

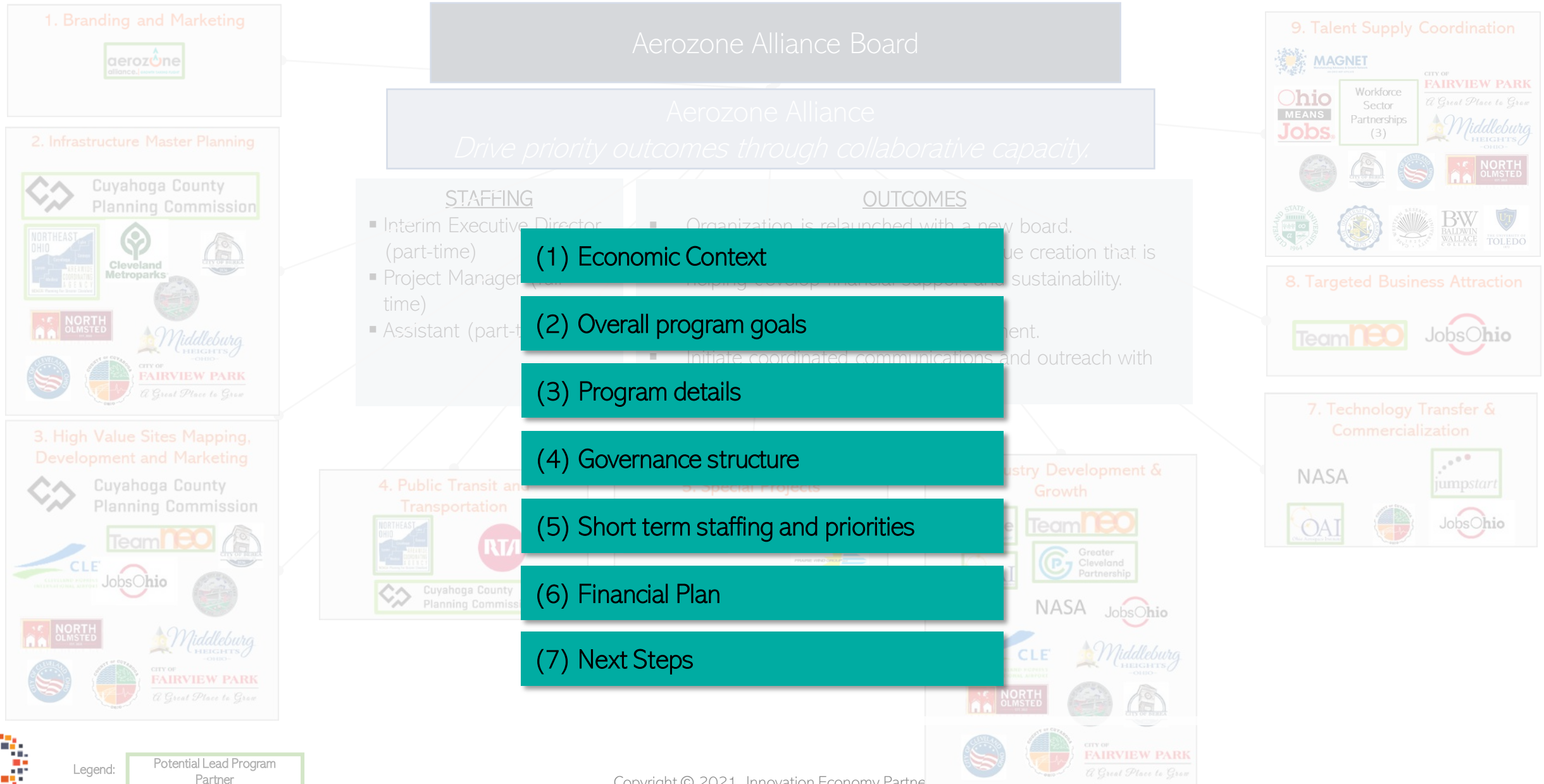
Aerozone Strategic Report

Executive Summary

May 2021



Contents.



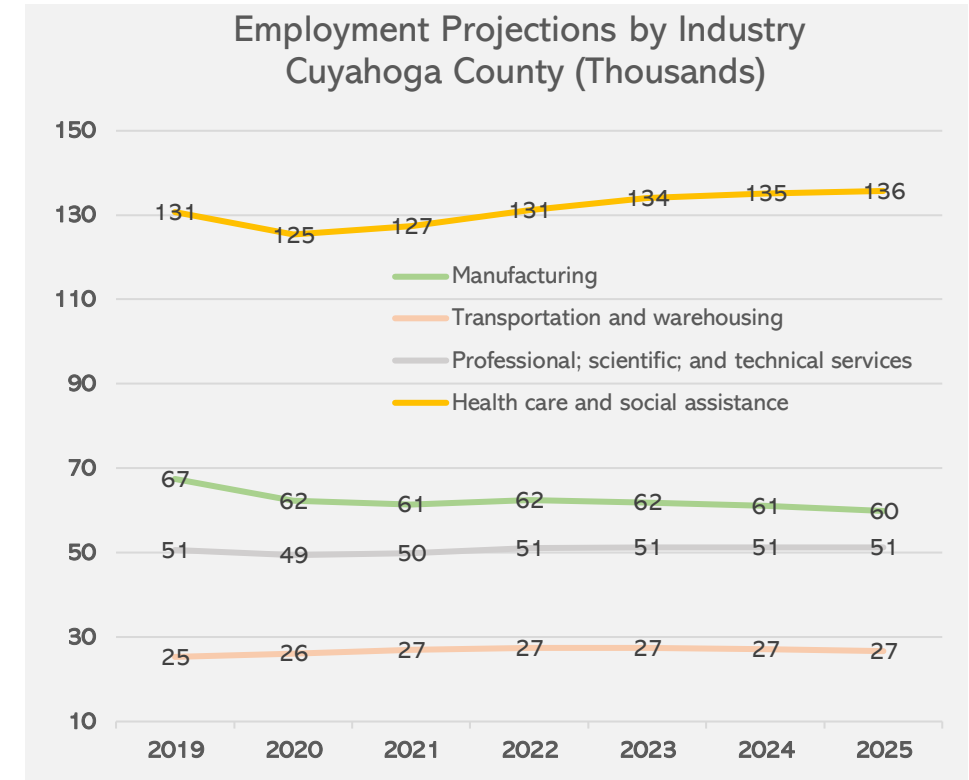
Aerozone Economic Projections.

Historical trends and future projections suggest that without incremental interventions, the economic future trend of the core industry clusters will be negative or flat at best.

Historical Employment Growth

Description	Region	2018 Jobs	2013 Jobs	2013 - 2018 Change	2013 - 2018 % Change
Manufacturing	Aerozone	12,425	13,297	(873)	(7%)
	Cuyahoga County	69,615	71,270	(1,654)	(2%)
	NEO	273,684	272,901	784	0%
Professional, Scientific, and Technical Services	Aerozone	4,172	3,872	300	8%
	Cuyahoga County	51,342	49,749	1,593	3%
	NEO	99,042	95,228	3,814	4%
Transportation and Warehousing	Aerozone	9,894	10,234	(340)	(3%)
	Cuyahoga County	22,818	21,781	1,037	5%
	NEO	64,085	59,551	4,534	8%

Projected Employment Growth



Minority Participation Rates.

Minority Employment Rates

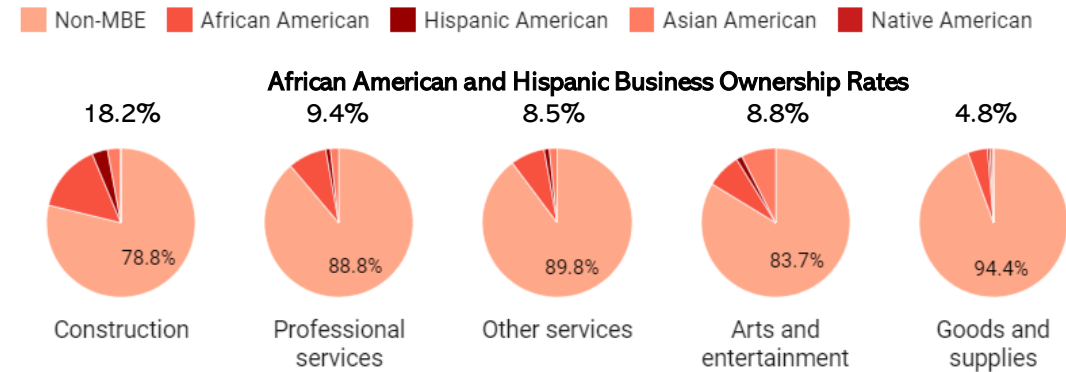
Minority employment rates by industry data is currently being evaluated.

Minority Business Ownership Rates

The business ownership rates for African American and Hispanic population vary dramatically based on the industry sector. This spans as high as **18.2%** in **Construction** to **4.8%** in **Goods and Supplies**.

Source: Griffin & Strong P.C. • [Get the data](#) • Created with [Datawrapper](#)

Ethnic breakdown of firms available to work in Cuyahoga County



Source: Griffin & Strong P.C. • [Get the data](#) • Created with [Datawrapper](#)

Date: 2020

Overall Minority Population

It should be noted that the combined African American and Hispanic population in Cuyahoga County is 36.8% (30.5 and 6.3% respectively).



Aerozone Economic Goals.

DRAFT:
Collaborating with TeamNEO to refine/validate the metrics.

Based on the data gathered about the industry and occupation clusters in the Aerozone District, the following are the priority areas that should be considered for focused Economic Development efforts.

Priority Industries	Jobs Totals (Block level)	Job Share (%) Block Level	Number of Establishments (Int.Zips/7MileZip)	5 Year Goal 2026 Goals (10% Growth over baseline)*	10 Year Goal 2031 Goals (50% Growth over baseline)*	10 Year Minority Advancement Goals (10-20% Jobs and business ownership)*
Transportation & Logistics	7,584	27%	24/106	+800 jobs +3 businesses	+4,000 jobs +15 businesses	Job Allocations: 600-1200 Jobs Business ownership goals: 4-8
Manufacturing	3,620	13.3%	27/115 (Advanced Manufacturing)	+350 jobs +3 businesses	+1,750 jobs +15 businesses	
Professional, Scientific, and Technical Service	2,026	7.5%	22/73 (IT & Aerospace)	+ 200 jobs +2 businesses	+1,000 jobs +10 businesses	
Healthcare and Social Assistance	3,686	13.6%	21/70	Currently not a priority because this is a population serving, and not a traded sector industry (not bringing extrarenal dollars into northeast Ohio).		
















Across the above 3 priority industries:

Drive 10% growth in number of establishments and jobs in the next 5 years (1,350 Jobs; 8 Businesses).
 Drive 50% increase in jobs and establishments in the next 10 years (6,750 Jobs; 40 Businesses). **

*Initial approximations based on regional data and trends. | **Multiplier affect (secondary economic benefits of job creation) have not been incorporated in these economic projections.



Aerozone Alliance Priority Programs.

PRIORITY PROGRAMS	OVERVIEW	POTENTIAL LEAD PROGRAM PARTNERS
1. Branding and Marketing	Create brand awareness and drive a marketing campaign that articulates a compelling value of the Aerozone District to various key stakeholders.	
2. Connected & Enabling Physical Infrastructure	Develop an integrated masterplan for the Aerozone District, which helps connect and catalyze the infrastructure assets in the district.	 Cuyahoga County Planning Commission 
3. High Value Sites Preparation	Establish a cohesive strategy to identify and develop priority sites in the Aerozone.	
4. Public Transit and Transportation	Create and evaluate strategies to enable better public transit connectivity to and within the Aerozone.	 Cuyahoga County Planning Commission 
5. Special Projects	Evaluate an array of potential projects that can be refined and developed to serve the district and regional priorities (e.g. micro-grid, drones, technical school, etc.)	
6. Industry Development and Growth	Gain insights on the Voice of the Customer by developing trusted relationships with local businesses. Use insights to support business growth strategies.	 Greater Cleveland Partnership   OAI  Teamneo
7. Technology Transfer & Commercialization	A regional program that will leverage the key assets of NASA GRC (facilities, IP, and expertise) and support the economic growth of NEO.	  OAI
8. Targeted Business Attraction	Coordinated effort that focusses on identifying and attracting companies that would want to take advantage of business opportunities with GRC and/or the airport.	  OAI
9. Talent Supply Coordination	Work with regional partners to develop an integrated talent pipeline that helps fill the talent needs for key Aerozone industries/employers.	Workforce Sector Partnerships (3); Workforce Funders Group



Program Next Steps: Establish Formal Commitment.

PRIORITY PROGRAMS	POTENTIAL LEAD PROGRAM PARTNERS
1. Branding and Marketing	
2. Connected & Enabling Physical Infrastructure	 Cuyahoga County Planning Commission 
3. High Value Sites Preparation	
4. Public Transit and Transportation	 Cuyahoga County Planning Commission 
5. Special Projects	
6. Industry Development and Growth	 Greater Cleveland Partnership   
7. Technology Transfer & Commercialization	 
8. Targeted Business Attraction	 
9. Talent Supply Coordination	Workforce Sector Partnerships (3); Workforce Funders Group

In order to successfully enable the decentralized organizational structure, each Lead Program Partner will need to execute an MOU that clarifies the following details:

1. Formally validate if the organization is willing to take the **lead** in this program.
2. Help refine and improve the **scope and definition** of this program to better support the overall economic goals.
3. Clarify: Are there areas within this program where you would need **support**? Who are the **critical organization(s)** that should also be involved? What could/should be the role of the Aerozone Alliance in supporting this program?
4. What **outcomes and value** could this effort create in the span of next 1 to 5 years?
5. Organization's **funding and resource capacity**: What efforts outlined above can be achieved given your organization's current capacity? What incremental resources would you require to achieve the comprehensive list of goals?



Governance Board Structure.

Who are the ideal board members:

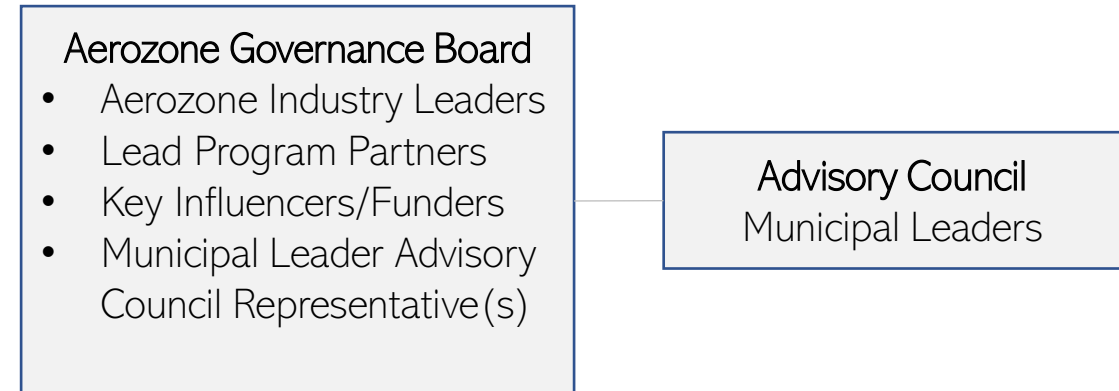
- Organizations who can lead a priority program.
- Organizations that can offer resources to support the effort.
- People with strong commitment and/or reasons to have the Aerozone be successful.
- Top Aerozone employers by industry,
- **An advisory council:** Will be created to bring together the voices of the local municipal leaders. 1 or 2 representative(s) from this Advisory Council will serve on the Governance Board on a rotating basis.

The value that these members would create for the Aerozone:

- Industry expertise
- Organizational capacity
- Influence and/or access to resources

The value that the Alliance can create for the members:

- Create a collaborative and an accountable framework that enable efficiency in execution.
- Help the members achieve their goals in a more efficient and effective manner.



Governance Board: Participants*.

DRAFT

	1. Branding and Marketing	2. Connected & Enabling Physical Infrastructure	3. High Value Sites Preparation	4. Public Transit and Transportation	5. Special Projects	6. Industry Growth & Development	8. Technology Transfer & Commercialization	9. Targeted Business Attraction	9. Talent Supply Coordination
Core Industry Leaders & Anchors									
• Carlos Grondsinsky, Zin Technologies									
• NASA: Marla Perez-Davis									
• AIRPORT: Robert Kennedy									
• Paran Mgmt. Company: Joe Shafran									
• 4-5 other Aerozone employers									
Lead Program Partners									
• TeamNEO: Bill Koehler									
• GCP: Baiju Shah									
• NOACA: Grace Gallucci									
• County Planning Commission: Mary Cierebiej									
• OAI: Dr. John Sankovic									
• JumpStart: Ray Leach									
• MAGNET: Ethan Karp									
• BWU: Bob Helmer									
• Cuyahoga Port Authority: Bill Freidman									
• The Cleveland Metroparks: Brian Zimmerman									
Funders and Philanthropy									
• Fund for our Economic Future: Bethia Burke									
• Cuyahoga County: Councilman Dale Miller									
Public Sector Representatives									
• 1-2 representatives from the Advisory Council									

*Additional board members that can also be considered:

Transportation partners (e.g. RTA), Workforce partners (e.g. Workforce Funders Group) and Philanthropic partners.



Aerozone: Advisory Council.

DRAFT

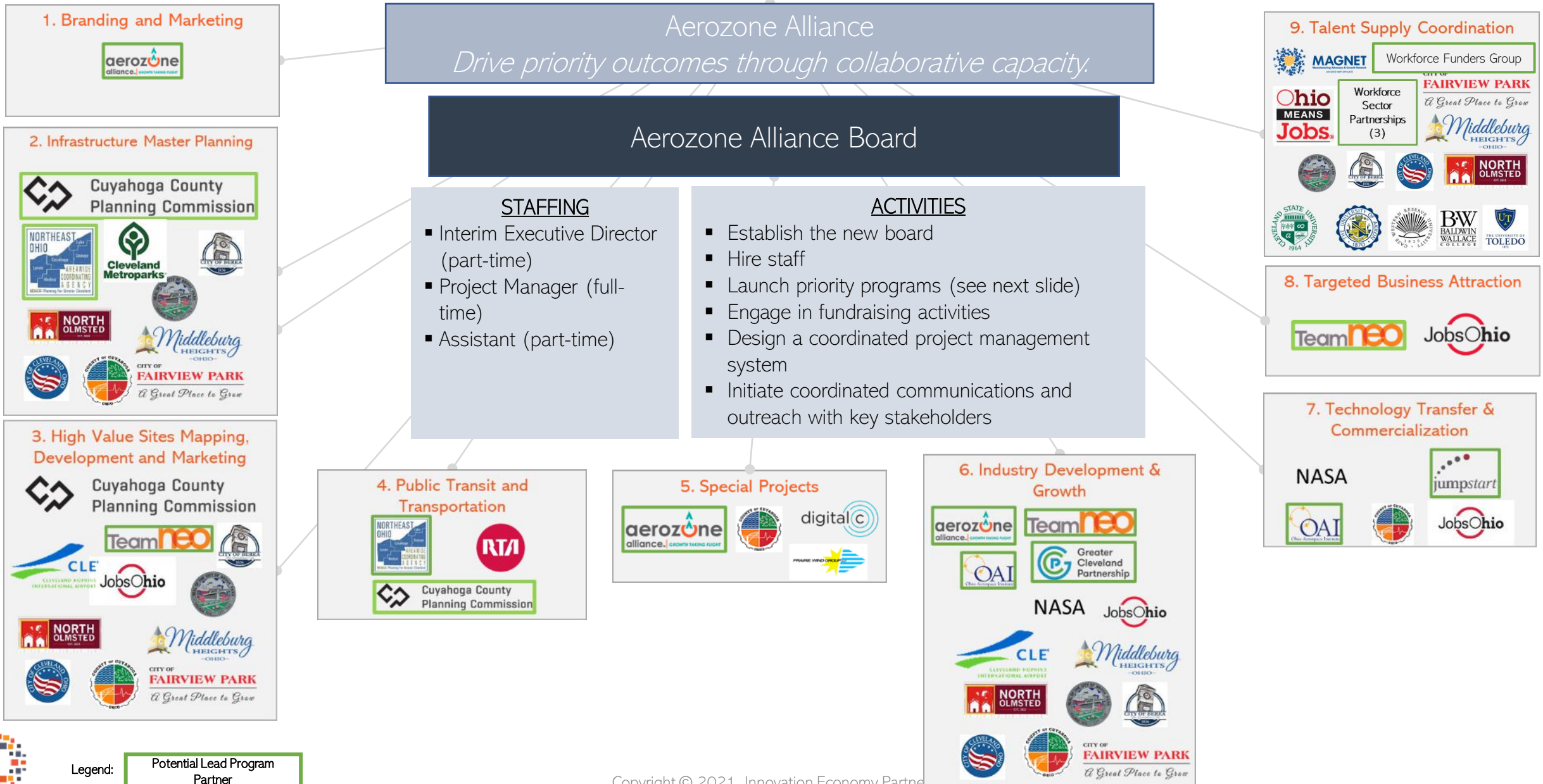
There will be a separate municipal leader advisory council created to help provide a cogent voice of the public sector to the Aerozone Alliance. 1 or 2 of these members will serve on a rotating basis on the Aerozone Governance Board.

Elected Officials & Community/Economic Development Heads

- City of Berea
- City of Brook Park
- City of Cleveland
- City of Fairview Park
- City of North Olmsted
- City of Middleburg Heights
- City of Rocky River
- City of Strongsville
- City of Westlake
- Cuyahoga County
- Bellaire-Puritas Development Corporation



2021 Staffing and Activities.



2021 (July-Dec): Program Priorities.

PILLARS	PRIORITY PROGRAMS	AEROZONE TEAM EFFORTS
I. Sustainable & Accountable Organization	Enable the organization. (Board, Budget, Staffing & Communication)	Help establish a sustainable organization. (1) Establish the new board/governance structure. (2) Assist with funding support for the program,(3) Recruit staff, and (4) Enable a communication strategy to better align stakeholders and target audiences. (5) Codify partner commitments. (6) Setup a program monitoring system.
II. A Vibrant Physical Infrastructure	Connected & Enabling Physical Infrastructure	Support NOACA and County Planning commission get the local stakeholders aligned and help get the Aerozone District master planning effort launched.
	High Value Sites Preparation	Support TeamNEO in connecting with local municipalities and identify high opportunity sites. Collectively work to identify, prioritize and develop the sites.
	Special Projects	Review the detailed list of projects, establish priorities and develop an execution plan for the priority projects.
III. Business Development	Industry Development and Growth	Work with TeamNEO, GCP and OAI to organize local industry clusters, launch the business outreach efforts and identify initial priorities (e.g. critical talent needs).
	Technology Transfer & Commercialization	Work closely with NASA to communicate potential innovation related opportunities across northeast Ohio. Help better connect GRC IP, programs, facilities and expertise.
	Targeted Business Attraction	Work closely with TeamNEO and OAI to create a business attraction strategy in the Aerozone.



Uses and Sources Of Funds.

DRAFT

Projected Expenses

	2021 July-Dec	2022	2023
Office/Misc. Expenses*	\$22,000	\$45,000	\$45,000
Contract Services: (Marketing, Grant writing, etc)	\$10,000	\$25,000	\$25,000
Staffing**	\$122,500	\$355,000	\$355,000
Executive Director (p/t)	\$90,000	\$225,000	\$225,000
Program Manager (f/t)	\$25,000	\$100,000	\$100,000
Office Assistant (p/t)	\$7,500	30,000	\$30,000
Total	\$154,500	\$425,000	\$425,000

Projected Revenue

	2021 July-Dec	2022	2023
Public: Cuyahoga County	\$62,500	\$125,000	\$125,000
Public: Local Municipalities	\$50,000	\$100,000	\$100,000
Private Businesses & Anchors	\$10,000	\$100,000	\$150,000
Philanthropy	\$32,000	\$100,000	\$50,000
Total	\$154,500	\$425,000	\$425,000

*Monthly Expenses: ~\$3.5k/month

**Staffing

(Loaded costs: includes benefits at 30-35% of salary)

- Executive Director: 2021 (July-Dec): Interim 0.5FTE, @ \$90k; Starting 2022: 1FTE @ \$225k annual comp
- Program Manager: 1 FTE starting Oct. 2021 @ \$100k annual comp
- Office Assistant: .5 FTE starting Oct 2021 @ \$30k annual comp



Immediate Next Steps.

1. Formalize and establish the Governance Structure
 - Finalize Governance Board structure and members
 - Send invitations to the proposed Board members
 - Conduct Governance Board kick off meeting (May/June)
2. Refine and initiate the fund-raising strategy
3. Follow up with the Lead program partners to finalize the organizational commitments.





Innovation Economy Partners

OUR FOCUS: IMPACT AND OUTCOMES

Hrishue Mahalaha
Chief Economic Advisor
hrishuem@inoecp.com
216.272.7655

