



JobsOhio chief Kvamme outlines plans for new job creation program

By JAY MILLER

3:00 pm, August 30, 2011

Mark Kvamme, chief investment officer of the new JobsOhio job creation program, only has been in Ohio since January, but he showed a mastery of the state and its economic strengths and weaknesses before about 300 of Northeast Ohio's economic development professionals this morning.

The meeting set up by JobsOhio at an Embassy Suites ballroom in Independence was the first chance for many of the economic development officials to hear firsthand how Gov. John Kasich's administration plans to transform the economic development pipeline that provides the state tax incentives, loans and grants that their communities use to help businesses grow.

The centerpiece of the new program is JobsOhio, which will take over many existing state business development programs. It also is expected to receive \$100 million annually from liquor profits to lure new businesses to the state and to help existing businesses grow.

While the conversation centered on access to government officials and financial incentives, Mr. Kvamme made it clear that a big part of JobsOhio's role will be to cut bureaucratic red tape and to "get rid of nonsensical regulations" that make it less attractive to do business in Ohio.

"Our customer service was not very good," he said.

The transformation also includes a makeover of the current Department of Development. With JobsOhio taking over the business development offices that have been housed in the development department, a new office — the Development Services Agency — will retain responsibility for some programs that use federal money or state-mandated funds, such as the Third Frontier program. It also will be responsible for a handful of community development programs.

Ohio's newest farmer

As he laid out the goals of the new nonprofit created by the Legislature to handle business attraction and expansion for the state, Mr. Kvamme dotted his remarks with the names of several dozen businesses across Ohio. He described how the state now will be helping them with achieve their growth aspirations.

For instance, Mr. Kvamme lauded a program in Canton where the city helped bring a business to a neighboring city by extending utilities. He also tantalized the crowd by dropping hints about

several big deals that are in the works.

Mr. Kvamme attempted to demonstrate his commitment to Ohio, since he at times has been viewed as an interloper because he spent his entire business career until now in California's Silicon Valley. At one point he referred to his "salmon-colored" Ohio driver's license. Later, he answered a question by saying that his agency won't be ignoring the state's farmers and agricultural interests, because he now is a farmer himself, having bought a farm near Sunbury in central Ohio that has 35 acres planted in soybeans.

Mr. Kvamme and officials of Team NEO, the Northeast Ohio organization that is building a new JobsOhio regional office, also explained how the new, decentralized system will work. He tried to allay fears expressed in several questions that the new structure will make it harder for local economic development officials to communicate their needs to the state.

"Most deals will start and close locally," he said.

Regional approach

Yesterday, the Ohio Third Frontier Commission awarded Team NEO \$4.1 million to operate the regional office for the next year.

Under the new structure, the JobsOhio regional office will be JobsOhio's eyes, ears and dealmaker in 18 counties in Northeast Ohio. In the past, local economic development officials could contact Department of Development officials in Columbus or one of 12 regional economic development directors scattered across the state when they wanted to be able to offer a company a loan or tax incentive.

Now, the phone calls will go to a business development specialist with either the JobsOhio regional office or an organization such as a regional chamber of commerce. Mr. Kvamme said 90% of the work that goes into putting together a deal will be handled in the regional office, though final decisions will be made by JobsOhio, or in some cases, a state agency such as the Development Services Agency.

One other reason for moving economic development from a state office to a nonprofit, he said, is to protect the confidential information of companies that are looking for sites for new business operations.

He said JobsOhio now will be able to sign the nondisclosure statements some companies demand before they will consider relocating to a state. The state development department, which had to comply with open records laws, couldn't sign those agreements.

Read article here:

<http://www.crainscleveland.com/apps/pbcs.dll/article?AID=/20110830/FREE/110839978>