



# THE PLAIN DEALER

## 'The Tech Belt Initiative' to link Cleveland, Youngstown, Pittsburgh to share gains, dollars

3 cities plan to share gains in technology

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Business leaders from Cleveland to Pittsburgh know the rust belt pain. Now, they want to share technology gain.

Chambers of commerce in Cleveland, Youngstown and Pittsburgh have announced "The Tech Belt Initiative" to draw more federal and private dollars to tech-based development along a 134-mile corridor.

"By Thursday, God willing, we'll know who the next president is," said Ray Leach, chief executive of JumpStart Inc., a Cleveland-based group that supports business startups. "These three [chambers] are going to have a platform of tech-based development ready to take to that president."

Nearly 30 business-development groups, universities and hospital systems from Cleveland, Akron, Youngstown and Pittsburgh have formed a steering committee to pursue the initiative. They will craft a marketing plan to attract more venture capital and entrepreneurial talent to the mega-region, as well as lobby for more state and federal money to buttress emerging tech-based development.

Their focus will be business advances in alternative energy, biosciences, information technology, robotics, advanced manufacturing and advanced materials, such as polymers and specialty steels.

The effort springs from collaboration between BioEnterprise, Northeast Ohio's bioscience-development group, and its counterpart, the Pittsburgh Life Sciences Greenhouse.

The two organizations have exchanged venture capital leads and new business resources for more than a year.

Combined, the two regions drew more than \$343 million in venture capital for health care startups in 2007, evidence of rising national interest, said BioEnterprise President Baiju Shah.

"The message has resonated with venture investors," Shah said. "They are surprised about the proximity. They can fly into one city and drive to the other."

The effort spurred U.S. Reps. Tim Ryan, a Niles Democrat, and Jason Altmire, his Democratic colleague from over the Pennsylvania line.

They wanted to expand the cross-regional effort to a technology corridor, encompassing 7.2 million people.

Ryan said the mega-region will pack a bigger clout with the new administration and an array of federal agencies holding big bucks for worker retraining, business innovation, and research and development.

"Instead of people from three regions seeking money for the same kind of project, they all benefit," said Ryan, who is on the House Appropriations Committee. "It's easier to support a concentrated, integrated plan. If you get the University of Pittsburgh Medical Center and Cleveland Clinic coming together, that gets people's attention."

Certainly, cities along the corridor have long shared economic misery. Bad times in the steel and auto industries have meant tens of thousands of jobs lost along the Cuyahoga, Mahoning and Three Rivers valleys.

Population, incomes and economic indicators have all slumped. But Ohio and Pennsylvania are spending considerable sums to change their fates.

Pennsylvania, for example, plowed \$180 million into tech-based development from 2002 to 2006, according to a newly released Tech Belt Initiative report.

Ohio has pumped \$404.5 million into Northeast Ohio through the Third Frontier Project, which seeds high-tech business prospects, the report said.

Pittsburgh and Cleveland are collaborating in other ways to transform their economies.

In the entrepreneurial sector, Cleveland's JumpStart was modeled after Innovation Works in Pittsburgh.

Leach co-chaired a venture capital fair in Pittsburgh, where one-third of the companies hopeful of attracting investment were from Ohio, Leach said.

"We scratch each other's backs all the time and help accomplish each other's mission," Leach said. But don't expect a Cleveland-Youngstown-Pittsburgh corridor to turn into a Silicon Valley of the Midwest, says Youngstown State University's Albert Sumell, an assistant professor of economics.

Except for Pittsburgh, the corridor does not have the high levels of education that mark hot spots of venture capital and business spinoffs, Sumell said.

The corridor's strength is probably in "green" jobs, particularly where manufacturing can crank out parts for wind, solar and other alternative energies, he said.

Indeed, a top priority for the Tech Belt Initiative is a strong lobby for continued tax credits on renewable energy investment.

The initiative also calls for continued federal support of small business loans and grants and manufacturing innovation in the mega-region. Joe Roman, executive director of the Greater Cleveland Partnership, said the initiative is about building on strengths.

"We need to grow the economy of the Midwest," Roman said, "and sometimes that crosses borders."

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