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Cool Cleveland Interview Jim Rokakis, Part 2

Cool Cleveland: What does the word Regionalism mean to you?

Jim Rokakis: Regionalism to me is a belief that we have to take the region's dwindling resources and put them to work collectively for the betterment of all Northeast Ohio. In 1970, 40% of the property tax revenue came from the City of Cleveland; in the last collection, it was 17% which means the city has to make up the difference. So, in order to support the school system on a rapidly declining tax base...when you have a mill in Cleveland, you collect \$6 million, and a mill in the County collects \$33 million. Not a decline, but 36% of the property in Cleveland doesn't pay taxes. Religious, non-profits, schools, and hospitals - they don't pay taxes. And over \$2 billion is not collected because of a tax abatement program, out of a total of \$5 billion. Then consider Westlake with its tax abatement program, if it were approached, it has one-quarter the value of the entire city of Cleveland with 450,

Why did you commission this study from Policy Matters to study how other cities address the non-profit issue?

I wanted to see what tools were available to cities like Cleveland which could result in a more equitable distribution of funds that would go to the public schools. I wanted to see if we could come up with one approach that would benefit the Cleveland kids.

What did the study cost?

It cost \$25,000.

Who paid for it, and was it county money?

I approached Bear Stearns and other financial institutions to see if they would pay for the study. They were very gracious.



You've offered some provocative ideas to consolidate the various library systems and save money. Many of the libraries in this region are award-winning and are considered best in their class. And the libraries are obviously supported strongly by the community, which passes the budgets almost automatically. Why would you want to put that kind of success?

Because when I raised the issue, I was relating to the fact that the funding for libraries had come to rely upon, which was the [Library Government Support Fund] from the \$67 million provided to libraries, accounts for a significant portion of the budgets. It became clear to me that this funding was in jeopardy. Not only in jeopardy of being reduced,

absolute certainty, but also the possibility of being eliminated entirely. But I also did the premises of your question; I don't feel that these people will continue to support indefinitely. A Cleveland resident pays more for their libraries than any other community in Ohio. It is a superb system, but the majority of people who use the Downtown Cleveland are suburbanites. They have this excellent system where you can take out a book and does a resident of Cleveland pay three times more than a resident of Parma? And if government support is cut, do we go back to the Cleveland resident and ask them 11 mills, plus another 11 mills for the Cleveland Public School System? And because of that has taken over the State and certainly the Federal government, we are being left with unpalatable solutions.

You scared a lot of people with your proposal on the Libraries.

I admit that I may not have been the most articulate guy when I raised this. When I may have frightened library patrons around the County when I made this proposal with certainty that this funding they rely upon will be reduced this summer. So, here we are, revolution-gone-crazy in Columbus, where they are going to eliminate the Personal Property tax on equipment, inventory and machinery on businesses, and they don't have any idea how to replace that tax revenue. You can go to <http://www.MVRPC.org>, the Miami Valley Regional Planning Commission; they've put a tool on their site where you can scroll to see what the effect will be. What will happen when they cut the Local Government fund. One part shows the effect on other services, the other shows the effect on libraries - it is devastating.

What other areas do you think might be ripe for consolidation?

If we can't cooperate on something as relatively benign as library books, just think about police and fire. We're sitting at the corner of W. 117th & Detroit, and within four blocks there are two fire departments. I realize this debate doesn't have any traction now, but in July, maybe we can sit down and talk about it. I abhor what these people have done, but I think we should fight to the death, but these cuts are coming. And I think we should be prepared when the cuts come.

Why are you doing this?

They say I'm ego-driven. What? So I can continue to be the tax collector. I've been a tax collector in service for 27 years and I've worked my way up to being the tax collector?

You've taken on the powers-that-be in Cleveland by suggesting that non-profits such as The Cleveland Clinic pay their fair share in the form of voluntary fees in cities like Baltimore. How has this proposal gone over in our part of the county?

Well, in order for this proposal to work, we need the support of the Mayor and the Board of Education and the schools.



Do you have their support?

My goal in announcing the study was very much to show that the schools could raise \$5 to \$6 million in voluntary payments, similarly to the City of Pittsburgh which raises \$10 million a year through voluntary payments. I announced this program in July, and before it was released in December, a well-known Cleveland

with me and said there could be support at the highest levels at the Clinic to participate in the program. I asked this attorney to wait until the study was released and we could discuss it. When the study was released, this attorney set up a meeting with Cleveland Clinic officials and talked about the dollar amount; I can tell you that the officials were pleased with the modest scope of the program I was suggesting. Soon after, the attorney called me and said there were some discussions between the Clinic and the Cleveland school system. He said, "You've just been back to Cleveland." Cosgrove said he had been thinking about it since October when he went to a boot camp in Cleveland talking with them since July. So now, the Clinic proposes money and in-kind gifts to Cleveland Schools to the OneCleveland network. It is a great program, but it will not help every teacher and it will not reduce the tax burden on Cleveland citizens. I am afraid that if the Mayor is willing to step up and take leadership, there will not be a pilot program in the City of Cleveland. Cosgrove said, "We looked into these pilot (Payments In Lieu of Taxes) programs and they aren't working. I would ask him to call the Mayor of Boston and ask him if the \$13 million they get from the program profits isn't working. Then call the Mayor of Pittsburgh, where they just signed an agreement with the city's non-profits for \$6 million."

So, are the Mayor and the School Superintendent behind you on this?

The Mayor sent me a letter that said she was interested, and then went on to speak about the Clinic, University Hospitals and Case, about all the wonderful things they do. She didn't want to create unrealistic expectations with such a program and compared it to the Lottery, how that program created unrealistic expectations. But this is a modest Pilot program. How about a casino for Cleveland? You want to talk about other programs? How about a convention center?

What about Barbara Byrd-Bennett?

She was quoted as saying she didn't think the non-profits would cooperate. The Mayor sent a letter to Hundert, Cosgrove at Cleveland Clinic, and [Tom] Zenty at University Hospitals. The board members at Case told me they are not happy they were not part of this discussion. I am going to talk directly to the Schools. This is one tool, a Pilot program, and every tool has to be used.

What's next? Charging all non-profits a tax? What about small arts groups and community groups?

It is interesting you say that. At the press conference, Cosgrove suggested charging a tax on synagogues. So, the Clinics earn \$140 million and raised hundreds of millions toward the convention center. Between University Hospitals and the Clinic, they billed \$3 billion last year, and they are about paying about \$3 million between the two of them; one of the board members is on a slippery slope. If you raised \$5 million for the schools, you could hire one hundred teachers.

You have a lot of stimulating ideas, and you seem to have the research and data to back up those ideas. How do you think you'll be able to gain support from the community in order to get them implemented?

Well, in the case of Pilots, the idea will go nowhere unless the Mayor and Superintendent are willing to take risks. Otherwise, I'll be spinning my wheels.

Maybe then you should run for Mayor...

Like I said, I think the likelihood of a guy like me being Mayor is slim. But maybe it is time to elect new leadership that is willing to take risks. The last thing we need is a caretaker Mayor. Campbell's failings is she confused loyalty with competence, and with the exception of

she assembled a very mediocre team. If you don't have any vision of your own, hire someone you can find who has a vision you can buy into. She waited too long to hire a chief of staff. Finally, when she got a chief of staff in Deb Janik, she didn't listen to her.

What kind of programs can you have an effect on?

With the library idea, once the rug is pulled out from under them this summer, we'll sit down and talk. But we've lost valuable time about how to retain some local control, manage this crisis.

There's always a debate about taxes in this state, but lately the state legislature has been upping the rhetoric. And recently, Greater Cleveland Partnership has come out with Cleveland on the Edge with one of the major conclusions that this region is not living heavily, and it is stunting our economic growth. At the same time, we hear that living in this region is very affordable. So, which is it?

I think the reality is that both statements are correct. If you compare this state and the tax burden here is among the highest in the nation. That is true and they are right; I believe that if we reduce that burden, businesses will flock to Northeast Ohio. But I've also seen studies that say taxes are not the major reason why people locate a business here, it's due to the quality of the workforce, education levels, education attainment levels. I don't want to say this is a dumb area of the country. Very few people have a bachelor's degree. The Mayor needs to declare a Marshall Plan for the economy of this region. We need to make sure that every kid in this region who wants to go is guaranteed a college education, even if it's in another state.

What else would be part of the Marshall Plan for the next Mayor?

I think they should have a plan to create an urban campus at Cleveland State University.

Like the University of Akron is doing. Why is it taking so long to develop a new campus in Cleveland State?

The county and the city can use Port Authority bonds to start this development now in Franklin County. Don't tell me we can't make it attractive for students from Ohio and stay in an urban campus.

Interview and images by Thomas Mulready