

Testimony in Support of House Bill 122
Before the House State and Local Government Committee
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Chairman Anielski, Vice-Chairman Hambly, Ranking Member Bishoff; thank you for the opportunity to testify today in support of House Bill 122 that would establish the Regional Economic Development Alliance Study Committee.

My name is Thomas Bier. I am retired from Cleveland State University where I had been director of the Center for Housing Research and Policy in the Maxine Goodman Levin College of Urban Affairs. I have been involved with the Regional Prosperity Initiative of Northeast Ohio since its inception, which has been a strong proponent of collaborative economic development.

The purpose of the Bill, to establish a study committee that would investigate the need for “regional economic development alliances” to “enhance collaboration” among elected officials is more than timely. I submit that the need for such enhancement in the Greater Cleveland-Akron region is particularly acute – for the following reasons:

- Employment growth in the Cleveland-Akron region continues to be disturbingly weak. Between 1990 and 2015, the number of jobs increased 68,000 – compared, for example, to 422,000 more jobs in the Minneapolis-St. Paul region where advanced collaboration among officials is standard practice. And the Minneapolis-St. Paul region has a median household income of \$71,000 compared with \$51,000 in the Cleveland-Akron region. The two regions have the same number of counties, seven, and nearly the same size population.
- Cuyahoga County has become nearly built-out; its outer suburbs have little undeveloped land remaining – which means the county’s tax base can no longer grow, as it has for decades, through large-scale suburban development. Cuyahoga is the first of the state’s counties to be fully developed; Hamilton County likely will be next.
- Cuyahoga’s steady loss of its greenfield land has been pushing development into neighboring counties. Sixty years ago, Cuyahoga’s share of the region’s new housing was 70 percent; 30 years ago it was 40 percent; today it is 20 percent. That shift, plus erosion of property values among Cuyahoga’s old and obsolete structures in and near its core, is having dramatic tax-base consequences.
- Between 1994 and 2015 the value of residential real estate in Cuyahoga County declined \$3.8 billion while in adjacent counties residential values increased \$14.5 billion. Roughly 1.7 Cuyahoga residents move out to a neighboring county each year for each person moving in; \$1.88 of household income is taken out for each \$1.00 of household income that comes in. Cuyahoga is losing 5,000 persons and 2,000 households annually. The county is in serious economic decline, driven by the depletion of its supply of greenfield land and the paucity of redevelopment in the county’s “old” central core.

- Given the nature of independent local government, officials across the region are compelled to focus on protecting and advancing their own tax base and not waste their time working collaboratively for economic development when the tax benefits would go to some other jurisdiction.

Conclusion: the Greater Cleveland-Akron region is producing little job growth but is producing increasingly imbalanced real estate development, with growth in rural and semi-rural areas and decline among old and obsolete communities. The decline of Cuyahoga County has reached an alarming point. But officials have little or no incentive to work collaboratively, to form alliances aimed at producing a balanced and positive future for all places in the region. I urge that the Study Committee be established so that this situation can receive the attention it calls for.

Thank you again for the opportunity to testify; I welcome any questions.