

# **BENCHMARKING OPPORTUNITIES**

## **A Summary of Economic Development Strategies in Six Small Industrial Cities**

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**ABSTRACT:** *The shift from a manufacturing economy to a global, knowledge-based economy has left many once prosperous, small industrial cities experiencing severe disinvestment. This study seeks to explore the economic development strategies that six such cities are using to attract and retain business. Several significant local economic development strategies and factors were selected for measurement, and data were gathered for the cities of Lorain, Ohio, Anderson, Indiana, Canton, Ohio, Racine, Wisconsin, Springfield, Ohio and Youngstown, Ohio. A matrix was created to display the cities' participation rates in each category measured. The analysis of the data reveals common strategies with differing rates of participation and success.*





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## **EXECUTIVE SUMMARY**

Most small industrial cities have experienced disinvestment (Grammenos and Mason 2001) as a result of the loss of manufacturing jobs. To counter the disinvestment, many cities are developing local economic development strategies to promote the attraction, retention, and expansion of business in their communities. This study compares the City of Lorain, Ohio to five other cities of similar size and demographics to better learn the strategies each city is participating in and any current trends. The cities selected for comparison are: Anderson, Indiana; Canton, Ohio; Racine, Wisconsin; Springfield, Ohio; and Youngstown, Ohio. The results are meant to be used as a resource to learn from the successes and missed opportunities of each city.

Based on research and input from local businesses, several economic development strategies and variables were selected to be measured. Many of the variables are measured as yes or no based on participation. When necessary, numerical data are used to best measure results. A matrix was constructed to allow for easy comparison of economic development strategies by city.

The City of Lorain had advantages over all other cities in the study in the Access to Customizable Workforce Training and Safety categories. Lorain had a total of three separate organizations providing customizable workforce training within Lorain County, more than any other city. Lorain was well ahead of the others in the Safety category. Lorain has the lowest crime index while having the fewest police officers per 1000 residents. The categories in which Lorain has the most opportunity for improvement were: energy, labor, and state and local tax costs, assessed property valuation change and local Brownfield Redevelopment programs.

Anderson, Indiana provides the best example in several categories: Separate Economic Development Department, Informative City Website, State and Local Tax Costs, and Business Incubators. Anderson had the fewest two and four year universities (excluding beauty and truck driving schools) within a 50 mile radius with a total of 38. Data were unavailable for the Marketing and 2006 Total Capital Assets per Capita categories.

The City of Canton, Ohio had the lowest energy cost index as well as having the most available commercial real estate properties for sale or lease: a total of 157 properties. Data were unavailable for the Tax Incentives, Access to Capital & Grants, and Combat Commercial Blight categories, as all awards are granted on a per project basis. Canton had the most strategies in progress. The City is in the process of creating a comprehensive city plan, land-use zoning reforms, and business incubators.

Racine, Wisconsin had the most total assets per capita with \$5,986 – nearly double that of the next closest city (Lorain with \$3383). Racine had the most opportunity for improvement in the Informational Website and Business Incubators categories. The website contains no



information pertaining to economic development, and no known plans are in the works for a business incubator. Data were unavailable for assessed valuation.

Springfield, Ohio presents the best example for local marketing, assessed valuation change, and local Brownfield Redevelopment Programs. Springfield had an increase of 3.15% in assessed valuation from 1997-2006, however that number is still below the annual rate of inflation (3.42%). Springfield had only thirty-three (33) commercial real estate properties for sale or lease, and had the highest crime index. Plans are forthcoming for two business incubators in the City, one at Clark State Community College and the other at the Nextedge Technology Park. The City of Springfield was the only city to not participate in a regional economic development plan. Data were unavailable for County tax incentives and access to capital and grants as awards are granted on a per project basis, and for total capital assets per capita.

Youngstown, Ohio had the best examples in the Comprehensive City Plan, Labor Cost, Land-Use Zoning Reform, Business Incubators, and Combat Commercial Blight categories. The City also had the lowest total capital assets per capita figure with only \$1824. Data were unavailable for assessed valuation change.

Based on the results of the study and the unique assets of The City of Lorain, the following recommendations were made to the City of Lorain: have a vision and create a plan, find out what current businesses need, diversify the economic base, know your strengths and build upon them, and look outside the city boundaries. Recovery from an industrial past is difficult and takes time, but all cities have distinctive resources on which to build the foundation for success.



## INTRODUCTION

The rapid shift from a manufacturing economy to a global economy left many once prosperous, industrial cities experiencing rapid disinvestment. Disinvestment can include the loss of middle-class residents, loss of commercial and retail activity, deteriorating safety conditions, and an increase in poverty among other undesirable characteristics (Grammenos and Mason 2001). Lack of investment occurs simultaneously with the increased demand of services by low-income residents and a loss of tax revenue. Capital improvement projects are often pushed aside out of necessity as local governments struggle to meet the increased demands of residents with fewer funds. As a result disinvestment becomes a cycle that is difficult to break.

Despite the challenges presented to cities which have experienced the type of disinvestment described above, some are making progress in attracting business to their communities. The goal of this study is to provide a benchmark analysis of cities similar to Lorain, Ohio in demographics and size, and report trends in the methods they are using to attract and expand business.

The benchmarking process serves as a tool to learn from other organizations. Strategic benchmarking is defined as analyzing the performance and noting the strengths and weaknesses of the organization and assessing what must be done to improve (Lankford, 2002). Each city presents its own unique characteristics as well as opportunities and weaknesses. Therefore, the results of benchmarking are not meant to be construed as an instructional manual. The results should be used as an resource tool to draw conclusions and make comparisons between the cities studied and the targeted city of interest, Lorain, Ohio. Having done this, the city can continue with developing a plan tailored to its community's needs.

The cities selected for the analysis are:

- Anderson, Indiana
- Springfield, Ohio
- Youngstown, Ohio
- Canton, Ohio
- Racine, Wisconsin

Not all the cities have progressed equally in their endeavor to attract and expand business. Variables for successful economic development were selected and compared among cities. Learning which opportunities these cities have failed to take full advantage of is equally important to learning which strategies have been successful. The following study provides the foundation for a conversation about where opportunities lie for the City of Lorain, and the creative inspiration for how economic development goals can be achieved.



## HISTORY

The City of Lorain began its history as an industrial town because of its prime location. Access to the Black River which empties into Lake Erie, was critical for transporting coal from southern Ohio and obtaining iron ore from the Great Lakes. Shipbuilding was the first industry and an important component of Lorain's history, but the steel mills were the catalyst for the growth of the City.

The steel mills' need for human labor drew thousands of newcomers to Lorain. The need for workers was so great that Lorain's population increased from 4,863 in 1890 to 44,512 in 1930 (A History of an Ohio Steeltown from Recession to War). Most of the first immigrants were European and Mexican, later many immigrants from Puerto Rico came to work in the mills. All brought the culture of their homelands to Lorain. Lorain is known as 'The International City' because of the large number of immigrants that built the City. It is a tradition the City still celebrates today with its annual "International Festival" complete with food, music, dancing.

The manufacturing industry grew, and provided the majority of middle income jobs for the City. Improved technology and increased global competition eventually collapsed the manufacturing economy of Lorain. Companies with strong histories in Lorain such as Thew Shovel, American Shipbuilding, and the Lorain Ford Assembly Plant all closed. U.S. Steel which employed 12,000 at its peak in the 1950s-1960s now employs approximately 2,000 (Morning Journal, 2003). The losses continue. In the six year period from 2000-2006, Lorain County saw a 29.8% decrease in the number of manufacturing employees (Ohio Labor Market Information).

Scattered among the losses are success stories such as the purchase of the Lorain Ford Assembly Plant by Industrial Realty Group, Premier Soccer Academy, and the construction of the Harbor Walk housing area. The City of Lorain has strong community development organizations, low crime, Riverbend Commerce Park, nationally recognized logistical advantages (City of Lorain, Economic Development), and an administration committed to creating economic opportunity. These resources should prove important in the future rebuilding of the city's economic base.

## METHODOLOGY

The cities in this study were selected (Figure 1) based upon their demographic similarities, as obtained from the 2000 U.S. Census, to Lorain in the following categories:

- Population size (population no smaller than 50,000 and no larger than 100,000)
- Percentage of minority population
- Educational attainment



- Percentage of owner-occupied housing

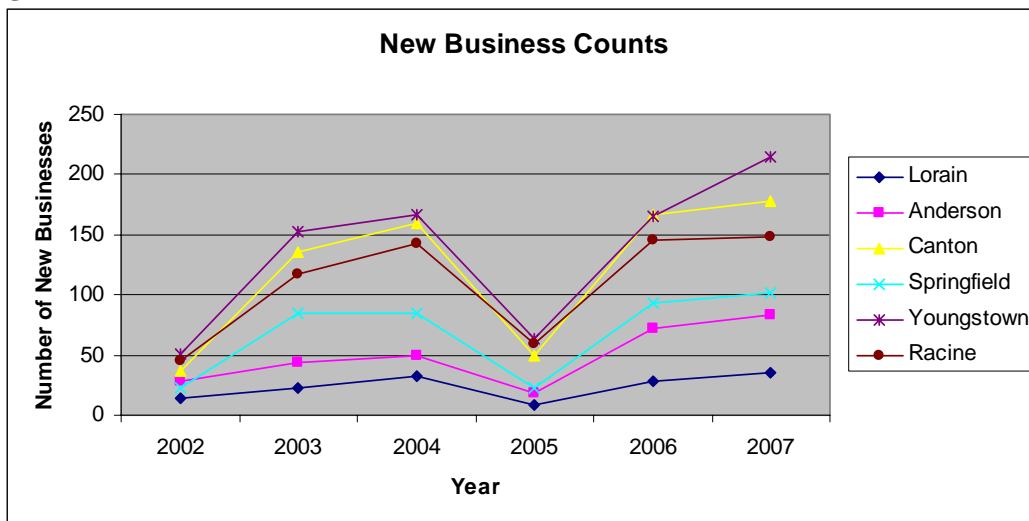
**Figure 1: Demographics of Cities Selected for Study**

Demographics of Cities Selected for Study									
	Total Population	White	Black	Hispanic	HS Grad	Bach	Med Fam Inc	Owner-occ house	House Vacancy
Lorain	70,881	67.7%	16.2%	20.0%	78.3%	12.6%	41,114	61.2%	6.4%
Anderson	59,734	82	14.9	1.4	77.4	13.1	39,552	63.8	8.6
Canton	72,269	75.6	20.1	1.6	78.4	11.8	32,789	57.4	14.8
Racine	76,224	64.6	24.5	17.8	83.5	18.8	44,152	57.6	8.2
Springfield	65,358	78	18.2	1.2	76.6	12.7	39,890	57.2	10.4
Youngstown	82,026	50.9%	43.8%	5.2%	41.6%	6.9%	24,201	64.0%	13.4%

Source: 2000 U.S. Census Fact Finder & 2006 American Community Survey, 6/18/08

In addition, the selected cities (Figure 2) were to have a similar history of disinvestment correlating with the loss of manufacturing jobs, and demonstrate growth in business starts from 2002 through 2007. Business starts were provided by *Reference USA Business*. The cities of Youngstown, Ohio; Springfield, Ohio; Canton, Ohio; Anderson, Indiana; and Racine, Wisconsin were chosen because they fulfill the requirements.

**Figure 2: New Business Counts**



Source: Reference USA Business, 6/3/08

To compare economic development strategies employed by each city, a benchmark matrix was constructed (Figure 3). Based on economic development policy research (Blakely and Bradshaw 2002) and input from local businesses, several variables were selected to indicate each city’s participation in different strategies. Most of the variables in the study were



assigned with either a yes or no, depending on the active participation of the city in a specific strategy. When necessary, numerical data were utilized to best demonstrate the query results.

A color-coded legend was created to illustrate key points in the findings. Areas which presented the most opportunity for improvement are coded in red, the best examples in green, areas in which the city was in the process of implementing a strategy are coded in yellow, and those categories for which data from an individual city were not available are coded in tan. For several of the variables measured positively or negatively, a distinction between either best examples or most opportunity to improve is impossible. For instance when more than one city does not have a comprehensive plan, determining which city has the best opportunity to improve by creating a comprehensive plan is impossible as the cities have an equal opportunity to improve.

The Comprehensive City Plan variable is affirmative for those instances in which a city has a plan that outlines the vision of the city and includes strategies to implement that vision. The Separate Economic Development variable is affirmative for those cities that have an Economic Development Department which is either organized under the Community Development or as an independent department, and has a designated economic development professional or contact. The Economic Development Department is responsible for those duties regarding business attraction and expansion; not duties traditionally addressed by community development (e.g. housing, poverty, social services, etc.).

For the purpose of this study, a One Stop Business Center is defined as a single physical location under the jurisdiction of local government that handles the following services without consultation fees: permits, licenses, fees, start-up packets, financing information (although does not administer loans or grants), and acts as a liaison between business owners and local government entities. The One Stop Business Center can be run through the economic development office or a separate location.

The Informational Website category was a more subjective measurement which was measured positively or negatively. This category refrains from making a judgment based on website design or ease of use, but instead focuses on content as it pertains to business attraction, retention and expansion. To receive a positive rating, the website must include at a minimum the following information:

- Links to important demographic information such as: population, educational attainment, per capita income, age distribution, race and ethnicity
- Information on educational resources, partnerships with local universities, and workforce development programs
- Cost of city-owned utilities
- Logistical information

Marketing is divided into two categories: regional and local. Many cities subscribe to a regional economic development organization which handles the marketing needs of the city for business attraction and expansion. However, some of the cities participated in economic development marketing independently of the regional efforts. The best local marketing



example was selected based on the dollar amount the city spends per year on independent marketing. Regional marketing efforts cannot be ranked because cities often pay a set 'membership' fee to receive the benefits of association with the regional economic development organization.

The Tax Incentives and Access to Capital & Grants categories are divided by state, county, and local units. Information was gathered using internet sources or contacting the offices responsible for administering the programs. Both categories and their subdivisions are measured positively or negatively. In this instance it was again not feasible to rank the programs. Some incentives, access to capital and grant programs are on a per project basis and not advertised publicly. It is an error to assume that because the programs are not advertised they are therefore non-existent or of lesser impact than those programs that are made public.

The energy cost, labor cost, and state and local tax cost indices were provided by Moody's Economy, Inc. The data in the matrix is reflective of an index calculated by Moody's Economy based on United States Metropolitan Statistical Areas in May 2006. An index of 100 is considered to be a national average; any figure over 100 is above national average and conversely, any figure below 100 is below the national average.

The Commercial Real Estate for Lease or Sale category was configured using data provided by LoopNet.com. The number of available properties includes all industrial, office, and retail properties for sale or lease by city. LoopNet.com is recognized as the leading information source for available commercial real estate. LoopNet.com states:

*"LoopNet operates the largest and most heavily trafficked commercial real estate listing service online with more than 3 million registered members and 910,000 average monthly unique visitors."*

Although it is possible that there are properties available for sale or lease in each of the cities selected that are not listed on LoopNet.com, the site provides the most comprehensive inventory of available commercial real estate.

Assessed Valuation Change is the change in the value of all property within the city over a period of ten years. Assessed value data were obtained from the 2006 Comprehensive Annual Financial Reports for the cities of Lorain, Anderson, Canton, and Springfield. For Lorain, Canton, and Springfield the rate of appreciation was determined by calculating the percentage of change in the 1997 and 2006 values. Anderson was different in that for the years 2003-2007 the assessed value was equal to the market value of properties. In 2002 the assessed value was equal to the full true tax value; prior to 2002, the ratio of total assessed value to true tax was 33.3%. In order to better compare Anderson's change in assessed valuation to that of the other cities; the 33.3% ratio was applied for 2002-2007. This method of calculation better reflects the true appreciation than the inflated appreciation created in 2002 when the 33.3% ratio was changed to 100%. Data to calculate the assessed valuation change for Racine and Youngstown were unavailable.



Land Use Zoning reform is a positive or negative measurement. The city received a positive measurement if it rezoned property on a scale larger than parcel-by-parcel. Most often this type of rezoning manifested as 'overlay' or 'corridor' zoning.

Like the Tax Incentives and Access to Capital & Grants categories, Brownfield Redevelopment is divided into state, county and local units. Each unit was measured positively or negatively based on the presence or absence of Brownfield Redevelopment Programs. The best example was chosen based on the organized efforts to obtain redevelopment funds.

Capital Assets per Capita is a figure used to show the amount each city has invested in capital projects such as buildings, land and infrastructure. The capital assets totals were obtained from each city's 2006 Comprehensive Annual Financial Report (Lorain, Anderson, Canton, and Springfield) or Basic Financial Statements (Racine and Youngstown). The capital assets are net of depreciation and were divided by the 2006 population of the city. Differences in the methods used to calculate capital assets by Anderson and Springfield made direct comparisons impossible. In the 2006 Comprehensive Annual Financial Report, Springfield reported only infrastructure assets acquired on or after January 1, 2001, and Anderson reported only infrastructure additions acquired on or after January 1, 2003. All other cities reported the capital assets of all infrastructure net depreciation. Comparing Springfield and Anderson to the other cities would skew the data, and therefore Springfield and Anderson were omitted from the Capital Assets per Capita measurement.

Access to Customizable Workforce Training is measured positively or negatively based on the availability of such programs within the county. Customizable Workforce Training refers to programs which can be tailored to the specific needs of a business, and often is supplied at reduced costs or makes grant money available. The best example was selected because of the number of such programs within that city's county.

Business Incubators are also measured positively or negatively based on the presence of a business incubator within the city. Direct comparisons cannot be drawn in this category as the type, size, and programs available at each incubator vary. The best examples were selected based on their positive impact within the community and awards won by the Federal Economic Development Agency.

The Combat Commercial Blight category was measured positively or negatively based on availability of local programs to solve the problem of commercial blight. The city with the largest funding available per project for commercial blight programs determined the best example. Data for the City of Canton were not available as commercial blight programs are on a per project basis.

The Safety Index is provided by city-data.com for the year 2006, the most recent year data are available. The data are collected by city-data.com from the Federal Bureau of Investigation and an index is created by city-data.com which allows for easy comparison among cities. The categories of crime included in the index are: murders, rapes, robberies, assaults, burglaries, thefts, auto thefts, and arson. The index number increases as the



incidence of crime increases. The national average is an index number of 323.3. The best example was chosen for having the lowest crime index, and the city with the most opportunity for improvement has the highest crime index.

Access to Local Universities was calculated by the number of two and four year institutions, excluding beauty and truck-driving schools, within a 50 mile radius of the city. These data were provided by the National Center for Educational Statistics website, <http://nces.ed.gov/collegenavigator/>.

The presence of a Regional Economic Development plan was confirmed by contacting the organization responsible for regional economic development for each city. Each city was different in organization, and therefore in the entity responsible for such a plan. Once the existence of a Regional Economic Development plan was confirmed or denied, it was measured positively or negatively.

## **RESULTS**

Of the six cities studied, three had comprehensive city plans: Anderson, Springfield, and Youngstown. The cities with citywide plans credit those plans for attracting, directing, and protecting investment. Youngstown, Ohio has won international acclaim for its groundbreaking “Shrinking City” plan (Christie, 2008). Youngstown was at one time a city of over 150,000 and a thriving steel town. Having lost nearly half of its peak population, and a projected loss of approximately 25,000 more residents, the City recognized it needed to do something radical to meet its goal of stabilizing at a population of approximately 80,000 (Youngstown, 2010).

The City of Youngstown partnered with Youngstown State and many organizations, businesses and community volunteers to develop the comprehensive city plan titled *Youngstown 2010*. The plan focuses on land-use zoning, vacant and abandoned properties, Brownfield Redevelopment, and creating a successful downtown core, all critical issues in local economic development. T. Sharon Woodberry, Director of Economic Development, at Youngstown’s Office of Economic Development states that having a comprehensive city plan allows the city to prioritize limited resources to meet the goals the city has laid forth, and receive the most return on investment (Appendix A).

Springfield, Ohio, under the leadership of planner Heather Whitmore, recently developed a Unified City Plan. The goal of the Unified City Plan is to coordinate “future development with design, capital improvement, and development incentives policies to create a single vision for the downtown” (City of Springfield, Planning and Zoning). Whitmore contends that having and enforcing a comprehensive plan protects investment by allowing industry to take advantage of economies of scale and rewards the aggregation of industries. Racine and Lorain each have small, individual plans for several redevelopment projects, but no guiding plan with large scale vision. Canton’s previous administration under Mayor Janet Weir Creighton, developed a Sustainability Collaborative focusing on environmental policies.



Current Director of Community and Economic Development, Robert Torres, admits that the plan lacks the vision and policies necessary to attract economic growth.

Anderson, Canton, Springfield and Youngstown all have a separate economic development department in the government offices. Having an office with the sole responsibility for local economic development allows the city to be responsive to the needs of potential businesses as well as those expanding or staying within the city. Anderson best exemplifies the capabilities of an independent economic development office. The office not only responds to inquiries, but actively pursues business development (Schuman, 2007). Anderson enjoys a reputation for working with businesses to create a positive environment in which these businesses can succeed.

None of the cities had a true One-Stop Business Center. However, Canton, Youngstown, and Clark County (Springfield) all stressed the importance of having a contact person for developers and businesses. This designated contact person acts as a liaison and advocate. This allows greater efficiency in obtaining permits, licenses, and inspections and helps to inspire confidence with the developer or business. Limited resources do not allow Canton, Youngstown, and Springfield (Clark County) to have this type of service for every new business, but all make an effort to make doing business “easy” in their communities.

Websites are an important tool for encouraging business growth, retention, and expansion. The website acts like a marketing tool to site selection firms, real estate developers, and potential businesses. Anderson provides the best example for its website content. The website goes further than providing links to demographic information and listing available real estate. The site offers retail demographics, detailed labor market information such as commuting patterns, and detailed workforce development and educational opportunities. The City also stays true to its commitment to attract international development by offering links in Chinese, Japanese, and Dutch.

Another influential link is ‘News and Releases’ which educates readers about the recent positive economic development happenings within the community. While no statistics provide evidence to support the impact that link has on interest in the city, it is not farfetched to believe that the positive reports contained in ‘News and Releases’ generates even greater interest, and the desire to contact the Anderson Economic Development Department.

Racine has the most opportunity for growth in the Informative Website category. The website contains no information necessary for business attraction, expansion, and retention. In fact, the website seems more focused on those already familiar with the City than for those interested in conducting business in the City. Racine is passing up the opportunity to convince businesses that Racine is a good place to be in business.

Marketing is also an important component in economic development. All the cities studied (with the exception of Anderson for which information was unavailable) participate in a larger, regional marketing effort. Each city is represented as a player in a regional economy; a strategy which is crucial in today’s global economy. Three cities -- Lorain, Springfield, and Youngstown -- participate in some form of marketing themselves. It is difficult to



measure to what extent these cities market themselves, as most do not have an exact economic development marketing budget.

Springfield Economic Development Director, Tom Franzen (Communication with Tom Franzen) stated that the city spends \$40,000 to \$50,000 per year on economic development marketing. Youngstown budgeted \$1000 for economic development marketing, but T. Sharon Woodberry gets creative in finding ways to market the city with such limited resources. For example, Youngstown will soon be the subject of a feature article for a site selection magazine due to Woodberry's negotiations when placing an ad in the magazine. Lorain has contracted with Staubach, Inc. to "*market the development of this site [the lake front] along with additional property along the Black River that is owned by the Port Authority*" (City of Lorain 2007 Comprehensive Annual Financial Report viii).

All the cities have states and counties that have tax incentive and access to capital and grant programs to support economic development within their jurisdictions. Anderson, Springfield, and Youngstown all widely advertise their tax incentives and access to capital and grant programs. Other cities like Lorain and Racine advertise limited incentives that are most often tied to a specific economic development initiative, such as a new industrial park. Canton offers incentives on a per project basis only. Since the City of Youngstown created its \$2.6 million Initiative Program fund, it has generated \$31.5 million in investment and created roughly 700 jobs (Interview with T. Sharon Woodberry).

Although incentives and access to capital and grant programs can be a powerful tool to entice businesses to locate, begin, or expand within a community, it should be recognized as a tool, and not the foundation of a solid local economic development plan. Most cities recognize that business owners and developers will 'shop out' municipalities to find the best incentive packages. However, a trend towards local cooperation with other cities is emerging. There is a growing realization that a business relocating from one neighboring community to another is a zero sum game, and produces no true economic growth. As Myron Orfield, author of *Metropolitica* (1997) explains: "*When cities engage in bidding wars for businesses that have already chosen to locate in a region, public monies are used to improve one community's fiscal position and services at the expense of another's well being. Businesses can take advantage of this competition and shed social responsibilities. By threatening to leave, they can force troubled communities to pay them to stay.*"

The Energy Cost, Labor Cost, and State & Local Tax Indices present a powerful statement to the cost of doing business in each of the cities' Metropolitan Statistical Area (MSA). Lorain, a member of the Cleveland-Elyria-Mentor MSA, had the highest indices in each of the three categories. Not only were they the highest within the study, each was above the national average of 100. Out of the 361 MSAs in the United States, the Cleveland-Elyria-Mentor MSA ranked fiftieth for state and local taxes, sixtieth for labor costs, and seventy-sixth for energy costs. The lowest energy cost index in the study was Canton, with an index of 70. Youngstown had the lowest labor cost with an index of 93, and Anderson had the lowest state and local tax index with 91.



Businesses attempt to find the land or buildings which will allow them to get ‘up and running’ at minimal cost and time. A search on LoopNet.com, the leading online commercial real estate source showed Canton having the most sites available for sale or lease with 157. Springfield had the fewest sites with 33, and Lorain was the second lowest with 37 commercial sites available. Utilizing LoopNet does have a disadvantage; admittedly, there may be available sites in each city not listed on LoopNet.com. However, as the leading source of available commercial real estate, we can obtain a clearer ‘big picture’ view.

Assessed valuation change shows the change in the property value assigned for the purpose of levying taxes from 1997 to 2006. The figures were not available for the Cities of Racine and Youngstown. With the remaining cities we can see that Lorain realized the smallest percentage of change at a 2.18% increase, and Springfield realized the largest increase with 3.15%. Unfortunately, these increases are misleading. The average annual rate of inflation is 3.42% (McMahon 2008); therefore none of the cities realized a true gain in assessed value in the period from 1997 to 2006.

All the cities in the study recognize that land-use zoning has become antiquated for the needs of the current economy. Shane Farnsworth, Director of the Planning Commission for Clark County, states (Interview with Shane Farnsworth) that zoning can be “the biggest obstacle to economic development, and most cities are dealing with zoning codes that are fifty years old”; created for an era of heavy industrialization and before mass suburbanization had occurred. Zoning laws can be cumbersome and time consuming to change. Anderson, Springfield, and Youngstown have each updated land-use zoning by utilizing overlay zoning. Overlay zoning allows the cities to add a layer of zoning codes to existing land-use zoning (Center for Land Use Education, 2005). In these instances, overlay zoning is used as a tool to guide development and to enforce the goals of the comprehensive plans. In the case of Youngstown and Anderson, overlay zoning has been applied along transportation corridors to enhance development in those areas.

The Youngstown 2010 Plan contains the most comprehensive land use zoning changes of all the cities studied. Youngstown planners recognized that too much of the city was zoned for heavy industrial, commercial, and residential space and no plan for green space existed. The Future Land Use plan opens land for green and recreational use along the Mahoning River. The plan also concentrates business along corridors, and creates a central business district and downtown residential space. The objective of the Future Land Use plan is not for accommodating growth, but for creating the best environment possible for opportunity and quality of life for Youngstown residents.

For all industrial cities, Brownfield Redevelopment plays a critical role in local economic development. The exodus of manufacturing jobs left decaying, polluted real estate in its wake. The availability of ‘green’ land outside of cities at a lesser cost pushes development outside of the industrial cities borders. The industrial city is left with undevelopable land, and the resultant loss of jobs and revenue to the suburbs where ‘green’ land is most available.

The City of Springfield realized the opportunity that improving the city’s brownfields presented for redevelopment. Farnsworth explained that the City of Springfield spent



approximately \$250,000 to conduct research that would make the City eligible to apply for State of Ohio Brownfield Redevelopment funds. Springfield became the first city to receive funds for redevelopment, and Farnsworth states that the return on that investment has been ten to fifteen times the original \$250,000. In one of the most impressive Brownfield Redevelopment projects, the Former Bayley Manufacturing Facility, a wrought iron facility in the center of the downtown, was turned into a state of the art cancer facility (Springfield Renaissance, 2005). Other projects include the Former D & H Manufacturing Facility which will be turned into a multi-purpose family ice skating facility, and the Former SPECO Kelsey Hayes Manufacturing Facility which will be divided into four commercial and retail lots and sold for profit.

The City of Lorain has the most area for improvement in Brownfield Redevelopment. Of the cities studied, Lorain had received the fewest dollars for Brownfield Redevelopment, and also had the fewest sites that had been redeveloped. Progress should be forthcoming as Lorain received EPA assessment grants in 2007 to “enable the city to leverage state cleanup funding and private investments and continue the process of redeveloping brownfields into commercial, residential, and public uses” (Brownfields, 2007 Grant Fact Sheet Lorain, OH 2007). Lorain also received nearly \$3 million from the Ohio Department of Development in 2007 for the redevelopment of the former Lorain Ford Assembly Plant. The project should create 192 new jobs in the city (“Fisher Announces” 2007).

Total Capital Assets per Capita was a measurement used to provide a basic understanding of each city’s overall investment in capital projects and infrastructure. Racine had the highest figure of 2006 Total Capital Assets per Capita with \$5986 (rounded to the nearest dollar). Recent projects that contributed to Racine’s total capital assets were construction of the Water Utility Membrane Plant, the Lake Michigan Bike Path, construction phase of a tax increment finance district, and the construction of a passenger depot. Youngstown had the least amount of total capital assets per capita with \$1824. This figure is representative of the amount of disinvestment the City has experienced.

Lorain has an advantage over the other cities in the study in the access to customizable workforce training category. Customizable workforce training is an attractive feature that cities can offer to expanding businesses or businesses relocating. Within Lorain County three organizations offer customized workforce training: The Lorain County Growth Partnership, Lorain County Community College, and the Lorain County Joint Vocational School. An example of the significance of having access to customizable workforce training is the opening of Teletech in Amherst, Ohio. With the cooperation and funding of many organizations including the State of Ohio, Lorain County Community College, and Lorain County, 500 new employees were hired and trained for employment while Teletech’s new building was being renovated (Leveraging Local, Regional, and State Partnerships to Win). These resources are an invaluable incentive for attracting and retaining business.

Business Incubators that nurture young companies and provide the setting for those companies to flourish has become an essential component of local economic development. The City of Racine was the only city to neither house or have immediate plans for a business incubator. Canton’s business incubator is still in the planning stage. Clark State Community



College, located in Springfield, is currently building a business incubator on campus, and Nextedge Technology Park is also planning a business incubator. Lorain has the Multicultural Business Center (Incubator) which seeks to lower the operating expenses of high quality business start-ups.

Anderson and Youngstown both have technology business incubators that are having large impacts within their community. Anderson has the Flagship Enterprise Center and the Anderson Business Incubator. The Flagship Enterprise Center Incubator fosters technology start-ups while the Anderson Business Incubator will support business that are less technology based and don't require as much access to nearby highways ("Flagship, City of Anderson"). The Flagship Enterprise Center has expanded to include the Flagship Accelerator for those businesses that have graduated from the incubation phase. Purdue University's College of Technology will relocate from its offices at Anderson University to the Flagship Enterprise Center, and Anderson University has established a residential MBA program at the center as well. Students admitted into the program will live, attend class, and work on site. The center has become a source of local pride as well as a catalyst for economic growth, and was a finalist for the Federal Economic Development Agency's 2007 award for Community and Faith Based Social Entrepreneurship.

The Youngstown Business Incubator, which fosters business-to-business software companies, was also a finalist for the Federal Economic Development Agency's 2004 Enhancing Regional Competitiveness award. Companies at the Youngstown Business Incubator have "been awarded 16 intellectual-property patents, developed 19 commercial software applications and created 270 jobs" (Haven for High-Tech Businesses 2008). The Taft Technology Center was built adjacent to the incubator to house companies that have grown and no longer require as much assistance from the incubator. Plans exist for the acquisition of neighboring buildings to create a locus of high-tech industry where companies can benefit from an exchange of ideas.

Blight is a problem common to all communities, but is particularly prevalent in communities experiencing disinvestment. Most often, this problem falls under the realm of Community Development, but blight has an economic impact as well. Existing business can suffer from nearby blighted buildings, and abandoned and distressed buildings can give the impression of an area is unsafe.

Youngstown has the most aggressive program for combating commercial blight. The city offers façade renovation grants of up to \$20,000 for exterior renovation and demolition grants of up to \$50,000 (The Youngstown Initiative). Anderson, Lorain, Racine, and Springfield all offer grant or loan programs to remediate commercial blight, but none of these address the problem of blight so directly. Canton offers incentives on a per project basis.

Many downtown Lorain business owners are concerned with crime within the city (Interview with Mike Challender 2008). One would therefore expect to find a relatively high crime rate in Lorain. Surprisingly, out of all the cities within the report, Lorain had the lowest crime index with the lowest number of police officers per 1000 residents. With a crime index of 315.4, the City of Lorain is below the national average of 323.3 ([www.city-data.com](http://www.city-data.com)). These figures show that Lorain is actually very safe, and that concern about crime could possibly be



attributed to blight and a scarcity of pedestrian traffic within the central business district. Springfield had the highest crime index at 806.5, and had 1.90 police officers per 1000 residents. Racine had the third lowest crime index of 468.7, but has the largest number of police officers with 2.46 officers per 1000 residents.

Access to local universities has become an important factor in economic development as the national economy transitions from a low-skill manufacturing economy to knowledge-based economy. Universities are playing a role in and present unique opportunities to strengthen local economic development initiatives. An increase in universities' participation is apparent through partnerships like those at the Flagship Enterprise Center, Youngstown State's collaboration with the City on the 2010 plan, and Lorain County Community College's cooperation with workforce training and incentives to attract business. Youngstown has the largest presence of two- year and four-year universities (excluding beauty and truck driving schools). Seventy-six universities are located within a 50 mile radius of Youngstown. Anderson has only thirty-eight universities within a 50 mile radius. Canton, Lorain, Racine, and Springfield all have sixty or more. What may be more important than the actual number of universities is the level of collaboration and joint efforts of a city and university as evidenced at Anderson's Flagship Enterprise Center.

Regional economic development plans are becoming progressively more important tools for local economic development. Such plans are often created by regional councils of government, defined by the National Association of Regional Councils as entities with locally defined boundaries that carry out local, state, and federal programs that provide planning services and technical assistance to member cities (What is a Regional Council?). Regional Councils have gained popularity as governments are becoming more aware that social, economic, and environmental concerns are not restricted to city boundaries. Regional economic development plans may create more funding opportunities for cities, particularly from the Economic Development Administration. Lorain, Youngstown, Racine, Canton and Anderson all had regional economic development plans prepared by regional councils of government. Springfield was the only city to not participate in a regional council of government or regional economic development planning.



Figure 3: Matrix

Local Economic Development Strategies by City						
	Lorain, OH	Anderson, IN	Canton, OH	Racine, WI	Springfield, OH	Youngstown, OH
<b>Administrative</b>						
Comprehensive City Plan	N	Y	N	N	Y	Y
Separate Economic Development Dept.	N	Y	Y	N	Y	Y
One-Stop Business Center	N	N	N	N	N	N
Informative city website	N	Y	N	N	Y	N
<b>Marketing</b>						
Regional Level	Y	N/A	Y	Y	Y	Y
Local Level	Y	N/A	N	N	Y	Y
<b>Business Cost Factors</b>						
<b>Tax Incentives</b>						
State	Y	Y	Y	Y	Y	Y
County	Y	Y	Y	Y	Per Project Basis	Y
Local	Y	Y	Per Project Basis	N	Y	Y
<b>Access to Capital &amp; Grants</b>						
State	Y	Y	Y	Y	Y	Y
County	Y	Y	Y	Y	Per Project Basis	Y
Local	Y	Y	Per Project Basis	N	Y	Y
Energy Cost Index	121	71	70	93	116	116
Labor Cost Index	104	97	94	99	101	93
State & Local Tax Index	106	91	99	104	98	98
<b>Real Estate</b>						
Commerical Real Estate for Lease or Sale	37	53	157	96	33	75
Assessed Valuation Change 1997-2006	2.18%	2.34%	2.62%	N/A	3.15%	N/A
Land-use zoning reform	N	Y	N	N	Y	Y
<b>Brownfield Redevelopment Programs</b>						
State	Y	Y	Y	Y	Y	Y
County	N	N	N	N	N	N
Local	N	Y	N	Y	Y	N
2006 Total Capital Assets per Capita	\$ 3,383	N/A	\$ 2,336	\$ 5,986	N/A	\$ 1,824
<b>Community Resources</b>						
Access to Customizable Workforce Training	Y	Y	Y	Y	Y	Y
Business Incubators	Y	Y	N	N	N	Y
Combat Commercial Blight	Y	Y	Per Project Basis	Y	Y	Y
Safety (City Data Crime Index)	315.4	414.5	741.1	468.7	806.5	727.7
Officers per 1000 residents	1.48	2.04	2.22	2.46	1.90	2.16
<b>Critical Growth Support</b>						
Access to Local Universities	73	38	74	63	60	76
Regional Economic Development Planning	Y	Y	Y	Y	N	Y

Legend	
Green	- Best Example
Red	- Most Opportunity for Improvement
Yellow	- In Development Stage
Orange	- Data Unavailable



## CONCLUSION

The strategies for local economic development initiatives are not as varied as the execution of those strategies. Most cities, counties, and states offer the same type of incentives and services, and share common problems such as inadequate infrastructure and the presence of brownfields. The solutions to those problems are not different for each city; *the ability to capitalize on opportunities is where the difference lies.*

The City of Lorain is rich in resources not found in other cities: access to Lake Erie and the Black River for residential, economic and recreational uses, a trendy downtown, loyal residents, and low crime. The following are recommendations for the City to cultivate those resources, and create a vibrant community.

1. *Have a Vision and Create a Plan.* Together with community members create a vision of what the City should look like, and develop a plan to reach that vision. The inclusion of residents, business owners, and local organizations in the process will encourage commitment from those persons whose cooperation is imperative for success. Having a plan assists in guiding resources to the projects that will have the largest impact on the community.
2. *Find Out What Current Businesses Need.* Location quotients, a mathematical formula for identifying “the concentration of an industrial sector in a local economy relative to a larger reference economy” (Blakely and Bradshaw ) show based on NAICS codes, Lorain County has a concentration of primary metal fabrication companies, many of which are located in The City of Lorain (Figures 4 and 5). Communicate with these companies, and learn what current needs of such businesses are in addition to what the future of the industry looks like. Assist these companies with resources already in place so that they can grow and continue be a positive presence in the community. Knowing the future of the city’s main industries will also help to plan for potential problems and opportunities.
3. *Diversify the Economic Base.* Having saturation in one type of industry is a weakness for any city. A heavy reliance on manufacturing, particularly on a limited number of manufacturing types is precisely the reason so many industrial cities have struggled in the transition to a knowledge economy. The type of manufacturing that dominates Lorain’s economy is also the most vulnerable to economic downturns. Diversifying the economic base is the only way to become less susceptible to the type of disinvestment the City is currently experiencing.
4. *Know Your Strengths and Build Upon Them.* Every community has a unique combination of assets. Knowing what those strengths are and encouraging new opportunities in those areas is critical for success. For example, the City of Springfield realized that agriculture was a large component of the local economy. Springfield has built upon that asset by encouraging growth in agribusiness,



research and development, bio-fuels, and technology. As Shane Farnsworth stated, agriculture in Clark County is “more than cows and corn”.

5. *Look Outside the City Boundaries.* Knowing what is happening outside the City’s border is crucial to moving forward. Establishing relationships with other cities, institutions, and organizations is critical to strengthening community weaknesses. Learning from others’ successes and failures allows the City to learn, improve and expand successful formulas for development.

As the study’s results show, there is no magic formula for economic success. The road to recovery from an industrial past takes time and presents numerous challenges.

Youngstown has recognized that the City will not return to its former size, and has instead focused on creating a better quality of life for residents; Racine has focused on creating a vibrant arts community in its downtown. For each city in the study, the measurement of success will be different, but by recognizing the strengths, addressing the weaknesses, and acknowledging the changing global economy all cities can create opportunity for its citizens.



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## APPENDIX A INTERVIEWS

Interview with Michael Challender, Executive Director of the Lorain Growth Corporation  
July 2, 2008

- *What are the main activities of the Lorain Growth Corporation?*
  - To act as a middleman between local government, agencies and business owners of downtown
  - It is a voluntary organization
- *Is there a preferred mix of business?*
  - No preferred mix – any business can open in downtown district
- *What does the CBD of Lorain have to offer new businesses?*
  - Low Rent
  - Business owners can and do own the buildings
- *What are the challenges of attracting business to the CBD?*
  - Safety
  - Housing
  - Infrastructure (roads and sewers)
  - Jobs
  - Challender recognizes that the crime level in Lorain is low, but suggests that a few high profile murders in the city have led to a perception of high crime
- *What are the main concerns of the Lorain Growth Corporation's members?*
  - Safety
  - Infrastructure
  - Jobs
  - Safety
- *What can the city government do to assist in attracting business?*
  - Staubach Report; follow up on waterfront development: one of the main challenges to the CBD is lack of traffic; Lorain is a destination city and



- must have a reason for people to visit in order to support local businesses (particularly retail)
- Broadway and Colorado; main corridors to CBD must be clean
- Code Enforcement
- Move sewer treatment plant

Interview with T. Sharon Woodberry  
Director of Economic Development Youngstown, OH  
July 23, 2008

- *The City has a wonderful Comprehensive Master Plan. Is there an economic development plan?*
  - The Comprehensive Master Plan assists the YOED in making sure that available funding goes to priority areas – those areas designated for redevelopment in the plan
  
- *Has safety concerns or has the perception of unsafe areas hindered business attraction or expansion? What is being done to alleviate some of that strain?*
  - Downtown has minimal crime. The perception of crime is an issue to potential businesses. To counter the perception of crime YOED invites potential businesses to talk to current business owners. Woodberry also gathered data indicating that the crime rate was higher at an area mall than it was in downtown Youngstown.
  
- *Combating blight has been an important community development tool in Youngstown. Has it also been a priority for attracting business? What is being done?*
  - Demolition Grants from city up to \$50K. Loans, tax incentives.
  
- *Is the YOED a ‘One-Stop Business Center’? If not, does the City have one?*
  - Woodberry said that YOED is a one stop business center. They seem to work as an ‘in between’ for business and government programs. It is not a true ‘one-stop business center’ in that you cannot apply for permits, through the YOED, and the most attention will be focused on businesses creating the most employment.
  
- *How does the City market to businesses? What is the marketing budget?*
  - For 2008, YOED got \$1000. Woodberry gets creative with marketing. For example, she was considering placing an ad in the site selection magazine *Expansion Solutions*. She said she would place an ad if the magazine would run a 3 page spread on Youngstown in the “In-Depth



Focuses” section. The spread will run soon and Youngstown will have an ad in that issue and the December issue.

Interview with Robert Torres, Director of Community/Economic Development & Planning,  
City of Canton  
July 23, 2008

- *The City of Canton has a city-wide sustainability plan. Is that a guide for economic development, or is there a separate economic development plan, or no plan?*
  - Is not used at all. The City is working on a Master Plan for the city which incorporates the plans of major players in the community such as educators, developers, realtors, major corporations like Timkin and Diebolt, and the hospitals. First the city had to find out what the above clusters’ plans were for the next 10-15 years.
- *Has safety or the perception of safety been an issue in attracting business? If so, what is being done to combat the safety problems?*
  - According to Torres, it is only an issue as it pertains to the safety of employees: for example, safe parking and ample lighting.
- *In the Sustainability Report, it was recommended that land use reform happen. Has anything been done as it pertains to economic development?*
  - This is being addressed in the Master Plan. There also needs to be zoning reform regarding signage. No signage code currently exists.
- *What tax incentives or access to capital/grant programs does the City offer to new or expanding businesses?*
  - The city does not advertise this because it prefers not to use its own funds to create development. Instead of offering blanket incentives, the city goes to the end-user to find out what they can do for them.
- *Has Brownfield Renovation and Redevelopment been an issue for Canton development?*
  - According to Torres, Brownfield Redevelopment is a “massive player in the local economy”. The City is aggressive about pursuing grants, and uses Clean Ohio funds and historical tax credits for funding.
- *What is the status of the business incubator idea?*
  - The incubator will be a contest: the “American Idol of Business”. Four to five people will be selected to bring their ideas to market. The City is also working for a minority business incubator.
- *Is there a ‘One-Stop’ Business center?*
  - There is not a ‘One-Stop’, but persons within the administration will be designated to assist developers with permits, inspections, etc. on large projects.
- *How does the City market itself for economic development?*



- The City allows Team NEO to handle marketing.

Interview with Heather Whitmore, AICP, City of Springfield, OH  
August 7, 2008

- *How has the City changed zoning codes to better attract business?*
  - The City passed the Unified Plan, a resolution that guides business development. The Plan includes overlay zoning which is a form based land use code. The design standards are very important to protecting the plan.

Whitmore went on to state that the idea of the Unified Plan was met with resistance. Many in the community feared that having the Plan may discourage investment within the City. Whitmore was able to get the Plan approved based on the premise that having the plan would protect investment, attract new development, let industry take advantage of economies of scale, and reward the aggregation of industries. The City was cautious not to 'over-regulate', and as a result they are seeing increased development downtown. In fact, the City was able to acquire the presence of a competing surgical unit based on the goals of the Unified Plan.

Email Correspondence with Tom Franzen, Economic Development Director, City of Springfield

- *Shelly mentioned that the marketing budget is somewhere between \$40,000 to \$50,000. Does any of that amount go towards a larger, regional economic development organization?*
  - From a regional standpoint, the Dayton Development Coalition is very similar to Team NEO. We participate with the DDC and benefit from their marketing of the region. Also, we partner locally with the Greater Springfield Chamber of Commerce / Community Improvement Corporation and often cover 50% of any development related advertising. We pay 50% for collateral sales pieces, brochures, folders, etc.

In a separate telephone communication, a representative (Shelly) from Tom Franzen's office stated that the City spends \$40,000-\$50,000 on economic development marketing.



Interview with Shane Farnsworth, Clark County Director of Planning Commission  
August 7, 2008

- *Does the County have any tax incentives or programs for access to capital or grants?*
  - The County has Enterprise Zones and utilizes Tax Increment Financing for capital infrastructure improvements. Many are on a per project basis.
  
- *Is there a Regional Economic Development Plan?*
  - No.

In further conversation, Farnsworth mentioned that what makes economic development projects different in Clark County is the level of cooperation among governments. Communities within Clark County participate in a Joint Economic Development District and a Cooperative Economic Development Agreement. Farnsworth himself acts as a “Project Manager” from the county side on larger projects to ensure that business has an advocate for zoning, permit, and inspection issues.

Farnsworth also discussed the City of Springfield’s Brownfield Redevelopment program stating that the City spent approximately \$250,000 in research just to be eligible to apply for redevelopment funds, and as a result was the first recipient of Clean Ohio funds. He also stated that Springfield’s return on investment has been at least 10-15 to 1.

According to Farnsworth, the Clark County area is a leader in farmland preservation, and seeks to use that to their advantage by attracting agribusiness, bio-fuel industry, research and development, and high-tech business. As Farnsworth states, Clark County is “more than corn and cows.” Areas are identified as industrial, residential, office and commercial, and then protected and promoted. Zoning can be “the biggest obstacle to economic redevelopment” efforts as most cities are working with zoning that is 50 years old or more.





## APPENDIX B LORAIN COUNTY STATISTICS

**Figure 4: Lorain County Economic Development Profile**

<b>Economic Development Profile of Quarterly Census of Employment and Wages Data: Lorain County</b>					
<b>NAICS CODE</b>	<b>Industry</b>	<b>2000 # of Employees</b>	<b>2006 # of Employees</b>	<b>Net Gain/Loss</b>	<b>% Change</b>
23	Construction	6,320	5,531	-789	-12.5%
31-33	Manufacturing	28,748	20,181	-8,567	-29.8%
42	Wholesale Trade	2,502	2,868	366	14.6%
44-45	Retail Trade	13,013	13,664	651	5.0%
48-49	Transportation and warehousing	1,956	1,874	-82	-4.2%
51	Information	1,682	1,297	-385	-22.9%
52	Finance and insurance	1,922	2,048	126	6.60%
53	Real estate and rental and leasing	981	971	-10	-1.00%
56	Administrative and waste services	4,800	4,826	26	0.50%
62	Health care and social assistance	11,204	12,487	1,283	11.50%
71	Arts, entertainment, and recreation	1,231	1,330	99	8.00%
72	Accommodation and food services	7,419	8,348	929	12.50%
81	Other services, except public administration	3,921	3,193	-728	-18.60%
<b>TOTAL</b>		<b>85,699</b>	<b>78,618</b>	<b>-7,081</b>	<b>-8.3%</b>

Source: <http://lmi.state.oh.us/asp/edeps/EdepsDisplay.asp> 6/18/08



**Location Quotient**

Location Quotients (LQs) are ratios that allow an area's distribution of employment by industry to be compared to a reference or base area's distribution. The reference area is usually the U.S., but it can also be a state or a metropolitan area. The reference or base industry is usually the All industry total. The discussion below assumes the defaults are used. LQs also allow areas to be easily compared to each other. If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the reference area. For example (assuming the U.S. as the reference area), Las Vegas will have an LQ greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole. LQs are calculated by first, dividing local industry employment by the all industry total of local employment. Second, reference area industry employment is divided by the all industry total for the reference area. Finally, the local ratio is divided by the reference area ratio.

**Industry Group**

The location quotient calculator makes available three standard industry groups that can be used to study the entire spectrum of industries as classified by NAICS. As the location quotient calculator is currently limited to presenting private sector data, the industry groups do not include the Public Administration sector. The highest level (most aggregated) group is the SuperSector group. The second highest is the Sector group, and the most detailed is the Sub-Sector group.

**NAICS**

The 2002 version of the North American Industry Classification System (NAICS) is the industry coding system used by the location quotient calculator.

**Percentage of Employment**

Ratio of industry employment to base-industry employment times 100.

**Figure 5: Location Quotients for Lorain County**

<b>Location Quotients calculated from Quarterly Census of Employment and Wages Data</b>		
<b>Industry</b>	<b>Ohio -- Statewide</b>	<b>Lorain County, Ohio</b>
Base Industry: Total, all industries	1.00	1.00
NAICS 111 Crop production	0.36	2.09
NAICS 112 Animal production	0.45	0.34
NAICS 113 Forestry and logging	0.18	NC
NAICS 114 Fishing, hunting and trapping	0.08	NC
NAICS 115 Agriculture and forestry support activities	0.10	ND
NAICS 211 Oil and gas extraction	0.44	NC
NAICS 212 Mining, except oil and gas	0.66	ND
NAICS 213 Support activities for mining	0.25	ND
NAICS 221 Utilities	0.96	0.89
NAICS 236 Construction of buildings	0.75	0.80
NAICS 237 Heavy and civil engineering construction	0.61	0.47
NAICS 238 Specialty trade contractors	0.77	1.08



**Location Quotients** calculated from Quarterly Census of Employment and Wages Data

Industry	Ohio -- Statewide	Lorain County, Ohio
NAICS 311 Food manufacturing	0.91	0.34
NAICS 312 Beverage and tobacco product manufacturing	0.88	0.36
NAICS 313 Textile mills	0.39	ND
NAICS 314 Textile product mills	0.73	ND
NAICS 315 Apparel manufacturing	0.28	NC
NAICS 316 Leather and allied product manufacturing	0.44	NC
NAICS 321 Wood product manufacturing	0.77	0.13
NAICS 322 Paper manufacturing	1.32	0.18
NAICS 323 Printing and related support activities	1.25	0.79
NAICS 324 Petroleum and coal products manufacturing	1.00	ND
NAICS 325 Chemical manufacturing	1.35	2.76
NAICS 326 Plastics and rubber products manufacturing	2.13	1.44
NAICS 327 Nonmetallic mineral product manufacturing	1.53	0.93
NAICS 331 Primary metal manufacturing	2.77	7.70
NAICS 332 Fabricated metal product manufacturing	1.89	4.02
NAICS 333 Machinery manufacturing	1.75	2.03
NAICS 334 Computer and electronic product manufacturing	0.44	0.53
NAICS 335 Electrical equipment and appliance mfg.	1.88	0.89
NAICS 336 Transportation equipment manufacturing	1.96	3.71
NAICS 337 Furniture and related product manufacturing	1.00	0.22
NAICS 339 Miscellaneous manufacturing	0.94	3.14
NAICS 423 Merchant wholesalers, durable goods	1.07	0.77
NAICS 424 Merchant wholesalers, nondurable goods	0.95	0.56
NAICS 425 Electronic markets and agents and brokers	0.85	0.46
NAICS 441 Motor vehicle and parts dealers	0.99	1.28
NAICS 442 Furniture and home furnishings stores	0.81	0.75
NAICS 443 Electronics and appliance stores	0.90	1.14
NAICS 444 Building material and garden supply stores	0.95	1.37
NAICS 445 Food and beverage stores	0.97	1.53
NAICS 446 Health and personal care stores	0.97	1.48
NAICS 447 Gasoline stations	1.01	0.94
NAICS 448 Clothing and clothing accessories stores	0.81	0.59
NAICS 451 Sporting goods, hobby, book and music stores	0.92	0.85
NAICS 452 General merchandise stores	1.04	1.38
NAICS 453 Miscellaneous store retailers	1.02	0.89



**Location Quotients** calculated from Quarterly Census of Employment and Wages Data

Industry	Ohio -- Statewide	Lorain County, Ohio
NAICS 454 Nonstore retailers	1.25	0.88
NAICS 481 Air transportation	0.65	ND
NAICS 482 Rail transportation	ND	NC
NAICS 483 Water transportation	0.29	ND
NAICS 484 Truck transportation	1.23	1.13
NAICS 485 Transit and ground passenger transportation	0.50	1.03
NAICS 486 Pipeline transportation	0.62	ND
NAICS 487 Scenic and sightseeing transportation	0.23	NC
NAICS 488 Support activities for transportation	0.80	0.64
NAICS 491 Postal service	ND	NC
NAICS 492 Couriers and messengers	1.32	0.29
NAICS 493 Warehousing and storage	1.49	0.10
NAICS 511 Publishing industries, except Internet	0.86	0.62
NAICS 512 Motion picture and sound recording industries	0.40	0.49
NAICS 515 Broadcasting, except Internet	0.64	ND
NAICS02 516 Internet publishing and broadcasting	NC	NC
NAICS 517 Telecommunications	0.78	0.75
NAICS 518 Data processing, hosting and related services	0.41	0.06
NAICS 519 Other information services	1.15	ND
NAICS 521 Monetary authorities - central bank	ND	NC
NAICS 522 Credit intermediation and related activities	0.94	0.57
NAICS 523 Securities, commodity contracts, investments	0.50	0.42
NAICS 524 Insurance carriers and related activities	1.15	0.36
NAICS 525 Funds, trusts, and other financial vehicles	ND	NC
NAICS 531 Real estate	0.73	0.63
NAICS 532 Rental and leasing services	0.88	ND
NAICS 533 Lessors of nonfinancial intangible assets	0.49	ND
NAICS 541 Professional and Technical Services	0.81	0.44
NAICS 551 Management of companies and enterprises	1.44	0.42
NAICS 561 Administrative and support services	0.94	0.68
NAICS 562 Waste management and remediation services	0.96	1.93
NAICS 611 Educational services	0.96	1.39
NAICS 621 Ambulatory health care services	1.04	1.00
NAICS 622 Hospitals	1.24	1.19
NAICS 623 Nursing and residential care facilities	1.39	1.65



**Location Quotients** calculated from Quarterly Census of Employment and Wages Data

Industry	Ohio -- Statewide	Lorain County, Ohio
NAICS 624 Social assistance	0.86	0.65
NAICS 711 Performing arts and spectator sports	0.87	ND
NAICS 712 Museums, historical sites, zoos, and parks	1.12	ND
NAICS 713 Amusements, gambling, and recreation	0.81	1.10
NAICS 721 Accommodation	0.47	0.24
NAICS 722 Food services and drinking places	1.05	1.11
NAICS 811 Repair and maintenance	0.93	1.03
NAICS 812 Personal and laundry services	1.14	1.27
NAICS 813 Membership associations and organizations	0.97	0.92
NAICS 814 Private households	0.25	0.11
NAICS 999 Unclassified	0.20	0.15

Footnotes:

(NC) Not Calculable, the data does not exist or it is zero

(ND) Not Disclosable

Location Quotient: Ratio of analysis-industry employment in the analysis area to base-industry employment in the analysis area divided by the ratio of analysis-industry employment in the base area to base-industry employment in the base area.

Source: [http://data.bls.gov/LOCATION\\_QUOTIENT/servlet/lqc.ControllerServlet](http://data.bls.gov/LOCATION_QUOTIENT/servlet/lqc.ControllerServlet) 7/19/08