in 2004 of an organization called Fund for our Economic Future. The new organization developed a plan known as “Advance Northeast Ohio,” which called for the economic unification of a 16-county region covering all of Northeast Ohio, including four separate metropolitan areas: Akron, Canton, Cleveland and Youngstown.

Mission and Governance
Fund for Our Economic Future, is a not-for-profit organization founded in 2004 that works to improve the region’s economic competitiveness. In addition to conducting targeted research and convening regional events and meetings, the organization also makes grants to local economic development groups. The majority of the Fund’s grant making goes to regional economic development organizations. The Greater Cleveland Partnership, a major partner of the Fund focuses on economic development from private and public sources of funding. Another recipient is “Cleveland Plus,” a research effort that aims to share information among all of the regions included, while providing marketing outlets for talent attraction and global and local business development.

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2 Chicago, IL; Philadelphia, PA; Baltimore, MD; Washington, DC; and Boston, MA round out the top ten, all have seen population losses of greater than 19 percent since 1950 to 2013 est. Source US. Census Bureau
The Fund represents a consortium of 54 separate organizations, including private, community and corporate foundations, higher education institutions, health care systems, and businesses. It is managed by an elected Board that is representative of its membership. The Fund’s day to day activities are overseen by a staff of nine. An executive committee works to shape the direction of the staff and the implementation of the Fund’s strategy.

The fund works in three-year phases so as to be able to have a concentrated strategic vision that can respond to changes in economic factors. The Fund’s current phase is focused on three main goals: Civic Engagement, Strategic Support, and Philanthropic Engagement. The Fund has issued a new framework for regional integration and to further competitiveness of the region. Job creation, Job Preparation and Job Access are the three prongs of this new approach.

This “Growth & Opportunity” framework has been put forth to balance the growth for “good” jobs in the region and to balance increasing income inequality. This framework was spurred by a 2013 research project by the Fund that documented a disconnect in the region between job growth and income gains. The report found that metros with faster job growth were more likely to have higher inequality, crime and poverty. The new framework was put together to illustrate how they can best move forward to continue growth in the region more equally.

Global Development Initiatives
The Fund works through encouraging start-ups and small and medium sized business to grow and flourish in the region. Though it does not have a specific program explicitly aimed at international development, it seeks to attract all types of businesses to the Cleveland area. Many of the grants given by the Fund are for workforce or startup development and are open to any business or organization.

Other organizations which directly promote business growth and retention in Northeast Ohio are closely linked with the Fund. The Greater Cleveland Partnership and Cleveland Plus are two of the main partners of the Fund which take on a more directed approach to talent attraction and growth. The Greater Cleveland Partnership is composed of over 14,000 members and focuses its resources on key areas of advocacy, economic & business development, physical development and economic inclusion.

In 2010 the Fund came together with the Regional Prosperity Initiative, Cleveland State University, the Partnership for Sustainable Communities, and several local government organizations. This collaboration led to a plan that ultimately gained the region a federal grant to improve land use, transportation, economic and workforce development, and infrastructure investments. The Fund itself contributed $500,000 to the initiative lead by the Northeast Ohio Sustainable Communities Consortium. This program is improving the resources of the area is further encourage business growth and development.

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3 http://www.thefundneo.org/what-matters/what-matters-metros
4 http://www.gcpartnership.com/See-What-We-Do
5 http://vibrantneo.org/neoscc/history/
Other organizations such as Cleveland Plus and Team Northeast Ohio (NEO) have been on the receiving end of various grants from the Fund, with the aim to accelerate growth and attract new companies to the region.\(^6\)

The Fund’s role in global business development is indirect but impactful. The resources to which the Fund has access to through its network of contributing organizations gives the Fund the mobility to award grants to other organizations who have the knowledge and resources to put forth an attractive plan to encourage further business development in the Northeast Ohio region.

**Outcomes and Lessons**

The most direct outcome of the Fund for Our Economic Future’s activities is that it has influenced other organizations to regionalize; as a result there is now a network of professional, non-profit and government organizations that works together for the betterment of the region. These efforts encompass four separate metro areas that have not historically been inclined to work towards a common purpose. The Fund’s work has begun to show results. Since its inception in 2004 it is estimated that the Fund aided in retaining and creating nearly 15,000 jobs, $550 million in business payrolls, and nearly $3 billion in capital in Northeast Ohio.\(^7\) The Fund itself has raised nearly $100 million through pooled resources in grant making and research.\(^8\)

In 2013 one of the Fund’s primary supporters, The John S. and James L. Knight Foundation, commissioned a report to document the Fund’s performance. The report concluded that, while the Fund was achieving success in incubating new businesses in the region, it was not meeting other central goals such as attracting and developing talent, improving government efficiency, or promoting racial and economic inclusion.\(^9\) The Fund has begun to address some of these issues: it has developed a new strategy aimed at improving racial and economic inclusion issue, and it recently obtained a $550,000 grant for a workforce development initiative.\(^10\)

The success that Fund for Our Economic Future has enjoyed comes from the collaboration across a broad and complex region. The Fund was honored by the *National Journal* as the Winner for Regional Economic Strategies. The award was given because the Fund took initiative and recognized the need for creating and implementing a comprehensive plan that actually resulted in tangible results in a region that had been synonymous with industrial decline.\(^11\) By joining local businesses, city and state governments, and private philanthropies, the Fund has created an environment for innovation and sustainability to flourish.

**Contact:**

Brad Whitehead, President, 216-456-9800

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\(^7\)http://www.thefundneo.org/our-work/results

\(^8\)http://www.thefundneo.org/about


Links and Resources:
Catalyzing Regional Economic Transformation. (October 2013) Fund for our Economic Future
Cleveland Plus http://www.clevelandplus.com/
Greater Cleveland Partnership http://www.gcpartnership.com
Vibrant NEO 2040, Northeast Ohio Sustainable Communities Consortium Initiative http://vibrantneo.org/vibrantneo-2040/initiative-goals/
Background

For most of its history the economy of Denver was built around industries that supported the mining and ranching activities conducted in the rural areas around Colorado and the Rocky Mountain region. During the 1970s the region’s economy expanded rapidly due to the explosion of the domestic oil and gas industry in response to the global energy crisis. The petroleum economy sustained Denver’s growth over the next decade, but the collapse of global energy prices in the mid-1980s devastated the regional economy.¹

In the wake of the oil bust the Denver Metro Chamber of Commerce, the region’s predominant business organization, mobilized its membership to fund a coordinated regional economic development effort. Chamber members contributed $20 million to establish a new entity that would lay the groundwork for a more diverse economy.² This organization, called the Greater Denver Corporation (GDC), was established in 1987; its initial agenda focused on developing the transportation and civic infrastructure necessary for diversifying the regional economy, and GDC took on ambitious projects such as a new convention center, a modern international airport, and a Major League Baseball stadium.

GDC met each of its initial goals in short order: the Colorado Convention Center opened in 1990, and in 1995, both Denver International Airport and Coors Field (home of MLB’s Colorado Rockies) opened.³ Following on these early successes, GDC established a new organization called the Metro Denver Network (MDN) in order to create a permanent structure for regional development activities. The new organization quickly became instrumental in marketing the region to a broader audience and to realizing major investments in sports facilities and transportation improvements, culminating with a campaign to fund FasTracks, a $6.8 billion expansion of the regional transit system. This regional referendum passed with 58 percent of the vote in 2004.⁴

In spite of the many successes of these two organizations, both were entirely based in the private-sector and did not have official commitments from local governments. The Metro Denver Network was thus transitioned into the Metro Denver Economic Development Corporation (EDC) in 2003.⁵

¹ Noel, T. J., “Mile High City.”
Mission and Governance

The Metro Denver EDC is structured as a membership organization, with its members including 70 separate public and private entities across a nine-county region. The organization’s membership includes all nine county governments, several city and town governments, a variety of regional development organizations, and many individual businesses. Though the EDC maintains its official affiliation with the Denver Metro Chamber, it has an independent Board of Directors.

In spite of its public orientation, the EDC is almost exclusively funded by private interests. Local governments are not required to pay into the organization, and only account for less than five percent of its operating budget. This unique structure allowed the EDC to capitalize on its early operations with a private fundraising campaign. During its first year of operations, the EDC raised more than $13 million from 200 separate investors; this funding sustained the organization during its early years. The organization’s mission focuses on six specific topics, all of which are aimed at making metro Denver a better place to invest and do business: 1) tax reform; 2) mobility; 3) business recruitment and retention; 4) national marketing; 5) international air service; and 6) special opportunities.

The EDC operates as a comprehensive economic development agency, with a full range of regional information, property, research, marketing, and communications functions, an annual budget of $3.0 million, and a staff of 11. The EDC estimates that it only spends 20 percent of its budget on personnel; this is in contrast with other regional groups that spend as much as 80 percent on personnel. This efficiency is credited to strong relationships with local economic development partners.

The Metro Denver EDC has long taken an aggressive stance against in-fighting among its member jurisdictions. A condition of membership in the EDC is to comply with a Code of Ethics that “requires transparency, respect and cooperation by member localities that work together for regional prosperity.” The EDC’s business model is to get a prospective company or investor to commit to a location in the Denver region prior to discussing specific sites or jurisdictions. This approach has been

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6 Includes six counties in the Denver metro area, plus Boulder, Larimer, and Weld counties.
7 http://www.metrodenver.org
8 Interview with Pam Reichert from the Metro Denver EDC, August 6, 2014
credited with the region’s very strong success rate in closing deals, but it is not perfect, as disagreements have arisen over specific projects.¹²

**Global Development Initiatives**

Metro Denver EDC’s global development efforts focus on the advantages granted by the region’s central location within the United States. EDC’s marketing materials highlight Denver’s location “at the midpoint between Tokyo and Frankfurt,” and midway between Mexico and Canada. EDC also claims that “Denver is the largest U.S. city offering one-bounce satellite uplinks to world satellite networks.”¹³ EDC also puts a strong emphasis on the appeal of Denver International Airport, which is now the fifth busiest U.S. airport, with more than 52 million passengers in 2013.¹⁴ The airport’s remote location, which has been a concern, is being addressed by the East Rail Line, which will offer service from the airport to downtown Denver upon its completion in 2016.¹⁵ This project is part of the FasTracks initiative that passed in 2004 due in large measure to unified support from EDC’s members and partners.

As a regional-level organization the EDC is not able to offer any specific incentives or technical assistance to prospective international investors or businesses. Instead, the EDC leverages the resources offered by its partners. The State of Colorado has an International Division in its economic development office that coordinates with foreign investors, importers, and exporters that seek to do business in the state. The EDC also helps market the City of Denver’s two Foreign Trade Zones: one adjacent to Denver International Airport, and one at the former Stapleton Airport site, which is now a major mixed-use development. Finally, the EDC works with World Trade Center Denver, a private group that promotes trade in the Rocky Mountain region.¹⁶

Given its small staff and limited resources, Metro Denver EDC only conducts direct overseas marketing activities for major projects. For example, EDC staff traveled to Japan for years in pursuit of nonstop air service from Denver to Tokyo before finally convincing United Airlines to establish this service in 2013.¹⁷ Its ongoing marketing efforts focus mainly on five industry clusters for which the region has competitive advantages: aerospace, software/IT, energy, biomedical, and financial services.¹⁸ Another asset that the EDC leverages is Denver’s status as both the state capital and the largest city in Colorado, which translates to the presence of 33 foreign consulates. EDC staff maintains active relationships with these consulates, particularly the five with full-time staff in Denver: Canada, Mexico, United Kingdom, Japan, and Peru.¹⁹

**Outcomes and Lessons**

It is difficult to overstate the impact that the Metro Denver EDC (and its preceding organizations) has had on the Denver metro area’s standing in the national and global economy. Well into the 1980s, Denver was an oil and gas town with a small airport, limited transit service, and very few connections to the global economy. The establishment of the Greater Denver Corporation in 1987 set the region on a

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¹⁵ [http://www.rtd-fastracks.com/ec_1](http://www.rtd-fastracks.com/ec_1)

¹⁶ [http://www.metrodenver.org/do-business/international-trade/trade-resources/](http://www.metrodenver.org/do-business/international-trade/trade-resources/)


new course that has transformed Denver into a large city with world-class infrastructure and a robust global economy; the EDC reports that foreign owned firms represent 85,000 jobs in Colorado as of 2013.20

Perhaps the most important outcome of metro Denver’s economic development work is its 25-plus year legacy of regional cooperation. The key to building this legacy was to convince local economic development officials that pooling their resources would benefit all jurisdictions. This concept was an easy sell for most of the suburban jurisdictions, but the City of Denver has also benefitted, as it needed the support of its suburban counties in order to secure a regional stadium tax that ultimately resulted in the development of new football, baseball, and basketball/hockey facilities. After a generation of working together, new professionals coming into the region’s economic development world now “grow up” in this culture, making it easier to sustain.21

The EDC credits its atmosphere of collaboration with increasing the region’s success rate with corporate prospects from about 30 percent in the 1980s to more than 50 percent today.22 These regional collaboration efforts were highlighted in a recent study by Good Jobs First as models for other metro areas23, and the EDC’s leading role in developing the region’s aerospace sector was noted in a the Brookings Institution’s profile of Denver as part of the “10 Traits of Globally Fluent Metro Areas” report.24

The collaborative environment fostered by the EDC has by no means been a panacea, though, as infighting persists to some degree among the region’s cities and counties. Still, when the region has had corporate prospects on the hook or has been faced with major decisions such as FasTracks, the EDC has provided a ready-made vehicle for building regional consensus among various public, private, and institutional interests. A 2012 Denver Post article naming EDC President Tom Clark its Business Person of the Year summed up Clark’s contributions to the region by saying: “He has been a key player in virtually every major business relocation and expansion”25 in the region.

Contact:

Pam Reichert, Vice President, Metro Denver Economic Development Corporation, 303-620-8092

Links and Resources


Brookings case study on Denver:
http://www.brookings.edu/~media/research/files/reports/2013/06/26%20global%20metro%20traits/profiles/denver%2010%20traits%20case%20study.pdf


20 http://www.metrodenver.org/do-business/international-trade/location-factors/
21 Interview with Pam Reichert from the Metro Denver EDC, August 6, 2014, op. cit.
24 http://www.brookings.edu/~media/research/files/reports/2013/06/26%20global%20metro%20traits/profiles/denver%2010%20traits%20case%20study.pdf


Greater MSP Regional Economic Development Partnership
https://www.greatermsp.org/

Background

The Minneapolis-St. Paul (MSP) region rose to economic power through the development of grain, transportation and logging. A strategic transportation nexus that connected the Mississippi River with the resource rich Midwest and Great Lakes region, the area developed into a leading economic center in the 19th and early 20th Centuries. Beginning in the 1960s the region’s legacy industries began to decline, as did the populations of its two central cities.

From the 1970s forward the Twin Cities region has worked to overcome the erosion of its economic base by leveraging its key assets: strategic location, higher education, and strong corporate and philanthropic community. From 2000 to 2010, though, the regional economy again struggled, with the metro area’s growth rate lagging behind other comparable metros and national averages.²

The Itasca Project, a public-private group of 60 CEOs and elected officials who were already working together to promote the region’s competitiveness, launched a task force in 2009 to address the way forward to improve job growth and retention. The resulting plan “Charting a New Course: Restoring Job Growth in the Minneapolis-St. Paul Region”² concluded that Minneapolis-St. Paul needed to leverage its strengths more effectively. In comparing the Twin Cities to other regions the study found that one of the most apparent concepts missing from the region was an “explicit vision and strategy for regional economic development”.³ On the heels of this report the Itasca Project’s leaders formed the Greater Minneapolis-St. Paul Regional Economic Development Partnership (Greater MSP) with the aim of mounting a more collaborative marketing approach to regional economic development matters.

Mission and Governance

Greater MSP is a public-private partnership which looks to stimulate economic growth in the Minneapolis-St Paul region. Launched in 2011, the organization’s central purpose is to market the region to businesses and investors in key sectors that are targeted to maximize growth in the region. The organization’s vision is for the region to be recognized as a globally leading economy where business

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¹ http://www.minnesotabusiness.com/greater-msp-unveils-economic-development-program
and people prosper. The organization has set a goal of creating 100,000 new jobs within its first five years of operation.

Greater MSP is managed by a 39-member Board of Directors representing a range of public- and private-sector interests and it has a staff of 19 employees. The organization also draws expertise from a Partner Advisory Council, consisting of sponsors and strategic partners. Greater MSP is funded from a variety of corporate, city and county government sources, and raised $15 million over its first three years. The majority of the funds raised come from private sources, helping Greater MSP be less reliant on government funding and better able to maintain a nonpartisan approach to development. City and County governments sponsor the organization through contributions and partner with the organization is its development efforts.

Global Development Initiatives

Greater MSP’s work began with an intensive study of the region’s strengths conducted by researchers at the University of Minnesota. This work concluded that the region’s competitive advantages were concentrated in a few key industries. These include: information technology, health and life sciences, headquarters and business services, food and water solutions, advanced manufacturing and technology and financial services. The organization has established a comprehensive business retention and expansion program aimed at these sectors. A vital component of this program is collaboration with the State of Minnesota’s Department of Employment, Economic Development (DEED). Greater MSP has also forged partnerships with regional and local Chambers of Commerce with the aim of creating an open dialogue among companies to promote strategic growth opportunities. In partnership with the Minnesota Trade Office, Greater MSP opened a Shanghai office to further promote the area abroad.

In 2013 Greater MSP conducted its first ever international media tour in London which spurred multiple interviews and a feature video on the International Business Times website. Greater MSP is actively engaging the international community in its quest to further MSPs recognition on the global scale. According to Greater MSP’s 2013 Annual Report during the year, the Business Investment team that represented the region attended 185 events in nine countries, 30 domestic market visits, and 18 sector-specific trade shows. As Greater MSP moves forward a key part of its overall strategic plan is to “build sectors of strength for global leadership”. This initiative gives the organization a path forward toward increased growth and development by identifying these strategic sectors and how to best create a globally competitive area.

Outcomes and Lessons

After three years of operation, Greater MSP’s record of accomplishment is largely positive. The organization has built partnerships with more than 100 public and private organizations in the region. In 2012 the organization’s efforts were rewarded with an Excellence in Economic Development Award from the International Economic Development Council. According to the 2013 Annual Report Greater MSP worked with its partners to complete a total of 20 projects in 2013. These projects reported resulted in 4,903 new jobs, more than 15,000 indirect jobs, and $864 million in capital investment in the

5 https://www.greatermsp.org/clientuploads/Publications/Annual%20Report%202013%20(online).pdf
6 Ibid., p.3
The organization’s efforts have helped the regional economy regain strength, and the region now boasts an unemployment rate of about four percent, the lowest among all major U.S. metros.

The only major criticism of Greater MSP to do date is that the relationship between the money it is spending and the end results is not clear. The challenge for the organization is to demonstrate that its work plays a critical role in the region’s economic success, and that it is not simply a redundant entity that takes credit for the work done by local, state, or private interests. Still, the organization’s mere existence is a testament to a commitment to regional-level collaboration, and a positive indicator of the Twin Cities’ region’s appeal to the global marketplace.

Contact:

Mike Brown, VP of Marketing & Communications, Greater MSP, 651-287-1347

Links and Resources:


7 Ibid., p.14
Applied Sciences NYC

http://www.nycedc.com/project/applied-sciences-nyc

Background

As research in the applied sciences is critical to high-tech innovation and entrepreneurship, New York City has long sought to grow its research capabilities. While the city and surrounding region is home to many leading colleges and universities, there simply have not been enough graduates from these institutions with appropriate training for the tech economy. In 2009 then-Mayor Michael Bloomberg convened a discussion among New York City’s business leaders about how the city should work towards diversifying its economy beyond its traditional base of finance, arts, and media industries. When Mayor Bloomberg asked business leaders about the city’s economic prospects, the complaint he said he heard most often was that the city was facing a “shortage of top-notch talent in computer science and engineering.”

In response to these concerns the New York City Economic Development Corporation (NYCEDC) launched Applied Sciences NYC, a unique workforce development initiative that seeks to dramatically increase New York City’s competitiveness in engineering and the applied sciences. The program plans to build and expand world-class engineering and applied sciences campuses in New York City and nearly doubling the city’s number of full-time graduate engineering students thereby improving the City’s research capabilities, innovation possibilities, and overall startup environment. The initiative targets high-end innovation and entrepreneurship and hopes to be the birthplace of the next Google, Amazon, or Facebook.

Mission and Governance

The mission of the Applied Sciences NYC initiative is to expand New York City’s capacity to train top-tier applied sciences and engineering professionals with the goal of improving regional economic growth and global competitiveness. The thinking behind Applied Sciences NYC is that, by growing capacity for advanced research and training programs in the region, New York will be better able to attract angel investors and venture capital, thus leading to stronger prospects for long-term job growth.

The program is unique in its approach and has been considered to be very ambitious in its scope. The Applied Sciences NYC initiative was launched in December 2010 with an invitation to leading global institutions for the development or expansion of applied sciences and engineering campuses in New York City. The City promised to support the initiative with the provision of city-owned land and the seed capital of $100 million.

To date, Applied Sciences NYC has issued four separate requests for proposals to develop four different campuses around the city. The initial request for proposal for the competition was issued in 2010 and attracted 18 separate applications from a total of 27 universities representing eight countries. The first winning team was selected in December 2011 and was a consortium led by Cornell University and the Technion-Israel Institute of Technology. Stanford University had also applied to build this campus, as it was seeking to gain a foothold on the East Coast and tap into New York City’s unique capabilities as a

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1 http://www.nytimes.com/2013/04/14/education/edlife/cornell-nyc-tech-planned-for-roosevelt-island-starts-up-in-chelsea.html?pagewanted=all&_r=0
2 http://www.nycedc.com/project/applied-sciences-nyc
global city.³ When the Cornell-Technion team was selected Stanford voiced some hard feelings concerning the matter Mayor Bloomberg concluded that the Cornell-Technion offer was, “far and away the boldest and most ambitious.”⁴

Since then, three more winners have been announced: the Center for Urban Science and Progress in Downtown Brooklyn operated by a consortium led by New York University; the Institute for Data Sciences and Engineering at Columbia University; and, Carnegie Mellon’s Integrative Media Program to be located at Steiner Studios at the Brooklyn Navy Yard.⁵

Global Development Initiatives

With the four campus locations and operators determined, Applied Sciences NYC is now overseeing the implementation of its plans. The Cornell-Technion campus began development in December 2013, when a 12-acre property on Roosevelt Island was transferred via a 99-year lease.⁶ During the development period of the campus, Google has donated space for the temporary home of the campus.

The NYU Center for Urban Science and Progress in Brooklyn is also in progress. This development includes a variety of universities (Carnegie Mellon University, City University of New York, University of Toronto, University of Warwick, and the Indian Institute of Technology Bombay) and corporate partners (International Business Machines Corp., and Cisco Systems Inc.⁷ The Center will include classrooms and a business incubator which is expected to generate $5.5 billion in new jobs and tax benefits through spinoff businesses resulting from the increase in advanced research.⁸

The third winner of the Applied Sciences NYC initiative was Columbia University’s Institute for Data Sciences and Engineering, awarded in July of 2012.⁹ The mission of the new institute is to fulfill the need for the acquisition and analysis of big data and broadly forwarding the field of data sciences.¹⁰ As per the agreement with New York City, Columbia University will receive $15 million in financial assistance from the City, and $80 million from the University itself to help develop the institute. The institute will be located on Columbia University’s existing premises.¹¹

In November 2013, Mayor Bloomberg announced another extension to the Applied Sciences NYC initiative with the inclusion of Carnegie Mellon University as the fourth winner of the competition. The new addition is expected to expand the scope of the initial program with the creation of Carnegie Mellon’s Integrative Media Program to be located at Steiner Studios at the Brooklyn Navy Yard.¹²

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⁴ Ibid.
⁸ Ibid.
¹⁰ http://idse.columbia.edu/mission-0
this new inclusion the economic impact of the Applied Sciences NYC Initiative is estimated at more than $33.2 billion over 30 years. Carnegie Mellon’s program is intended to provide training in creative industries that integrate technology and the arts.

Outcomes and Lessons

Applied Sciences NYC was envisioned as a regional approach to overcoming the shortage of tech workers in New York City, a longstanding obstacle to the economic growth prospects of the largest city in the U.S. The initiative is expected to fulfill its mission by generating $6 billion in additional economic activity in the New York economy over the next few decades.\textsuperscript{13} Though it is far too early to judge the long-term success of the initiative at this time, the level of interest shown by some of the leading global universities and the investments now being made by the winning bidders demonstrates the strength of the idea behind Applied Sciences NYC.

The impetus for Applied Sciences NYC is also noteworthy. Former Mayor Bloomberg took a central role in convening business leaders and then heeded the advice of those leaders. What began as a series of informal conversations between the mayor and the city’s business community quickly evolved into an unprecedented investment by the city in a series of partnerships with higher education and business entities. The key to the idea and its swift implementation was the presence of strong and decisive leadership by an immensely popular mayor who had both the business acumen from his prior career and the political capital from many years of being a popular elected official. Without Mayor Bloomberg’s vision and leadership, Applied Sciences NYC clearly would not have moved forward in such an ambitious manner and may not have gotten off the ground at all.

Contact:

Daniel Huttenlocher, Dean, Cornell NYC Tech Campus, dph@cs.cornell.edu

Links and Resources

Applied Sciences NYC
http://www.nycedc.com/project/applied-sciences-nyc

NYU Center for Urban Science and Progress
http://cusp.nyu.edu/

Studio Studies – Carnegie Mellon University
http://www.cmu.edu/homepage/creativity/2013/fall/studio-studies.shtml

Columbia University Institute for Data Sciences and Engineering
http://idse.columbia.edu/

Article in the New York Business Journal about Future of Roosevelt Island

Article in Capital New York about Roosevelt Island

\textsuperscript{13} http://www.nycedc.com/infographic/applied-sciences-nyc
Pittsburgh Regional Alliance
http://www.pittsburghregion.org/

Background

Pittsburgh was home to some of the most successful and wealthiest industrialists of the 19th century, including Andrew Carnegie, Thomas and Andrew Mellon, H.J. Heinz, and George Westinghouse. Oil, coal, steel were the backbone of the Pittsburgh economy. As recently as 1955, 42 percent of the region’s jobs were in manufacturing; by 1980 that number had slipped to almost 25.3 percent. The decline of Pittsburgh’s manufacturing economy caused the city to lose more than 50 percent of its population between 1950 and 2000. Pittsburgh’s metropolitan population has fared little better, with the total regional population declining between 1970 and 2010.

Associated most recognizably with the steel industry, Pittsburgh still is home to a large number of steel related companies, but did adapt away from dependence on steel to high tech and finance, among others, in part due to the strength of the local universities. Nine Fortune 500 companies remain headquartered in Pittsburgh, including US Steel, PNC Financial Service, PPG Industries, HJ Heinz, and Wesco International. Pittsburgh is also home to many regional and North American headquarters of major corporations creating a business atmosphere that is diversified and strong, for a region of its modest size. The region’s resilience is due in major part to the role of its major universities—particularly the University of Pittsburgh and Carnegie Mellon University—which have helped establish the region as a center for research and innovation.

One of the region’s core assets is the Allegheny Conference on Community Development, which has served as a public-private forum for the Pittsburgh region since the 1940s. The conference began a long tradition of addressing a variety of problems in the region from economic growth, environmental health, inequality and revitalization.¹ In the 1990s a new agenda was put forward and new partnerships were created and formed. A regional benchmarking analysis took place highlighting the need for greater regional cooperation and prompted the Conference to create the “Working Together Coalition” to develop strategies to improve the region’s competitiveness. This process led to the creation of the Pittsburgh Regional Alliance in the mid-1990s, with the intent to market the entire region as a whole.

Mission and Governance

The Pittsburgh Regional Alliance (PRA) is one of several components of the Allegheny Conference, along with the Greater Pittsburgh Chamber of Commerce and the Pennsylvania Economy League of Greater Pittsburgh. PRA’s membership began with core member organizations that included local Chambers of Commerce, regional development organizations and global trade organizations. PRA then moved to form strategic alliances with other major groups to be able to capitalize on each organization’s

¹ http://alleghenyconference.org/ConferenceHistory.php
strengths. The PRA markets itself as the only organization in southwestern Pennsylvania that is dedicated to the entire area, across the 10-county Pittsburgh region.

PRA is governed by officers from 50 public, private, and institutional organizations, including economic development professionals from local jurisdictions. The organization works to attract capital investment and create jobs in southwestern Pennsylvania. PRA focuses on a few targeted key industry sectors, including: advanced manufacturing, energy, financial services, healthcare, and communications.

As PRA is housed within the Allegheny Conference, its President also fulfills the same function for the Greater Pittsburgh Chamber of Commerce. PRA has an annual budget of about $4 million and a staff of 14, with funding largely coming from members of the Allegheny Conference. The Allegheny Conference itself is mainly funded by local governments, with additional funding coming from payments for the Conference’s services.

**Global Development Initiatives**

The Pittsburgh region is already a hub of international business activity. It is home to about 400 international companies and more than 1,000 locally-based companies have international presences. PRA works to build on this existing base. The organization has an international business investment team on staff that serves as the central point of contact for both local businesses that want to expand globally and international businesses interested in investing in the Pittsburgh area.

PRA, in conjunction with the Allegheny Conference, completed a three year plan in 2012 to further the global development and positioning of the Pittsburgh Region. PRA subsequently hosted an international real estate conference as well as in partnership with Vibrant Pittsburgh and Visit Pittsburgh attracted international conferences to raise the global awareness of Pittsburgh.

PRA’s international development efforts are tied to its broader “Pittsburgh Impact” program, which works with high growth companies in the region. Through its research, PRA tracks companies that have seen growth consistently for five years and works to connect these companies to economic development opportunities and talent so they can continue to grow. PRA also aids in helping these companies raise their profile in through media outputs. This program is geared toward all companies in the region but is very useful for new international companies that are successful in the region.

**Outcomes and Lessons**

The Pittsburgh region outpaced the rest of Pennsylvania in job creation between 2010 and 2012; the U.S. Chamber of Commerce attributed this strong performance to broad regional collaboration. With a long history in the Pittsburgh region the Allegheny Conference has had time to streamline this multi-stakeholder organization into a major benefit for the region. In 2013 PRA was reported to have facilitated $2.4 billion in capital investment and the creation of 8,700 new jobs. In 2014 PRA hosted

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2 For form 990 and financial disclosures see http://www.guidestar.org/FinDocuments/2012/251/780/2012-251780438-09ea2795-9.pdf
3 Brochure accessible here http://www.alleghenyconference.org/PittsburghRegionalAlliance/PDFs/PRAServices/PRAServicesEnglish.pdf
4 http://www.uschamberfoundation.org/pittsburgh
5 http://www.siteselection.com/issues/2014/may/top-groups.cfm
“wins day” in large part to celebrate a 12 percent increase in economic development deals over 2013. As of 2014 the region’s unemployment rate is below six percent, well below the national average.

PRA’s sustained success in attracting and retaining jobs to western Pennsylvania has gained the organization significant national attention and, in 2013, Site Selection magazine honored PRA as one of the nation’s top 10 economic development organizations. PRA’s success is, to a large degree, an outgrowth of the long history of regional collaboration pioneered 70 years ago by the Allegheny Conference. However, the Conference’s leaders realized that its legacy was not enough, and that PRA was needed in order to effectively sustain a successful regional marketing and economic development program. The fact that PRA is just one component of the Allegheny Conference has also been important, as PRA is able to focus on a specific agenda for regional development without trying to fulfill other functions.

Contact:
Dewitt Peart, President, 412.392.4555 x3109

Other Links and Resources
Economic Development Services http://www.alleghenyconference.org/PittsburghRegionalAlliance/EconomicDevelopment.php

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8 From Site Selection, one of the corporate real estate industry’s premiere publications. http://www.nextpittsburgh.com/pittsburgh-in-the-news/pittsburgh-regional-alliance-garners-top-10-distinction/
Background

The modern history of the Raleigh-Durham region of North Carolina begins with one bold and foresighted move made in the mid-1950s: the creation of Research Triangle Park (RTP). Prior to that time Raleigh and Durham were small cities with struggling economies based largely on textile manufacturing, tobacco, and state government, and North Carolina had the second lowest per-capita income of any U.S. state. The region did, however, possess a cluster of three research universities: Duke University, University of North Carolina, and North Carolina State University. An idea was generated to leverage the brainpower of the three universities into an economic development initiative.

The realization of RTP began with a private entity created to develop, market, and operate a campus where companies would conduct R&D activities, with the three universities providing a steady supply of innovative ideas and highly-trained labor. RTP raised funds from the corporations and institutions in the region; these funds were used to acquire and develop sites that would be ready for companies to construct buildings. The park struggled at first but gained momentum in the mid-1960s when IBM built a research facility at RTP. RTP continued to grow into the 1990s, when its employment peaked at 45,000. As of 2014, the park has 170 companies with about 39,000 employees, including major international corporations such as IBM, Cisco, DuPont, GlaxoSmithKline, BASF, and Bayer CropScience.

The success of RTP transformed the region’s economy, culture, and identity, and provided the foundation for more than 50 years of economic growth. Still, economic development activities in the region were largely limited to the R&D companies located in the park, and there was little regional dialogue about the bigger picture. In 1990, the region’s three core counties formed the Raleigh-Durham Association (RDA) as a vehicle for marketing the region to the world, with seed funding coming from the three counties’ Chambers of Commerce. In 1994, following a decision by the State of North Carolina to divide the state into seven economic development regions, the organization was expanded to serve the entire 13-county region and was renamed the Research Triangle Regional Partnership (RTRP).

Source: researchtriangle.org

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1 http://www.rtp.org/about-rtp
2 http://www.northcarolinahistory.org/commentary/342/entry
3 http://www.rtp.org/about-rtp
4 http://econdevleader.blogspot.com/2007/03/research-triangle-regional-partnership.html
Mission and Governance

RTRP is a public-private partnership entity with a core mission of “keeping the Research Triangle Region economically competitive through business, government and educational collaboration.” RTRP describes its organizational approach as a “Triple Helix” of business, government, and universities, an image that plays on the region’s identity as a hub for R&D activities. The organization is managed by a 60-member Board of Directors that includes membership from the economic development agency from each county in the region, as well as from corporations and universities. Local economic development professionals have monthly update meetings, and the Board meets quarterly.

RTRP currently serves a 15-county region that has added three small counties to the original footprint, but no longer includes Orange County, one of the three original members of RDA, and the home to Chapel Hill and the University of North Carolina. In July 2014 Orange County pulled its funding support for RTRP and shifted it to the Economic Development Partnership of North Carolina, a new statewide marketing entity (see the Charlotte Regional Partnership case study for additional information). While this move will cost the organization some of its funding, RTRP has pledged to continue to market the county as part of the region.

The organization’s approach to fostering regional cooperation is summed up by a term that it has coined: collaboratition, which RTRP defines as, “the act of collaborating for the sake of sharpening a competitive edge.” The most prominent example of “collaboratition” in the region is the longtime partnership of its three major universities, which have worked together for more than 50 years on regional development initiatives, in spite of their longstanding rivalries with one another. RTRP’s staff of six professionals carries this approach to its conversations with its local government and corporate partners. The idea is that each organization that works with RTRP will go in with a commitment to the region’s success alongside its own success.

Global Development Initiatives

For its first two decades of its operation, RTRP’s activities were aimed at generally marketing the region, but it lacked a targeted approach. Commenting on an external review of RTRP’s activities in 2002 the organization’s President Charles Hayes commented that RTRP “didn’t have a clue where we’re going.” In response to this criticism, RTRP undertook its first five-year strategic plan in 2004 and updated it in 2009. The 2009 plan laid out a new vision for the region to become: “a world leader in intellectual capacity, education and innovation to enhance productivity and economic growth and achieve a superior quality of life for all our citizens.” This vision was supported by a three-pronged strategy that focused on: 1) expanding the region’s R&D/technology clusters and growing emerging clusters; 2)
protecting the region’s favorable quality of life and business climate; and 3) ensuring regional cooperation through positive engagement with economic development partners.\textsuperscript{11}

RTRP’s slate of global development activities builds on the vision and goals from the 2009 strategic plan. The plan identified 11 “areas of opportunity,” which are economic clusters in which the region holds competitive advantages over its peers; of these, eight were already established in the region, and three were just emerging. The common thread among all 11 clusters is that all are related to R&D and technological advancement.

\textbf{RTRP’s Areas of Opportunity}

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<th>Existing Clusters</th>
<th>Emerging Clusters</th>
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<td>Pharmaceuticals</td>
<td>Advanced gaming and e-learning</td>
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<td>Biological agents and infectious diseases</td>
<td>Clean/green technologies</td>
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<td>Agricultural biotechnology</td>
<td>Defense technologies</td>
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<td>Pervasive computing</td>
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Most of these clusters have a global orientation, and the region has already captured international business and investment activity in many of them. RTRP has taken a proactive approach to engaging international audiences for its emerging clusters, particularly clean technologies. The organization has formed the Research Triangle Cleantech Cluster, which highlights the region’s existing base of clean energy and manufacturing businesses and markets this sector to an international audience. As part of this initiative RTRP is part of the International Cleantech Network, which includes 12 other regions from around the world. The only other U.S. organization in this network is the Colorado Clean Energy Cluster; other members are located in Canada, Europe, and Asia.\textsuperscript{12}

A limitation of the region’s global appeal is its airport. Raleigh-Durham International Airport’s total passenger count in 2013 was 9.2 million, which was actually less than the 1992 passenger count of 9.9 million\textsuperscript{13}, and is 80 percent below Charlotte’s passenger count of 43.5 million. Moreover, the only overseas destination with a direct connection to the area is London-Heathrow.

\textbf{Outcomes and Lessons}

The Research Triangle Regional Partnership has proven to be quite successful at leveraging the presence of Research Triangle Park into a comprehensive regional marketing and development engine. Over the past decade—and in spite of the national recession—the region has added about 170,000 jobs, with strong wage growth and job growth in nearly all of the region’s counties. Economic development

\begin{footnotesize}
\textsuperscript{11} Ibid., p. 3.
\textsuperscript{12} http://www.researchtriangle.org/clusters/cleantech
\textsuperscript{13} http://www.rdu.com/authority/stats.html
\end{footnotesize}
professionals from the region’s individual jurisdictions have credited RTRP with improving their exposure and allowing them to market to far broader audiences than they could reach independently.\footnote{14 http://www.researchtriangle.org/news-and-events/the-value-of-partnership}

While the region has unquestionably prospered over the past several decades, most of its international business activity is limited to R&D and manufacturing activities, with very few U.S. or global headquarters operations. Limited international service at the region’s airport is a likely contributor to this outcome. By most measures, the Raleigh-Durham region has all of the assets that would appeal to global corporations: an educated labor force, a low cost of living, a temperate climate, a favorable business environment, world-class universities, etc. However, the lack of flights to global business centers makes it very difficult for Raleigh-Durham to compete with cities that have larger airports for the highest-profile international operations.

Another obstacle to RTRP’s success is the new statewide Economic Development Partnership, which has already done harm to RTRP by spurring one of its founding members to depart. Still, RTRP only serves counties within North Carolina, so the new statewide system is not likely to do as much damage as it could do to a bi-state organization like the Charlotte Regional Partnership.

**Contact:**
Debbie Lilly, VP, Business Development, Research Triangle Regional Partnership, 919-334-4072

**Links and Resources**


Background

The Seattle area economy has historically been tied to transportation. During the early part of the 20th Century the city thrived as a shipbuilding center. Beginning in World War II the region emerged as a key location for aircraft and aerospace manufacturing, led by Boeing. By 1967 Boeing was far and away the largest company in the region, employing more than 100,000 people. A national downturn in the aerospace industry led Boeing to slash its workforce and, just four years later, only 38,000 remained. The economic devastation was so clear that a billboard was erected with the message: “will the last person leaving Seattle – turn out the lights.”

Since the 1970s the Seattle region has remade its economy around knowledge and high-technology industries. This transformation was built around several core assets: the University of Washington, the city’s strong cultural and transportation linkages to East Asia and, most of all, the success of some of its homegrown businesses. Several businesses started in Seattle over the past 40 years have become international icons, including Microsoft, Starbucks, Amazon.com, and Expedia. Today, Seattle is a region of 3.5 million residents and its ties to the global economy have led local boosters to claim that it is the country’s “most international region.”

Seattle’s evolution did not occur by accident. In the early 1990s the president of the Seattle Chamber of Commerce organized a core group of civic, business, and government leaders to represent the region and improve its competitiveness on the global stage. The group was called named the Trade Development Alliance of Greater Seattle.

Mission and Governance

The Trade Development Alliance of Greater Seattle was founded in 1991 with the support of a consortium of private and public sector partners to promote the Greater Seattle region in both domestic and international markets. The organization is geared towards promoting the three-county Seattle-Tacoma region (King, Pierce, and Snohomish) internationally for business and trade, connecting its companies and institutions with global opportunities and providing the public with research relevant to the international economy. The Alliance is a partnership among the City of Seattle, the City of Everett, the Ports of Seattle, Tacoma and Everett, the Greater Seattle Chamber of Commerce, King County, Snohomish County, Pierce County as well as union leadership.

1 http://www.historylink.org/index.cfm?DisplayPage=output.cfm&File_Id=1287
2 http://www.seattletradealliance.com/aboutus/aboutus.php
Funding for the Alliance comes largely from its local government members. As a non-profit organization the Alliance also gains operating funds from payment for services rendered pertaining to international services and events. The organization is governed by a Board of Directors, which includes the local government members as well as businesses, education, and institutional representatives. There is also an advisory council which is undergoing changes to its structure as of September 2014. Day-to-day operations are run by a staff of six professionals.

Global Development Initiatives

The Alliance provides a number of targeted services aimed at increasing the amount of international trade activity in the Seattle region. Specific services include: exporting and importing support for local firms, trade leads, assistance with foreign direct investment and marketing, and business resources aimed at helping businesses connect with other international organizations and investors. The Alliance’s marketing materials all make use of “Greater Seattle” as the region’s identity as part of a broader strategy for improving Washington State’s global competitiveness.3

The Alliance also works to target particular markets and countries. The Alliance’s very first international mission in 1993 was to Vietnam, with a specific pitch made on behalf of Boeing.4 Since that time the Alliance has entered into several Memoranda of Understanding (MOUs) with other international markets. These MOUs allow easier access to Seattle as well as reciprocal treatment of Seattle based companies in the respective areas.5 The Alliance additionally stages a variety of events to help Seattle-area businesses gain a better understanding of Asian markets and cultures. For example, in 2013, the organization presented a seminar on “Demystification of the Asian Development Bank” aimed at manufacturers, suppliers, project developers, and consultants bidding on Asian infrastructure and consulting projects.6

A more recent initiative is aimed at improving the region’s ability to attract foreign direct investment. To address this need the Alliance is participating in the Global Cities Initiative, a joint project between the Brookings Institution and JPMorgan Chase.7 The Alliance also succeeded in becoming the first North American city to host the Boao Forum for Asia, and hosted a conference for 300 Asian business and government leaders in Seattle in 2014. Seattle was selected for this event due to its strong ties to the international community and importance to the Asian business sector.8

Outcomes and Lessons

The Trade Development Alliance of Greater Seattle has established a strong track record of building on the historic strengths of the region to increase international trade in the Seattle region. Specifically, Seattle has established itself as a leading international exporter with more than 40 percent of all jobs in Washington State—and probably more in Greater Seattle—having ties to international trade. The Alliance has also been instrumental in helping the region secure its status as a leader in aerospace, biotechnology, and clean technology. The Alliance’s work has garnered many honors and was recently

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4 http://seattletimes.com/html/localnews/2013824360_stafford02m.html
5 For the complete list of MOUs see: http://www.seattletradealliance.com/aboutus/mous.php
6 http://seattletradealliance.com/blog/?p=10791
7 http://seattletradealliance.com/blog/?p=10918
8 http://english.boaoforum.org/mtzxmtbdden/14584.jhtml
singled out by the Brookings Institution as being a model organization in attracting international investment.⁹

Two specific approaches taken by the Alliance have been particularly effective in helping the organization and the region thrive. First, it has systematically built upon the region’s existing advantages to grow the economy, rather than trying to attract companies or investors from elsewhere. Second, it has taken full advantage of the cultural and economic ties between the Pacific Northwest and East Asia. While Seattle is not even one of the 10 largest metro areas in the U.S., it is one of the leading regions in terms of trade and cultural exchange with Asia.

The success of the Alliance and the entire region is perhaps best expressed by the fact that Boeing, Seattle’s longtime anchor employer, has moved its headquarters to Chicago and most of its manufacturing operations to other locations, but the region is still thriving.¹⁰ Like Detroit, Seattle was a one-industry city in the 1970s. If Boeing had made this move 40 years ago Seattle could have shared Detroit’s fate. Instead, proactive efforts to expand and diversify the regional economy have allowed Greater Seattle to proceed without Boeing.

Contact:
Sam Kaplan, President Seattle Trade Alliance, samk@seattletradealliance.com, 206-389-7306

Links and Resources
The Trade Development Alliance of Greater Seattle EVENT CALENDAR
http://seattletradealliance.com/activities/tdacalendar.php
Brookings Global Cities Initiative: Seattle
BOAO Forum for Asia
http://english.boaoforum.org/mtzxmtbdden/14584.jhtml
Seattle Networking Guide –
http://www.iloveseattle.org/

¹⁰http://www.seattlebusinessmag.com/article/leaving-jet-plane-post-boeing-economy
Joint Venture: Silicon Valley
http://www.jointventure.org/

Background

California’s Silicon Valley is known around the world as a leader in innovation and entrepreneurship. Located on the southern side of the San Francisco Bay Area, the region began its dynamic transformation as an innovation and technology leader in the mid-20th century with the invention of the transistor that led to Silicon Valley’s first technology startup company.¹ The emergence of Silicon Valley’s unique culture is traced to Dr. Frederick Treman, who served as Provost of Stanford University in the 1950s. Treman viewed regional development as a partnership between academia and industry and was the key leader in building and maintaining this level of cooperation in the region. However, many regional experts, including Treman himself, have attempted to replicate Silicon Valley’s model in other parts of the world but met with limited success.²

As of 2014, Silicon Valley covers an area of 1,854 square miles, including the counties of Santa Clara, San Mateo, Alameda, and Santa Cruz, and is home to over 2.9 million people. The region boasts 1.4 million jobs with average annual earnings of $107,395, placing Silicon Valley amongst the highest earning regions in the country. The region comprises only 9.2 percent of California’s jobs but accounts for roughly one-half of all the state’s IPOs, patent registrations, and venture, cleantech, and angel investments.³

By the early 1990s, semiconductor manufacturing had spread to cheaper international locations undercutting any first-mover advantages that Silicon Valley had in this sector. Jobs and manufacturing were leaving the area due to high real estate costs and strict land use regulations.⁴ These factors led the Valley’s major companies including Apple Computer, Hewlett-Packard, and Intel, to join with the San Jose Chamber of Commerce to chart a new course for regional economic prosperity.⁵ In 1993, this led to the creation of Joint Venture: Silicon Valley.⁶

¹ http://www.paloaltohistory.com/william-shockley.php
² Ibid.
⁴ Ibid.
Mission and Governance

Joint Venture’s Board of Directors is composed of leaders from different industries, investors in regional businesses, leaders of entrepreneurial associations, representatives of community associations, and members of the area’s private foundations and public sectors. As of 2014, there are 38 directors on the board, representing diverse organizations, from the Mineta San Jose International Airport to public representatives of the City of San Jose and the City of San Mateo. The board also includes representatives of regional universities such as Stanford and Santa Clara University and tech-giants such as Microsoft and Juniper Networks. The board of directors is further supported by a small Senior Advisory Council comprised of former board members and regional leaders.7

From its inception Joint Venture: Silicon Valley has pursued initiatives that build on the region’s strong culture of innovation and entrepreneurship. The organization’s central purpose is to provide a collaborative forum to address collective problems facing social and economic development of the region.8 To further the innovative capacity of the region Joint Venture also positioned itself as a cross-sector, neutral, public forum for the exchange of ideas from business, government, universities, research centers, labor organizations, and the non-profit community.9

Joint Venture draws funding from both private and public investors and is highly flexible, in that, funding can be initiative-driven and changes from year-to-year.10 For 2014, Joint Venture reports receiving funding from 164 private sector investors and 44 public sector investors.11 Its work is carried out by a 14-member staff.

Global Development Initiatives

The primary motive of Joint Venture is to foster a culture of entrepreneurship and keep the Silicon Valley region at the forefront of innovation. In keeping with this spirit, the organization promotes social entrepreneurship and innovation in regional development by creating “horizontal alliances between profit and non-profit, mixed partnerships, and intersector initiatives at a regional/community level.”12

The organization also provides valuable research to regional interests through the annual publication of the Silicon Valley Index, and other relevant reports and white papers.13

Joint Venture’s early activities were mostly defensive, with a focus on preventing area companies from moving to Portland or Austin, the fast growing tech-centers at the time. The organization’s work has evolved over time, and now follows a set of priorities targeted at; social infrastructure development, such as “Smart Health” and “Workforce Development”; business cost reduction, such as “Council on Tax and Fiscal Policy” initiative; fostering business growth, such as “Defense/Space Consortium” and

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7 http://www.jointventure.org/index.php?option=com_content&view=article&id=23&Itemid=49  
10 Ibid.  
“Economic Development”; and, supporting new innovative industries, such as those in “Wireless Communication” and “Climate Prosperity” including “Smart Energy SEEDZ.”

Current Joint Venture initiatives are working to maintain the region’s competitive edge by tackling sustainability issues relating to development and design of green technologies, wireless communications infrastructure, and regional economic development. Past completed initiatives include workforce development, sustainable buildings, Smart Health, and disaster preparedness among others.

Outcomes and Lessons

Joint Venture: Silicon Valley is a prime example of a regional development organization that has embraced social entrepreneurship as an essential means to keep its region innovative and entrepreneurial while being “a source of generation, accumulation, and diffusion of social capital.”

Joint Venture has been particularly successful in providing a platform for Silicon Valley businesses to come together with public and non-profit partners to address the challenges the region faces in the global marketplace. The relatively collaborative organizational structure of Joint Venture provides for the transfer of best practices from Silicon Valley industry into public initiatives. The culture and attitudes of Joint Venture are representative of the Silicon Valley region, where leaders of a highly competitive market can come together and collaborate over the sharing of similar vision for the region’s future.

Links and Resources


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15 Ibid. p. 879.