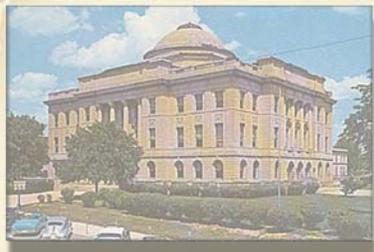


CLINTON COUNTY RECOVERY STRATEGY GUIDELINES

APRIL '2009



Submitted to:
Subcommittee of the Wilmington/DHL Airpark
Economic Taskforce,
Mayor David Raizk- Chair



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Clinton County Recovery Strategy Guidance

April 29, 2009

Submitted to:

Redevelopment Subcommittee of the Wilmington/DHL Airpark
Economic Taskforce,
Mayor David Raizk- Chair

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Executive Summary

At the request of the Clinton County Regional Planning Commission, this report details the impact and potential solutions to the issues prompted by the decision of DHL, a major domestic and international cargo carrier, to no longer use the ABX Airpark in Wilmington, Ohio for its domestic shipping service. In fact, DHL made a decision in mid-2008 to discontinue its United States shipping operations. This decision will no doubt impact Clinton County and the county seat of Wilmington in terms of job loss and economic ripple effects. In addition, the entire Southwestern Region Ohio will be impacted as well, as approximately 10,000 individuals will be losing their job throughout the closing process – with many of those 10,000 individuals coming from surrounding counties and beyond.

The main purpose of this report is to analyze Clinton County's economy and determine the best course of action in light of these circumstances. This report is broken out into four sections, plus a conclusion. It presents a detailed overview and analysis of which will provide the basis and foundation for the recommendations that are made at the end of this report. The four sections are as follows:

Section I – Clinton County, Ohio and the Loss of a Major Employer

Section II – Site Analysis and Review

Section III – Case Study Proposal Review

Section IV – Proposals and Recommendations

Section I provides a detailed regional and local analysis of the Southwestern Ohio and Clinton County economy. This is the logical starting point for determining what makes the most sense in terms of future recommendations and strategies. The regional economy is comprised of three main cities which include Cincinnati, Dayton, and Columbus. These cities are important to the overall dynamic and makeup of the local Clinton County economy. Following the big picture review of the regional economy, a drill down into the local Clinton County economy is presented. The methodology used to examine the local economy includes economic base analysis, sector analysis, and a comparison of the local economy to other similar type economies throughout the United States.

Section II offers an overview of several properties that are important to the redevelopment of Clinton County. These properties play an important part in the overall analysis of Clinton County and must be considered when formulating the final recommendations. A site by site analysis is performed based on weightings and

characteristics that are unique to Clinton County. In addition, a geographical representation of the sites is available to assist in understanding the spatial analysis of the sites in question. This section concludes with some program and strategy suggestions as it relates to the specific site clusters.

Section III is comprised of a case study review and analysis. These case studies provide critical support to the program, policy, and strategic recommendations made at the end of this report. All of these case studies bear some resemblance to the Clinton County situation in some fashion or another. The case studies include cities, towns, or counties that have recovered from the loss of a major employer, have agricultural leanings, have attempted to diversify their economies, have turned to transportation/logistics industries, and have created a central redevelopment authority. In addition, there is a review of several of the proposals that have been submitted as part of the Clinton County “Request for Proposal” process. All of these case studies and proposals have bearing on the final recommendations. Contained in the appendix are additional case studies that are not included in this section.

Section IV offers final recommendations and proposals for moving forward. This is the culmination of the first three sections. The final plan is based on the regional and local economic analysis, the site analysis, and the case study review. Our final recommendations include focusing on the following sectors for development – these sectors include:

- Agriculture/Agribusiness
- Manufacturing
- Transportation/Logistics

Two of these sectors – agribusiness and manufacturing – are ripe for development and will need attention and investment in growing those industries. In conjunction with the Ohio Department of Development (ODOD) opportunities should be further evaluated to explore the synergies between these two sectors and Bio-sciences. Transportation/logistics on the other hand is a specialized, mature sector in Clinton County and there are advantages and assets already built into the economy that make this sector a logical area for growth.

Other conditions and recommendations for moving these sectors along include:

- Creation of a development authority
- Attraction of new development and diversification
- Workforce development and training

- Regional alignment
- Green development

The methodology that is used results in a plan that is manageable and logical based on the analysis and review that has been conducted. The proposals and recommendations make sense in light of the numbers and results produced from the cities, towns, and counties reviewed in the case studies.

Section I: Southwestern Ohio and Clinton County, Ohio

Clinton County Background Information

Clinton County, Ohio lies in Southwestern Ohio. With its proximity to Cincinnati, Dayton, and Columbus it has strategic value and interplay with all three of those cities and surrounding counties in terms of employment, immigration/emigration patterns, and retail and wholesale trade. With a 2000 population of approximately 40,543 and projected population of 50,000 by 2020 it continues to play an important role in the economy of Southwestern Ohio. This will continue to be the case as Cincinnati, Dayton, and Columbus metropolitan areas continue to expand and grow outside their existing boundaries. The growth (not necessarily population growth, but land acquisition and outward expansion) of those three cities will only continue to place a continued importance on the surrounding counties, including Clinton County.

To understand how Clinton County fits into and relates to the surrounding regions and the metropolitan areas of Cincinnati, Dayton, and Columbus it is important to analyze and compare the numbers. This first section will begin with a regional snapshot of the area and how Clinton County compares regionally. The final part of this section will provide a deep dive into the Clinton County economy and look at the economic base, sector analysis, and how it compares with other comparable counties throughout the United States.

Regional Analysis – Southwestern Ohio and Clinton County

Regional Physical Analysis

Clinton County is located at the center of three major cities: Dayton, Cincinnati, and Columbus. The entire county is located within the Little Miami watershed, with the exception of the most eastern part of the county, which lies within Scioto River watershed. Clinton County area is flat, spread out on cultivated land. The general elevation is roughly 1,050 feet.

Interstate 71 crosses the northern part of the county, traveling Northeast to Southwest. It connects Clinton County to Columbus and Cincinnati. Clinton County is part of the Cincinnati-Middletown-Wilmington Combined Statistical Area. U.S. Route 68 is the major north-south route through the county, while U.S. Route 22 runs east-west. Several other state and local highways serve the residents of Clinton County. Adjacent counties

are: Green County, Fayette County, Highland County, Brown County, Clermont County, and Warren County.

Clinton County is home to Cowan Lake Park and Caesar Creek State Park in the north, where outdoor enthusiasts enjoy fishing, swimming, boating, hiking, bicycling, camping, and wildlife viewing. Wilmington College in Wilmington has several NCAA Division III athletic programs, whose events can be attended by the public. The city is also the home of the Clinton County Corn Festival.

Regional Economic Analysis

The Southwestern region is dominated by two service industries: **corporate and divisional headquarters and banking**. Both sectors have experienced strong output and employment growth in 1998 to 2003 with 13% and 10% growth rate respectively

There are seven key driver industries:

I. **Hospitals**

Hospitals showed a strong growth of around 6%. Hospitals directly contribute \$20 billion to the state of Ohio's economy. Pharmaceuticals have an economic multiplier of \$1.52¹, while General and Surgical Hospitals have a multiplier of \$1.44.

II. **Manufacturing**

Manufacturing is present in Aerospace and Automotive sectors. Motor Vehicle Manufacturing and Auto Vehicle Parts Manufacturing grew at a rate of around 2% between 1998 and 2003. Motor vehicle manufacturing has contributed \$20 billion in 2003 gross product to the Ohio economy. Southwest, along with Central and Southeast regions have the strongest growth rates. Many of other driver industries, such as rubber, glass, and chemicals are suppliers to the motor vehicle industry. Motor vehicle industry has the 9th highest economic multiplier in

¹ A multiplier summarizes the total impact that can be expected from change in a given economic activity. A new manufacturing facility or an increase in exports by a local firm, are economic changes which can spur ripple effects or spin-off activities. Multipliers measure the economic impact of these new exports, including the resulting spin-off activities. For example, \$1 is received into the local economy from export sales of a commodity. Of this one dollar, 40 cents is spent for goods and services within the community. The firms and individuals who receive these 40 cents spend 16 cents within the community. Of the 16 cents, only six cents is spent locally, and so on. The total amount of money received by local firms and residents as a result of the initial \$1 in added export earnings is \$1.66. Therefore, the multiplier is 1.66. (Miller).

the state. For every \$1 of direct export expenditure results in \$2.67 of purchases within the state.

The Automotive parts industry has a multiplier of \$1.92. Plastic product manufacturing industry has a similar multiplier as the Automotive Parts industry. The cluster analysis performed by Deloitte, indicates that most suppliers to the Automotive industry are located in Ohio, providing vehicle manufacturing with steel, plastic, rubber, glass and chemical supplies. Emerging Growth opportunities for investment for the Auto Manufacturing Industry are:

- Zero-emission engines
- Alternate power sources
- Hybrid vehicles and diesel engines.
- Alternative Raw materials
- Recycling and waste management.

III. **Chemicals, Energy, Food, and Environmental Technology**

These industries are also leading industries in the region. Basic chemical manufacturing has an economic multiplier of \$2.73, while Resin, Synthetic Rubber, Soap, and Cleaning compounds have a multiplier of \$1.9.

IV. **Tourism**

Tourism is also identified as an emerging industry in the Southwest region in the data analysis. In fact, growing tourist industries are part of the base of the regional economies of Ohio. The Southwest region is known for its Appalachian woods and state parks.

V. **Distribution Centers**

Distribution centers of the airfreight component have major facilities in the Southwest Region. General freight trucking, forwarding and other related activities have 76th – highest multiplier in the state’s economy among the 271 4 digit NAICS industries with an economic multiplier of \$1.89. Many of the industries in the supplier and customer chains for the industry are located in Ohio. *Proximity to suppliers and customers* is a location consideration for the investment in this industry. The logistics industry is benefiting since its customer companies outsource their logistic functions. Because these functions are being outsourced, the fields of third-party and fourth-party logistics are growing and provide an opportunity for logistics companies to provide services for a growing market.

VI. **Food Manufacturing**

Food manufacturing is another regional driver, contributing \$5.9 billion to the state's economy. During the period of 1998 to 2003, five of the Food Manufacturing industries have increased their output. Those industries include: Food and Vegetable preserving, Bakeries and Tortilla manufacturing, Dairy Manufacturing, Beverage Manufacturing, and animal Food Manufacturing. One of the industries, Grain and Oil Seed milling showed a slight decline in output. Food and Vegetable preserving and Animal Food manufacturing have the highest location quotient of 2.9², while Dairy manufacturing has a location quotient of 2.4 and Grain and Oilseed milling has a location quotient of 2.1. Large portions of Ohio are dedicated to agriculture which supplies the food processing industries.

VII. **Research and Development**

Private sector research and development continues to be a growth sector for Ohio. In 2007 and 2008, bioscience, medical technology, and research organizations have continued to expand in Ohio. The bioscience economy has three integrated segments:

- *Commercial Bioscience Industry*
- *Medical Colleges*
- *Hospitals and Healthcare*

As of December 2008, there are 1,141 bioscience-related companies operating in Ohio (190 of them are located in Southwest of Ohio. Some of the biggest establishments in Southwest region are Procter & Gamble Co. with 3,250 employees, Ethicon Endo-Surgery Inc. with 1,500 employees, and Kendle International Inc. with 500 employees).

Six hundred and thirty Six Ohio companies are FDA-certified to manufacture medical devices, and 88 facilities in the state are FDA-certified to manufacture pharmaceuticals. Ohio's pillar bioscience companies include:

² Location quotient identifies specializations in the local economy by comparing it to a reference (standard) economy. The location quotient technique is based upon a calculated ratio between the local economy and the economy of some reference unit. This ratio is calculated for all industries to determine whether or not the local economy has a greater share of that industry than expected. If an industry has a greater share than expected of a given industry, then that "extra" industry employment is above what a local economy should have to serve local needs. The higher the quotient, the greater is the local specialization. A location quotient less than one shows that the activity is underrepresented in the local economy (Leigh 1970).

Procter & Gamble, Battelle, Abbott Nutrition, Cardinal Health (the state's largest corporation), Meridian Bioscience, Ethicon Endo-Surgery, STERIS, Boehringer Ingelheim's Ben Venue Laboratories and Roxane Laboratories, Kendle International and Philips Medical, among many others. Several of these businesses have expanded their Ohio operations significantly in the past two years.

Emergent bioscience organizations in Ohio continue to attract market and investor attention, such as *AcelleRx, Arteriocyte, AssureRx, Click4Care, Franklin & Seidelman, CleveX, OrthoHelix Surgical Design, Symbionix* and many more. The early stage technology and promising innovation demonstrated by companies such as these provide the beginning for Ohio's commercial and clinical bioscience products of the future.

Growth Opportunities

The Deloitte Ohio Study published in May of 2005 identifies several economic sectors as growth opportunities. These include: Credit Card issuers, Consumer Lending and Sales Financing. Headquarters and administrative services are linked to the growth industries and will emerge as state basic services. The technologies that can be applied to the driver industries offer competitive advantage. These technologies include *Fuel Cells* for the heating, ventilation, and air-conditioning industry, automotive industry, and electric power generation; *Precision Machining* to support manufacturing; *Information Technology* for the medical and financial industries; and *Medical Equipment*.

The two leading MSA' in Southwest Region of Ohio are: Columbus, Ohio MSA and Cincinnati-Middletown OH-KY-IN MSA. The following charts examine the Gross Domestic Product in each of the MSAs in the years 2001 through 2006.

Table 1. GDP for years 2001 – 2006 in Columbus Ohio MSA.

Columbus, OH (MSA) [18140]	GDP by Metropolitan areas (\$ millions)						% Change 2001-06
	2001	2002	2003	2004	2005	2006	
Crop and Animal Production	146	84	171	275	157	204	40%
Construction	2,881	2,908	2,943	3,177	3,424	3,302	15%
Manufacturing	8,463	8,940	8,783	9,061	8,909	8,881	5%
Wholesale				4,159	(D)	4,358	5%
Retail	5,635	5,787	6,114	6,099	6,321	6,085	8%
Transportation (36)	877	1,277	1,276	1,367	433	679	56%
Air	(D)	329	352	368	433	679	106%
Truck	877	948	924	999	(D)	(D)	14%
Information	(D)	2,612	2,604	2,665	2,823	2,851	9%

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Finance and Insurance	7,112	7,464	8,045	8,717	9,255	10,210	44%
Real Estate	11,246	11,459	11,220	11,696	11,594	11,790	5%
Ambulatory health care services	2,398	2,576	2,706	2,859	2,952	3,087	29%
Arts, entertainment, and recreation	404	433	459	455	453	496	23%
Accommodation and food services	1,643	1,754	1,861	1,972	2,031	2,108	28%
Accommodation	292	(D)	302	318	333	360	23%
Food Services	1,351	(D)	1,558	1,654	1,698	1,748	29%
Government	7,868	8,398	8,741	8,978	9,566	9,950	26%
Natural Resources and Mining	246	(D)	(D)	409	(D)	372	51%
Trade	(D)	(D)	(D)	10,258	(D)	10,443	2%
Transportation and Utilities	3,376	(D)	(D)	3,809	(D)	5,114	51%
Financial Activities	18,358	18,923	19,265	20,413	20,849	22,000	20%
Professional and business services	8,560	(D)	(D)	10,338	11,146	11,978	40%
Education and health services	4,639	(D)	(D)	5,640	(D)	6,132	32%
Leisure and Hospitality	2,047	2,187	2,319	2,427	2,484	2,604	27%
Information, Communication, Tech	3,040	2,896	3,027	3,145	3,267	3,483	15%
Private Goods-producing industry	11,549	12,004	11,973	12,596	12,598	12,505	8%
Private service-providing industry	50,558	53,038	54,522	57,489	60,006	63,058	25%
All Industry Total	75,968	79,458	82,231	86,552	90,785	93,370	23%

Table 2. GDP of Columbus MSA to GDP growth in Ohio and United States in years 2001-2006.

	% change 2001-2006		
	Columbus MSA	Ohio	U.S.
Crop and Animal Production	40%	57%	-100%
Natural Resources and Mining	51%	68%	159%
Construction	15%	13%	17%
Manufacturing	5%	8%	19%
Wholesale	5%	7%	30%
Retail	8%	7%	23%
Transportation (36)	56%	40%	32%
Information	9%	18%	34%
Finance and Insurance	14%	46%	34%
Real Estate	9%	12%	35%
Professional and Technical services	44%	25%	32%
Management of companies	5%	67%	42%
Administrative and waste services	29%	32%	42%
Educational services	23%	38%	40%

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Ambulatory health care services	28%	31%	39%
Arts, entertainment, and recreation	23%	28%	36%
Accommodation and food services	29%	21%	28%
Government	26%	21%	34%

Table 3. GDP by Metropolitan Area (millions of current dollars)
Cincinnati-Middletown, OH-KY-IN (MSA) [17140]

Industry	2001	2002	2003	2004	2005	2006	%Change
Chemical manufacturing	1,550	1,950	(D)	(D)	(D)	(D)	26%
Retail	4,768	4,991	5,074	5,181	5,301	5,269	11%
Ambulatory health care services	2,446	(D)	(D)	(D)	(D)	3,457	41%
Government	6,685	7,115	7,470	7,827	8,183	8,452	26%
Natural resources and mining	177	179	216	263	251	255	44%
Transportation	4,273	3,930	4,065	4,345	4,357	4,291	0%
Financial Activities	14,904	15,813	16,420	16,884	17,379	18,119	22%
Professional and Business Services	9,876	10,695	11,432	12,146	13,616	14,200	44%
Education and health	5,461	5,839	6,246	6,711	7,150	7,579	39%
Leisure and Hospitality	2,727	2,923	3,044	3,201	3,334	3,456	27%
Information, Communication, Technology	2,089	2,065	2,007	2,141	2,363	2,489	19%
Private Goods-producing Industry	16,942	17,754	17,700	18,789	19,371	19,491	15%
Private Services-providing industry	52,341	54,589	57,061	59,935	63,231	65,427	25%

Local Analysis of Clinton County

The following section provides an analysis of the Clinton County economy taking into consideration such factors as population, employment patterns, socio-economic factors, cross-county comparisons, land use, infrastructure, and education.

Demographic Analysis

The following section analyses the population characteristics of the Clinton County in terms of its growth rate and the characteristics of the working age population over the years.

Population Growth Rate

The population growth rate of Clinton County has been higher than that of Ohio over the past three decades. While it observes an increasing growth rate in 1990-00, the other decades observed a decreasing growth rate.

Table 4. Population and population growth rate

Year	Clinton County		Ohio	
	Population	Growth Rate	Population	Growth Rate
1980	34,603	9.98%	10,797,630	1.37%
1990	35,415	2.35%	10,847,115	0.46%
2000	40,543	14.48%	11,353,140	4.67%
2007	43,071	6.24%	11,466,917	1.00%
2010	45,470	5.57%	11,666,854	1.74%
2020	49,810	9.54%	12,005,733	2.90%
2030	53,780	7.97%	12,317,613	2.60%

Source: US Census Bureau, ODOD

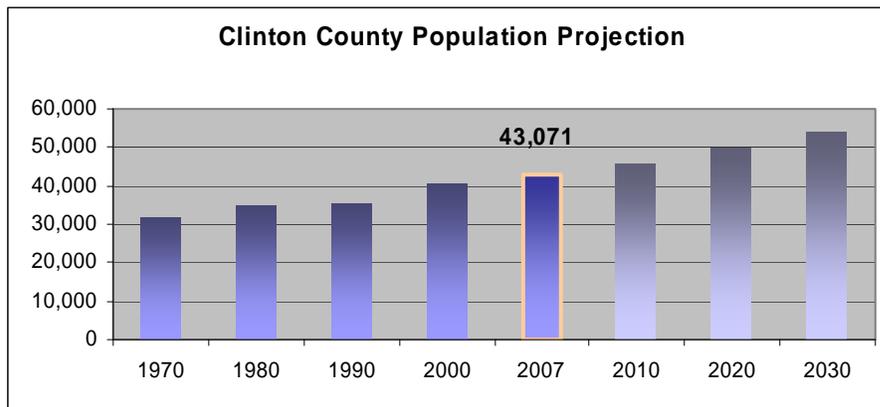


Figure: 1. Clinton County Population Projection Source: ODOD

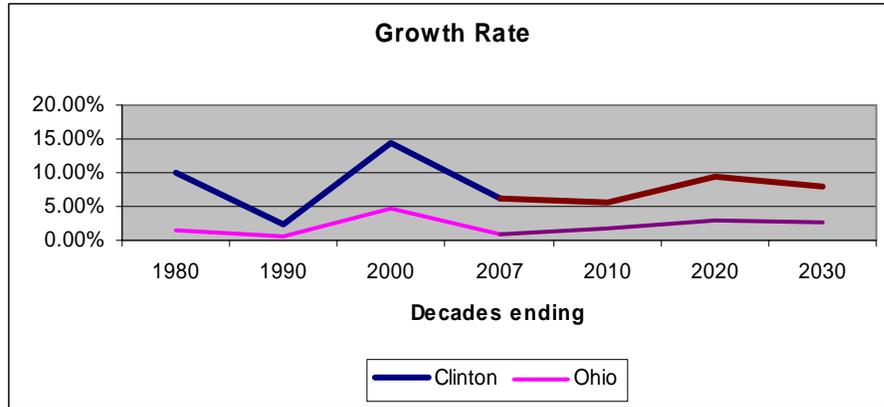


Figure: 2. Growth Rate of Population

Source: US Census Bureau

Working Age Population

The analysis of change of population cohorts over the year demonstrates that the working age population has increased at a higher rate than the other age group populations. This refers to the immigration of the working age people which can be related to growth of job opportunities within the county.

Table 5. Growth rate of working age population

	Below 18	Growth Rate	(Working Age) 18 - 65	Growth Rate	Above 65	Growth Rate	Total Pop.
1980	10,341		20,268		3,994		34,603
1990	9,678	- 6.8%	21,119	4.2%	4,618	15.6%	35,415
2000	10,703	10.6%	24,908	17.9%	4,932	6.8%	40,543

Source: US Census Bureau

Observations:

- The population has been steadily growing from 1980 to 2007 and this can be related to immigration due to the higher growth rate of working age population.

Migration

Clinton County has experienced immigration since late 1980's. It has been observed that the county has experienced a high flow in immigrants from 1994-2000 which is before the coming of DHL in Clinton County. This explains that there was increase in attractive job opportunities within the region in that period, which was then dominated by manufacturing, retail, education and health sectors (see Table6). This phase was followed by a phase of decline in immigration from 2000-2005, towards the end of which DHL came to Clinton County in 2004. The phase after 2005, again shows a sharp increase in immigration which can be attributed to the jobs provided by DHL in Clinton County.

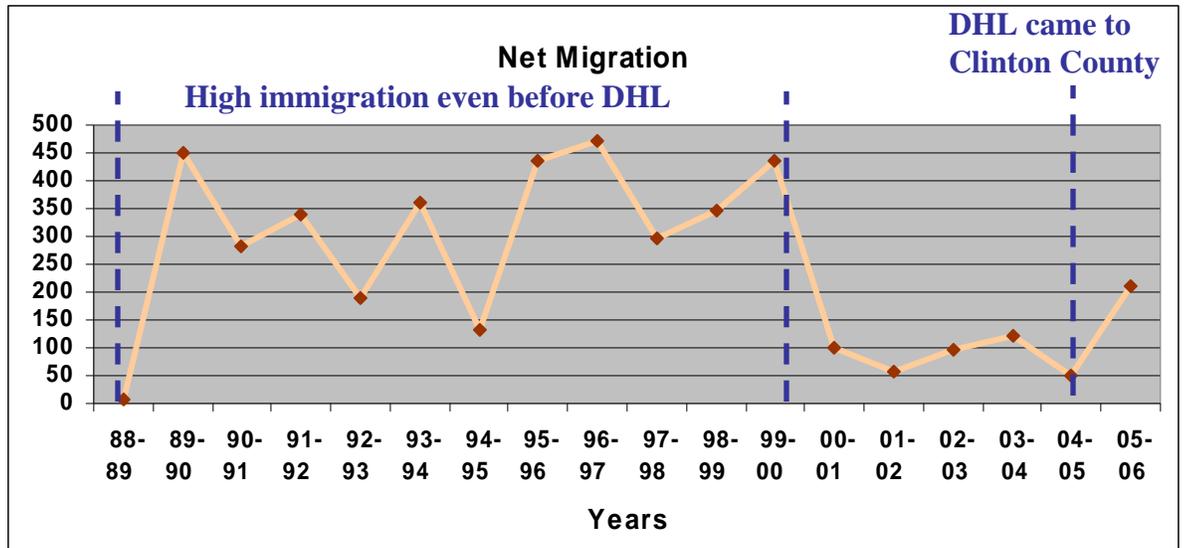


Figure 3. Net Migration to Clinton County
 Source: Report 'Clinton County' by Ohio State University, ODOD data.

Economic Analysis

The following section analyzes the economy of Clinton County in terms of 1) the economic sectors with employment pattern and its growth rate in these sectors, 2) the economic base and the impact of DHL closing on its economic base, and 3) comparison with an average economy calculated from the economy of four other counties similar to Clinton County with respect to certain characteristics. The census data of 1990 and 2000 and IMPLAN data of 2006 has been extensively used for the purpose of analysis. The economic analysis of Clinton County finally leads to the selection of certain economic sectors – Agriculture, Transportation, and Retail sectors – for future development as a strategy to recover the economy of Clinton County.

Sector Analysis – Employment Patterns

The employment pattern of the county demonstrates the increasing dominance of transportation sector over the years. As a result of which the other important sectors like manufacturing, services etc. has decreased in terms of percentage share of total employment.

Table 6. Employment Patterns

Economic Sectors	1990		2000		2006 (Implan data)	
	No.	%	No.	%	No.	%
Agriculture, forestry, fishing and hunting, and mining	896	5.5%	574	2.8%	308	1.0%
Construction	748	4.6%	1,272	6.2%	778	2.6%

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Manufacturing	4103	25.2%	4,165	20.4%	3745	12.7%
Wholesale trade	448	2.8%	626	3.1%	574	2.0%
Retail trade	2,719	16.7%	2,142	10.5%	2085	7.1%
Transportation and warehousing, and utilities	2,030	12.5%	3,363	16.5%	11493	39.1%
Information	0	0.0%	345	1.7%	39	0.1%
Finance, insurance, real estate, and rental and leasing	670	4.1%	1,119	5.5%	1090	3.7%
Professional, scientific, management, administrative, and waste management services	749	4.6%	913	4.5%	1330	4.5%
Educational, health and social services	2472	15.2%	3,337	16.3%	3552	12.1%
Arts, entertainment, recreation, accommodation and food services	198	1.2%	1,080	5.3%	1588	5.4%
Other services (except public administration)	607	3.7%	807	4.0%	1075	3.7%
Public administration	628	3.9%	678	3.3%	1743	5.9%
Total Employment	16268	1	20421	1	29400	1

Source: US Census Bureau and IMPLAN Data

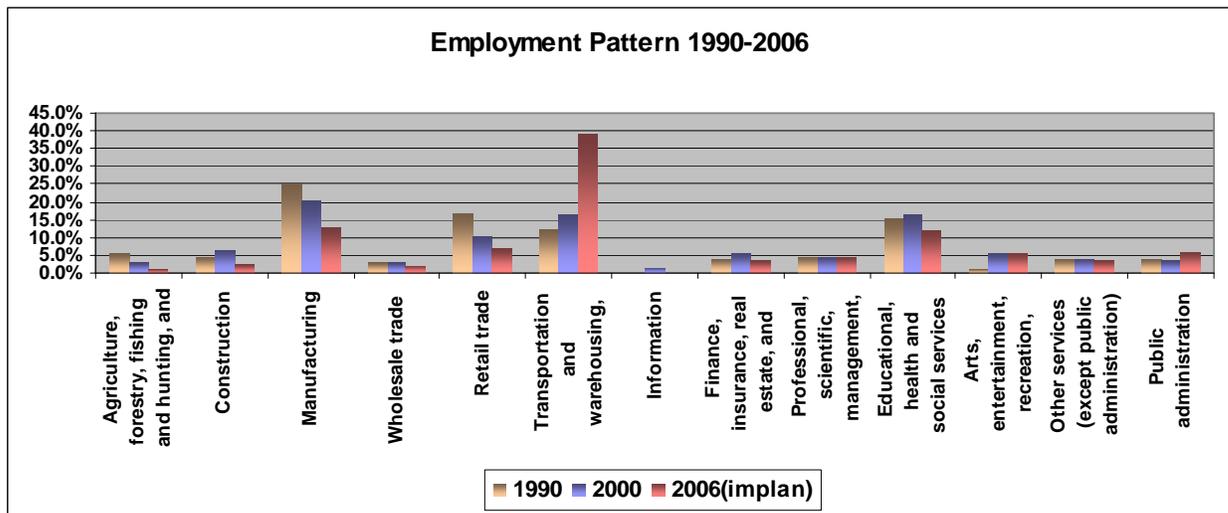


Figure 4. Employment Pattern

Source: US Census Bureau and IMPLAN Data

Sector Analysis – Growth Rate in Employment

The economic sectors which have observed a high growth rate in the past two decades are listed below:

1. **Transportation Sector** – observed the highest growth rate
2. **Professional, scientific, management services sector** – observed a significant growth rate in both decades.

3. **Arts, Entertainment Sector** – observed a very high growth in the previous decade followed by a reasonable growth rate.
4. **Other services sectors** – which include all kinds of service related jobs, have observed a significant growth rate in both decades.
5. **Public administration sector** – growth rate of administrative jobs has been remarkably high in the recent decade.

Table 7. Growth rate of economic sectors

Economic Sectors	90-00	00-06
Agriculture, forestry, fishing and hunting, and mining	-35.9%	-46.3%
Construction	70.1%	-38.8%
Manufacturing	1.5%	-10.1%
Wholesale trade	39.7%	-8.3%
Retail trade	-21.2%	-2.7%
Transportation and warehousing, and utilities	65.7%	241.7%
Information		-88.7%
Finance, insurance, real estate, and rental and leasing	67.0%	-2.6%
Professional, scientific, management, administrative, and waste management services	21.9%	45.7%
Educational, health and social services	35.0%	6.4%
Arts, entertainment, recreation, accommodation and food services	445.5%	47.0%
Other services (except public administration)	32.9%	33.2%
Public administration	8.0%	157.1%

Source: US Census Bureau and IMPLAN data

Economic Base Analysis

Determination of the Basic Economic Sectors

The basic sectors are considered to be the sectors which export the produced goods and services outside the region. Thus, the economic sector which has a location quotient higher than 1 [$LQ_{\text{sector } i} = (\% \text{employment}_{\text{sector } i} \text{ in Clinton}) / (\% \text{employment}_{\text{sector } i} \text{ in Ohio})$]. For Clinton County, the outcome of locational quotient analysis suggests that the basic sectors are agriculture sector, manufacturing sector, and transportation sector. Apart from this, the service sectors like hotel industry, state education etc. are also considered as basic.

The Economic Base Multiplier in 2006:

= Total Employment / Basic Employment

Section I: Southwestern Ohio and Clinton County, Ohio

= 29400/17442 = **1.69**

The economic base multiplier in 2006 which is 1.69 explains that the increase in total employment in the county will be 1.69 when there is an increase of 1 employment in the basic sector.

Table 8 - Basic and Non Basic Sectors

	Economic Sectors	Number of employment	Sector with LQ>1	Basic	Non Basic
1	Agriculture	308	LQ>1	308	
2	Construction	778			778
3	Manufacturing	3745	LQ>1	3745	
	3.1 Motor vehicle parts manufacturing	1571			
	3.2 Other manufacturing	2174			
4	Whole sale Trade	574			574
5	Transportation	11493	LQ>1	11493	
	5.1 Courier and messenger	10202			
	5.2 Truck Transportation	1042			
	5.3 Others	249			
6	Retail trade	2085			2085
7	Services	6834			
	7.1 Health	938			938
	7.2 Social Assistance (includes child day care)	350			350
	7.3 Non state and local Education	424			424
	7.4 Information & Telecommunication	39			39
	7.5 Finance and insurance, and real estate and rental and leasing	1090			1090
	7.6 Professional, scientific, management, administrative, employment and waste management services	1330			1330
	7.7 Arts, entertainment, and recreation	359			359
	7.8 Accommodation, and food services				
	Hotels	56		56	
	Food services	1173			1173
	7.9 Other services except public administration	1075			1075
8	Public administration	3583			
	8.1 Government	1743			1743
	8.2 state and local education	1840		1840	
	TOTAL EMPLOYMENT	29400		17442	11958

Source: IMPLAN data (2006)

Impact of DHL closing on the economic base multiplier

The impact of DHL closure on the economy of Clinton County has been forecasted as a loss of 7355 direct employment in the basic sector and loss of 10530 in total employment which includes both basic and non-basic sectors (source: Implan data).

Thus, the new Economic Base Multiplier

$$= \text{Total Employment} / \text{Basic Employment}$$

$$= (29400 - 10530) / (17442 - 7355) = 1.87$$

The impact of DHL closure implies an increase in the economic base multiplier. This observation suggests that an increase in basic jobs without DHL in Clinton County will result in more increase in the total jobs of the regions, the possibility of supporting service sector of DHL being located outside the county region thus become more obvious. The focus of Clinton County should thus be creating more employment in sectors like agriculture, manufacturing and transportation (other than DHL related jobs) to boost the total job creation.

Median Household Income

Analysis of the median household income of Clinton County reveals that it has increased over the year at a higher rate than that of Ohio and there has been a tendency to converge with the median household income of Ohio in 2000. This only reveals the economic growth of Clinton County over the years even before the arrival of DHL in Clinton County.

Table 9 -- Median Household Income

	Clinton	Ohio
1980	\$35,567	\$40,834
1990	\$36,390	\$38,466
2000	\$40,467	\$40,956

Source: US Census Bureau

Determination of a Typical Economy

In this part, a typical economy has been determined from the economies of four other counties located in Ohio, Indiana, Illinois and Kentucky, which have similar characteristics as that of Clinton County, Ohio.

The similarity in characteristics as that of Clinton County has been determined based on the following criteria:

1. Population estimate of the county in 2006
2. Population growth rate from 2000-2007
3. Median value of owner-occupied housing units, 2000
4. Median household income, 2004
5. Per capita money income, 1999
6. Persons below poverty, percent, 2004

Comparing these criteria, the other 4 counties selected for comparison purpose are:

1. Brown County, Ohio
2. Jasper County, Indiana
3. Ogle County, Illinois
4. Barren County, Kentucky

Table 10 – Similarity in characteristics of the four counties with Clinton County

	Criteria	Clinton, Ohio	Brown, Ohio	Jasper, Indiana	Ogle, Illinois	Barren, Kentucky
1	Population, 2006	43,399	44,423	32,296	54,826	40,737
2	Population growth rate from 2000-2007	7.10%	5.10%	7.50%	7.40%	7.10%
3	Median value of owner-occupied housing units, 2000	\$96,800	\$89,900	\$105,700	\$102,700	\$77,900
4	Median household income, 2004	\$41,826	\$41,165	\$47,557	\$48,508	\$33,531
5	Per capita money income, 1999	\$18,462	\$17,100	\$19,012	\$20,515	\$16,816
6	Persons below poverty, 2004	9.80%	11.90%	8.10%	8.70%	16.60%

Source: US Census Bureau

Table 11 - Employment pattern in the four counties in 2006

Economic Sectors	Brown	Jasper	Ogle	Barren
Agriculture, forestry, fishing and hunting, and mining	1.70%	5.00%	3.60%	3.80%
Construction	13.20%	10.70%	7.60%	5.10%
Manufacturing	20.00%	14.20%	19.30%	30.10%
Wholesale trade	2.70%	3.30%	3.80%	2.60%
Retail trade	10.50%	13.80%	9.50%	12.60%
Transportation and warehousing, and utilities	4.70%	5.80%	7.70%	3.60%
Information	1.30%	1.60%	1.80%	1.60%
Finance and insurance, and real estate and rental and leasing	4.20%	3.70%	4.60%	3.20%

Professional, scientific, and management, and administrative and waste management services	6.30%	3.80%	5.20%	2.90%
Educational services, and health care and social assistance	22.10%	23.50%	21.10%	20.50%
Arts, entertainment, and recreation, and accommodation, and food services	7.10%	6.60%	7.00%	6.40%
Other services, except public administration	3.30%	5.50%	5.20%	4.00%
Public administration	3.00%	2.60%	3.50%	3.60%

Source: US Census Bureau

The typical economy is thus calculated as follows:

Typical Economy - Employment pattern

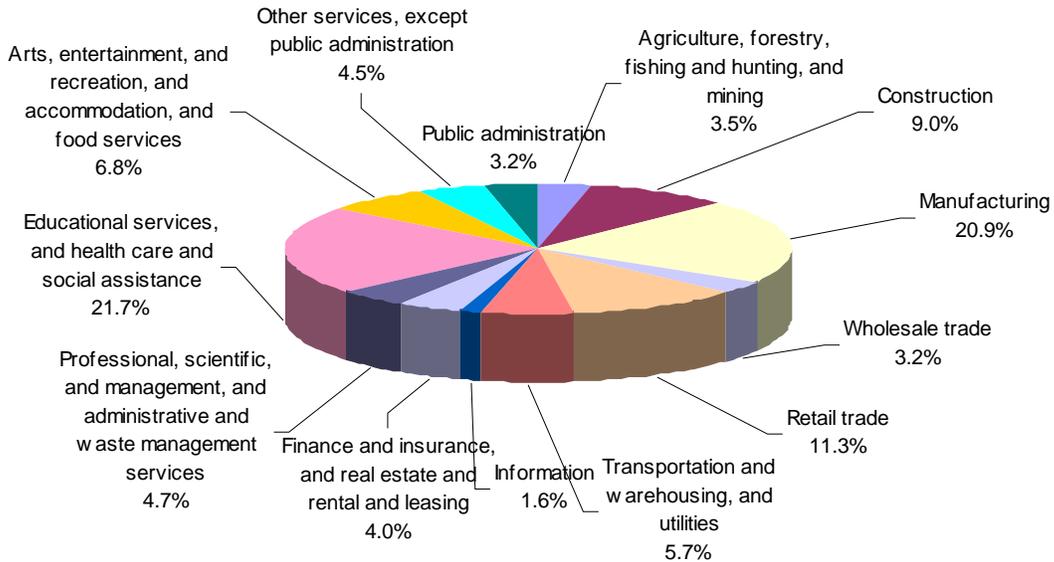


Figure 5. Typical Economy

Source: US Census Bureau

Clinton County Economy - Employment pattern

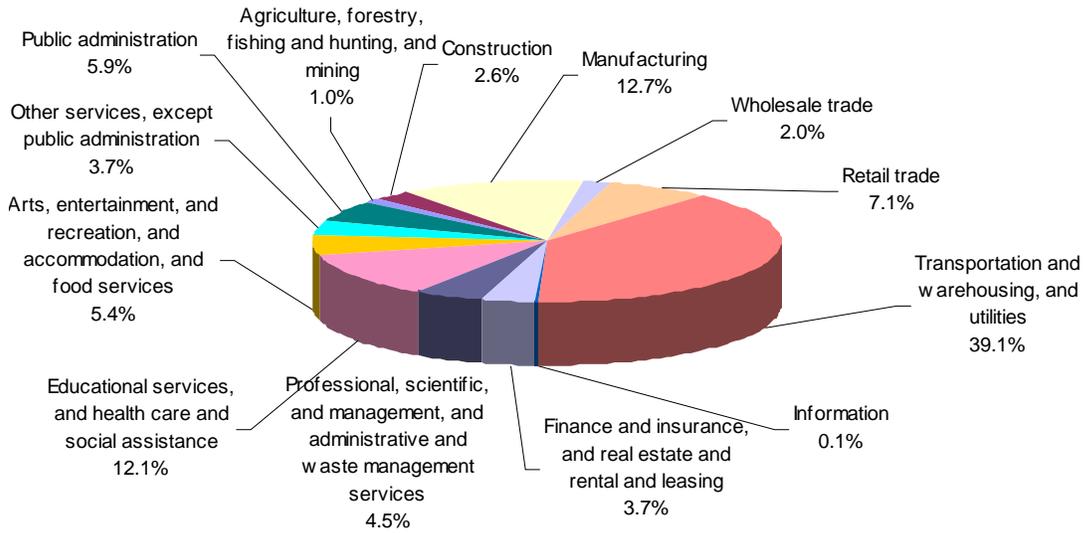


Figure 6. Clinton County Economy

Source: US Census Bureau and Implan Data

Typical and Minimum Value Comparison

Apart from the average employment pattern in each economic sector, the minimum employment share among the four counties has also been computed. The economy of Clinton County is now compared with the typical and minimum value of employment patterns in each economic sector.

Table 12 – Comparison of Clinton County economy with the average economy

Economic Sectors	Typical	Minimum	Clinton (Implan 2006)	Observations
Agriculture, forestry, fishing and hunting, and mining	3.46%	1.70%	1.0%	Below the typical and minimum value
Construction	8.97%	5.10%	2.6%	Below the typical and minimum value
Manufacturing	20.94%	14.20%	12.7%	Below the typical and minimum value
Wholesale trade	3.16%	2.60%	2.0%	Below the typical and minimum value
Retail trade	11.29%	9.50%	7.1%	Below the typical and minimum value
Transportation and warehousing, and utilities	5.67%	3.60%	39.1%	Much above the typical value
Information	1.58%	1.30%	0.1%	Below the typical and minimum value
Finance and insurance, and real estate and rental and leasing	4.01%	3.20%	3.7%	Close to typical value
Professional, scientific, and management, and administrative and waste	4.66%	2.90%	4.5%	Close to typical value

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management services				
Educational services, and health care and social assistance	21.68%	20.50%	12.1%	Below the typical and minimum value
Arts, entertainment, and recreation, and accommodation, and food services	6.82%	6.40%	5.4%	Below the typical and minimum value
Other services, except public administration	4.52%	3.30%	3.7%	Below the typical value
Public administration	3.23%	2.60%	5.9%	Above the typical value

This reveals that the dominance of transportation sector in Clinton County mainly due to the large number of employment in DHL (nearly 35%) has resulted in lower shares of employments in other sectors of the economy. As a result the employment share in other sectors goes below the typical value and even the minimum value. But in terms of number of people employed in other economic sectors, the agriculture, manufacturing and transportation sector are the important specialized sectors which has the potential to thrive and boost the economy of Clinton County.

Land Use

The ODOD report for Clinton County shows that in 2006 71 percent of the total land/land cover in Clinton County was cropland.

Land Use/Land Cover	Percent
Urban (Residential/Commercial/Industrial/Transportation and Urban Grasses)	2.13%
Cropland	71.01%
Pasture	10.21%
Forest	16.14%
Open Water	0.38%
Wetlands (Wooded/Herbaceous)	0.00%
Bare/Mines	0.13%

Figure 7
Source: ODOD 2007

In terms of land use structure and zoning of the land, Clinton County has a total of 127 land use zoning districts. These zoning districts have a wide array of zoning uses from general commercial to agricultural to unzoned. As you can see in the Figure 8 below, 25.20 percent of the land within Clinton County has been zoned for C2 – General

Commercial District. Rounding out the top 3 are suburban residential at 19.69 percent and agriculture/residential transition at 13.39 percent. Table 13 gives a full breakdown of the zoning districts for each designation. The following numbers represent the number of zoning districts throughout Clinton County.

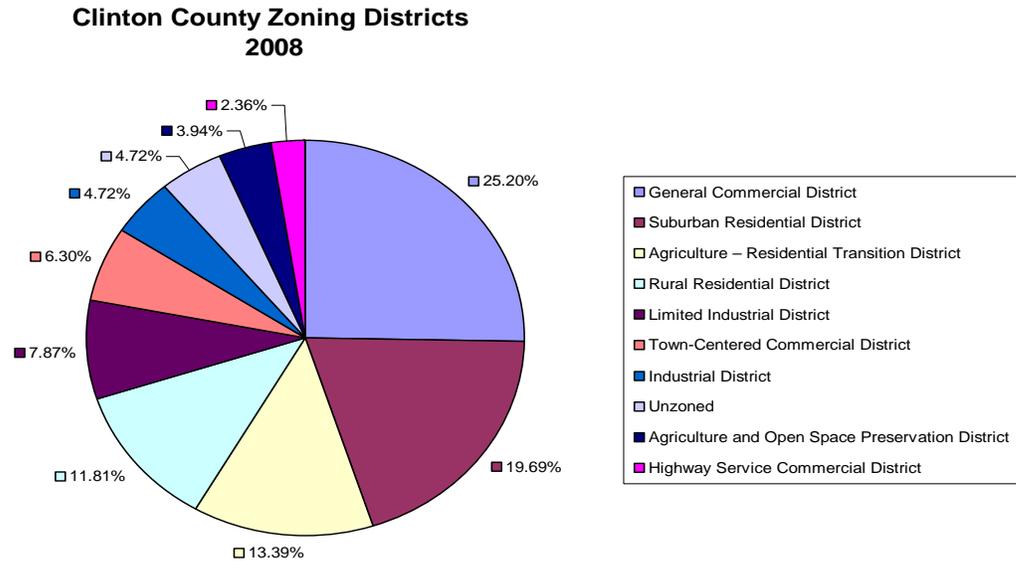


Figure 8
Source: Clinton County GIS

Table 13

Zoning District Description	# of districts	Percentage
General Commercial District	32	25.20%
Suburban Residential District	25	19.69%
Agriculture – Residential Transition District	17	13.39%
Rural Residential District	15	11.81%
Limited Industrial District	10	7.87%
Town-Centered Commercial District	8	6.30%
Industrial District	6	4.72%
Unzoned	6	4.72%
Agriculture and Open Space Preservation District	5	3.94%
Highway Service Commercial District	3	2.36%
Total	127	

Source: Clinton County GIS

Local Demographic and Economic Analysis Conclusion

The demographic and economic analysis of Clinton County reveals the growth and decline of various economic sectors over the years as well as the impact of DHL on its economy. It also identifies the basic and non basic sectors of the region and the dynamics of boosting the total job creation through promoting the potential sectors.

The basic sectors which have the potential of boosting the economy of the county have been identified as:

- 1. Agriculture Sector**
- 2. Manufacturing Sector**
- 3. Transportation Sector**

The recommendations for economic recovery of the Clinton County will thus emphasize the promotion of these economic sectors through developing clusters of economic activities over the space e.g. agricultural cluster around oilseed production, manufacturing cluster around auto-parts production, and transportation clusters with logistic hub etc and looking to advance these sectors within ODOD's strategic plan.

The next part of the report presents a site specific analysis of Clinton County along with its strength and weaknesses and attempts to identify suitable locations for the above mentioned economic clusters.

Section II – Site Analysis

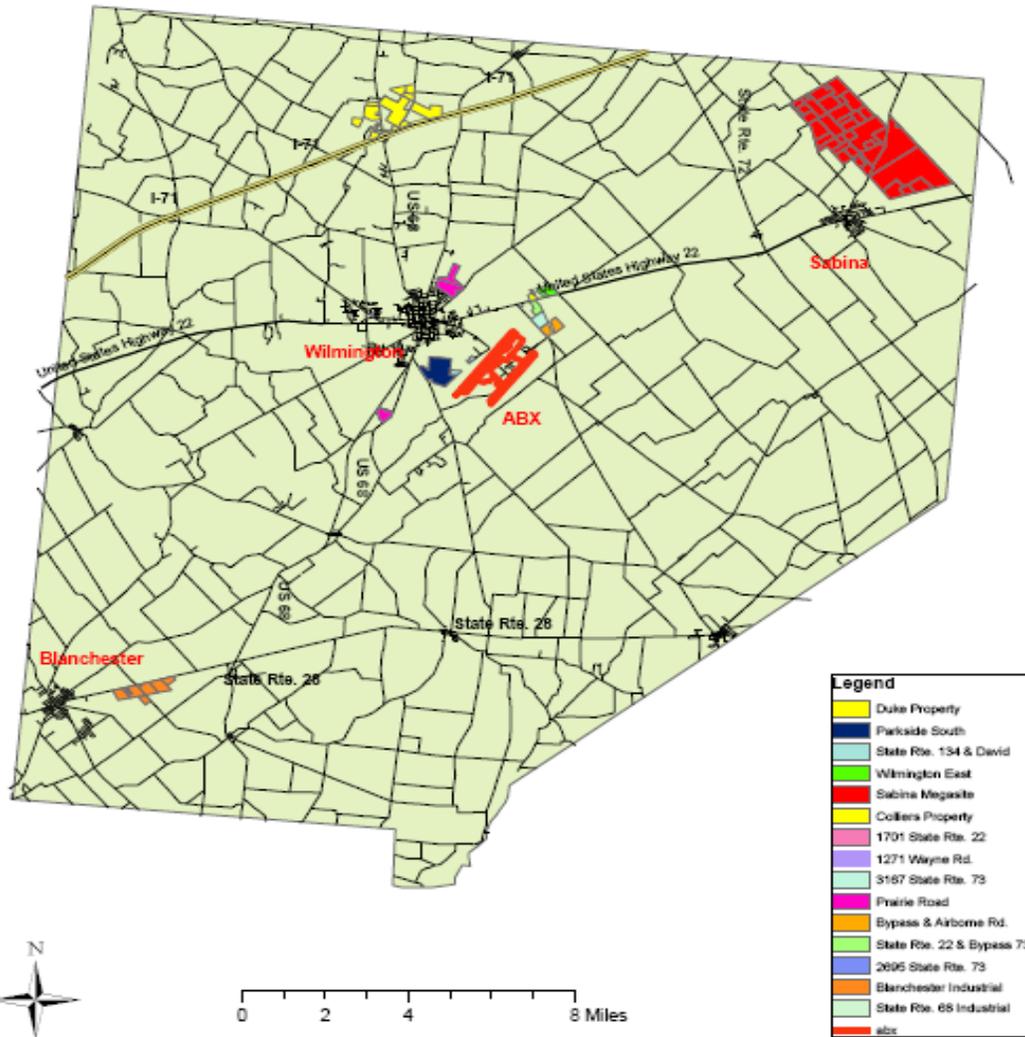
The Sites

Section II details fifteen available parcels throughout Clinton County. The fifteen sites are summarized below (in no particular order) in Table 14 and include a categorization of the type of parcel cluster that each site falls into. This table provides some background detail on each parcel. In addition a map is provided below to show the exact location of each plot and its location within Clinton County.

Table 14. Description of the Sites

	Plot	Acres	Zoning	Advantages/Cluster Type
1	Parkside South	161	Town Center, Com.	Airpark/Wilmington Accessibility AIRPORT/CENTRAL
2	Prairie Road Site	184.5	Suburban Res.	Access to Downtown Wilmington AIRPORT/CENTRAL
3	Bypass & Airborne Rd	36.278	Agriculture	Access to new bypass, airpark AIRPORT/CENTRAL
4	Wilmington East	107	General Industrial	Access to new bypass, airpark AIRPORT/CENTRAL
5	St. Rte. 68 Industrial Site	61	Industrial	AIRPORT
6	Sabina st. rte. 729	3303	Agriculture	Huge parcel MEGASITE/OUTLIER
7	Blanchester Industrial	306	Limited industrial	OUTLIER
8	St. Rte 22 & Bypass 73	44.205	Agriculture	Access to new bypass, airpark AIRPORT/CENTRAL
9	St. Rte. 134 & David	106.573	Town Center, Comm	Access to airpark AIRPORT/CENTRAL
10	Colliers Property	~20	Industrial	Access to new bypass, airpark AIRPORT/CENTRAL
11	Duke Property	762	General comm.	Access to I-71 INTERSTATE
12	1701 St. Rte. 22	.74	Town Center, Com.	Proximity to Wilmington AIRPORT/CENTRAL
13	1271 Wayne Rd.	1.3	Commercial	AIRPORT/CENTRAL
14	3167 St. Rte. 73	64.513	Agriculture	Access to new bypass, airpark AIRPORT/CENTRAL
15	2695 St. Rte. 73	3.54	Limited Ind.	Access to new bypass, airpark AIRPORT/CENTRAL

Clinton County, OH



Source: Clinton County GIS 2009. www.clintoncountygis.gov.

Figure 9. Location of clusters in Clinton County

Location Analysis Methodology

Breaking it down even further, a location analysis was completed for each of the fifteen sites based on the following characteristics and methodology:

- **Location (30)** – how close or how far plot is to Clinton County central businesses – i.e. how close is plot to Wilmington
- **Access (25)** – how close or how far plot is to interstates, town center, airpark
- **Size (25)** – relative size of the parcel or plot compared to other plots within Clinton County
- **Infrastructure (15)** – basic necessities needed to run a business or residence – water, gas, electric, sewer, etc.
- **Zoning (5)** – what type of zoning districts is the plot assigned; the assumption is that zoning is flexible throughout Clinton County, thus the relatively low weighting.

The five factors above were weighted on a scale of 1-100, with 1 being low weighting and 100 being high weighting. The weightings are in parentheses in the above description of the location factors. In terms of the weightings that were assigned, location is the most important factor when considering the parcels. Size and access came in a close second. For zoning, we understand that there is relative flexibility in the zoning codes throughout Clinton County so we assigned a relatively low weighting because of that assumption. In addition, the infrastructure of all the sites seems to be on par with each other, and all of the basic amenities are already present or available for hook-up in the near future warranting a low relative score.

From there, each of the sites was assigned a score of 1-10 (1 lowest, 10 highest) for each of the factors. The scores were based on the information provided in the site aggregate document. Table 2 shows the final results of the analysis, ranking the sites from highest to lowest based on the assigned criteria and the methodology described above. Figure 2 is another Clinton County map this time with an overly of the completed site rankings.

Site Analysis Conclusion

In terms of the top five sites that resulted from our analysis they either fall into interstate nodal, airpark related, or megasite/outlier category. There are central cluster properties that must be considered as well. These are the properties that fall adjacent to downtown Wilmington.

Duke Properties and Interstate – Number one based on the rankings of our site analysis methodology, the Duke Property sites along I-71 seem to be the most advantageous site parcels. These sites seem to be on a prime location that could be developed into additional commercial or retail establishments that could take advantage of the transportation and location assets. Transportation and logistics hub would make the most sense at this location.

Recommendations for Development and Funding

Recommendations	Next Steps and Program Details
Ohio Department of Development Funding	<ul style="list-style-type: none"> • Apply for specific funding geared toward logistics and distribution programs http://jobstimulus.ohio.gov/documents/Logistics-Distribution/LogisticsDistributionProgramNOFA11.13.08.pdf • Seek funds that have been allocated through HB 554 – stimulus bill signed by Strickland in 2008 – has section devoted to transportation logistics and distribution
Turn new bypass into toll-road	<ul style="list-style-type: none"> • Begin analysis into feasibility of some sections being turned into toll road • Funds generated would go towards economic development projects, especially transportation/logistics focused development along the new bypass and Duke properties
Establish a Rural Economic Development Zone	<ul style="list-style-type: none"> • Partner with major research university or local college • Seek DOT funds to support this research and development zone geared towards logistics and transportation
Private/Public Financing	<ul style="list-style-type: none"> • Identify private firms or businesses that would be interested in investing in Clinton County and the region, specifically the interstate sites • Driven by Clinton County Economic Development Team with point person and committee organization • Clinton County would offer funding match to those willing to locate in Clinton County • Venture Capital Funding Innovative programs or ideas • Marketing campaign

Airpark Sites– The next three sites in our rankings all fall around the airpark and the new bypass. These sites need to utilize the assets of the airpark, the new bypass, and the town center. There are 12 total airpark sites that could be utilized for development.

Recommendations for Development and Funding

Recommendations	Next Steps and Program Details
<p>Free Zone – small geographic area in which industrial or commercial activity is subject to special taxation rules (Beaugard-Tellier 2003).</p> <p><u>Example:</u> Montreal Foreign Trade Zone at Mirabel, Canada was created in 1999 to encourage firms in aeronautics, international logistics, aeronautical training, and light manufacturing industries to move to the industrial area adjacent to Mirabel Airport (Empowerment and Enterprise Community Act of 1993)</p>	<ul style="list-style-type: none"> • Export-processing free zone-area enjoys special status allowing for free import of equipment and other materials to be used in manufacturing of goods earmarked for export (UNIDO). Involves favourable legal provisions especially pertaining to taxation, which constitute foreign investment incentives. • Offer generous investment subsidies, extended tax holidays, freedom to repatriate all profits, labor assistance,
<p>Enterprise Zones or Business Incentives zone. – focus not only on export market but also on domestic market (Lorot and Schwob 1987).</p> <p><u>Example:</u> Rural Community Empowerment Program (http://www.ezec.gov/)</p>	<ul style="list-style-type: none"> • Encourage industrial development. • Exemption from local taxes • Exemption from undeveloped land taxes. • Simplification of customs procedures. • Deductibility of capital investment from taxable profit from the first year on. • Streamlined priority of building permit applications. • Priority handling administrative formalities.

Sabina Site Megasite/Outlier – The Sabina site came out fifth in our location analysis. The size of this parcel is over 3000 acres and is open to any type of development. Location was the one factor that worked against this site. It is an outlier with no real advantages in terms of location, and this was the one drawback. In addition there be some infrastructure improvements that could add extra cost and time to any projects that decide to locate there.

Recommendations for Development and Funding

Recommendations	Next Steps and Program Details
Federal Agriculture Entrepreneurship	<ul style="list-style-type: none"> • 20 sites are ideal for commercial development both small and large scale. • The federal Small Business Administration provides funds for loans, technical assistance, and training programs for micro enterprises– businesses with five or fewer employees. • Value Added Agricultural Grants program. • Conservation rural development (Homestead Opportunity Act).
Small non-Agriculture Entrepreneurship (micro enterprise)	<ul style="list-style-type: none"> • Rural Enterprise Assistance Program (loans, training, networking, and technical assistance opportunities for startup and existing rural businesses with 5 or fewer employees) • Expand rural markets into regional metropolitan centers (eg. recycling services)
Find Niche Markets	<ul style="list-style-type: none"> • Use the megasite for niche agribusiness market • Markets with more Difficult Standards Offer Higher Premiums • Clint County Regional Recycling processing plant

Central Cluster – There are several sites that cluster around the City of Wilmington. There are several opportunities here for development and funding. With characteristics that are somewhat similar to larger, inner city developments there are strategies and tools that Wilmington and Clinton County could use to develop these properties as part of a larger plan and strategy

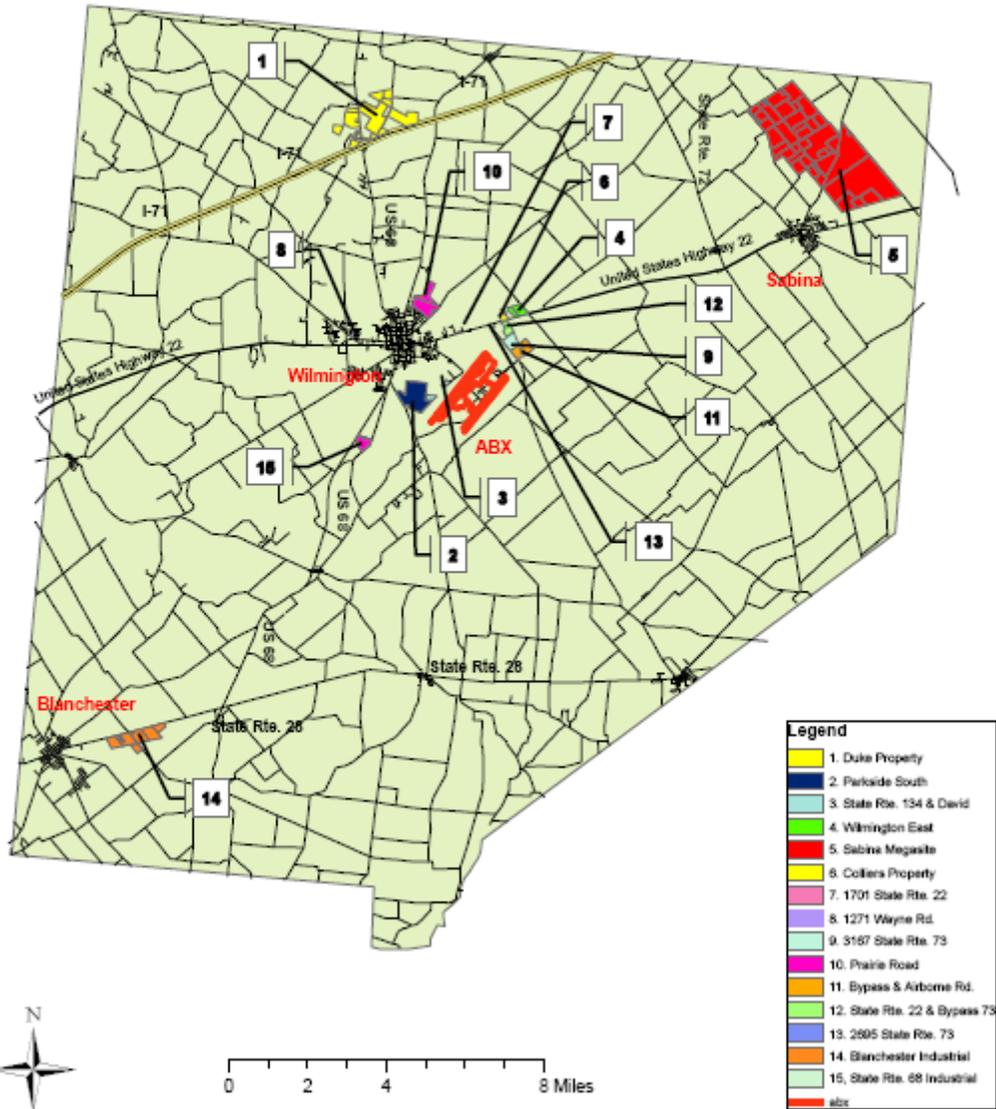
Recommendations for Development and Funding

Recommendations	Next Steps and Program Details
<p>Federal Empowerment Zones</p>	<ul style="list-style-type: none"> • The central cluster with 15-20% poverty rate in the 2000 census tract can be eligible for federal level rural empowerment zone, which provides block grants for health and other human services, as well as tax incentives for community development. • For this, a strategic plan which describes a co-ordinated approach for local economic, community and physical development identifying the available public/private resources must be formulated. This also requires community participation for the development purpose. <div data-bbox="646 726 1195 1136" data-label="Figure"> <p>The map displays Clinton County, Ohio, with two specific census tracts highlighted in orange to indicate poverty levels. Tract 9945, located in the northern part of the county, is labeled '10-15% poverty'. Tract 9947, located in the central part of the county, is labeled '15-20% poverty'. Other geographical features shown include Wilmington College, Wilmington Industrial Airpark, and Cowan State Park in the southwest.</p> </div> <p>source: socialexplorer.com (census 2000)</p>
<p>State Enterprise Zones</p>	<ul style="list-style-type: none"> • Development of Enterprise Zones can also be proposed for the central cluster to receive grants and tax incentives from the state governance for business and industrial cluster development. • The enterprise zones can be designated to promote commercial and retail developments in the central cluster.
<p>Business Improvement Districts</p>	<ul style="list-style-type: none"> • To encourage more commercial and retail trade development in the central clusters, Business Improvement Districts can also be formed in order to enhance the image of the cluster area.

Table 15. Multi-criteria Analysis

	Plot	Size		Zoning		Access		Infrastructure		Location		Total
	Weighting	25		5		25		15		30		
1	Duke Property	8	200	9	45	10	250	10	150	10	300	945
2	Parkside South	7	175	7	35	8	200	9	135	10	300	845
3	St. Rte. 134 & David	7	175	7	35	8	200	9	135	10	300	845
4	Wilmington East	7	175	5	25	8	200	8	120	10	300	820
5	Sabina st. rte. 729	10	250	10	50	8	200	5	75	8	240	815
6	Colliers Property	5	125	8	40	8	200	10	150	10	300	815
7	1701 St. Rte. 22	3	75	6	30	10	250	10	150	10	300	805
8	1271 Wayne Rd.	3	75	5	25	10	250	10	150	10	300	800
9	3167 St. Rte. 73	5	125	8	40	8	200	9	135	10	300	800
10	Prairie Road Site	7	175	6	30	8	200	6	90	9	270	765
11	Bypass & Airborne Rd	5	125	8	40	8	200	6	90	10	300	755
12	St. Rte 22 & Bypass 73	5	125	8	40	8	200	6	90	10	300	755
13	2695 St. Rte. 73	3	75	8	40	8	200	9	135	10	300	750
14	Blanchester Industrial	7	175	8	40	6	150	8	120	8	240	725
15	St. Rte. 68 Industrial Site	5	125	8	40	8	200	7	105	8	240	710

Clinton County, OH



Source: Clinton County GIS 2009. www.clintoncountvois.gov.

Figure 10. The weighted score of the sites

Section III: Case Study and Proposal Review

The Approach

Numerous case studies were analyzed to determine best practices and transferable successful strategies into Clinton County. All of the case studies had/have similar characteristics to Clinton County– small/rural areas that had experienced a major loss of employment. Military base closings and plant closings are two causes of a drastic loss of employment. After reviewing the case studies, four transferable strategies were identified:

1. Manufacturing Enhancement
2. Agricultural Enhancement
3. Diversification
4. Transportation

From the studies it was found that drastic policy changes are not necessary, but county and state level policies are sufficient and will be beneficial. From the analysis, suggested economic development tools and recommendations are presented in the following section. The economic development tools are integrated in the case studies. However, a separate case study is provided for creating a Central Redevelopment Authority, which was found to be useful in many studies and also will be further explored in the following section. This section provides a review of the literature and highlights what was done and how it was done, success measures, and transferability. The appendix provides the full extent of the case studies that were reviewed.

In addition, a review of several of the proposals submitted in response to the Clinton County “Request for Proposal” process are reviewed in this section. The reviewed proposals were selected based on their relevance to some of the final recommendations and strategies that will be found in the conclusion.

Case Study Review

Manufacturing Enhancement – Fort Wayne, Indiana

Background

In 1983 International Harvester (IH), a truck assembly plant closed causing the loss of 6,000 quality manufacturing jobs. Fort Wayne wanted to attract new industry to the location in order to provide manufacturing jobs which utilized the skill level of the

onetime IH employees. Fort Wayne managed economic recovery by attracting General Motors as well as other industrial companies.

Advantages of Fort Wayne

After the departure of IH, the city had two advantages which contributed to the recovery of the economy:

1. The city had received press and thus recognized the city as ready and willing for new industry.
2. Fort Wayne and Allen County had organized new industrial development programs, increased staff, and began assessing infrastructure capabilities and needs when attempting to maintain IH's presence (thus there was an industry development team in place)

Further Development Steps

Fort Wayne had been approached by a GM representative prior to undertaking many development needs. Nonetheless, certain steps were utilized in the process of securing development and attracting other businesses as well.

1. Gathered site information and data
2. Tax Increment Finance (TIF) feasibility study
3. Negotiated state assistance
4. Explored provision of utility services
5. Examined rezoning possibilities (from agricultural to industrial use)
6. Sought a labor training assistance program

All of the costs were shared at the local, state, and federal levels

Success Measures

The Fort Wayne development plan was successful in attracting industries to Fort Wayne and creating jobs.

1. Attract Industry
2. GM did locate in Fort Wayne, replacing the quality manufacturing jobs lost when IH closed.

Transferability

Although Clinton County does not intend to attract solely manufacturing jobs many of the tools used are transferable and can successfully be utilized by Clinton County.

1. Clinton county should take advantage of state and federal assistance programs
2. TIFs can be used to attract businesses
3. Rezoning is a possibility
4. Labor training assistance programs can be explored

Agricultural Enhancement – Gratiot County, Michigan

Background

Non-metropolitan Gratiot County, Michigan is a rural county located within 50 miles of three major urban centers. With a rather homogenous population of approximately 40,000 and incomes ranging from \$10,000 to \$25,000 it was looking for ways to enhance its position in the agrarian economy within Michigan and the rest of the Midwest.

Assets

1. Excellent farmland
2. Crops produced: dry beans, soybeans, sugar beets, corn and wheat, vegetables, dairy products, poultry and beef cattle.

Weakness

1. Rivaling communities, several plant closings, dwindling farming.

What They Did

Gratiot County organized celebrations and festivities (i.e. Rural Urban Day) to overcome existing community rivalries in order to create a “compelling area-wide identity and to form social relationships that link individuals, groups, and organization throughout their region.”

Reasons

1. Emerging county identity based on renewed commitment to agriculture.
2. Develops network development activists and local adherents who are willing to support county-level development activities.
3. Deploy local organizational resources cooperatively at the county level.

Transferability

Clinton County could return to what it was before – agricultural based. The two small local towns: Hamilton and Middletown are in a similar situation to Clinton County and could follow the same direction. The small components of this agricultural sector could unite into a regional cohort (kolkhoz) thus increasing efficiency by sharing resources and materials, making cooperative decisions.

Agriculture becomes an enduring local resource that can generate a more secure foundation for economic recovery, in place of the earlier hopes that manufacturing would drive the local economy. "...agriculture is seen as a resource that may be celebrated but at the same time must be modified in order to increase its local profitability. "Promoting agriculturally-based development projects has become an increasingly important objective that reflects a wider transformation of its priorities from broad-based industrial attraction efforts to a more deliberate strategy that is designed to attract those enterprises that complement the county's existing strengths" (Schurr 1992).

Diversification – Akron, Ohio

Background

In 1980's, the manufacturing sector, mainly the plastic and rubber manufacturing industry, was the only dominant sector in Akron's economy providing 30% of employment to the region. The decline of these industries in 1990's was a major blow to the economy of Akron which then realized the necessity of diversification and restructuring. Thus, the main objective of Akron Economic Recovery Program was to diversify the economic structure and focused on development of other potential sectors since 1990's. The program was considered successful as it helped to reduce the dominance of manufacturing sector and increased the growth in other sectors like services, wholesale and retail trade etc overall increasing the employment generation and tax base.

Strategy

Diversification and restructuring of the economy to reduce the dominance of manufacturing sector was the key strategy.

What They Did

- Identification of the potential sectors which can grow based on the advantages of location and size of Akron metropolitan region.
- Strategic Initiatives such as –
 - Formation of JEDDs to address the issue of lack of developable land.
 - Development of industrial incubators in partnership with University of Akron and State of Ohio to promote entrepreneurship in manufacturing and technological enterprises.
 - Revitalization program of the Downtown to rejuvenate the civic infrastructure and attract commercial development.
 - Facilitation of mixed use developments in the urban cores.
 - Institutional development (mainly in health and education) to fulfill the increasing demand of such facilities.

- Regional Collaboration with philanthropic organizations and other foundations to generate fund in order to initiate the economic recovery program.

Success measures

The success of the economic recovery program was measured in terms of employment, gross product, payroll, and productivity which demonstrated a sharp growth in the regional economy of Akron during 1990-2000 after a decade of decline in 1980-1990.

Transferability

Although the economy of Akron is much bigger as compared to the economy of Clinton County, yet some of the key strategic initiatives can be transferred to Clinton County like

- Development of incubators in partnership with educational institutions like Wilmington College to promote business entrepreneurship.
- Regional Collaboration with financial organizations to generate adequate funds for redevelopment.

Transportation – Toledo, Ohio

Background

Toledo has seen the loss of thousand of manufacturing jobs over the past few decades. The leadership there realized that they had to reposition themselves in a manner that would take advantage of their existing assets – a strategic location for domestic and international shipping.

What They Did

Toledo is currently in the process of using their existing transportation assets to develop and inter-modal/multi-modal transportation hub. This hub includes or will include:

- Regional surface, air, water transportation networks
- Knowledge center that promotes itself as a regional transportation network

This hub will be known as the Lake Erie Global Logistics Hub.

How They Did It

The development plan is based on regional collaborative between Northwestern Ohio Counties and Southern Michigan Counties. Also involved are approximately 10 other groups that have a stake in the success of the plan.

Success Measures

- Development of the facilities to handle this proposed shipping hub
- Infrastructure projects to enhance surface, air, and water transport

Transferability

Wilmington has the transportation infrastructure – air, surface, rail— to be a major player in the inter-modal/multi-modal transportation networks.

Central Redevelopment Authority – Orlando, Florida

Background

This training center operated for 30 years and was an important component of the regional economy. It also provided 4500 jobs for the region and used to bring \$500 million annually into the local economy. It was announced in 1993 that the base will be closed down in 1997.

Approach for Economic Recovery

Converted 1,100 acres of the former base into mixed use development, now called Baldwin Park.

The former naval base area is now home to 3,000 residential units, with 350,000 square feet of retail space, 1 million square feet of office space (within a 40 acres town-centre in the core) apart from 200 acres park space, lakes and wetlands.

How They Did It

1. Formation of a Community Redevelopment Agency with the announcement of closure in 1993 by BRAC (Base Realignment and Closure) commission.
2. The Baldwin Park Development Master Plan was proposed by the development authority in 1994 with help of a consulting team – a model of Public Private Partnership development.
3. The Master Plan was implemented as soon as the land ownership was transferred to the city by the Navy.

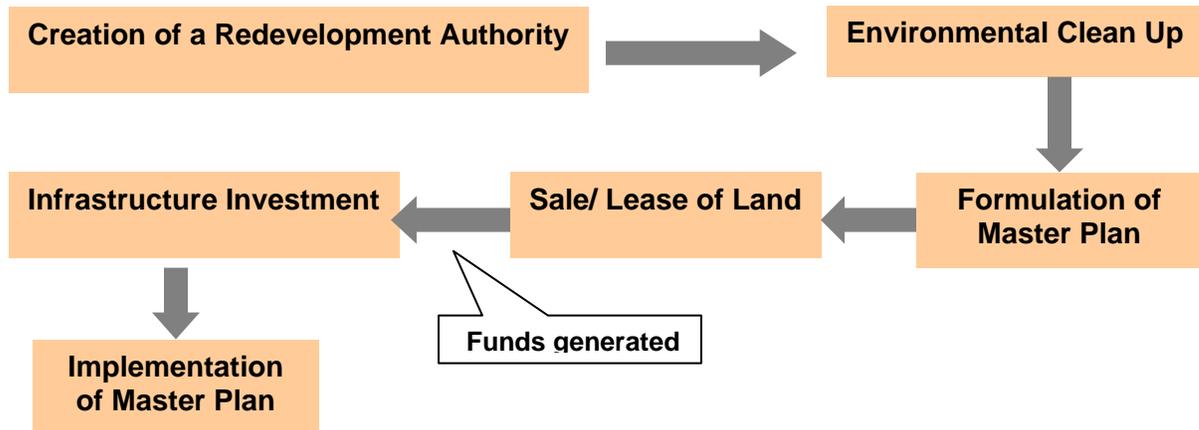
Success Measures

1. It created 6000 jobs with \$200 million annual wages.
2. Increased the tax base of local government by \$20 million.
3. The revenue started coming in from 2002.

Transferability

- **Urban Governance:** Creating a single administrative body and developing a political network to support the future plans of the community.
- **Public Private Partnership approach:** The effort of the Redevelopment Authority in developing willingness of the local interest groups.
- **Assessment of the future use based on the past use:** Development of realistic future plans based on the assessment of function of the military base. Since the base was used only as a training center with no industrial activity, mixed uses like residential, commercial, retail etc. were assessed to be the most suitable use for the site.

Figure 11. The General Strategy of Military Base Redevelopment in US:



Qualitative Review of Submitted RFP's

The following is an analysis of a few select RFP's that were submitted to the Clinton County Economic Development Office. The proposals that are analyzed were selected due to their potential for possible integration into the final recommendations of this report – these recommendations are presented at the end of this report.

Review of Emersion Proposal

Emersion proposed for the green development of the area around the airpark using recycling, wind energy generation, biomass cultivation, and establishing a symbiotic business relationship among development in the area. This proposal is attractive because it suggests sustainable development which has environmental and economic not only for the immediate area around the airpark in Wilmington but also for the Clinton County as a whole.

Wind Energy

The Emersion proposal suggests developing wind energy in the open spaces around the airpark to generate electricity for the surrounding community. The wind speed in the Clinton County near the northeast is optimal for commercial uses. Ohio's wind speed at 100 meter height show considerably more wind resource potential than maps analyzed at 50 m height. The 50 m wind resource map generally indicates wind resources that are considered too low for commercial development, except for some coastal and offshore areas of Lake Erie. The new wind maps for the 100 m height show considerably greater wind resource due to the wind shear, or change of wind speed with height that is present in Ohio. Areas where the average wind speed is at least 7.2 m/s are considered a class 4 wind resource. These areas are considered good for commercial development, and are prevalent in much of Ohio. These areas are defined on the map in the two darker shades of purple (Elliot, 2008).

Regarding providing incentives in January 2009, State of Ohio provided Green Energy Grants for up to \$3.5 million that counties such as Clinton County can use for such ideas as wind energy. The area of Sabina in north eastern Clinton County can potentially serve as an optimum location for wind energy because there is a large plot of empty land available for development.

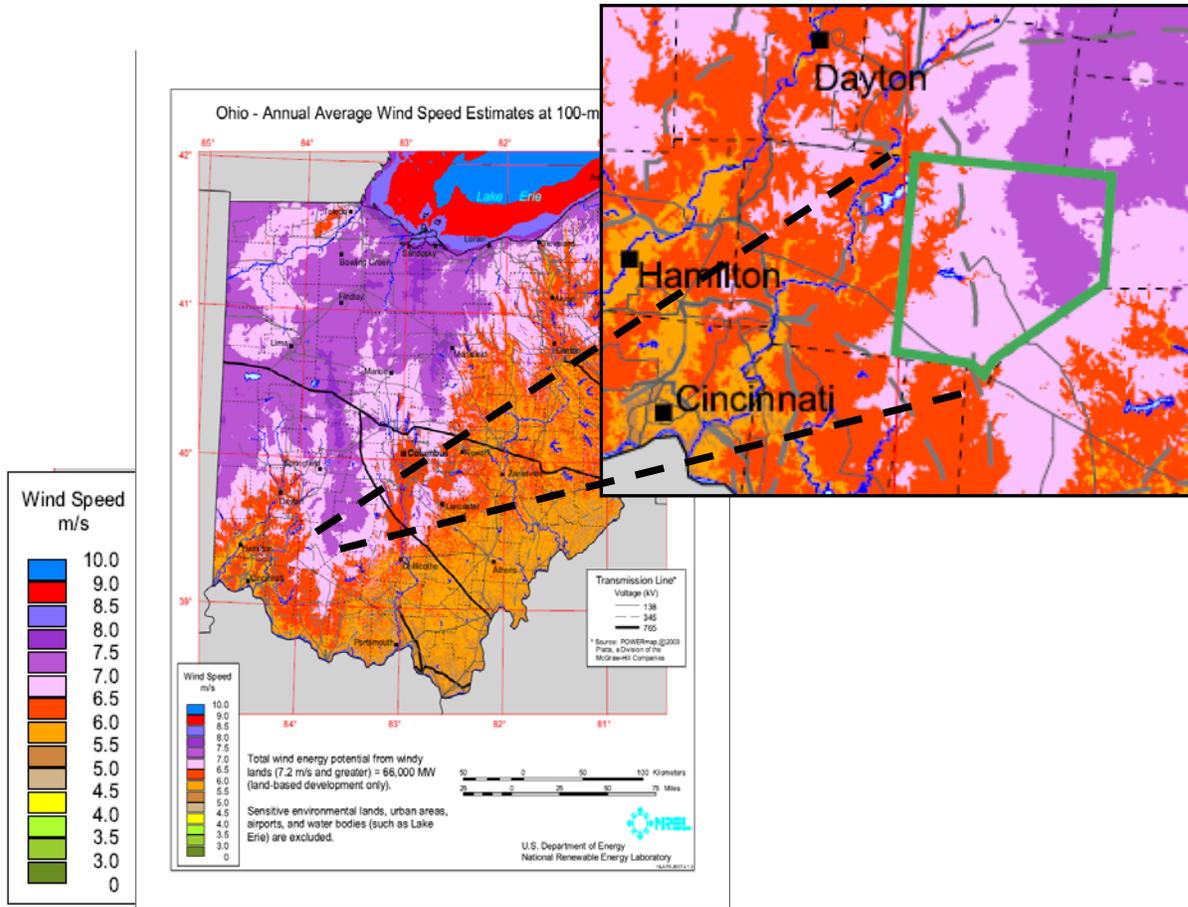


Figure 12. Wind Speed map

Recycling

Another proposed idea for Wilmington is to have a recycling processing plant there. This idea is a regional development plan which suggests gathering, processing, and redistributing recyclables for the region. The areas of Dayton, Columbus, and Cincinnati and beyond will benefit from this service because there is a dearth of recycling processing plants in Ohio. The proposal will benefit the working force for Clinton County. The location of the recycling processing plant could be located at the Airpark if the facilities are available through a DHL agreement. This would make the transition process easier because the site will provide a site already constructed for sorting. Otherwise, the large available plots in Blanchester and Sabina are also prospective sites for recycling plant development.

Biomass/Symbiosis

The proposed biomass idea for the city is suggested is an alternative energy idea which suggests cultivation of algae as biofuels because they are more efficient than other crop-

based energy sources such as soybeans. This idea will require the use of a green house to cultivate the algae and use them as energy sources for commercial and residential uses.

The idea of symbiosis is used to describe the clustering that would ideally take place among the development in the Clinton County. An example is the use of the algae biofuels by local industries while these industries provide the excess water from manufacturing for algae cultivation. The main idea of symbiosis is to have self-sustaining activities.

Review of BPI/INTA Proposal

BPI and INTA plan to collaborate together to redevelop the airpark. The document does not state any specific plans for redevelopment. However, broad strategies and possibilities are provided. The collaboration intends to focus on a main industry and attract further businesses due based on the linkages. The company proposed two levels of development.

1. Use economic clusters to create competitiveness linked to innovation. Rural Clusters have been shown to have both advantages and disadvantages. Cluster development is not always successful and is difficult to encourage through policies.

Advantages: Rural clusters have been shown to increase wages and increased competitiveness. Localization economies may develop (Scorsone 2002, Munnich et al. 2002).

Disadvantages: Often rural clusters do not lead to a diversified economy and can create a risk of dependency on linked industries (Scorsone 2002, Munnich et al. 2002).

Local Government Role: In helping to influence cluster development the local should focus on increasing specialized medium skilled labor needed specifically for the cluster industries. Medium skilled labor is less mobile than high skilled labor and not as abundant as low skilled labor (Bartik 2003).

2. Examination of physical and human capital assets in Wilmington (including airpark, but other industrial land potential as well)

Initial Redevelopment Ideas

BPI and INTA briefly suggested a few possible redevelopment ideas to be further explored for both continuing air activity at the air park as well as no air related activity. Development suggestions were not elaborated on. Development ideas assuming air transport activity include research and innovation, air maintenance, testing, renovation or training facilities.

These activities will require skilled labor which can be utilized from former DHL employees and possibly enhance opportunities. Much of the DHL laborers can be utilized. Leisure activities such as air shows and air sports were also suggested. Non air transport activity suggested included green energy (wind turbines), logistics, and a correctional facility. Correctional facilities may not be accepted by county residents. Furthermore, correctional facilities may only contribute to economic success in the short term (Blankenship 2004).

Review of EDAW Proposal

Reuse the Airport for a Similar Purpose

Reuse the airport for a similar purpose. This approach offers the easiest short term transition of the facilities and trained labor force that supports the current uses. Many of these uses could use a portion of the overall facility allowing for continued marketing of other portions to future uses. By maintaining a similar purpose, it is likely the site could only be marketed for related or complimentary activities.

Some of the types of uses include the following:

- Aircraft maintenance / repair
- Shipping / distribution facility (Inland Port)
- Pilot training
- Aircraft storage
- Connect with GE engines facility in northern Cincinnati – to install on planes
- Space Port (restart conversations with State of Ohio Department of Development and Planet Space regarding creation of a space hub) - This is the one use that would likely take most of the site to implement.

Reuse/Repurpose Site to Take Advantage of Infrastructure

Reuse the site for uses that could take advantage of a portion of the existing buildings / infrastructure. These uses would potentially allow for some portions of the site and buildings to be reused or retrofitted for other uses. These uses could also be implementing as part of activities that would occur under approach #1.

- Manufacturing / warehousing facility

- Alternative energy generation facilities
- Disaster relief, FEMA or related marshalling area

Sell Facilities

Sell, auction or repurpose as many of the facilities and equipment as possible. This approach could occur if it was clear that specific uses were not going to occur or are ruled out of the long-term redevelopment options. This approach could help the City support some of the near term costs that would likely be associated with redevelopment of the site.

Sell assets to the highest bidder (control tower, ground equipment, sorting and shipping equipment, scrap from demolished buildings, etc).

Complete Redevelopment of Site

Complete redevelopment of the site. This approach is probably the last option that would be pursued assuming the reuse of a portion or the entire site for similar uses is not successful. While in the long run this could offer the most visionary approach to the site and community, it would likely take the longest and require the largest up front investment.

Section IV: Proposals and Recommendations

Sector Proposals & Strategies

Based on the analysis and case studies, three sectors have been identified for areas for policy recommendations and sector development. These sectors include:

- Agricultural/Agribusiness
- Manufacturing
- Transportation

These recommendations are based primarily on the strengths of the county, but also take into consideration the long term benefits of development of these sectors from a regional and national standpoint. There are certain tools and grants that Clinton County should look into to further the development of the above clusters. The below analysis will offer some suggestions and recommendations for advancing the development of the above clusters.

Regarding the strategy and policy recommendations, the following are recommended:

- Creation of a development authority
- Attracting new development
- Develop and cultivate workforce
- Regional alignment
- Green development

Sector Proposals

The sectors of agriculture, manufacturing, and transportation are recommended because Clinton County has historically showed strength in these industries and, with the proper approach, can continue to perform well in these areas.

Agriculture/Agribusiness Development

Agricultural development has been a large proponent of the county's history as there are numerous granaries presently that attest to this fact as well as a vast amount of cropland. This cropland is currently primarily used for oilseed production. These farms should try to create cooperatives to make them competitive regionally. Additionally, there should be research and development in the area of agricultural development to promote growth in these industries. The agricultural possibilities of the current economy are

endless. There are many manufacturing industries in the area that could benefit from advanced agricultural byproducts such as methane from oilseed production. Another idea that was proposed by the emersion VLA LLC proposal was the idea of algae production as a more efficient energy crop than oilseed. The amount of energy produced by algae makes it a more efficient biocrop than soybean, corn, or oilseed. Either way, Clinton County will benefit from strengthening its current agricultural sector and creating opportunities for its growth.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
Rural Economic Development Zone <i>STATE, REGIONAL, AND COUNTY</i>	<ul style="list-style-type: none"> Investigate the possibility of establishing a rural economic development zone.
Federal Agriculture Entrepreneurship <i>REGIONAL AND COUNTY</i>	<ul style="list-style-type: none"> Through the Small Business Administration and other agricultural specific grants; Homestead Opportunity Act.
Partnerships <i>REGIONAL AND COUNTY</i>	<ul style="list-style-type: none"> With local universities and research incubators, especially land grant universities that have strong agricultural programs.
Tax and Land Incentives <i>STATE, COUNTY, AND FEDERAL</i>	<ul style="list-style-type: none"> Collaborative local, state, and federal tax breaks to incent new businesses to locate in Clinton County, especially to form new businesses around agriculture.
Development of Cooperatives <i>COUNTY</i>	<ul style="list-style-type: none"> In order to obtain greater efficiencies and to complement the existing strengths of the Clinton County economy. With a very low percentage of individuals and companies dedicated to agriculture sector, coordinating this effort should not be that difficult. There needs to be lower barrier to entry, as well as demonstrated benefits of getting into this business. State and federal grants are available, as well as recently introduced stimulus package.

Manufacturing Development

The proposal is to expand the auto parts manufacturing because of the current focus on this type of industry in the county. The auto parts industry might be feeling the economic contraction recently, but the focus of Clinton County should be on auto parts in renewable energy. With the industry shifting towards hybrid, flex-fuel, hydrogen, and electric vehicles, there are countless auto-parts industries the county could adopt. Again, there can be training programs at the vocational institutions in Clinton County to develop the workforce. Near the end of 2008, there was a \$150 billion Bi-partisan Job Stimulus for Advanced Energy passed in Ohio. This fund could be tapped into by the county to attract advanced auto parts industries or the current auto-parts industries in the area could be provided incentives for the upgrade.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Collaborative Policies and Programs between the state and local governance to promote small business incubators. <i>STATE</i></p>	<ul style="list-style-type: none"> • Ohio Small Business Development Centers programs by ODOD which fosters a strong climate for small business growth through a statewide integrated system of small business service, advocacy and awareness, and partnerships with chambers of commerce, colleges and universities, economic development organizations etc. This kind of programs provides support to the small businesses in form of funding as well as capacity building and resource aid. • Community Development Block Grant by ODOD which provides funds to local government to provide gap financing for local business development. •
<p>Policies to create alternative tax base in the local communities. <i>STATE</i></p>	<ul style="list-style-type: none"> • The closure of DHL is expected to create a major gap in the tax base of local communities. Thus creating alternative tax base is a challenge for the local governance and
<p>Incentives to attract alternative investments into the region <i>STATE and COUNTY</i></p>	<ul style="list-style-type: none"> • State and County can provide incentives in form of tax incentive or land incentive to attract alternative investments into the region. <ul style="list-style-type: none"> ○ Tax Increment Financing ○ Tax Abatements ○ JEDD ○ Zoning Flexibility, Overlay Districts ○ Transportation Improvement Districts
<p>Policies to promote a diversified economy by providing more incentives to the smaller sectors <i>STATE</i></p>	<ul style="list-style-type: none"> • As observed from the economic analysis, sectors like arts, entertainment, education, wholesale and retail trade, services, agriculture etc. should be promoted more than the other sectors in order to diversify the economy of the region. • This can be achieved by providing more incentives towards investment in these sectors, developing public private partnerships, and collaborating with financial organizations to generate funds.
<p>Effectively market and utilize the available land <i>COUNTY</i></p>	<ul style="list-style-type: none"> • Invest in GIS application to actively market the available land – see Savannah case study • Come up with an effective way to manage and market the former DHL facility • Attend conferences or market industry shows – see LaGrange, GA case study
<p>Policies to provide financial support to the sectors which are affected the most by DHL closure <i>STATE</i></p>	<ul style="list-style-type: none"> • Sectors like Warehousing & storage, Food services, Real Estate, Professional services, Repair and Maintenance etc. which are affected the most from DHL closure should be given financial support on prior basis.

Transportation and Logistics Development

Finally, the last sector that is proposed is the transportation and logistics sector. This should not come as a surprise as this is the primary strength of the County, as shown in the economic analysis in Section I. There are several existing assets that Clinton County can take advantage of in harnessing this strength. These include:

- Existing airpark facilities
- Accessibility to ground and air resources
- Plenty of open land for establishing dry port facilities
- Existing cluster of transport and shipping companies

The transportation and logistics sector in that is currently functioning is the transportation via R & L Carriers. The DHL hub was a major component of this sector’s success in the past. The use of the area near the airport for a transportation and shipping hub that has regional usefulness is an ideal scenario. The RL Carriers proximity to this location would also provide an easy access to this hub to them. Additionally, the proximity of this area to the highway is another reason why using this plot as a transportation hub would be beneficial. Another suggestion is use this area as a dry port. The regional location of Clinton County would make it an ideal location for a dry port for the warehousing needs of carriers along Interstate 71 and other surrounding areas.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Establish or join regional transportation framework for developing Clinton County and surrounding counties with goal of sitting on those boards – REGIONAL AND COUNTY</p>	<ul style="list-style-type: none"> • Assess current Clinton County transportation organizations; assess regional organizations • Research current joint projects and group purchasing to determine if they could be expanded to other jurisdictions for even greater cost savings. • Establish committee for studying the regional transportation organizations • Create a regional database of existing cooperative governmental ventures and opportunities • Reward cooperative projects via regional project selection criteria. • Encourage jurisdictions to use state purchasing agreements and/or local multi-jurisdictional agreements. • Encourage local jurisdictions to specialize in services or materials and make these available to other jurisdictions rather than duplicating efforts. • Educate elected officials on how local jurisdictions are using current dollars efficiently to maintain and improve the current system, in order to gain their support for more transportation funding.

<p>Develop Center for Transportation Education and Innovation – REGIONAL AND COUNTY</p>	<ul style="list-style-type: none"> • Contact Regional Universities – University of Cincinnati, Ohio State, Wilmington College, Wright State, University of Dayton, etc. • Investigate joining the US DOT UTC that University of Toledo has established with other major universities • Engage with the Upper Midwest Freight Corridor Study • Talk with R&L carriers and transport companies in area to gain there subject matter expertise • Seek funding or grants for these types of initiatives – see Toledo Projects – these include: <ul style="list-style-type: none"> ○ Seek funding for US DOT University Transportation Center ○
<p>Develop Multi-Modal Transportation Frameworks and Transportation Opportunity Districts – REGIONAL AND COUNTY</p>	<ul style="list-style-type: none"> • Research possible projects that are looking for efficiencies in train, truck, and air. • Identify possible Transportation Opportunity Districts in these three areas: <ul style="list-style-type: none"> ○ Surface ○ Air ○ Water (regionally, through Cincinnati) • Establish team to tackle and become knowledgeable of the regional and federal transportation projects that are being researched and proposed. • Develop relationships with the carriers – Norfolk Southern, etc – see Heartland Corridor Project and the work done to make Rickenbacker multi-modal facility. • Utilize existing transport facilities and build upon those assets • Seek funding through all available transportation agencies at state and federal levels through regional framework, these include: <ul style="list-style-type: none"> ○ Transportation Opportunity District ○ Foreign Trade Zone Tax Credit ○ Inventory Tax Reductions

Strategies, Tools, and Policy Proposals

There are certain characteristics and themes that resonated in the case study analysis. Based on demographic and economic similarities these tools and recommendations could be transferable to Clinton County. These steps include:

- Creation of a development authority
- Attracting new development
- Develop and cultivate workforce
- Regional alignment

- Green development

These are general actions that could be taken in order to spur and/or improve development in the sectors mentioned previously.

Creation of a Development Authority

The creation of a development authority was a common initial step that took place in areas facing a major employer loss. This authority's main purpose is to serve as the administrator of all development efforts that take place in response to the economic shock. It is up to the community and local government about how powerful this authority should be. It was generally the case that this authority oversaw and served as the executive body that handled all new development relating to the economic shock of the area.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Creation of Development Authority (see Denver Stapleton) CITY, COUNTY</p>	<ul style="list-style-type: none"> • Establish 501 (c) 3 Management Structure – Non-Profit Development Corporation – 12-18 months <ul style="list-style-type: none"> ○ Governed by Board of Directors ○ Board of Directors appointed by Mayor and County Officials ○ Identify and hire permanent staff ○ Contractual arrangement with County will detail authority and responsibilities which could potentially include: <ul style="list-style-type: none"> ▪ Final development plan for sites ▪ Land use planning ▪ Management of sites and redevelopment of sites – both airpark and other related sites ▪ Contract negotiation ▪ Financing mechanisms ▪ Infrastructure development ▪ Marketing and partnership arrangements; business retention and expansion ○ Start-up funding will have to be provided by State or County – possibly even philanthropic • Eminent domain powers would be contingent on Ohio State law regarding eminent domain law • Ongoing Funding Mechanisms and Options <ul style="list-style-type: none"> ○ Bond issues ○ Creation of TIF Districts ○ Stimulus Funding ○ Philanthropic

	<ul style="list-style-type: none"> • Other priorities of Development Corporation <ul style="list-style-type: none"> ○ Marketing of Airpark and other viable sites in Clinton County ○ Community outreach
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Attracting New Development and Diversification

After the development authority is created preconditions should be set to attract new investment. In other words, there are certain economic tools and strategies that could be used to make the area of Clinton County attractive to investors.

From the site analysis made earlier in the report, there are clusters around the airport that have varying sizes and could be used for numerous types of developments. For this reason it is recommended that these areas be designated as free trade zones for development. There are potentially beneficial uses of these lands as either commercial, light industrial, residential or some combination of these. The second type of precondition we recommend is that the area around the north east plot to be a tax increment financing (TIF) zone due to its proximity to transportation points (state routes, interstate highway, and the railroad). However, this financing should be used not only for development but also for infrastructure improvements. This way local tax payers will benefit from the improved infrastructure while the developers benefit from the financing of their project. If there are other areas that become available and are near major infrastructures, it is recommended that this tool be used for attracting development to that area.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Collaborative Policies and Programs between the state and local governance to promote small business incubators. <i>STATE</i></p>	<ul style="list-style-type: none"> • Ohio Small Business Development Centers programs by ODOD which fosters a strong climate for small business growth through a statewide integrated system of small business service, advocacy and awareness, and partnerships with chambers of commerce, colleges and universities, economic development organizations etc. This kind of programs provides support to the small businesses in form of funding as well as capacity building and resource aid. • Community Development Block Grant by ODOD which provides funds to local government to provide gap financing for local business development. •
<p>Policies to create alternative tax base in the local communities. <i>STATE</i></p>	<ul style="list-style-type: none"> • The closure of DHL is expected to create a major gap in the tax base of local communities. Thus creating alternative tax base is a challenge for the local governance and
<p>Incentives to attract</p>	<ul style="list-style-type: none"> • State and County can provide incentives in form of tax

<p>alternative investments into the region <i>STATE and COUNTY</i></p>	<p>incentive or land incentive to attract alternative investments into the region.</p> <ul style="list-style-type: none"> ○ Tax Increment Financing ○ Tax Abatements ○ JEDD ○ Zoning Flexibility, Overlay Districts ○ Transportation Improvement Districts
<p>Policies to promote a diversified economy by providing more incentives to the smaller sectors <i>STATE</i></p>	<ul style="list-style-type: none"> ● As observed from the economic analysis, sectors like arts, entertainment, education, wholesale and retail trade, services, agriculture etc. should be promoted more than the other sectors in order to diversify the economy of the region. ● This can be achieved by providing more incentives towards investment in these sectors, developing public private partnerships, and collaborating with financial organizations to generate funds.
<p>Effectively market and utilize the available land <i>COUNTY</i></p>	<ul style="list-style-type: none"> ● Invest in GIS application to actively market the available land – see Savannah case study ● Come up with an effective way to manage and market the former DHL facility ● Attend conferences or market industry shows – see LaGrange, GA case study
<p>Policies to provide financial support to the sectors which are affected the most by DHL closure <i>STATE</i></p>	<ul style="list-style-type: none"> ● Sectors like Warehousing & storage, Food services, Real Estate, Professional services, Repair and Maintenance etc. which are affected the most from DHL closure should be given financial support on prior basis.
<p>Effective Marketing and Communications Strategy <i>COUNTY</i></p>	<ul style="list-style-type: none"> ● Coordinated and comprehensive marketing effort to advertise the advantages of selecting Clinton County and the surrounding regions as a good place for business ● Multi-faceted effort to include web, email, literature/brochures, ● Properly segment who Clinton County wants to target or market to – this could entail market research or market analysis study of who would be most likely to locate in Clinton County

Workforce Development and Training Programs

The third action that is recommended is the training of the workforce in the county in order to give the current residents more occupation options as well as to attract investments that require a skilled labor force. There are numerous institutions around the county that could be used as training institutions. Additionally, the Ohio Bipartisan Job Stimulus Plan could provide funds for job creation in energy, bio-medicine, bio-based products and logistics/transportation.

For rural areas like Wilmington Ohio workforce development is as key as finding work for the residents. Literature review shows the need to create a local workforce development through employer involvement. Rural America faces numerous challenges in building a high-wage, high-skilled workforce. Workers in rural areas have less formal schooling and training and receive lower returns on their labor than do workers in urban areas (Beaulieu & Mulkey, 1995; Swaim, 1995). Employers in rural areas have less demand for skilled workers and tend to be located in competitive markets that pressure them to cut costs, especially for job training (Gibbs, Swaim, & Teixeira 1998). This is especially true for the situation in Wilmington as DHL cut its major operation due to competitive losses in the shipping/air cargo business.

However, rural communities face a dilemma: if they are successful in attracting employers demanding high-skilled workers, the workforce may not be available. This is true for Wilmington as most of residents are working class. Conversely, if workers are trained for positions that are unavailable in the region, they may move to where the jobs are or where they can obtain a higher wage.

For example, the retention rate for Wilmington college for the year 2007 was 73% for full-time and 69% for part-time compared to 82% full-time and 52% part-time for the University of Cincinnati, 87% full-time for University of Dayton, and 92% full-time and 79% part-time for Ohio State (City Town Info, 2009). Luckily the retention has improved from the 2005 data for Wilmington College which was 64% full-time and 36% part-time compared. However, Wilmington College's graduation rate (57%) is higher than the University of Cincinnati's graduation (51.9%). So the college has good graduation prospects and the retention rate is on an increasing trend. Although these colleges are major campuses but because of their regional proximity Wilmington needs to consider strengthening its workforce development to prevent labor drainage into these universities.

Table 16.

Retention Rates from 2004 (from previous year)*				
	Wilmington Coll.	U. of Cincinnati	U. of Dayton	Ohio St.
Full-Time	64%	77%	87%	88%
Part-Time	36%	57%	-	69%

*City Town Information

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Trade Adjustment Act (TAA) <i>FEDERAL</i></p>	<ul style="list-style-type: none"> • Provide Service and retraining benefits to workers whose unemployment is due to international competition. • Plant closing legislature – Need to be addressed.
<p>Dislocated Worker Projects funded under Title III of the Job Training and Partnership Act (JTPA) – Governor’s Job Training Council <i>FEDERAL</i></p>	<ul style="list-style-type: none"> • Retraining for workers whose job has been eliminated. • Concentrate on experienced workers who have lost jobs due to a layoff or plant closing, rather than inexperienced, economically disadvantaged individuals. • Provide technical assistance to program operators. • 70% of all Title III funds need to be devoted to training activities. U.S. Department of Labor (DOL) built into the Title III budget an estimated cost per slot of \$6,610 for transition year. • The principal method by which the money is distributed <ul style="list-style-type: none"> ○ State’s share of number of all unemployed ○ The state’s share of the number of ‘excess’ unemployed persons (above 4.5% of the civilian labor force. ○ The state’s relative share of persons unemployed of longer than 15 weeks.
<p>Comprehensive Education and Training Act (CETA) <i>FEDERAL</i></p>	<ul style="list-style-type: none"> • Job Search training programs. (Example: 3 Kroger closures in Lafayette, IN, in 1983) <ul style="list-style-type: none"> ○ Designed Project Care (Community Action Retraining and Employment). ○ Contact employees, assess the training needs, <i>build links</i> with retraining institutions, <i>enrolling</i> in job clubs to aid placement, <i>referral, follow-up</i> support.
<p>Cluster Specific Training Programs <i>COUNTY, STATE</i></p>	<ul style="list-style-type: none"> • Investigate state and federal programs that are geared towards specific industries – i.e. transportation/logistics, green manufacturing
<p>Hub-Spoke Community Training Programs <i>COUNTY, STATE</i></p>	<ul style="list-style-type: none"> • Investment in these training programs are also to be explored both at state and county level.
<p>Create training programs to increase medium skilled workers <i>COUNTY</i></p>	<ul style="list-style-type: none"> • Invest in job training programs: customize to needs of individual firms (Bartik 2003) • Partner with area educational facilities
<p>Local Workforce Development <i>LOCAL, COUNTY, STATE</i></p>	<ul style="list-style-type: none"> • Special scholarship (from Wilmington College, Southern State, and Laurel Oaks nearby colleges) for displaced workers • Ohio Bipartisan Job Stimulus Plan • ODOB FREE SAT, GED, U.S. Citizenship, and civil service testing online - Learn-A-Test programs
<p>Organizations</p>	<ul style="list-style-type: none"> • Northwest Central labor Council (NWCLC)

	<p>http://www.manta.com/coms2/dnbcompany_h5r73f</p> <ul style="list-style-type: none"> • Displaced Workers Assistance Agency (DWAA) California Unemployment insurance Code :Section 15075-15079 – Dislocated Worker’s Assistance – Title III of the federal Job Training Partnership Act.
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Regional Alignment

In a majority of the case studies that have been analyzed regional collaboration is the key to success. Clinton County needs to assess the strengths of the Southwest Ohio Region and determine where it is lagging. Section I of this report (Determination of a Typical Economy) analyzes how Clinton County compares to counties of similar demographic and economic makeup. In addition, the regional analysis shows the strengths of the region, and how Clinton County compares to the region. Clinton County has not seen spin-off benefits from the success of the adjacent counties based on the regional analysis.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Need to reevaluate regional/state framework, especially for logistics and transport industries STATE, COUNTY, AND REGION</p>	<ul style="list-style-type: none"> • Reward/incent regions that act cooperatively, as opposed to locally • State needs to provide single point of contact for each region • Enhance relationships between economic development organizations and driver industries.
<p>Look for ways to take advantage of the success of the surrounding counties</p>	<ul style="list-style-type: none"> • Clinton County is weak in the strengths of the surrounding region, specifically regional and divisional headquarters and banking • Look for ways to collaborate and actively market the areas talent and skills

Green Development

The final recommendation action is the need to focus on green development. Earlier, it was mentioned that the current manufacturing in Clinton County could focus on adopting the modern energy mantra, that is energy conservation technology and manufacturing. In addition to manufacturing it is also recommended that the county consider wind technology as a way of electricity generation for the area. Earlier in the report it was mentioned that Clinton County could adopt commercial level electricity generation if turbines at 100 meters are installed. This would help spur and promote further green

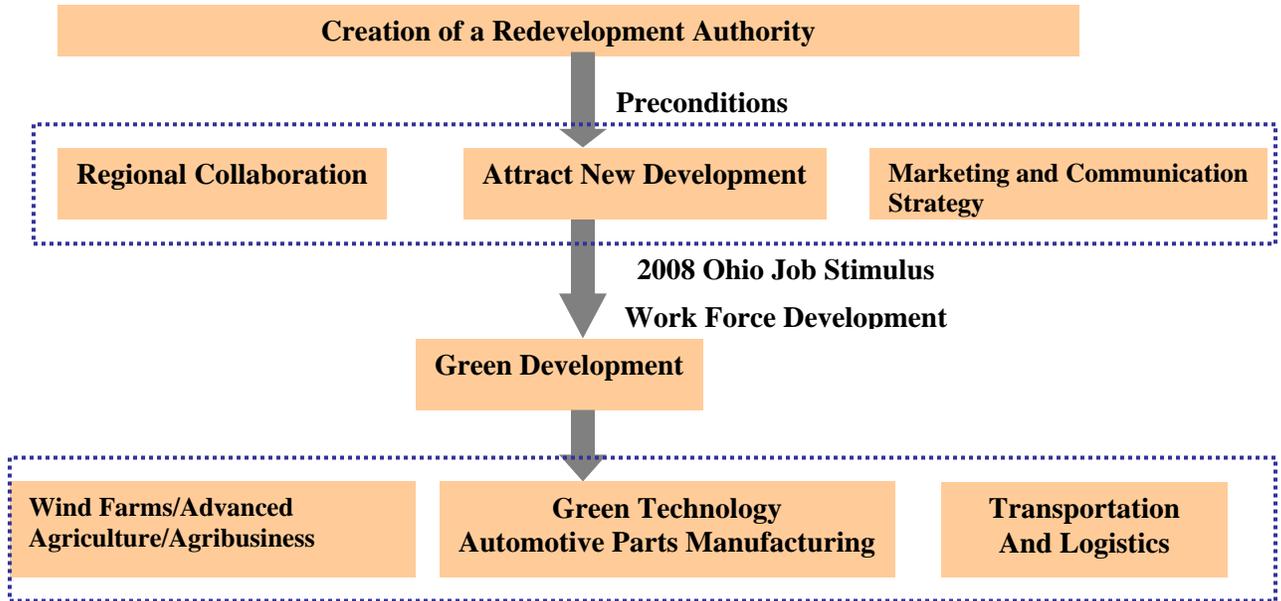
development in the region, and save energy costs in the long-term. Also, there are numerous state funds available for development in this area.

Recommended Strategies, Tools, and Tactics

Recommendations	Next Steps and Program Details
<p>Collaborative Policies and Programs between the state and local governance to promote small business incubators. <i>STATE</i></p>	<ul style="list-style-type: none"> • Ohio Small Business Development Centers programs by ODOD which fosters a strong climate for small business growth through a statewide integrated system of small business service, advocacy and awareness, and partnerships with chambers of commerce, colleges and universities, economic development organizations etc. This kind of programs provides support to the small businesses in form of funding as well as capacity building and resource aid. • Community Development Block Grant by ODOD which provides funds to local government to provide gap financing for local business development.
<p>Policies to create alternative tax base in the local communities. <i>STATE</i></p>	<ul style="list-style-type: none"> • The closure of DHL is expected to create a major gap in the tax base of local communities. Thus creating alternative tax base is a challenge for the local governance and
<p>Incentives to attract alternative investments into the region <i>STATE and COUNTY</i></p>	<ul style="list-style-type: none"> • State and County can provide incentives in form of tax incentive or land incentive to attract alternative investments into the region. <ul style="list-style-type: none"> ○ Tax Increment Financing ○ Tax Abatements ○ JEDD ○ Zoning Flexibility, Overlay Districts ○ Transportation Improvement Districts
<p>Policies to promote a diversified economy by providing more incentives to the smaller sectors <i>STATE</i></p>	<ul style="list-style-type: none"> • As observed from the economic analysis, sectors like arts, entertainment, education, wholesale and retail trade, services, agriculture etc. should be promoted more than the other sectors in order to diversify the economy of the region. • This can be achieved by providing more incentives towards investment in these sectors, developing public private partnerships, and collaborating with financial organizations to generate funds.
<p>Effectively market and utilize the available land <i>COUNTY</i></p>	<ul style="list-style-type: none"> • Invest in GIS application to actively market the available land – see Savannah case study • Come up with an effective way to manage and market the former DHL facility • Attend conferences or market industry shows – see LaGrange, GA case study
<p>Policies to provide financial support to the sectors which are affected the most by DHL closure <i>STATE</i></p>	<ul style="list-style-type: none"> • Sectors like Warehousing & storage, Food services, Real Estate, Professional services, Repair and Maintenance etc. which are affected the most from DHL closure should be given financial support on prior basis.

In conclusion, there are many options for Clinton County despite what happened with DHL. The main thing is to establish a development authority and establish an overall goal for the direction the county wants to see itself grow.

Proposed Steps Towards Clinton County Development



Section V: Conclusion

Based on the economic analysis and the case study review that has been conducted Clinton County should focus on developing three main clusters:

- Agriculture/agribusiness
- Manufacturing
- Transportation/logistics.

The first two sectors seem ripe for development within the county. They would bring some diversification to the county as well. Clinton County is abundant in undeveloped farmland, and with the surrounding universities and research centers it needs to take advantage of the current wave and interest in agribusiness. Manufacturing is below the typical county average and minimum, but with some investments and incentives in this area, especially on the green manufacturing side, this sector could easily approach the minimum and the average numbers.

The third sector, transportation/logistics, has already been established, and can be developed even further especially within the already present cluster and industries that represent this sector. With the existing infrastructure and other assets already in place in Clinton County this would seem like a sensible market to further grow. In addition, it would seem likely that the former DHL employees would be able to make an easy transition to other transportation related companies within the Clinton County and Wilmington area.

In order for the development (or further specialization in the case of transportation/logistics) of these sectors to occur there are some preconditions that must exist before these clusters are cultivated. Clinton County must focus on the following in terms of strategies as it relates to developing these specific clusters. These strategies include:

- Creation of a development authority
- Attracting new development
- Developing and cultivating workforce
- Regional alignment
- Green development

In addition, there needs to be consideration of the existing infrastructure and land availability in pursuing these objectives. There are available properties throughout the

county that can be utilized to accomplish the development goals listed above. These properties can be categorized as:

- Interstate Nodal
- Airpark Sites
- Megasites
- Central Clusters

These sites need to be considered as part of an overall strategy in marketing and developing the Clinton County economy in light of the DHL decision to leave the ABX Airpark. There are programs and tools that can be used to effectively attract investment and development of the designated properties.

When bundled together each of these strategies is important in moving forward with the aforementioned initiatives. The case studies that have been reviewed suggest many tools and programs that can be implemented to take Clinton County to where it needs to be in the new economy. These tools and programs are mentioned throughout the report and it is our recommendation that these serve as the basis for the recovery of the Clinton County economy moving forward.

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Appendix

Additional Case Studies Summaries

LaGrange, Georgia and Rural Economic Development

LaGrange is a rural city in Georgia which had experienced declining industries, high unemployment, along with slow and small growth in population. The city had little economic diversity, relying on textile industries (70% of employment base). As the textile industries started to decrease in size and begin to close LaGrange found it necessary to update infrastructure and telecommunications as part of economic development strategies.

Initial Development Steps

Initially LaGrange wanted to diversify the economy and increase total industry investment in the city. This occurred successfully through two steps:

- Invested \$75 million in infrastructure (roads, water, sewer, schools, and hospital)
- Built an industrial park

These two vital development steps caused 27 industries to expand or to locate in LaGrange. Over 2,727 jobs were created and only 10% of employees were working in the textile industry. (Time period: 1980 – 1990)

Further Development Steps

LaGrange wanted to update telecommunications to increase job potential and to supplement the manufacturing industry.

- Appointed a telecommunications committee
- Comparative analysis conducted (consulting firm): Georgia's service sector was increasing while manufacturing industry was decreasing. However, LaGrange's service sector remained flat. Thus it was suggested that the service sector growth opportunities were not being taken advantage of.
- Improved telecommunications infrastructure
- Collaborated with the private sector to increase telecommunications capabilities
- Upgraded education and training possibilities
- Technical Institute obtained resources from state program
- Attended conferences and trade shows to market the city

Success Measures

LaGrange successfully updated the telecommunications infrastructure and through marketing the city attracted back office service sector jobs, including telemarketing.

Transferability

Clinton County can use many of the tools which LaGrange used.

- Can collaborate with the private sector on projects
- Market the city through conferences and shows
- Job Training Assistance Programs
- Improving technical capabilities has positive effects on economic growth and wages (Bartik 2003).

Prison Recruitment for Local Economic Development – Avenal, CA and Fremont County, CO

Various studies have argued both for and against the impact of construction of prisons in rural communities on the local economy.

The arguments for the Prison industry suggest that –

- Prison Industry does not have the risk of shut down considering crime rate.
- Construction of prisons signifies public safety in the community.
- The prisons provide an easy access to cheap labor forces (the prisoners).

The arguments against the Prison industry suggest that –

- The presence of prisons in communities also provides a threat of eliminating employment opportunities from community due to the availability of cheaper labor force (prisoners).
- The social impact of prisons on local communities is mostly argued to be negative.

Approach for Economic Development

- *Construction of prison in rural communities.*

Success Measures

In both the cases, the success of prison recruitment as a strategy for economic development has been measured in terms of employment generated, increase in labor force and tax base.

- The case of California exhibits generation of 1000 jobs which boosted the local economy. It was considered successful as recruitment of employees was mainly limited within local areas.

- The prisoners became a component of the local labor force and thus contributed towards the expansion of labor market.
- The prison industry had a direct impact on the tax base which increased due to the increase of local purchases by prison visitors and employees. The demand in real estate market near the prison also increased due to increasing housing need of the employees and also prison visitors as observed from the case of Colorado.

Transferability

This strategy has a potential to impact the local economy on short term basis given that its location is carefully chosen in isolated areas to reduce the social impact.

Denver, Colorado – Establishing a Land Use Authority

Denver could be used as the model for establishing a private, non-profit corporation to handle the management of the former Stapleton Airport in Denver. They created a 501(c)(3) corporation (Stapleton Development Corporation) structure to maintain and lease Stapleton for 15 years, an option to purchase property at Stapleton, and the authority to sell parcels for uses consistent with the Stapleton Redevelopment Plan. In addition several other private and public organizations have funded the redevelopment of the Stapleton site.

How did they do it?

Stapleton Development Corporation and the Denver Urban Renewal Authority used tax increment financing to fund infrastructure improvements most of which was the responsibility of Forest City Enterprises. Forest City Enterprises purchased 2,935 acres and will be repaid through funds that are generated by the TIF.

Success Measures

- The Stapleton Development Corporation has secured more than \$3 million in non-city grants from private sector foundations and other entities for the preservation of open space and the development of recreational facilities; neighborhood youth employment and training and environmental, conservation and renewable energy programs.
- Work is underway now on the first phase of a hiking, cycling and equestrian trail along Sand Creek as it flows across the property.
- Denver Mayor Wellington Webb, in addition to providing budgetary support through the Department of Aviation, has committed \$1.2 million from the general fund over a three year period for the preservation of open space at Stapleton.

Transferability

Wilmington needs to establish an authority to manage the transition of the airpark plus additional parcels throughout Clinton County. This could be a regional cooperative with assistance from Cincinnati, Dayton, and Columbus.

Navato and Hamilton Air Force Base

Department of Defense Housing Facility Navato was closed in September 1966. DODHF Navato includes two Navy-owned areas at the former Hamilton Air Force Base.

Proposed

- Reuse Plan Alternative
- Open Space Alternative
- No Action Alternative

- (a) **Reuse Plan:** The Navy would dispose of its surplus property at DODHF Navato... Most existing structures at DODHF Navato are and would remain housing units under the Reuse Plan. The nonresidential buildings would be adapted for new uses but would retain their basic structure and appearance.

The Reuse Plan identifies 10 planning areas and a runway area at the former Hamilton Air Force Base. The Reuse Plan can be characterized as promoting adaptive reuse of existing buildings and retention of existing land use patterns. The plan promotes adaptive reuse of existing buildings and retention of existing land use patterns. The nonresidential buildings would be adapted for new uses, but would retain their basic structure and appearance. The plan analyzes the effects of the proposed land uses contained in the plan and evaluates the potential environmental impacts at buildout of the plan.

- (b) **Open Space Alternative** – the existing housing units at Rafael Village would be demolished and the area would be graded and re-vegetated. The Rafael Village area would be used for open space and parkland instead of residential uses after the demolition of the existing housing units. The Main site uses would be similar to those under the Reuse Plan Alternative, except more parkland, less commercial uses. There will be seven acres of parkland and 24 acres of open space.
- (c) **No Action Alternative** – all of the property and facilities at DODHF Navato would remain under federal ownership in caretaker status. This is an environmentally preferable alternative.

Chanute Air Force Base

Chanute Air Force Base in Rantoul, Illinois was closed. Closed in 1993. Consists of 2 million square feet of buildings and 1,200 acres of land.

What They Did

The former base was divided into parcels. It was decided that there would be public areas composed of an airport, recreation areas and properties, education property, a museum, health services property and sale and development of the remaining parcels to the highest bidder.

Its first tenant was an expansion of an industry already located nearby in the Rantoul Industrial Park, Caradco, a window manufacturing firm. Next was Rantoul Products, an auto parts manufacturing firm. It took possession of 118,000 square feet. Microfilm Services Company Inc., leased 90,000 square feet and hired 200 employees. J.B. Hunt Transport, Inc. opened a school for truck drivers and hired 50 employees. The Illinois National Guard opened a challenge School for High School dropouts and hired 100. S & Transportation, Polycon-version, Choice Productions, Birkey's Farm Stores, International Technologies, Hydrosience, and ABC Home Health Services are among the more than 40 small operations that have located on the former base. There are now nearly 1,000 new jobs generating more than \$1 million per year in revenues.

Also a Civil Engineering research and development center was established on 53 acres and four buildings of the former base. One hundred forty seven acres of land and several buildings were given to Rantoul for recreational purposes. A largest aviation museum in the State of Illinois was opened.

More than one-third of the base property was to be sold to highest bidders in sealed bid auctions. At the end of the first year all but one small housing area has been sold.

Rantoul received a grant from the Economic Development Administration (EDA) to construct a new road. A 220,000-square foot massive hangar structures used by the military for large military aircraft has been converted to manufacturing, which proved the best use for that structure.

The Air Force remains in the environmental clean-up process and is progressing well with the remediation of soil contaminated by underground storage tanks.

Transferability

Clinton County assets can be employed similarly to the Reuse plan above.

Policymakers at present have four policies which address some aspects of the displaced worker problem. Two of them address in particular the workers that fall in the category of plant closing legislation.

1. JTPA Title III makes aid available to all dislocated workers, not just those affected by trade. These funds are flexible, but the most common uses are to set up plant-based job search and training assistance.
2. This legislation has focused on assisting all workers affected by plant closures. The proposed legislation has been designed to both minimize the personal losses and community costs of plant closures and to reallocate the social costs of displacement to those responsible for the layoff decision.

Education programs can help train the local labor force in order to attract various businesses to the area. Some immediate help could be used for the transition period.

Wisconsin Agricultural Development Zones

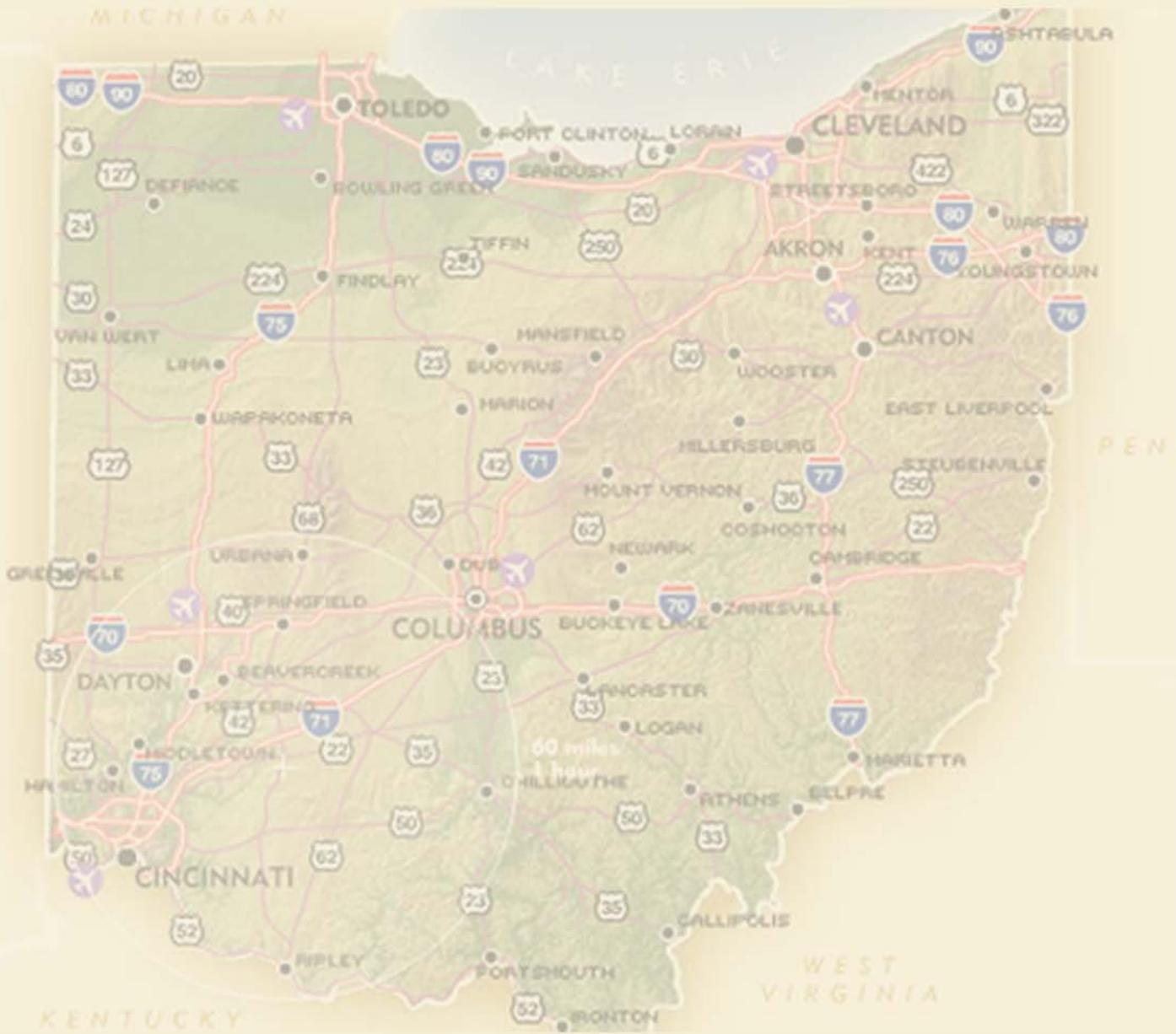
The Department of Commerce has established an Agricultural Development Zone (ADZ) program to help attract, promote, retain and encourage the expansion of agricultural businesses in Wisconsin. This program is designed to assist Wisconsin in regaining its prominence in the dairy industry and in dairy processing production.

- Four regions have been designated as Wisconsin's Agricultural Development Zone
- \$5 million in tax credits have been allocated to the zone
- Tax credits will be available for new and expanding businesses
- Agribusinesses can apply tax credits against their Wisconsin income tax
- Unused tax credits can be carried forward for 15 years
- Tax credits can be earned through:
 - (1) Capital investments for real and personal property (3% of eligible expenses)
 - (2) Job creation and retention
 - (3) Environmental remediation (50% of eligible expenses).

Transferability

Similar programs could be started in the local area.

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CLINTON COUNTY RECOVERY STRATEGY GUIDELINES