Introduction

Marion, Ohio liked to call itself “the city that built the Panama Canal.” A history of industrial might in this small city in north-central Ohio produced significant local wealth and international achievement. In 1903, the Marion Steam Shovel Company contracted with the federal government to provide the power shovels that would dig out the canal’s trench. Beyond digging the channel that opened up a new era of international trade, Marion Power Shovel (as it was later known) helped build the city’s middle class by employing 2,500 workers at its peak. In the 1920s, Marion also boasted of being home to U.S. President Warren G. Harding, whose life and death were commemorated with a Greek-style tomb that would rival the memorials along the National Mall. Marion was never a large city, but it’s industrial and political achievements gave it an outsized presence on the world stage.

By 2015, however, this city of about 36,500 people was more likely to make the national news as one of the epicenters of the nation’s opioid epidemic. During early coverage of the growing crisis, both National Public Radio and the Associated Press profiled Marion for its high rates of overdose deaths (Garcia Navarro, 2015 and Associated Press, 2015). Both pieces describe the city’s industrial past and current economic woes as a backdrop for the rise in opioid use. Marion’s slide from international acclaim followed a path familiar to many older industrial towns. The population peaked in 1970 at 38,646 and slid to just over 34,000 in 1990. By 1997,
Marion Power Shovel was sold to a Milwaukee-based competitor and the remaining 250 jobs in the community were lost (McGee, 1997). Marion maintained a significant manufacturing base despite these challenges – including a Whirlpool plant that produces 20,000 dryers daily – but its status as an economic powerhouse was significantly diminished.

Marion is one of fifteen small legacy cities in Ohio\(^1\) – older industrial communities that have lost population since their peak and currently have between 20,000 and 65,000 residents (Greater Ohio Policy Center, 2016). Many of these small cities have stories similar to Marion’s: a history of industrial wealth and political stature that has faded to an uncertain future complicated by economic decline and its related social challenges. In ways both meaningful and superficial, this trajectory mirrors that of Ohio on the whole - and these small cities will be critical drivers for determining the state’s long-term economic, social, and political trajectory.

Small legacy cities represent an important segment of Ohio’s population and economic output. Along with their five mid-sized neighbors (which include cities with metro regions of up to one million residents),\(^2\) small legacy cities make meaningful impacts on the state as a whole. The metropolitan areas of small and mid-sized legacy cities make up nearly one-third of the state’s population and produce nearly 30 percent of the gross domestic product (Greater Ohio Policy Center, 2016).

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\(^1\) Small legacy cities in Ohio, with 2014 populations are: Lorain (63,885), Hamilton (62,366), Springfield (60,216), Elyria (54,216), Middletown (48,256), Mansfield (47,150), Warren (40,925), Lima (38,432), Marion (36,791), Massillon (32,224), Xenia (25,903), Sandusky (25,626), Zanesville (25,444), Chillicothe (21,802), and Portsmouth (20,320).

\(^2\) Mid-sized legacy cities in Ohio, with 2014 populations, are: Toledo (283,932), Akron (198,492), Dayton (141,775), Canton (72,668), and Youngstown (66,013).
Ohio’s Legacy Cities and Columbus by Size and 2014 Population

<table>
<thead>
<tr>
<th>Columbus</th>
<th>Large Legacy City</th>
<th>Medium Legacy City</th>
<th>Small Legacy City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus</td>
<td>811,943</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Toledo</td>
<td>Lorain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>392,114</td>
<td>Hamilton</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Springfield</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Akron</td>
<td>Elyria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>198,492</td>
<td>Middletown</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dayton</td>
<td>Mansfield</td>
</tr>
<tr>
<td></td>
<td></td>
<td>141,776</td>
<td>Warren</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Canton</td>
<td>Lima</td>
</tr>
<tr>
<td></td>
<td></td>
<td>72,668</td>
<td>Marion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Youngstown</td>
<td>Massillon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>66,013</td>
<td>Xenia</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>Sandusky</td>
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<td>Zanesville</td>
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<td></td>
<td></td>
<td></td>
<td>Chillicothe</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Portsmouth</td>
</tr>
</tbody>
</table>

The counties where these small and mid-sized cities are located also had disproportionate influence in the 2016 Presidential election. Of the eleven counties that saw the largest vote gains for Donald Trump as compared to Mitt Romney in 2012, seven of them were home to smaller legacy cities (Greater Ohio Policy Center, 2017). Many of the counties that saw significant Republican gains in 2016 are long-term strongholds for Democrats, including Mahoning County, home of Youngstown, and Trumbull County, home of Warren.

Despite their outsized importance to the state’s long-term trajectory and the significant economic transitions on their horizons, Ohio’s state policymakers have paid little attention to the distinct needs of small legacy cities. This inattention has been paired with a broader set of policy changes that have strained municipal budgets and weakened opportunities for economic development. This paper will trace the particular economic challenges that these small legacy cities have faced in recent decades, and will explore how Ohio’s economic development and fiscal policies have
compounded these issues. From there, it will also explore early efforts to create a network of these small cities that can advocate for shared policy priorities on the state level.

**Challenging Headwinds**

Small legacy cities have faced economic headwinds similar to older industrial cities of all sizes. The decline of manufacturing employment has reshaped the economies of these cities, just as it has in larger places like Cleveland, Pittsburgh, or Baltimore. A recent paper by the Century Foundation and Policy Matters Ohio looks at the changes in manufacturing in Ohio since 1990 and illustrates the dramatic reshaping of these cities’ economies (Shields, 2018). While Cuyahoga County, home of Cleveland, lost nearly 90,000 jobs alone during these period, small legacy city counties reported major losses as well. Trumbull County, home of Warren, lost over 20,000 jobs over that period – or 62.5 percent of its 1990 base – and Lorain County, home of Lorain and Elyria, lost 10,900 jobs – 40 percent of its 1990 share. Even counties that experienced relatively small numerical losses saw substantial percentages of their manufacturing employment disappear: Clark County, home of Springfield, lost just over half (52 percent) and Muskingham County, home of Zanesville, lost two-thirds (67 percent) of their 1990 manufacturing jobs.

Corporate mergers and the consolidation of headquarters into a small handful of global cities has removed many private sector leaders from small legacy cities in Ohio. An analysis of corporate headquarters locations in the Midwest and Northeast of the United States found that a substantial portion of smaller legacy cities that were home to a Fortune 500 headquarters in 1960 had no Fortune 500 companies remaining in 2015 (Hollingsworth and Goebel, 2017). The businesspeople that led these companies were often important civic leaders as well – contributing
their time, talent, and financial resources to various causes in the community. Although there are certainly still talented, committed people in all of Ohio’s small legacy cities, they are often stretched thin and are working to solve even greater challenges with fewer resources.

The loss of civic leaders is a particularly critical hurdle for small legacy cities, because evidence shows that high levels of civic capacity is the most important factor for revitalization in these places. Researchers at the Federal Reserve Bank of Boston who examined “resurgent” smaller legacy cities found that leadership and collaboration were more important predictors of a turnaround than industry mix, demographics, or geographic location (Kodrzycki et. al, 2009). Similarly, a report published by the Lincoln Institute of Land Policy and Greater Ohio Policy Center also identified civic capacity building and cross-sectoral collaboration as the two foundational strategies for smaller legacy city revitalization (Hollingsworth and Goebel, 2017).

Some legacy cities have successfully navigated substantial losses in manufacturing employment to transition into a more service- and knowledge-based economy. Pittsburgh’s renaissance is one well-known example, and it features a prominent role for higher education institutions and the health care industry. This “eds-and-meds”-based strategy has also shown promise in other larger legacy cities, including Baltimore and Cleveland. But the role of anchor institutions in shepherding in a new economy is more tenuous in small legacy cities, where major research hospitals and universities that can produce additional economic benefits are rare. More often, small legacy cities are home to smaller liberal arts colleges, community or technical colleges, or branch campuses that are less likely to produce significant economic spillovers from research or technology commercialization.
The troubles that small cities are having in adjusting to new economic realities are playing out in measureable ways. Researcher Mark Muro from the Brookings Institution found that small metropolitan areas in the states experiencing the largest economic transformations (including Ohio) were slower to recover from the Great Recession than larger metropolitan areas in the same state (Porter, 2017). The implications of this are significant – if smaller cities are less able to recover from economic shocks than larger places, their long-term strength in a global economy that is built on disruption is quite tenuous (Muro and Whiton, 2017). Helping these communities, and the people living within them, adjust to new economic realities must become a focus of policymakers in order to contend with growing inequalities between places.

Ohio’s Small Legacy Cities

Ohio’s 15 small legacy cities share an industrial past with their large and mid-sized peers, but differ from them in important ways. Qualitatively, Ohio’s mid-sized legacy cities function much like their large peers – with distinctly urban downtowns and neighborhoods surrounded by extensive suburban and exurban development, with multiple colleges or universities, and legacy cultural and philanthropic institutions. Small legacy cities, on the other hand, are fundamentally different from their large and mid-sized peers. Few have corporate headquarters, independent health care systems, or major research universities. Most do not have traditional suburbs of their own, although some are located on the outskirts of exurban development of larger cities. In this way, Ohio’s small legacy cities are quite diverse – some are located in rural areas that are losing population, while others have benefited from the growth of larger metros.
Greater Ohio Policy Center, a statewide think tank and advocacy organization, began to explore the unique challenges facing Ohio’s small and mid-sized legacy cities in 2016 with its report *From Akron to Zanesville: How Are Ohio’s Small and Mid-Sized Legacy Cities Faring?* That report defined “legacy cities” as central cities with an industrial past and smaller populations than their historical peak (Greater Ohio Policy Center, 2016). For the purposes of analysis, the report breaks Ohio’s legacy cities into three categories based on size: small, medium, and large, and then looks at Columbus, the state’s only major non-legacy city, as a separate category. Small legacy cities have current central city populations between 20,000 and 65,000, while mid-sized legacy cities have central city populations of 65,000 or greater and fewer than one million people in the metropolitan area.

The 2016 report compared the trajectories of the four city types between 2000 and 2014, tracing how each city type had fared on average before and after the peak of the Great Recession in 2009 (Greater Ohio Policy Center, 2016). The analysis found that by 2014, none of the city types had recovered from the Recession in any of the categories examined. Still, the economic and population growth of Columbus, with its diversified economy based around financial services, government, and higher education, set its trajectory apart from the state’s legacy cities. The analysis found that when all cities’ performance was aggregated together, Columbus boosted performance by an average of 10 percent.

But even more notable than the differences between Columbus and the legacy cities was the growing divergence between legacy cities of different sizes. The analysis found that despite deep long-term challenges related to poverty and relatively low rates of labor force participation in
large legacy cities, these indicators began to stabilize between 2000 and 2014 (Greater Ohio Policy Center, 2016). Even given the Great Recession, large legacy cities saw the slowest rate of poverty growth during that fifteen year period, with poverty increasing 50 percent statewide but just 39 percent in large legacy cities. In comparison, small and mid-sized cities both saw their poverty rates grow faster than the state as a whole, at 71 percent and 55 percent, respectively. Perhaps most notably, large legacy cities saw a nearly three percent gain in their average labor force participation rate – or the percentage of people over the age of sixteen who are either working or actively looking for work. This is of particular interest because the national labor force participation rate remained stable over the period, and the state of Ohio’s rate declined by two percent. In contrast, mid-sized cities’ labor forces shrunk by about two percent and small cities declined by five percent. Slowing poverty growth and rising labor force participation combined suggest that large legacy cities may be more readily attracting new residents that have greater success entering the workforce than their smaller peers.

In contrast to these larger places, small legacy cities saw growing signs of trouble over the same period. Although they began in a stronger economic position than their large or mid-sized counterparts, they saw the greatest overall declines in economic health (Greater Ohio Policy Center, 2016). A particularly troubling pattern for small legacy cities was dramatic decreases in the number of adults participating in the workforce. In 2014, the average labor force participation rate in small cities was just short of 58 percent, which was six percentage points below the national average and ten points below Columbus. Over this period, the average small city labor force participation rate fell below that of large legacy cities to become the lowest of any city cohort examined.
Changes in Key Indicators from 2000 to 2014 Revealed Diverging City-Type Trajectories

<table>
<thead>
<tr>
<th></th>
<th>Columbus</th>
<th>Large Legacy Cities</th>
<th>Mid-Sized Cities</th>
<th>Small Cities</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>14.1%</td>
<td>-14.7%</td>
<td>-11.1%</td>
<td>-3.2%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>77.1%</td>
<td>80.1%</td>
<td>85.6%</td>
<td>96.1%</td>
<td>81.3%</td>
</tr>
<tr>
<td>Labor Force Participation Rate</td>
<td>-1.7%</td>
<td>2.6%</td>
<td>-2.0%</td>
<td>-5.0%</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>-14.1%</td>
<td>-22.1%</td>
<td>-24.4%</td>
<td>-22.7%</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>-12.1%</td>
<td>-9.8%</td>
<td>-19.5%</td>
<td>-18.7%</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Individuals in Poverty</td>
<td>50.7%</td>
<td>38.5%</td>
<td>54.9%</td>
<td>70.9%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Long-Term Vacant Housing</td>
<td>104.2%</td>
<td>124.5%</td>
<td>229.1%</td>
<td>168.2%</td>
<td>213.2%</td>
</tr>
<tr>
<td>Median Housing Value</td>
<td>-7.5%</td>
<td>-16.9%</td>
<td>-22.1%</td>
<td>-18.1%</td>
<td>-9.4%</td>
</tr>
</tbody>
</table>

Source: Greater Ohio Policy Center, 2016

These labor force challenges may be indicative of larger demographic changes facing Ohio’s small legacy cities. An analysis of 2012-2016 5-year American Community Survey data revealed that Ohio’s small legacy cities have the largest share of older adults of any of the city cohorts, with 16 percent of their populations over the age of 65 (Greater Ohio Policy Center, 2018). Small legacy cities also have low percentages of immigrants and young professionals (people ages 25 to 34 with at least a Bachelor’s Degree) compared with Columbus and the large and mid-sized legacy cities. Shrinking labor force participation rates may be due to the impact of aging baby boomers leaving the workforce without sufficient new people, including immigrants and young professionals, to replace them.
Small Legacy Cities Have More Older Adults and Fewer Immigrants and Young Professionals in 2016

Source: Greater Ohio Policy Center, 2018

State Policy Context

State policy in Ohio was an important backdrop to many of the economic and social changes taking place in small legacy cities in the first several decades of the twenty-first century. Cities have faced a series of cuts in revenue due to actions by state policymakers. These cuts occurred in the years surrounding the Great Recession, further limiting these communities’ abilities to bounce back from the economic crisis. Additionally, economic development activities at the state level were reorganized shortly after the Recession, with important repercussions for small legacy communities.

Ohio has a strong culture of municipal home rule, based in the state’s constitution. As such, the general funds of Ohio’s municipalities are primarily funded through municipal income taxes, which are typically levied on residents, businesses, and people who work within the municipality even if they do not live in it. Cities also receive a portion of property taxes that are levied in their
jurisdiction, but the majority of that revenue goes to local school districts. A number of other taxes benefit city governments, as does revenue sharing by the state government.

Important changes in Ohio’s tax policies began in 2005, when the state legislature passed a series of tax reforms. Individual state income taxes were reduced by 21 percent, and taxes on business activity were reorganized (Ohio Department of Taxation, 2010). The most meaningful of these reforms for local governments was the repeal of the tangible personal property tax. This tax was levied on equipment used for business, and until its repeal it yielded over $1.3 billion in annual revenue that was distributed to local governments (Ohio Department of Taxation, 2007). Local school districts were the primary recipients of this revenue, but municipalities also received a portion of the income. The tangible personal property tax was phased out over several years, and was completely abolished by 2009. Local governments were reimbursed for lost tax revenue for a period of time, but these payments also eventually phased out (Ohio Department of Taxation, n.d.).

Another source of revenue was abolished in 2013, with the repeal of the estate tax. This was a tax of up to 7 percent on estates valued over $338,333 (Exner, 2016). 80 percent of revenues collected through the estate tax went to the municipality where the estate originated, while the remaining 20 percent went to the state’s General Revenue Fund (Patton, 2016). According to an analysis by Policy Matters Ohio, local governments received $293 million in revenue from this source in 2010. Although only seven percent of Ohio estates qualified for the tax, it remained an important source of revenue for capital improvement projects in local communities with limited general revenue funds.
Perhaps the most contested source of local funding lost due to changes in state policy is a state revenue sharing program called the Local Government Fund (LGF). The LGF was created during the Great Depression as a way to offset the impact to local governments of a state-mandated decline in property tax millage and the levying of a state sales tax (County Commissioners Organization of Ohio, 2005). Historically, 3.68 percent of state general fund revenues were disbursed to the LGF for distribution to local communities (Ohio Municipal League, 2016). But with reduced revenues due to the Great Recession, the LGF was cut dramatically in order to stabilize the state’s budget. This cut, which was originally intended to be temporary, has never been restored – and now state taxation officials report that these cuts should be seen as the new normal for how local governments will be funded (Maciag and Wogan, 2017). This has resulted in a dramatic decline in state revenue sharing: Local Government Fund disbursements dropped from $647 million in 2004 to $365 million in 2015 (Ohio Mayor’s Alliance, n.d.).

Taken together, these three changes in state fiscal policy represent significant reductions in revenue for local governments. Policy Matters Ohio estimates that municipalities, counties, and townships received $1.176 billion less in revenue in 2017 than in 2010 due to these and other state policy changes (Patton, 2016). There have been some modest gains in revenue due to increased public library funds and taxes from new casinos, but these do not come close to offsetting the reductions caused by LGF cuts and the elimination of the tangible personal property and estate taxes (ibid.).
Small legacy cities have been hit hard by these reductions in revenue. According to Policy Matters Ohio’s analysis, Lorain lost $2.8 million annually between 2010 and 2017, or 36 percent of its revenue from the state, due to policy changes (Patton, 2016). This includes $752,000 in lost estate tax revenue and over $1.9 million in local government funds revenue. Chillicothe lost over 41 percent of its annual state revenue – a decline of $1.1 million annually (ibid.) For a city with total annual revenues of $16.7 million in 2015, this represents a significant blow.

**Municipal Income Tax Rates Increased in Most Small Legacy Cities Since 2005**

<table>
<thead>
<tr>
<th>City</th>
<th>Current Rate</th>
<th>Increase Year 1</th>
<th>Increase Year 2</th>
<th>Increase Amount 1</th>
<th>Increase Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chillicothe</td>
<td>2.0%</td>
<td>2016</td>
<td></td>
<td>0.40%</td>
<td></td>
</tr>
<tr>
<td>Elyria</td>
<td>2.3%</td>
<td>2016</td>
<td></td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>Hamilton</td>
<td>2.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lima</td>
<td>1.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lorain</td>
<td>2.5%</td>
<td>2005</td>
<td>2013</td>
<td>0.30%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Mansfield</td>
<td>2.0%</td>
<td>2014</td>
<td></td>
<td>0.25%</td>
<td></td>
</tr>
<tr>
<td>Marion</td>
<td>2.0%</td>
<td>2013</td>
<td></td>
<td>0.25%</td>
<td></td>
</tr>
<tr>
<td>Massillon</td>
<td>2.0%</td>
<td>2017</td>
<td></td>
<td>0.20%</td>
<td></td>
</tr>
<tr>
<td>Middletown</td>
<td>1.8%</td>
<td>2008</td>
<td></td>
<td>0.25%</td>
<td></td>
</tr>
<tr>
<td>Portsmouth</td>
<td>2.0%</td>
<td>2012</td>
<td></td>
<td>0.60%</td>
<td></td>
</tr>
<tr>
<td>Sandusky</td>
<td>1.3%</td>
<td>2015</td>
<td></td>
<td>0.25%</td>
<td></td>
</tr>
<tr>
<td>Springfield</td>
<td>2.4%</td>
<td>2017</td>
<td></td>
<td>0.40%</td>
<td></td>
</tr>
<tr>
<td>Warren</td>
<td>2.5%</td>
<td>2017</td>
<td></td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>Xenia</td>
<td>2.3%</td>
<td>2011</td>
<td></td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>Zanesville</td>
<td>1.9%</td>
<td>2007</td>
<td></td>
<td>0.20%</td>
<td></td>
</tr>
</tbody>
</table>

Source: GOPC Analysis of Ohio Department of Taxation Data

These losses have to be made up somehow, and many small legacy cities in Ohio have responded by cutting services. The city of Elyria reduced 54 positions within the local government in 2015, including a loss of 12 firefighters (Brinda, 2015). Springfield has reduced the size of city
government by 135 employees over the last 10 years, and indicated it would have to cut an additional 25 positions without new revenue (City of Springfield, 2016). Cities have also sought to increase revenues by raising their municipal income taxes. Voters must approve municipal tax increases, and have done so in all but two of the small legacy cities in the last ten years (Greater Ohio Policy Center, 2018a). Ten small legacy cities have increased their income taxes by at least one-fifth of a percent (0.2%) since 2011 when the Local Government Fund cuts began to take effect.

Paired with changes in state fiscal policy has been a dramatic reorientation of Ohio’s economic development strategies. When Governor John Kasich took office in 2011, he and the state legislature privatized the state’s economic development function by creating a new entity called JobsOhio. The private nonprofit corporation replaced the state’s Department of Development, and in 2013, acquired the state’s liquor profits as a means of long-term funding. The Department of Development was replaced with the Development Services Agency, which administers the remaining state incentive programs and community development functions. Governor Kasich advocated for the privatization of the economic development agency because he believed such an organization needed to “move at the speed of business” and could not do that under the constraints imposed on government agencies (Guillen, 2011).

The long-term results of this approach are not yet clear. JobsOhio is primarily focused on employer attraction and expansion, and measures its impact through metrics related to jobs and payroll growth. While there has not been a publicly-released independent assessment of JobsOhio’s performance (Schladen, 2018), the organization reports annual growth on most of
these metrics. Yet some critics of this approach argue that the state is neglecting other critical community and economic development functions by focusing so heavily on attraction and expansion through JobsOhio. Workforce training, small business development, and basic community development activities still reside within state agencies, and these important undertakings have not received the same kind of focus or financial support as JobsOhio’s attraction and expansion efforts. For small legacy cities that are working to fundamentally transition their economies to be competitive in the twenty-first century, these baseline activities are particularly critical. And in recent years, Ohio’s state government has done little to support local communities in achieving them.

A Network of Support

The challenges facing small legacy cities are quite clear: global trends have destabilized their economic bases, leading to resource contraction and weakened civic capacity on the local level. In Ohio, these challenges have been compounded by state fiscal policies that have significantly reduced local revenues and threatened local governments’ ability to respond to changing conditions. Additionally, the state’s focus on employer attraction and expansion through JobsOhio has meant that critical community development functions are receiving little state support, just at a point where small legacy cities need to be investing in these basic needs.

The solutions to these challenges are less apparent, however. Certainly federal support is necessary to maintain the social safety net that is supporting the growing number of vulnerable people living within these communities. Federal dollars will also be critical for meeting these cities’ pressing infrastructure needs. Some pundits and researchers have suggested ways the
federal government could take on an activist role by shifting the underlying economic conditions in the Midwest. Federal agencies could be relocated from Washington, D.C. to heartland cities (Yglesias, 2016). Or federal regulators could reign in corporate monopolies to reverse the trend of consolidation that pulled many headquarters from legacy cities (Feldman, 2016; Lynn, 2017).

While some of these ideas may be worthy of consideration, current political realities demand that leaders in small legacy cities look closer to home. This recognition animated Greater Ohio Policy Center’s decision to create a network of small legacy cities that could work together to advocate for supportive state policy while also providing opportunities for peer learning. Building this network fit within GOPC’s long-term focus on supporting Ohio’s older industrial cities and its expertise in convening stakeholder groups to move policy at the statehouse.

GOPC looked to Massachusetts as a precedent for this kind of network. There, smaller legacy cities are officially known as “Gateway Cities” through a designation created by the state legislature in 2009. Leaders from small legacy cities in Massachusetts were motivated to take joint action after the release of a report by the Brookings Institution and MassINC that laid out the specific challenges facing these communities (City of Worcester, n.d.). Unlike in Ohio, the Gateway Cities were struggling to compete with a single major city – Boston - for resources and investments. These cities needed specific development tools to help them capture and manage investment opportunities. Leaders from eleven Gateway cities met in 2007 to sign a compact to work together and with the Commonwealth to develop these tools and support Gateway Cities’ development (Gateway Cities Compact, 2007).
While Gateway City stakeholders do not meet regularly as a network, many of the goals of this compact have been institutionalized in other ways. A Gateway Cities caucus formed in the legislature, resulting in the Gateway City designation, which opened up those cities to specific support from the state. One of the most significant state programs is the Transformative Development Initiative, which coordinates new and existing programs to promote catalytic investment in Gateway Cities (MassDevelopment, n.d.). The purpose of the program is to concentrate financial and capacity-building resources into a defined area in order to spur outside private investment.

The outcomes of the Gateway Cities work in Massachusetts provided inspiration for the Ohio-based work, but the significant political, economic, and geographic differences between the states meant that the process taken there could not be imported directly. Based on research conducted internally and by the Federal Reserve Bank of Boston, GOPC understood that the Ohio network would be most effective in supporting revitalization if it helped local leaders build their communities’ internal capacity to solve problems while also addressing state policy priorities (Hollingsworth and Goebel, 2017 and Kodrzycki, et. al., 2009). As such, the network was organized with a two-pronged goal: developing and promoting a shared state policy agenda while also building connections between local stakeholders to facilitate peer learning and support.

In the summer of 2017, staff from Greater Ohio Policy Center traveled around the state and met with approximately 50 leaders in small legacy cities. GOPC intentionally sought to engage a diverse cross-section of “grasstips” stakeholders – including local governments, nonprofit
economic and community development organizations, Chambers of Commerce, philanthropic institutions, or other organizations involved in revitalization efforts. These conversations served a dual purpose – they helped to uncover the key concerns of small legacy city stakeholders, while also building stronger relationships between these stakeholders and GOPC. The “Akron to Zanesville” report, proved to be a key motivator for many of these leaders who said that it validated with data what they had been experiencing on the ground: that it seemed their communities had been falling behind their larger peers.

From these conversations and existing relationships around the state, GOPC identified key leaders from small legacy cities to advise the organization on ongoing network-building activities. These four leaders were especially engaged and agreed to participate in an informal small legacy city “brain trust” that helped identify the appropriate role for GOPC and helped to plan meetings. This group was also critical for helping GOPC remain focused on the issues of greatest concern to small city stakeholders. Simultaneously, GOPC coordinated with other statewide advocacy organizations that were working on related issues to ensure there was no duplication of efforts.

These early efforts culminated in a roundtable of stakeholders from the small legacy cities in November of 2017. Representatives from eight out of the fifteen small legacy cities attended, coming from a variety of different professional backgrounds and sectors. The purpose of this roundtable was threefold: discussing joint policy priorities, providing peer learning opportunities, and giving feedback to GOPC on the network concept. Participants made clear that they were
interested in continuing to be involved in the small legacy city network, and agreed to meet multiple times a year for roundtables structured similarly to this first one.

The network has now met twice in person, with the number of cities engaged growing to eleven. 2018 is a gubernatorial election year in Ohio, creating an important window for raising up the needs of small legacy cities in the state. With that in mind, the network is working to create a vision document that can be shared with candidates and policymakers. Given the frequent negative portrayals of these cities in the media, this document lays out a positive counter-narrative for what Ohio’s small cities can look like in the future. As an advocacy document, it also lists state policies that can be enacted to help make this vision a reality. The proposals are quite broad, but focus in on policies that will improve quality of life for residents and help build the community’s internal capacity to revitalize.

*Lessons Learned*

The experience of building a small city network in Ohio has revealed several lessons about how small legacy city stakeholders conceive of their current challenges, their relationship with the state government, and their opportunities for the future. It has also highlighted an opportunity for bipartisan coalition-building in a time of significant political polarization. Key learnings from the network building process are:

* Small legacy cities perceive themselves as different from mid-sized ones (and growing small cities). GOPC’s original intention with the smaller legacy city network was to include both small (city population 20,000 to 65,000) and mid-sized (city
population 65,000 to metro population one million) cities in the network. But small city leaders quickly made clear that they felt that their challenges were unique as compared to the mid-sized places. In fact, GOPC’s own efforts to engage mid-size city officials confirmed this, because mid-sized cities had many more stakeholders to engage.

GOPC also asked small legacy city stakeholders about including several other cities of a similar size and industrial history that have growing populations (e.g. Newark, Lancaster, or Findlay). Network stakeholders felt that population loss was a major factor in their challenges and that the growing cities would not be appropriate peers.

• **Talent attraction and retention is a major concern.** Related to the concerns about population loss, small legacy city stakeholders expressed serious concerns about attracting and retaining people of all ages. In particular, leaders reported having difficulty attracting professionals with families or young professionals to live within the city, even if they worked there. This seemed to be one of the key motivating factors for many of the stakeholders engaged in this network – they recognized that the city needed new leaders to step into roles that they themselves would eventually leave.

• **Leaders are concerned about adequate state resources, but even more so they are concerned that small cities needs are not even under consideration by the state.** Despite the dramatic reduction in financial resources available from the state over the last several decades, the greater state policy concern reported by stakeholders was a broader lack of interest from state policymakers in their cities’ needs. Many stakeholders reported
feeling ignored by policymakers and expressed frustration about the inadequacy of state programs that were intended to support their local efforts. To some extent, the downplaying of financial resource constraints may be a reflection of the composition of stakeholders, which was not primarily local government officials who would have felt the cuts most directly.

• **Leaders are interested in improving quality of life via downtown development and new housing options.** Stakeholders understood the connection between creating quality places and talent attraction and retention. Many of the cities were engaged in some kind of downtown revitalization effort, which often involved mixed-use development that included some housing. Stakeholders wanted additional support from the state in these efforts.

• **Many cities have good plans already completed, but need resources to implement them.** Network stakeholders reported that many of their communities had existing comprehensive or strategic plans that had never been fully implemented. They did not want support from the state for additional planning efforts, but instead for plan implementation.

• **Many communities reported new collaborations on the local level that are bringing about change.** In multiple communities, stakeholders reported that the difficult years during and after the Great Recession had ushered in some new partnerships that had been productive. Often these partnerships were between entities that would not have
considered working together in the past, but collaboration had brought about some creative new programs.

- **All communities have people that care about them deeply and want to help them thrive.** The negative portrayal of many of these communities in the national media can lead to a sense that these places have been abandoned by anyone with talent or resources. On the contrary, each of these cities had talented leaders – sometimes coming from unexpected quarters – who were working for the community’s betterment.

In addition to the lessons learned from conversations with small legacy city stakeholders, the process of building this network has revealed an unexpected opportunity for bipartisan advocacy. Stakeholders involved in the small legacy city network represent a variety of different ideological and political views, but few political disagreements have arisen even as policy approaches are discussed. While this network is not dealing with hot-button cultural issues, many of the topics discussed do touch on the fundamental role of government in economic development. Perhaps as the Great Recession spurred new partnerships on the local level, the compounding challenges for small legacy cities has also created new opportunities for leaders from different cities and sectors to work across party lines on issues of shared concern.

*Challenges and Outstanding Questions*

As the small legacy city network has gotten off of the ground, two key issues have emerged that will need to be addressed as it moves forward: how to ensure that network participants reflect the racial diversity of their communities and how to support capacity-building at the local level.
Although the racial and ethnic make-ups of Ohio’s small legacy cities varies significantly, many small cities have substantial populations of people of color. In all but a handful of the small cities at least 10 percent of the population is African American and in some cities, African Americans make up over 20 percent of residents. Some small cities also have sizable Latino populations, particularly Lorain where nearly 30 percent of the population identifies as Hispanic or Latino. Like most older industrial cities, many of these communities have long histories of racial discrimination and housing segregation, dating back at least to the era of the Home Owners’ Loan Corporation’s redlining maps. Racial disparities persist in these communities, and many of the economic challenges facing them are likely to have disproportionate impacts on people of color.

Yet thus far, the participants in the small legacy city network are largely white. In an effort to make sure the network is truly representative of these cities, GOPC intends to be more intentional in reaching out to organizations that represent people of color, including local NAACP and Urban League chapters, as this work moves forward. However, the lack of diversity in the network may also point to deeper structural challenges in these small cities relating to who is in formal leadership positions. The network’s current membership is relatively reflective of the people in civic leadership positions in small legacy cities, which indicates that in some cases, this leadership cohort is not reflective of the racial diversity of the population. How (or if) the network can influence the composition of these leadership structures on the local level remains to be seen.
Related to this issue is the question of how the network can more broadly build civic capacity on the local level. Research by the Boston Fed and the success of the Working Cities Challenge it has piloted shows that strengthening local civic infrastructure makes a significant difference in a city’s ability to revitalize (Kodrzycki et. al., 2009; Benderskaya and Dawicki, 2017). The small legacy city network intends to help build local civic capacity in a roundabout way – by exposing key leaders to new ideas and peers from other cities that can help them shape their strategies at home. Yet in communities with especially weakened civic capacities, more direct support – perhaps through incentives, training, and coaching, as occurs through the Working Cities Challenge - may be necessary.

Conclusion

Marion, Ohio made the news again recently – but not for the reasons you might expect. The ABC television affiliate in Columbus made the trip to Marion to highlight new investments in the city and the impact of a community pride campaign called MarionMade! (Bosco, 2018). New restaurants are opening in the city’s downtown, and local employers are making significant investments in their facilities. The trademark red exclamation point of the MarionMade! campaign can be seen all over the city, as residents and businesses celebrate their hometown. The president of the local community foundation explained the attitude shift he has seen in the community to the Marion Star, explaining ““Marion has turned the corner from admiring its problems to clearly seeing what’s possible for a rebounded and progressing community” (Marion Community Foundation, 2018).
So too have leaders in Ohio’s other small legacy cities – despite the significant headwinds facing their cities, these stakeholders are choosing to focus on how their cities can transition and thrive in new economic realities. Although the results of the small legacy city network are not yet clear, the enthusiasm around this effort demonstrates that local leaders want to learn from one another and make their case for support from the state. This is an encouraging, and critical, first step toward ensuring that Ohio’s smaller legacy cities can thrive in the long-term.

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